

“[a]ttributing inframarginal costs to products using the existing distribution keys is just as reliable as attributing marginal costs to products using those distribution keys. *Id.* at 20.

#### B. Proposal Two

In Proposal Two, UPS contends that the Postal Service has a “systematic tendency to misclassify costs as fixed.” Petition at 10. Such fixed costs, which are a major component of institutional costs, are not attributed to specific products.<sup>7</sup> UPS asserts that the Postal Service’s misclassification of certain costs as fixed allows it to “largely ignore” such costs when setting the prices for its competitive products. Petition at 10. Based on UPS’s belief that fixed and institutional costs are “borne disproportionately” by market dominant products, it concludes that the Postal Service’s systemic misclassification of costs as fixed results in the improper subsidization of competitive products by market dominant products, in violation of 39 U.S.C. 3633(a)(1). *Id.* Proposal Two at 5.

Relying on Dr. Neels’ analysis, UPS identifies 37 cost pools that it believes should be reclassified as wholly or partially variable. *Id.* at 1. UPS contends that Dr. Neels’ analysis reveals that over \$3 billion in costs have been misclassified as fixed, and thus, have not been properly attributed to products. *Id.* at 8. UPS requests that the Commission attribute these reclassified costs to specific products based on their respective shares of overall attributable costs in the prior fiscal year. *Id.* at 10. Using this methodology, UPS estimates that over \$700 million of costs have not been properly attributed to the Postal Service’s competitive products. *Id.* at 8.

#### C. Proposal Three

Unlike Proposals One and Two, Proposal Three does not involve issues related to the proper attribution of variable costs to the Postal Service’s products. Rather, in Proposal Three, UPS requests that the Commission reconsider the “appropriate share” of institutional costs that must be covered by competitive products. Petition, Proposal Three at 1. Pursuant to 39 U.S.C. 3633(b), the Commission is required to review the appropriate share requirement at least every 5 years to determine if the percentage should be “retained in its current form, modified, or eliminated.” The current appropriate share, set by the Commission in CY

<sup>7</sup> *Id.* Proposal Two at 2. 39 U.S.C. 3633(a)(3) requires that competitive products cover an “appropriate share” of institutional costs.

2012, is 5.5 percent. See Order 1449 at 27.

In light of competitive products’ volume growth in recent years, along with the Postal Service’s significant investments in its competitive business, UPS believes that the current appropriate share percentage does not reflect current market conditions. Petition, Proposal Three at 6–14. To ensure that the Postal Service competes fairly, UPS asserts that the appropriate share percentage should be set at a level that approximates the fixed costs that a private competitor must bear. *Id.* at 14. Accordingly, UPS recommends that the appropriate share percentage be set at 24.6 percent. *Id.* UPS states that this percentage is equal to the average of the “previous three years of attributable cost shares” for competitive products. *Id.* UPS also encourages the Commission to adopt a mechanism that would adjust the appropriate share percentage each year in order to account for the fluctuation of postal cost and market realities. *Id.* at 14–15.

#### III. Initial Commission Action

The Commission establishes Docket No. RM2016–2 for consideration of Proposals One and Two as raised by the Petition. The Commission holds Proposal Three in abeyance until it has completed its review of Proposals One and Two. As discussed above, Proposals One and Two both relate to the proper attribution of all variable costs to the Postal Service’s products. Given the interrelatedness of these two proposals, the Commission finds that it is appropriate to consider them together in this docket. However, as UPS itself discussed in its Petition, if Proposals One and Two are adopted, unattributed costs will decline from \$34.2 billion in FY 2014 to approximately \$17 billion. Petition at 11–12.

Given the potentially significant impact that Proposals One and Two could have on the size of the Postal Service’s unattributed costs, and given that Proposal Three relates to the portion of these costs that should be covered by competitive products, the Commission finds that consideration of Proposal Three should be delayed until the impact of Proposals One and Two are known. Both the Commission and the mailing community will benefit from having this information before evaluating UPS’s proposed adjustments to the appropriate share requirement. Further, the Commission must allocate its finite resources across multiple priorities. Simultaneously considering all three proposals may result in the Commission having insufficient

resources to bring to bear on other critical responsibilities.

Additional information concerning the Petition may be accessed via the Commission’s Web site at <http://www.prc.gov>. Interested persons may submit comments on Proposals One and Two in the Petition no later than January 20, 2016. Reply comments are due no later than March 25, 2016. Pursuant to 39 U.S.C. 505, Kenneth E. Richardson is designated as an officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.

#### IV. Ordering Paragraphs

*It is ordered:*

1. The Commission establishes Docket No. RM2016–2 for consideration of Proposals One and Two from the Petition of United Parcel Service, Inc. for the Initiation of Proceedings to Make Changes to Postal Service Costing Methodologies, filed October 8, 2015.

2. Consideration of Proposal Three from the Petition is held in abeyance until the Commission has completed its review of Proposals One and Two.

3. Comments are due no later than January 20, 2016. Reply comments are due no later than March 25, 2016.

4. Pursuant to 39 U.S.C. 505, the Commission appoints Kenneth E. Richardson to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this docket.

5. The Secretary shall arrange for publication of this order in the **Federal Register**.

By the Commission.

**Stacy L. Ruble,**  
Secretary.

[FR Doc. 2015-28127 Filed 11-4-15; 8:45 am]

**BILLING CODE 7710-FW-P**

#### ENVIRONMENTAL PROTECTION AGENCY

##### 40 CFR Part 52

[EPA-R06-OAR-2012-0434; FRL-9936-61-Region 6]

#### Approval and Promulgation of State Implementation Plans, Louisiana

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** The Environmental Protection Agency (EPA) is proposing to approve revisions to the State Implementation Plan (SIP) for Louisiana. These rule revisions are the 2007 General Revisions, and 2008–2010

Miscellaneous Rule Revisions to the SIP that were submitted by the State of Louisiana. The overall intended outcome is to make the approved Louisiana SIP consistent with current Federal and State requirements. This action is in accordance with the federal Clean Air Act (the Act).

**DATES:** Comments must be received on or before December 7, 2015.

**ADDRESSES:** Submit your comments, identified by Docket No. EPA-R06-OAR-2012-0434, by one of the following methods:

- [www.regulations.gov](http://www.regulations.gov). Follow the on-line instructions for submitting comments.
- Email: Alan Shar at [shar.alan@epa.gov](mailto:shar.alan@epa.gov).
- Mail or delivery: Air Planning Section Chief (6PD-L), Environmental Protection Agency, 1445 Ross Avenue, Suite 1200, Dallas, Texas 75202-2733.

**Instructions:** Direct your comments to Docket ID No. EPA-R06-OAR-2012-0434. The EPA's policy is that all comments received will be included in the public docket without change and may be made available online at [www.regulations.gov](http://www.regulations.gov), including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information the disclosure of which is restricted by statute. Do not submit electronically any information through [www.regulations.gov](http://www.regulations.gov) or email that you consider to be CBI or other information whose disclosure is restricted by statute. The [www.regulations.gov](http://www.regulations.gov) Web site is an "anonymous access" system, which

means EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an email comment directly to EPA without going through [www.regulations.gov](http://www.regulations.gov), your email address will be automatically captured and included as part of the comment that is placed in the public docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters and any form of encryption, and be free of any defects or viruses. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (*i.e.* on the web, cloud, or other file sharing system). For additional information on submitting comments, please visit <http://www2.epa.gov/dockets/commenting-epa-dockets>.

**Docket:** The index to the docket for this action is available electronically at [www.regulations.gov](http://www.regulations.gov) and in hard copy at EPA Region 6, 1445 Ross Avenue, Suite 700, Dallas, Texas 75202-2733. While all documents in the docket are

listed in the index, some information may be publicly available only at the hard copy location (*e.g.*, copyrighted material), and some may not be publicly available at either location (*e.g.*, CBI).

**FOR FURTHER INFORMATION CONTACT:** Mr. Alan Shar (6PD-L), telephone (214) 665-6691, email [shar.alan@epa.gov](mailto:shar.alan@epa.gov). To inspect the hard copy materials, please contact Alan Shar.

**SUPPLEMENTARY INFORMATION:** Throughout this document "we," "us," and "our" refer to EPA.

## Background

On July 5, 2011 (76 FR 38977) EPA finalized approval of general rule revisions to the Louisiana SIP which covered the years of 1996–2006.

We are now proposing to approve two revisions to the Louisiana SIP submitted to EPA by the Louisiana Department of Environmental Quality (LDEQ). The first submittal is the 2007 general revisions submitted to EPA with a letter dated August 14, 2009. The second submittal is the 2008–2010 miscellaneous rules revisions submitted to EPA with a letter dated August 29, 2013.

## Evaluation

The 2008–2010 miscellaneous rules revisions apply to Louisiana Administrative Code (LAC) 33: III, Chapters 7 and 13. The 2007 general revisions apply to LAC 33: III, Chapters 1, 2, 5, 6, 9, 11, 13, 15, 21, 22, 23, and 25. The Louisiana rule revisions submittals, their corresponding Chapters, and our actions are shown in Table 1 below.

TABLE 1—SUBMITTALS, THEIR CORRESPONDING CHAPTERS, AND ACTIONS

Submittals	Calendar year	Revisions to LAC 33:III Chapters acting upon	Chapters not acting upon
Miscellaneous rules .....	2008–2010	7, 13 .....	
General revisions .....	2007	1, 9, 11, 13, 14, 21, 22, 23, and 25 .....	2, 5, 6, and 15.

Certain provisions of the 2007 general revisions are not being acted upon here because they were withdrawn or we plan to act on them separately in the future. In a letter dated October 2, 2015 LDEQ withdrew its revisions to Chapter 15 from our review. The October 2, 2015 withdrawal letter is available in this docket. The EPA plans to act on SIP revisions to Chapters 2, 5, and 6 separately in the future.

There is no increase in the amount of emissions or number of sources affected as a result of ministerial or administrative rules revisions throughout this notice; therefore,

section 110(l) of the Act has been complied with.

In 2006, EPA revised the National Ambient Air Quality Standards (NAAQS) for particulate matter. The LDEQ adopted revisions to NAAQS for particulate matter in LAC 33:III, Chapter 7. This revision will update the Louisiana air quality regulations to include the revised NAAQS for particulate matter. The revision is consistent with the NAAQS for PM<sub>2.5</sub> and PM<sub>10</sub> standards of 40 CFR 50. See 71 FR 61144 (October 17, 2006), and <http://www3.epa.gov/ttn/naaqs/criteria.html> (URL dated October 5,

2015). We propose their approval into the SIP.

Currently, the LAC 33:III Chapter 13 Abrasive Blasting is not in the EPA-approved SIP. The 2007 general revisions submittal establishes the standards of performance for abrasive blasting operations and includes provisions concerning requirement to control emissions through either enclosure or establishment of best management practices, maintenance of control equipment, recordkeeping requirements, and prohibited materials and methods that cannot be used in abrasive blasting activities requirements. The LDEQ later in its

2008–2010 miscellaneous rules submittal revised this rule by incorporating an updated version of the American Society for Testing and Materials (ASTM) Test Method in § 1327 for taking samples when determining the weight percent of fines in abrasive materials. Incorporating a specific ASTM Test Method in § 1327 will provide for consistency in the rule and facilitate compliance determinations. Revisions to LAC 33:III Chapter 13 will result in enhancing the SIP, and reducing particulate matter emissions from abrasive blasting operations. We propose their approval into the SIP.

Revisions to LAC 33:III Chapter 1 General Provisions concern § 111 Definitions. The revisions defines the term SPOC or the Single Point of Contact. The revision is ministerial or administrative in nature. We propose its approval into the SIP.

Revisions to LAC 33:III Chapter 9 General Regulations on Control of Emissions and Emission Standards concern § 918 Recordkeeping and Annual Reporting and § 919 Emission Inventory which require data for emission reports be collected annually, include air pollutants that a NAAQS has been issued for, and the owner or operator submit reports to the Office Environmental Assessment. The revisions are ministerial or administrative in nature. We propose their approval into the SIP.

Revisions to LAC 33:III Chapter 11 Control of Emissions of Smoke concern reporting of opacity exceedances and exemptions. The revisions now require that reports be submitted to the SPOC instead of the Office of Environmental Compliance, Emergency and Radiological Services Division. The revisions are ministerial or administrative in nature. We propose their approval into the SIP.

Revisions to LAC 33:III Chapter 14 Conformity concern § 1410 Criteria for Determining Conformity of General Federal Actions and § 1434 Consultation that designate the secretary of Department of Environmental Quality or a designee and assistant secretary of the Office of Planning and Programming or a designee participate in the conformity consultation process. The revisions are ministerial or administrative in nature. We propose their approval into the SIP.

Revisions to LAC 33:III Chapter 21 Control of Emission of Organic Compounds concern §§ 2103, 2108, 2113, 2116, 2122, 2123, 2132, 2153, and 2159. See Part B of the TSD for more information. The revisions throughout this Chapter are ministerial and

administrative in nature. We propose their approval into the SIP.

Revision to LAC 33:III Chapter 22 Control of Emissions of Nitrogen Oxides concerns § 2201 removing the term “Air Permits Division.” This revision is ministerial or administrative in nature. We propose its approval into the SIP.

Revisions to LAC 33:III Chapter 23 Control of Emissions for Specific Industries concern §§ 2301 and 2303 deleting the terms “Air Quality Assessment Division;” and § 2307 deleting “the Office of Environmental Compliance, Emergency and Radiological Services Division” when submitting the required reports and plans. The revision are ministerial or administrative in nature. We propose their approval into the SIP.

Revisions to LAC 33:III Chapter 25, Subchapter B—Biomedical Waste Incineration Rules concern § 2511 Standards of Performance for Biomedical Waste; Subchapter C-Refuse Incinerators § 2521 Refuse Incinerators; and Subchapter D-Crematories § 2531 Standards of Performance for Crematories. On July 5, 2011 (76 FR 38977) EPA approved the existing provisions of LAC 33:III Chapter 25 into the SIP. The revisions reflect the updated names of offices or departmental organizations that reports or test results should be submitted to for review and approval. The revisions are ministerial or administrative in nature. We propose their approval into the SIP.

Certain provisions of the Louisiana SIP are affected by EPA’s June 12, 2015 National SIP Call (80 FR 33967). Those provisions are identified as §§ 1107(A), 1507(A)(1), 1507(B)(1), 2153(B)(1)(i), 2201(C)(8), 2307(C)(1), and 2307(C)(2). Finally, our proposed approval of amendments to LAC 33:III, Chapters 11, 21, 22, and 23 should not, in any way, be construed as explicitly or implicitly voiding or minimizing any concerns or inadequacies identified in EPA’s National SIP Call of June 12, 2015 (80 FR 33967) with respect to the above referenced provisions. We continue to expect that issues raised within the context of the EPA’s National SIP Call to be addressed in a timely fashion. See section 110(k)(5) of the Act.

### **Proposed Action**

We are proposing to approve rule revisions to LAC 33:III, Chapter 1, § 111; Chapter 7, §§ 701, 703, and 711; Chapter 9, §§ 918, and 919; Chapter 13, §§ 1323, 1325, 1327, 1329, 1331, and 1333; Chapter 14, §§ 1410, and 1434; Chapter 21, §§ 2103, 2108, 2113, 2116, 2121, 2122, 2123, 2132, 2153, and 2159; Chapter 22, § 2201; Chapter 23, §§ 2301,

2302, and 2307; and Chapter 25, §§ 2511, 2521, and 2531.

We are proposing to approve these revisions in accordance with sections 110, and 129 of the Act.

### **Incorporation by Reference**

In this action, we are proposing to include in a final rule regulatory text that includes incorporation by reference. In accordance with the requirements of 1 CFR 51.5, we are proposing to incorporate by reference revisions to the Louisiana regulations as described in the Proposed Action section above. We have made, and will continue to make, these documents generally available electronically through [www.regulations.gov](http://www.regulations.gov) and/or in hard copy at the EPA Region 6 office.

### **Statutory and Executive Order Reviews**

Under the Clean Air Act, the Administrator is required to approve a SIP submission that complies with the provisions of the Act and applicable Federal regulations. If a portion of the plan revision meets all the applicable requirements of this chapter and Federal regulations, the Administrator may approve the plan revision in part. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, EPA’s role is to approve state choices that meet the criteria of the Act, and to disapprove state choices that do not meet the criteria of the Act. Accordingly, this proposed action approves state law as meeting Federal requirements and does not impose additional requirements beyond those imposed by state law. For that reason, this proposed action:

- Is not a “significant regulatory action” subject to review by the Office of Management and Budget under Executive Order 12866 (58 FR 51735, October 4, 1993);
- Does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);
- Is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);
- Does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4);
- Does not have Federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- Is not an economically significant regulatory action based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);

- Is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001);
- Is not subject to requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the Clean Air Act;
- Does not provide EPA with the discretionary authority to address, as appropriate, disproportionate human health or environmental effects, using practicable and legally permissible methods, under Executive Order 12898 (59 FR 7629, February 16, 1994); and
- Is not approved to apply on any Indian reservation land or in any other area where EPA or an Indian tribe has demonstrated that a tribe has jurisdiction. In those areas of Indian country, the proposed rule does not have tribal implications and will not impose substantial direct costs on tribal governments or preempt tribal law as specified by Executive Order 13175 (65 FR 67249, November 9, 2000).

#### List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Hydrocarbons, Incorporation by reference, Intergovernmental relations, Reporting and recordkeeping requirements, Volatile organic compounds.

**Authority:** 42 U.S.C. 7401 *et seq.*

Dated: October 27, 2015.

**Samuel Coleman,**

*Acting Regional Administrator, Region 6.*

[FR Doc. 2015-28277 Filed 11-4-15; 8:45 am]

**BILLING CODE 6560-50-P**

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#### ENVIRONMENTAL PROTECTION AGENCY

#### 40 CFR Part 52

[EPA-R04-OAR-2015-0456; FRL-9936-56-Region 4]

#### Air Plan Approval; TN; Knox County Emissions Statements

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** The Environmental Protection Agency (EPA) is proposing to approve changes to the Tennessee state implementation plan (SIP) submitted by the State of Tennessee, through the Tennessee Department of Environment and Conservation on behalf of the Knox County Department of Air Quality Management (County Department), on March 14, 2014, and May 14, 2015, that require certain sources in Knox County,

Tennessee, to report actual emissions of volatile organic compounds and oxides of nitrogen to the County Department annually. These changes amend the Knox County Air Quality Management Regulations in the Knox County portion of the Tennessee SIP to reflect the State of Tennessee's SIP-approved emissions statement requirements for Knox County. This proposed action is being taken pursuant to the Clean Air Act and its implementing regulations.

**DATES:** Comments must be received on or before December 7, 2015.

**ADDRESSES:** Submit your comments, identified by Docket ID No. EPA-R04-OAR-2015-0456 by one of the following methods:

1. [www.regulations.gov](http://www.regulations.gov): Follow the on-line instructions for submitting comments.
2. *Email:* R4-ARMS@epa.gov.
3. *Fax:* (404) 562-9019.
4. *Mail:* "EPA-R04-OAR-2015-0456", Air Regulatory Management Section (formerly Regulatory Development Section), Air Planning and Implementation Branch, Air, Pesticides and Toxics Management Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street SW., Atlanta, Georgia 30303-8960.

5. *Hand Delivery or Courier:* Lynorae Benjamin, Chief, Air Regulatory Management Section, Air Planning and Implementation Branch, Air, Pesticides and Toxics Management Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street SW., Atlanta, Georgia 30303-8960. Such deliveries are only accepted during the Regional Office's normal hours of operation. The Regional Office's official hours of business are Monday through Friday, 8:30 a.m. to 4:30 p.m., excluding Federal holidays.

Please see the direct final rule which is located in the Rules section of this **Federal Register** for detailed instructions on how to submit comments.

#### FOR FURTHER INFORMATION CONTACT:

Tiereny Bell, Air Regulatory Management Section, Air Planning and Implementation Branch, Air, Pesticides and Toxics Management Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street SW., Atlanta, Georgia 30303-8960. Ms. Bell can be reached at (404) 562-9088 and via electronic mail at [bell.tiereny@epa.gov](mailto:bell.tiereny@epa.gov).

**SUPPLEMENTARY INFORMATION:** For additional information, see the direct final rule which is published in the Rules and Regulations section of this **Federal Register**. A detailed rationale

for the approval is set forth in the direct final rule and incorporated by reference herein. If no adverse comments are received in response to this rule, no further activity is contemplated. If EPA receives adverse comments, the direct final rule will be withdrawn and all adverse comments received will be addressed in a subsequent final rule based on this proposed rule. EPA will not institute a second comment period on this document. Any parties interested in commenting on this document should do so at this time.

Dated: October 20, 2015.

**Heather McTeer Toney,**

*Regional Administrator, Region 4.*

[FR Doc. 2015-28106 Filed 11-4-15; 8:45 am]

**BILLING CODE 6560-50-P**

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#### ENVIRONMENTAL PROTECTION AGENCY

#### 40 CFR Part 52

[EPA-R09-OAR-2015-0552; FRL-9936-70-Region 9]

#### Approval of California Air Plan Revisions, San Joaquin Valley Unified Air Pollution Control District and South Coast Air Quality Management District

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** The Environmental Protection Agency (EPA) is proposing to approve revisions to the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) and South Coast Air Quality Management District (SCAQMD) portions of the California State Implementation Plan (SIP). These revisions concern emissions of oxides of nitrogen (NO<sub>x</sub>) from fan-driven natural gas-fired central furnaces for residences and businesses. We are proposing to approve local rules to regulate these emission sources under the Clean Air Act (CAA or the Act). We are taking comments on this proposal and plan to follow with a final action.

**DATES:** Any comments must arrive by December 7, 2015.

**ADDRESSES:** Submit comments, identified by docket ID number EPA-R09-OAR-2015-0552, by one of the following methods:

1. *Federal eRulemaking Portal:* [www.regulations.gov](http://www.regulations.gov). Follow the on-line instructions.
2. *Email:* steckel.andrew@epa.gov.
3. *Mail or deliver:* Andrew Steckel (Air-4), U.S. Environmental Protection Agency Region IX, 75 Hawthorne Street, San Francisco, CA 94105-3901.