

**DEPARTMENT OF THE TREASURY****Internal Revenue Service****26 CFR Part 54**

[REG–115615–17]

RIN 1545–BN92

**Religious Exemptions and Accommodations for Coverage of Certain Preventive Services Under the Affordable Care Act; Proposed Rulemaking****AGENCY:** Internal Revenue Service (IRS), Treasury.**ACTION:** Notice of proposed rulemaking by cross-reference to temporary regulations.

**SUMMARY:** In this issue of the **Federal Register**, the Department of Treasury and the IRS are issuing two sets of temporary regulations related to section 9815 of the Internal Revenue Code. The first set of temporary regulations, as published in TD 9827, amends final regulations published under the provisions of the Patient Protection and Affordable Care Act (the Affordable Care Act) and relates to expanded exemptions to protect religious beliefs for entities and individuals with objections based on religious beliefs whose health plans are subject to a mandate of contraceptive coverage through guidance issued pursuant to the Affordable Care Act. These proposed regulations refer to that first set of temporary regulations. The second set of temporary regulations, as published in TD 9828, amends the first set of temporary regulations, as published in TD 9827, to add an exemption to protect moral convictions for entities and individuals with objections based on those beliefs whose health plans are subject to the mandate of contraceptive coverage.

**DATES:** Written or electronic comments and requests for a public hearing must be received by December 5, 2017.

**ADDRESSES:** Send submissions to: CC:PA:LPD:PR (REG–115615–17), Room 5205, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered to: CC:PA:LPD:PR (REG–115615–17), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, DC 20224. Alternatively, taxpayers may submit comments electronically via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS REG–115615–17).

**FOR FURTHER INFORMATION CONTACT:**

Concerning the regulations, Karen Levin at 202–317–5500; concerning submissions of comments, Regina Johnson at 202–317–6901 (not toll-free numbers).

**SUPPLEMENTARY INFORMATION:****Background and Explanation of Provisions**

The temporary regulations published elsewhere in this issue of the **Federal Register** amend §§ 54.9815–2713 and 54.9815–2713A of the Miscellaneous Excise Tax Regulations. The temporary regulations provide guidance to certain entities and individuals whose health plans are subject to a mandate of contraceptive coverage and do not alter the discretion of the Health Resources and Services Administration, a component of the U.S. Department of Health and Human Services, to maintain the guidelines requiring contraceptive coverage where no regulatorily recognized objection exists. The temporary regulations also leave in place the accommodation process as an optional process for certain exempt entities that wish to use it voluntarily and do not alter other Federal programs that provide free or subsidized contraception for women at risk of unintended pregnancy. The proposed and temporary regulations are being published as part of a joint rulemaking with the Department of Labor and the Department of Health and Human Services (the joint rulemaking). The text of those temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations further explains the temporary regulations and these proposed regulations.

**Special Analyses**

Certain IRS regulations, including this one, are exempt from the requirements of Executive Order 12866, as supplemented by Executive Order 13563. Therefore, a regulatory assessment is not required.

For the applicability of the Regulatory Flexibility Act (5 U.S.C. Chapter 6), please see section VI.C. of the temporary regulations.

Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking has been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on the regulations' impact on small businesses.

**Comments and Requests for a Public Hearing**

Before these proposed regulations are adopted as final regulations,

consideration will be given to any written comments (a signed original and eight (8) copies) or electronic comments that are submitted timely to the IRS. Comments are specifically requested on the clarity of the proposed regulations and how they may be made easier to understand. All comments will be available for public inspection and copying. A public hearing may be scheduled if requested in writing by a person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the hearing will be published in the **Federal Register**.

**Drafting Information**

The principal author of these proposed regulations is Karen Levin, Office of the Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities), IRS. The proposed regulations, as well as the temporary regulations, have been developed in coordination with personnel from the U.S. Department of Labor and the U.S. Department of Health and Human Services.

**List of Subjects in 26 CFR Part 54**

Excise taxes, Health care, Health insurance, Pensions, Reporting and recordkeeping requirements.

**Proposed Amendments to the Regulations**

Accordingly, 26 CFR part 54 is proposed to be amended as follows:

**PART 54—PENSION EXCISE TAXES**

■ **Paragraph 1.** The authority citation for part 54 continues to read in part as follows:

**Authority:** 26 U.S.C. 7805 \* \* \*

■ **Par. 2.** Section 54.9815–2713 is revised to read as follows:

**§ 54.9815–2713 Coverage of preventive health services.**

[The text of proposed § 54.9815–2713 is the same as the text of § 54.9815–2713T(a) through (d) published elsewhere in this issue of the **Federal Register**].

■ **Par. 3.** Section 54.9815–2713A is revised to read as follows:

**§ 54.9815–2713A Accommodations in connection with coverage of preventive health services.**

[The text of proposed § 54.9815–2713A is the same as the text of § 54.9815–2713AT(a) through (f)

published elsewhere in this issue of the **Federal Register**].

**Kirsten Wielobob,**

*Deputy Commissioner for Services and Enforcement.*

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**BILLING CODE 4830–01–P**

## POSTAL SERVICE

### 39 CFR Part 111

#### New Mailing Standards for Domestic Mailing Services Products

**AGENCY:** Postal Service™.

**ACTION:** Proposed rule.

**SUMMARY:** On October 3, 2017, the Postal Service (USPS) filed a notice of mailing services price adjustments with the Postal Regulatory Commission (PRC). The proposed price adjustments are scheduled to become effective on January 21, 2018. This proposed rule contains the revisions to *Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM®)* that we would adopt to implement rule changes coincident with the price adjustments.

**DATES:** Submit comments on or before November 13, 2017.

**ADDRESSES:** Mail or deliver written comments to the manager, Product Classification, U.S. Postal Service, 475 L'Enfant Plaza SW., Room 4446, Washington, DC 20260–5015. If sending comments by email, include the name and address of the commenter and send to [ProductClassification@usps.gov](mailto:ProductClassification@usps.gov), with a subject line of "January 2018 Domestic Mailing Services Proposal." Faxed comments are not accepted. You may inspect and photocopy all written comments, by appointment only, at USPS® Headquarters Library, 475 L'Enfant Plaza SW., 11th Floor North, Washington, DC, 20260. These records are available for review on Monday through Friday, 9 a.m.–4 p.m., by calling 202–268–2906.

**FOR FURTHER INFORMATION CONTACT:** Jacqueline Erwin at (202) 268–2158, or Lizbeth Dobbins at (202) 268–3789.

**SUPPLEMENTARY INFORMATION:** Proposed prices will be available under Docket No. R2018–1 on the Postal Regulatory Commission's Web site at [www.prc.gov](http://www.prc.gov). The Postal Service's proposed rule includes: Changes to prices, mail classification updates, modifications to mail preparation standards, and minor revisions to the DMM to condense language and/or eliminate redundancy.

#### Add Bound Printed Matter Flats Up to 24 Ounces to Comail DSCF or DDU Only

Currently, the USPS allows authorized mailers to combine USPS Marketing Mail flats and Periodicals flats in a single mailing. Each mailpiece must meet the standards for the mail class, and Periodicals publications must be authorized or pending original or additional entry at the office of mailing. Mailers must prepare pieces in bundles on pallets.

The USPS proposes allowing Bound Printed Matter (BPM) Flats up to 24 ounces to be included in the current comailing structure which includes USPS Marketing Mail flats and Periodicals flats up to 24 ounces entered at a Destination Sectional Center Facility, (DSCF) or a Destination Delivery Unit, (DDU). The maximum weight of comailed BPM and Periodicals flats is 24 ounces per piece within the same bundle. Pieces within the bundle must be in line-of-travel, LOT, sequence. These bundles must not contain more than half of the heavier pieces. Note that comail bundles which contain all three classes of mail assume the service standard of USPS Marketing Mail. If bundles are made only of Periodicals and Bound Printed Matter Flats, then the service standard adopted will be the lesser of the two. This proposal includes CoPal, which allows the mixing of class-specific, bundles on the same pallet, which can also include mixed class bundles (comail). If BPM bundles are included on the same pallet, then this CoPal pallet must be DSCF or DDU entry only.

#### Order of Pallet Preparation for Carrier Route (CR) Pallets in Non-FSS Zones

Currently, the pallet preparation requirements for Carrier Route pallets in Non-FSS zones allows merged 5-digit scheme pallets as the first required sortation, followed by 5-digit scheme carrier routes, 5-digit scheme, and merged 5-digit pallets.

The USPS is considering updating the order of pallet preparation, to increase the number of pure CR Pallets (as opposed to 5-Digit Merged Pallets) presented in non-FSS zones. This will be accomplished by moving 5-digit Scheme Carrier Route pallets ahead of Merged 5-digit Scheme pallets. This includes both USPS Marketing Mail and Periodicals. This change would increase the amount of mail eligible for a CR pallet discount, resulting in eligibility for lower prices on the mail.

#### Zone Charts Revision: Priority Mail to APO/FPO/DPO Processing at Chicago ISC

The Postal Service is proposing a change to all zone charts to reflect Priority Mail to APO/FPO/DPO destinations will only be processed at the Chicago ISC.

#### List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Although we are exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 553(b), (c)) regarding proposed rulemaking by 39 U.S.C. 410(a), we invite public comments on the following proposed revisions to *Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)*, incorporated by reference in the Code of Federal Regulations. See 39 CFR 111.1. Accordingly, 39 CFR part 111 is proposed to be amended as follows:

#### PART 111—[AMENDED]

■ 1. The authority citation for 39 CFR part 111 continues to read as follows:

**Authority:** 5 U.S.C. 552(a); 13 U.S.C. 301–307; 18 U.S.C. 1692–1737; 39 U.S.C. 101, 401, 403, 404, 414, 416, 3001–3011, 3201–3219, 3403–3406, 3621, 3622, 3626, 3632, 3633, and 5001.

■ 2. Revise the following sections of *Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)*, as follows:

#### Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)

\* \* \* \* \*

#### 700 Special Standards

\* \* \* \* \*

#### 705 Advanced Preparation and Special Postage Payment Systems

\* \* \* \* \*

#### 10.0 Merging Bundles of Flats Using the City State Product

##### 10.1 Periodicals

\* \* \* \* \*

##### 10.1.5 Pallet Preparation and Labeling

*[Revise the second sentence in the introductory text of 10.1.5 to read as follows:]*

\* \* \* \* \* When sortation under this option is performed, mailers must prepare all 5-digit scheme carrier routes, merged 5-digit scheme, 5-digit carrier routes, and merged 5-digit pallets that are possible in the mailing based on the volume of mail to the destination using