

imposes certain requirements on federal agencies, including the Commission, in connection with conducting or sponsoring any collection of information as defined by the PRA. In compliance with the PRA, the Commission through these proposed rules solicits comments to: (1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including the validity of the methodology and assumptions used; (2) evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) enhance the quality, utility, and clarity of the information to be collected; and (4) minimize the burden of the collection on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology. The Commission has submitted the proposed rules and their associated information collection requirements to the Office of Management and Budget (OMB). The proposed rules are part of an approved collection of information (OMB Control No. 3038-0009). The estimated burden associated with information to be provided pursuant to special calls is as follows:

*Average burden of response:* One hour.

*Number of respondents:* 10 per year.

*Frequency of response:* One response per respondent per year.

*Annual reporting burden:* 10 hours.

Persons wishing to comment on the information that would be required by these proposed rules should contact the Desk Officer, CFTC, Office of Management and Budget, Room 10202, NEOB, Washington, DC 20503, (202) 395-7340. Copies of the information collection submission to OMB are available from the CFTC Clearance Officer, 1155 21st Street, NW., Washington, DC 20581, (202) 418-5160. Copies of the OMB-approved information collection package associated with the rulemaking may be obtained from the Desk Officer, Commodity Futures Trading Commission, Office of Management and Budget, Room 10202, NEOB, Washington, DC 20503, (202) 395-7340.

#### List of Subjects in 17 CFR Part 21

Commodity futures, Commodity Futures Trading Commission.

In consideration of the foregoing, and pursuant to the authority in the Commodity Exchange Act, the

Commission hereby proposes to amend Part 21 of Title 17 of the Code of Federal Regulations as follows:

#### PART 21—SPECIAL CALLS

1. The authority citation for part 21 continues to read as follows:

**Authority:** 7 U.S.C. 1a, 2, 2a, 4, 6a, 6c, 6f, 6g, 6i, 6k, 6m, 6n, 7, 7a, 12a, 19 and 21; 5 U.S.C. 552 and 552(b).

2. Section 21.02 is proposed to be amended by:

- a. Removing the word “and” at the end of paragraph (f);
- b. Redesignating paragraph (g) as paragraph (i); and
- c. Adding new paragraphs (g) and (h).  
The additions read as follows:

**§ 21.02 Special calls for information on open contracts in accounts carried or introduced by futures commission merchants, members of contract markets, introducing brokers, and foreign brokers.**

\* \* \* \* \*

(g) The total number of futures contracts exchanged for commodities or for derivatives positions;

(h) The total number of futures contracts against which delivery notices have been issued or received; and

\* \* \* \* \*

3. Section 21.04 is added to read as follows:

**§ 21.04 Delegation of authority to the Director of the Division of Market Oversight.**

The Commission hereby delegates, until the Commission orders otherwise, to the Director of the Division of Market Oversight, or to the Director's delegates, the authority set forth in section 21.01 of this Part to make special calls for information on controlled accounts from futures commission merchants and from introducing brokers and the authority set forth in section 21.02 of this Part to make special calls for information on open contracts in accounts carried or introduced by futures commission merchants, members of contract markets, introducing brokers, and foreign brokers. The Director may submit to the Commission for its consideration any matter that has been delegated pursuant to this section. Nothing in this section shall be deemed to prohibit the Commission, at its election, from exercising the authority delegated in this section to the Director.

Issued in Washington, DC, on June 15, 2007 by the Commission.

**Eileen Donovan,**

*Acting Secretary of the Commission.*

[FR Doc. E7-11984 Filed 6-21-07; 8:45 am]

**BILLING CODE 6351-01-P**

#### DEPARTMENT OF STATE

#### 22 CFR Part 62

[Public Notice: 5837]

RIN 1400-AC38

#### Exchange Visitor Program—Fees and Charges for Exchange Visitor Program Services

**AGENCY:** Department of State.

**ACTION:** Proposed rule with request for comment.

**SUMMARY:** The Department is proposing to revise its regulations regarding Fees and Charges for Exchange Visitor Program services. A new section will contain all of the fees and charges for Exchange Visitor Program services. The long-range goal of these changes is to recoup the full cost for providing such services.

**DATES:** The Department will accept comments from the public by August 21, 2007.

**ADDRESSES:** You may submit comments, identified by any of the following methods:

- Persons with access to the Internet may view this notice and provide comments by going to the *regulations.gov* Web site at: <http://www.regulations.gov/index.cfm>.

- *Mail* (paper, disk, or CD-ROM submissions): U.S. Department of State, Office of Exchange Coordination and Designation, SA-44, 301 4th Street, SW., Room 734, Washington, DC 20547.

- *E-mail:* [jexchanges@state.gov](mailto:jexchanges@state.gov). You must include the RIN (1400-AC38) in the subject line of your message.

**FOR FURTHER INFORMATION CONTACT:** Stanley S. Colvin, Director, Office of Exchange Coordination and Designation, U.S. Department of State, SA-44, 301 4th Street, SW., Room 734, Washington, DC 20547; 202-203-5096 or e-mail at [jexchanges@state.gov](mailto:jexchanges@state.gov).

**SUPPLEMENTARY INFORMATION:** The Department of State designates U.S. government, academic, and private sector entities to conduct educational and cultural exchange programs pursuant to a broad grant of authority provided by the Mutual Educational and Cultural Exchange Act of 1961, as amended (Fulbright-Hays Act), 22 U.S.C. 2451 *et seq.*; the Immigration and Nationality Act, 8 U.S.C. 1101(a)(15)(J); the Foreign Affairs Reform and Restructuring Act of 1998, Public Law 105-277; as well as other statutory enactments, Reorganization Plans and Executive Orders. Under those authorities, designated program sponsors facilitate the entry of more

than 300,000 exchange participants each year.

The Fulbright-Hays Act is the organic legislation underpinning the entire Exchange Visitor Program. Section 101 of that Act sets forth the purpose of the Act, viz., "to enable the Government of the United States to increase mutual understanding between the people of the United States and the people of other countries by means of educational and cultural exchange \* \* \*". The Act authorizes the President to provide for such exchanges when he considers that it would strengthen international cooperative relations. The language of the Act and its legislative history make it clear that Congress considered international educational and cultural exchanges to be a significant part of the public diplomacy efforts of the President in connection with his Constitutional prerogatives in conducting foreign affairs.

The former United States Information Agency (USIA) and, as of October 1, 1999, its successor, the U.S. Department of State, have promulgated regulations governing the Exchange Visitor Program. Those regulations appear at 22 CFR part 62, and have remained largely unchanged since 1993, when USIA undertook a major regulatory reform of the Exchange Visitor Program. The first fee regulation was promulgated on September 27, 1999, when USIA published an Interim Final Rule on fees. 64 FR 51894. User fees were adopted for the first time under the authority of Section 810 of the United States Information and Educational Exchange Act of 1948, as amended, 22 U.S.C.1475e, and the Independent Offices Appropriations Act of 1952 (IOAA), 31 U.S.C. 9701. Following the guidelines set forth in Office of Management and Budget (OMB) Circular No. A-25, USIA determined that the following user fees were appropriate in order to recoup the full cost of providing a benefit or service to the users of those benefits or services: Request for § 212(e) waiver review—\$136; Request for program extension—\$198; Request for change of program category—\$198; Request for reinstatement—\$198; Program Designation —\$799; and Requests for non-routine handling of Form IAP-66 —\$43. The Interim Final Rule became Final on April 14, 2000, 65 FR 20083, and it has not been changed since that date.

In 2006, the Department examined the current fee structure for compliance with applicable laws and policies, and to determine the appropriate level of fees and whether additional fees are justified. The analysis proceeded from

the guiding principles set forth in the legislative framework and authorities cited above, namely, that user fees should be fair, that they should reflect the full cost to perform the services, and that services performed on behalf of distinct, identifiable beneficiaries (versus the public at large) should, to the extent possible, be self-sustaining. As a result of our review, we determined that additional fee categories and increased fees were justified.

The services covered by the new categories of fees include those related to new applications for Designation and Redesignation. These fees also include the cost of applications and requests for amendments, allotment requests, and updates of information, as well as the costs for program compliance, regulatory review and development, outreach, and general program administration. There are also new fees for "changes," i.e., requests for change of program category, extension beyond maximum duration, requests for reinstatement, requests to update the Student and Exchange Visitor Information System (SEVIS) status, and similar requests. The fees received for this category of services also include the appropriate share of costs for regulatory review and development, outreach, and general program administration.

The new fee structure was developed by once again following the guidelines set forth in OMB Circular A-25, as well as the Statement of Federal Finance and Accounting Standards No. 4 (SFFAS 4). In accordance with SFFAS 4, the Department used an "activity-based costing" (ABC) approach to develop a sustainable cost model to align the costs of the program to the specific services performed on behalf of program sponsors and other program stakeholders. Activity-based costing is a method of identifying the work that is performed, how resources are consumed by that work, and how that work contributes to the production of required outputs. The ABC methodology enabled the development of a bottom-up budget that factored in forecasts for expected demand of program services in the years when the fees are effective and would provide the program with adequate resources to meet that future program demand and eliminate the existing application backlog.

#### Full Cost

One of the most critical elements in building the cost models to determine user fees is to identify all of the sources and the appropriate amounts of costs to be included in the analysis. According to the legislative and regulatory

guidance as documented in the legal framework, user charges should be based on the full cost to the government of providing the services or things of value. OMB Circular A-25 defines full cost as all direct and indirect costs to any part of the Federal government of providing a good, resource, or service. These costs include, but are not limited to, an appropriate share of:

- Direct and indirect personnel costs, including salaries and fringe benefits such as medical insurance and retirement.
- Physical overhead, consulting, and other indirect costs including material and supply costs, utilities, insurance, travel, and rents or imputed rents on land, buildings, and equipment.
- Management and supervisory costs.
- Costs of enforcement, collection, research, establishment of standards, and regulation, including any required environmental impact statements.

The generally accepted government accounting practices for managerial cost accounting, published in SFFAS 4, provide the standards for cost definition, recognition, accumulation and assignment as they relate to the recognition of full cost. These standards have been applied to the determination of what costs to include in or exclude from the Exchange Visitor Program fee model. According to SFFAS 4, with respect to each responsibility segment, the costs that are to be assigned to outputs include: (a) Direct and indirect costs incurred within the responsibility segment, (b) costs of other responsibility segments that are assigned to the segment, and (c) inter-entity costs recognized by the receiving entity and assigned to the segment.

Following the relevant guidance, three general "pools" of costs were identified that should be considered for inclusion in the Exchange Visitor Program fee model: Bureau of Educational and Cultural Affairs/Office of Exchange Coordination and Designation (ECA/EC) costs (direct costs incurred by ECA/EC to administer the Exchange Visitor Program); Bureau-wide costs (indirect costs to provide joint or common services across ECA); and Department-wide costs (indirect costs to provide joint or common services across the Department).

#### Cost Model Structure and Historic Program Cost

Costs within the ECA/EC ABC model were separated into three categories: labor, non-labor, and ECA and Department costs. Bureau costs were allocated from the Program Direction & Administration (PD&A) budget of ECA's Program Plan; Department costs were

allocated from the Congressional Budget Justification (CBJ).

#### ECA/EC Costs

ECA/EC direct costs were easily identified through the transactional data of ECA's fee account and the use of general figures for the average grade and step for all current and planned positions. The costs associated with the Coordination Division and the administration of the ECA/EC G-1 exchange program were driven to different activities and outputs than those for the Exchange Visitor Program. As a result, these costs were included in the ECA/EC ABC model but were excluded from the Exchange Visitor Program cost and fee calculations. ECA/EC costs were identified as follows:

##### Labor Costs

- OPM General Schedule Salary Rates for Washington, DC area—We used the OPM General Schedule Salary rates tables, provided at <http://www.opm.gov/oca> to populate the labor costs. The mid-range (step 5) for each grade was used to provide a consistent average labor cost across the board. This is an accepted method used as prescribed by OMB Circular A-76, as well as budgeting processes. In addition to salary costs, the OMB standard of 32.85% of total salary was applied to develop the cost for personnel benefits.

##### Non-Labor Costs

- ECA/EC Fee Account (X0113.P)—The ECA/EC model uses detailed transaction data pulled from CFMS for the fee account—fund X0113.P.

#### ECA Bureau-Wide Costs

Bureau-wide labor costs were identified through specific personnel within the ECA Executive Office (ECA-IIP/EX) who provide service directly to ECA/EC. Bureau-wide non-labor costs were identified through ECA's PD&A. Any costs directly related to other offices within ECA were excluded from the analysis. Costs that were shared across ECA were allocated costs to ECA/EC based on the ratio of ECA/EC to ECA FTE and, in the instance of ECA's Management Information System project, the ratio of funds managed.

#### Department-Wide Costs

There was much less insight into the nature of the joint or common services provided by other bureaus throughout the Department to ECA/EC and the Exchange Visitor Program. No detail related to the cost of centrally provided services could be extracted from either the central State Department financial system or ECA's corporate financial

system. In addition, neither the Department nor individual bureaus discretely allocate the cost of centrally provided services to constituent bureaus or formally establish shared services arrangements to receive reimbursement for the cost of providing services to other bureaus.

As a result, the FY2007 CBJ (please spell out the acronym) was identified as the best available source of Department-wide costs. Since the Department does not discretely allocate intra-entity across bureaus, a materiality was performed to determine the inclusion or exclusion of these costs. Accordingly, these costs were evaluated on a case-by-case basis for inclusion based on materiality factors presented by SFFAS 4:

- Significance to the entity—with limited exceptions, there are no significant costs of goods or services that should be factored into the full cost of Exchange Visitor Program outputs;
- Directness of relationship to the entity's operations—with limited exceptions, none of the Department-wide joint or common costs can be considered as direct costs, an integral part of, or necessary to, the outputs produced by the Exchange Visitor Program; and,
- Identifiability—no formal process exists to match Department-wide joint or common costs to any other entity or responsibility segment. Also, with limited exceptions, there is no means by which to match any Department-wide costs to ECA/EC with reasonable precision.

Finally, there was no economical way either to assign directly most of these costs to ECA/EC or to identify or establish any cause and effect relationships between most Department-wide costs and ECA/EC. As a result, most Department-wide costs were excluded from the full cost analysis and costs were only included from this pool when a distinct relationship exists between ECA/EC and other bureaus, whereby ECA/EC directly consumes services from the other bureau and these costs can be reasonably estimated.

*The following direct intra-entity support was identified:*

- Office of the Legal Adviser—provides legal opinions to the Exchange Visitor Program as required on various subjects including, but not limited to, regulations, policies, designations and sanctions. Pro-rated costs for personnel compensation were included based on the ratio of ECA/EC to DoS personnel.
- Bureau of Administration—provides administration and infrastructure management across the Department. Pro-rated costs for GSA

rent were included based on the ratio of ECA/EC to DoS personnel.

- Office of the Inspector General—provides compliance assistance to the Exchange Visitor Program on a per referral basis. Pro-rated costs for personnel compensation were included based on the ratio of ECA/EC to DoS personnel.

#### FY08 and FY09 Budget Formulation

The main goals of budgeting are to facilitate operational planning, resource allocation, performance evaluation, and strategy formulation. In the user fee environment, the budgeting process garners even more importance, as the budget becomes the cost basis for fees. Organizations depend on the budgeting process to establish program requirements and set fees with the expectation that revenues will cover costs during the budget execution period. Too many times, organizations focus on historic costs or expected revenues as the basis for fee setting. By doing so, agencies become fee constrained and artificially limit their ability to meet program requirements and performance standards and service levels.

To develop the recommended fees for the Exchange Visitor Program, the Department developed a bottom-up, requirements-based budget targeting FY08 as the implementation year for the new fees. In this approach, the Department defined the actual resource requirement to perform all of the activities necessary to deliver program services within existing performance targets and goals. This approach focused on determining the budget required to meet this performance, and then using this budget as the basis to establish fees. In addition, the Department developed the budget requirement for a two-year period (FY08 and FY09) to coincide with the lifecycle of the fee as prescribed by the Chief Financial Officers' Act of 1994.

This section presents the budget requirement formulation process followed to formulate the FY08 and FY09 budget requirements and establish the recommended fees. Program requirements were also projected through FY12 based on current performance and growth projections. By looking forward to future expected output vs. future expected costs, the organization can set realistic fees instead of depending on historical costs.

#### Exchange Visitor Program Budget Formulation

EVP followed a fourstep process to develop the FY08 and FY09 budget requirement:

- Step 1—Identify Strategy, Goals and Objectives.
- Step 2—Develop Workload Requirements.
- Step 3—Determine Organizational Capacity.
- Step 4—Calculate the Budget Requirement.

The budgeting process begins by determining the organization's main objectives and goals and envisioning a desired end-state. After mapping out the strategy and goals, the next step is to develop performance measures to gauge how the organization is progressing to achieving the desired result. The next task is to develop a reliable forecast of the expected volume of work in the upcoming period, as well as to identify new requirements or initiatives that are needed to achieve the goals and meet performance standards. The next step is to determine the capacity and capability of the organization as it currently exists, compare expected workload to existing capacity, and determine any additional workload requirement. The final step is to then perform the calculations to translate goals/objectives into financial and human resource requirements.

#### Workload Requirements

The most basic element needed to develop the budget requirement for FY08 is an accurate estimation of expected workload. To develop workload estimates for the Exchange Visitor Program, the activities in the ABC model were divided into two general categories: (1) Application-based; and (2) non-application based. The following processes were then used to develop application volume estimates, workload estimates and, subsequently, budget requirements.

##### *Total hours required to perform application-based workload:*

- Estimate the expected demand (future volume) for each type of application, or output;
- Determine the cycle time to produce each individual output; and
- Multiply the expected application volumes by the cycle times to calculate the total work hours required to perform the application-based workload.

##### *Total hours required for non-application based workload:*

- Measure the percentage of time spent across the organization on non-application-based workload;
- Convert this percentage into hours; and,
- Hold these hours as fixed cost (these hours can be held as step-fixed if application based workload is expected to increase materially going forward.)

#### Application Volume

To develop the workload estimates, application volumes from SEVIS for FY03–FY06 (to date) were collected. These data and other information regarding expected application demand were used to project workload volume for FY07–FY12.

##### *Assumptions*

- FY07 expected volumes are based on the average of the volumes from prior years. For Amendments, a one-time spike of 80 applications is expected due to the implementation of the Intern program category. For Extensions and Reinstatement-Update SEVIS Status, FY07 volumes were calculated by applying a 2% growth rate to FY06 figures because of insufficient historical data.
- FY08–FY12 expected volumes were calculated by applying a 2% annual growth rate. Permission to Issue volumes were held constant to reflect the estimated workload demand, since no SEVIS data exists for this application type.

#### Cycle Time

EVP staff were surveyed to collect percentage of time estimates that each staff member spent to complete one application or request for each application type. The Department also performed a sampling exercise to validate the estimates collected in the survey. Over a five-day period, observations of the actual time spent performing the individual tasks for each activity were collected. A mean for each task was established and then summed to calculate the mean cycle time for each application type.

#### Total Workload Requirement

With cycle time information and forecasts for application volumes, the total application-based workload requirement was calculated, in hours, for FY07–FY12.

#### Organizational Capacity

To determine capacity of the current organization, the Department calculated the ratio of FTE hours dedicated towards application work and non-application work. ECA/EC staff completed activity surveys to provide estimates for percentage of time spent performing each activity, as defined in the ABC model. Survey data was summarized across office and position levels, and the percentage of application and non-application-based workload was determined. The Department used the OMB Circular A–76 standard of 1776 hours for the total number of productive hours for a Federal employee

as the basis for establishing hours and FTE levels.

The Department compared the total number of hours required to complete the application-based workload to the existing total capacity for application based-workload. This provided the gap between capacity and the true workload requirement. For forecasting purposes, non-application-based costs were held as fixed. The total number of application hours in excess of capacity was divided by 1776 to quantify an FTE requirement in future years.

#### Budget Formulation

Once the forecasted workload requirement was established, the future budgets for each general cost “pools” included in the full cost of the Exchange Visitor Program were developed.

#### ECA/EC Direct Cost Estimation

ECA/EC Direct Costs were provided by the ECA Executive Office (ECA–IIP/EX) budget staff. Labor costs were determined according to the grade level of each employee within ECA/EC. We used the following assumptions in estimating ECA/EC Direct Costs:

- Estimated salary and benefits based on OPM's Washington, DC-area GS salary table, assuming Step 5;
- Estimated salary and benefit costs based on grade levels, as recommended in an organizational analysis performed by ECA/EC;
- Applied the OMB Circular A–76 standard of 32.85% for fringe benefits for each employee;
- For FY07–FY12, applied a 3.1% COLA growth rate to salaries to account for inflation;
- FY07 staffing model reflects the following expected staff additions:
  - *Compliance Division*: 1 GS–9, 1 GS–13;
  - *Private Sector Programs Division*: 1 Program officer at GS–13; and,
  - *Office of the Director*: 1 Deputy Director at GS–15.

• Cycle times were established assuming standard processes and current performance standards;

- FY08–FY12 costs were estimated factoring in the additional resources required as estimated in the workload analysis; and,
- Non-application workload was held as fixed and all additional resources were applied 100% to application workload.

For non-labor costs, ECA–IIP/EX provided detailed transaction data pulled from Corporate Financial Management System (CFMS) for fund X0113.P (fee account) to identify ECA/EC direct costs for FY05 and FY06. Basic assumptions and or growth rates

were applied to estimate all non-labor direct costs.

### ECA Bureau-Wide Cost Estimation

ECA Bureau-wide costs represent indirect costs to provide joint or common services across the Bureau. No direct or cause and effect relationships are evident for these costs.

Consequently, reasonable allocation methodologies were used to determine the appropriate amount of cost to allocate to ECA/EC for inclusion in the full cost model. ECA Bureau-wide costs were divided into two pools of cost: Labor and Non-labor. Then Application Development costs were separated from the Non-labor cost pool, as different cost allocation methodologies were used to perform cost allocation for this line item.

#### Labor Costs

- A 3.1% COLA growth rate was applied to the pro-rated figures.

#### Non-labor Costs

- The average percentage of PD&A costs to the overall Exchanges Support budget using FY05 and FY06 figures was calculated and used to derive the PD&A costs for FY07.

- Using FY05 and FY06 figures, the average percentage of the individual PD&A line items to the total PD&A amount was calculated. These average rates were applied to the FY07 PD&A summary amount to calculate the individual PD&A line items in order to derive an estimated value for the Application Development line item for FY07.

- Using FY05 and FY06 values, the Department developed the average percentage of ECA Application Development costs allocated to ECA/EC. The FY07 Application Development line item was then multiplied by the rate to develop pro-rated FY07 application development costs.

- To forecast the ECA Bureau-wide figures for FY08–12, a 4% estimated growth rate for FY08 and a 2% estimated growth rate for FY09–FY12 was applied to the Exchanges Support line item as presented in the FY07 CBJ. The PD&A summary figure and individual line items were then calculated using the FY05–06 average percentage rates.

- The same estimated growth rates were used to forecast the ECA FTE figures and develop ECA/EC to ECA FTE ratios for FY08–FY12.

- Finally, the forecasted numbers were pro-rated using the forecasted FTE and Funds Managed ratios as previously described.

### Department-Wide Cost Estimation

Department-wide costs were collected from the FY07 CBJ. This document provided actual costs for FY05, estimated costs for FY06, and budgeted requests for FY07 for both cost and FTE. The following variables were used to forecast the Department-wide costs for FY08–12, based on the figures presented in the FY07 CBJ:

- A 3.1% COLA growth rate (applied to FY07 CBJ) for pro-rated personnel compensation costs; and
- Average % increase from prior 2 years applied to FY07 budget figures for GSA rent figures.

### ECA/EC FY08 Budget Model

The final step in the budgeting process was to align the budget requirement to its funding sources. ECA/EC has three sources of funds:

1. Exchange Visitor Program Fees—revenue generated by the Program Designation and Exchange Visitor Changes Fees;

2. DHS ICE Reimbursable Agreement—reimbursement for expenses to support SEVIS development, operations and maintenance; and,

3. Direct Appropriation—funding to cover operations of the ECA/EC G–1 Program and Coordination Division.

To accomplish this, the ABC model was architected to align the costs of program outputs to their respective funding sources. Using the same basic model architecture, model periods for FY07–FY12 were established and the output volumes, activity drivers and budgetary resources were adjusted according to forecasts. Finally, the Department entered the forecasted costs of the organization, aligned those costs according to the appropriate funding source, and calculated the model to determine the total budget requirement to be recovered in Exchange Visitor Program user fees.

### Recommended Fees

To set the recommended fees, the budget periods of the Exchange Visitor Program ABC Model were calculated to develop the cost of each fee category for FY07–12 based on forecasts. The units were calculated based on the expected periodicity of the fee defined in the fee structure.

To set the recommended fee, the budget requirement and forecasted number of units for FY08 and FY09 were combined to reflect the two-year expected life cycle of the new fee. The Department divided the total cost by the total forecasted volume for each fee category to calculate the unit-based fee.

The Chief Financial Officer Act of 1994 and OMB Circular A–25 require that fees be reviewed every two years. ECA/EC will operate and maintain the ABC model in order to monitor the program against its financial plan as part of ongoing operations. Every two years, ECA/EC will revise the model as necessary and evaluate the fee structure and fee amounts. As the Exchange Visitor Program evolves, any program changes will be reflected in the costs model and the fees will change accordingly.

The new fees will be flat fees, i.e., they will not vary based on program size and exchange visitor volume. Future fees, however, may be higher or lower depending on how volumes and costs vary in the future.

### Regulatory Analysis

#### *Administrative Procedure Act*

This regulation involves a foreign affairs function of the United States and, therefore, in accordance with 5 U.S.C. 553(a)(1), is not subject to the rule making procedures set forth at 5 U.S.C. 553.

#### *Regulatory Flexibility Act/Executive Order 13272: Small Business*

This rule is not subject to the notice-and-comment rulemaking provisions of the Administrative Procedure Act or any other act and, accordingly it does not require analysis under the Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*) and Executive Order 13272, section 3(b).

#### *The Unfunded Mandates Reform Act of 1995*

Section 202 of the Unfunded Mandates Reform Act of 1995 (UFMA), Public Law 104–4, 109 Stat. 48, 2 U.S.C. 1532, generally requires agencies to prepare a statement before proposing any rule that may result in an annual expenditure of \$100 million or more by State, local, or tribal governments, or by the private sector. This rule will not result in any such expenditure, nor will it significantly or uniquely affect small governments.

#### *The Small Business Regulatory Enforcement Fairness Act of 1996*

This rule is not a major rule as defined by 5 U.S.C. 804, for purposes of congressional review of agency rulemaking under the Small Business Regulatory Enforcement Fairness Act of 1996, Public Law 104–121. This rule will not result in an annual effect on the economy of \$100 million or more; a major increase in costs or prices; or adverse effects on competition, employment, investment, productivity, innovation, or the ability of United

States-based companies to compete with foreign-based companies in domestic and import markets.

*Executive Order 12866: Regulatory Review*

The Department of State has reviewed this rule to ensure its consistency with the regulatory philosophy and principles set forth in Executive Order 12866 and has determined that the benefits of the proposed regulation justify its costs. The Department does not consider the rule to be an economically significant action within the scope of section 3(f)(1) of the Executive Order, since it is not likely to have an annual effect on the economy of \$100 million or more or to adversely affect in a material way the economy, a sector of the economy, competition, jobs, the environment, public health or safety, or state, local, or tribal governments or communities.

*Executive Orders 12372 and 13132: Federalism*

This regulation will not have substantial direct effects on the States, on the relationship between the national government and the States, or the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with section 6 of Executive Order 13132, it is determined that this rule does not have sufficient federalism implications to require consultations or warrant the preparation of a federalism summary impact statement. The regulations implementing Executive Order 12372 regarding intergovernmental consultation on Federal programs and activities do not apply to this regulation.

*Executive Order 12988: Civil Justice Reform*

The Department has reviewed the proposed regulations in light of sections 3(a) and 3(b)(2) of Executive Order No. 12988 to eliminate ambiguity, minimize litigation, establish clear legal standards, and reduce burden.

*Paperwork Reduction Act*

This rule does not impose information collection requirements under the provisions of the Paperwork Reduction Act, 44 U.S.C., Chapter 35.

**List of Subjects in 22 CFR Part 62**

Cultural Exchange Programs.

Accordingly, 22 CFR part 62 is proposed to be amended as follows:

**PART 62—EXCHANGE VISITOR PROGRAM**

1. The authority citation for part 62 is revised to read as follows:

**Authority:** 8 U.S.C. 1101(a)(15)(J), 1182, 1184, 1258, 1372 (2001), 1701–1775 (2002); 22 U.S.C. 1431–1442, 2451–2460; 6501 (1998); 5 U.S.C. app. § 1–11 (1977); Reorganization Plan No. 2 of 1977, 3 CFR, 1977 Comp. p. 200; E.O. 12048 of March 27, 1978; 3 CFR, 1978 Comp. p. 168.

2. Revise § 62.17 to read as follows:

**§ 62.17 Fees and charges.**

(a) *Remittances.* Fees prescribed within the framework of 31 U.S.C. 9701 must be submitted as directed by the Department and must be in the amount prescribed by law or regulation.

(b) *Amounts of fees.* The following fees are prescribed for Fiscal Years 2008–2009 (October 1, 2007–September 30, 2009):

(1) For filing an application for program designation and/or redesignation (Form DS–3036)—\$1,748.

(2) For filing an application for exchange visitor status changes (i.e., extension beyond the maximum duration, change of category, reinstatement, reinstatement-update SEVIS status, ECFMG sponsorship authorization, and permission to issue)—\$246.

**Subpart H—[Removed]**

**§ 62.90 [Removed]**

3. Remove Subpart H—Fees and § 62.90.

Dated: June 12, 2007.

**Stanley S. Colvin,**

*Director, Office of Exchange Coordination and Designation, Bureau of Educational and Cultural Affairs, Department of State.*

[FR Doc. E7–11810 Filed 6–21–07; 8:45 am]

**BILLING CODE 4710–05–P**

**POSTAL REGULATORY COMMISSION**

**39 CFR Part 3001**

[Docket No. PI2007–1; Order No. 21]

**Administrative Practice and Procedure, Postal Service**

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Order and request for comments.

**SUMMARY:** Recent legislation alters the postal ratemaking process, and tasks the Postal Regulatory Commission with developing regulations to implement this process. This document invites public comment, in advance of formulating substantive rule proposals,

on establishing service standards and performance measurement for market dominant products.

**DATES:** Initial comments are due July 16, 2007; reply comments are due July 30, 2007.

**ADDRESSES:** Submit comments electronically via the Commission's Filing Online system at <http://www.prc.gov>.

**FOR FURTHER INFORMATION CONTACT:** Stephen L. Sharfman, General Counsel, 202–789–6820 and [stephen.sharfman@prc.gov](mailto:stephen.sharfman@prc.gov).

**SUPPLEMENTARY INFORMATION:** Regulatory History, 72 FR 33261 (June 14, 2007).

**I. Background**

The Postal Accountability and Enhancement Act, Public Law 109–435 (PAEA), directs that “the Postal Service shall, in consultation with the Postal Regulatory Commission, by regulation establish (and may from time to time thereafter by regulation revise) a set of service standards for market-dominant products.” 39 U.S.C. 3691. It also directs the establishment of performance measurements for market-dominant products. 39 U.S.C. 3691(b)(1)(D), (b)(2). The statute requires that these tasks be completed by December 20, 2007. *Id.* at 3691(a).

Prior to fulfilling its consultative role under 39 U.S.C. 3691(a) and its obligations under title III of the PAEA, the Postal Regulatory Commission (Commission) is issuing this Public Inquiry to obtain public comment on these topics. The Commission is establishing Docket No. PI2007–1 for the purpose of receiving such comments. The Commission intends to evaluate the comments received and use those suggestions to help carry out its service standards and performance measurement responsibilities under the PAEA. Docket PI2007–1 is established for the purpose of obtaining a broad spectrum of opinion to inform Commission consultation providing guidance to the Postal Service in connection with the Commission's responsibilities regarding service standards and performance measurement under the PAEA. *Id.*

Interested persons are invited to provide written comments and suggestions on what the modern service standards should be and what system or systems of performance measurement should be utilized to evaluate whether those service standards have been met. Comments and suggestions are due by July 16, 2007. All comments and suggestions received will be available for review on the Commission's Web site, <http://www.prc.gov>. Interested