

By the Commission.

**Stacy L. Ruble,**  
Secretary.

[FR Doc. 2019-00395 Filed 1-30-19; 8:45 am]

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## POSTAL REGULATORY COMMISSION

[Docket No. T2019-1; Order No. 4986]

### Income Tax Review

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Notice.

**SUMMARY:** The Commission is noticing a recent Postal Service filing concerning the calculation of the assumed Federal income tax on competitive products income for Fiscal Year 2018. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

**DATES:** *Comments are due:* March 1, 2019.

**ADDRESSES:** Submit comments electronically via the Commission's Filing Online system at <http://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

**FOR FURTHER INFORMATION CONTACT:** David A. Trissell, General Counsel, at 202-789-6820.

#### SUPPLEMENTARY INFORMATION:

##### Table of Contents

- I. Introduction
- II. Notice of Commission Action
- III. Ordering Paragraphs

##### I. Introduction

In accordance with 39 U.S.C. 3634 and 39 CFR 3060.40 *et seq.*, the Postal Service filed its calculation of the assumed Federal income tax on competitive products income for fiscal year (FY) 2018.<sup>1</sup> The calculation details the FY 2018 competitive product revenue and expenses, the competitive products net income before tax, and the assumed Federal income tax on that net income.

##### II. Notice of Commission Action

In accordance with 39 CFR 3060.42, the Commission establishes Docket No. T2019-1 to review the calculation of the assumed Federal income tax and supporting documentation.

<sup>1</sup> See Notice of the United States Postal Service of Submission of the Calculation of the FY 2018 Assumed Federal Income Tax on Competitive Products, January 10, 2019.

The Commission invites comments on whether the Postal Service's filing in this docket is consistent with the policies of 39 U.S.C. 3634 and 39 CFR 3060.40 *et seq.* Comments are due no later than March 1, 2019. The Postal Service's filing can be accessed via the Commission's website (<http://www.prc.gov>).

The Commission appoints Jennaca D. Upperman to serve as Public Representative in this docket.

### III. Ordering Paragraphs

*It is ordered:*

1. The Commission establishes Docket No. T2019-1 to consider the calculation of the assumed Federal income tax on competitive products for FY 2018.

2. Pursuant to 39 U.S.C. 505, Jennaca D. Upperman is appointed to serve as an officer of the Commission to represent the interests of the general public in this proceeding (Public Representative).

3. Comments are due no later than March 1, 2019.

4. The Secretary shall arrange for publication of this order in the **Federal Register**. Due to its funding lapse, the **Federal Register** is not being supported and this order's publication will be delayed. The delay in publication in the **Federal Register** will not affect comment deadlines.

By the Commission.

**Stacy L. Ruble,**  
Secretary.

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## POSTAL REGULATORY COMMISSION

[Docket No. ACR2018; Order No. 4960]

### FY 2018 Annual Compliance Report

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Notice.

**SUMMARY:** The Postal Service has filed an Annual Compliance Report on the costs, revenues, rates, and quality of service associated with its products in fiscal year 2018. Within 90 days, the Commission must evaluate that information and issue its determination as to whether rates were in compliance with title 39, chapter 36, and whether service standards in effect were met. To assist in this, the Commission seeks public comments on the Postal Service's Annual Compliance Report.

**DATES:** *Comments are due:* January 31, 2019. *Reply Comments are due:* February 11, 2019.

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

[www.prc.gov](http://www.prc.gov). Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

**FOR FURTHER INFORMATION CONTACT:** David A. Trissell, General Counsel, at 202-789-6820.

#### SUPPLEMENTARY INFORMATION:

##### Table of Contents

- I. Introduction
- II. Overview of the Postal Service's FY 2018 ACR
- III. Procedural Steps
- IV. Ordering Paragraphs

##### I. Introduction

On December 28, 2018, the United States Postal Service (Postal Service) filed with the Commission its Annual Compliance Report (ACR) for fiscal year (FY) 2018, pursuant to 39 U.S.C. 3652.<sup>1</sup> Section 3652 requires submission of data and information on the costs, revenues, rates, and quality of service associated with postal products within 90 days of the closing of each fiscal year. In conformance with other statutory provisions and Commission rules, the ACR includes the Postal Service's FY 2018 Comprehensive Statement, its FY 2018 annual report to the Secretary of the Treasury on the Competitive Products Fund, and certain related Competitive Products Fund material. *See respectively*, 39 U.S.C. 3652(g), 39 U.S.C. 2011(i), and 39 CFR 3060.20-23. In line with past practice, some of the material in the FY 2018 ACR appears in non-public annexes.

The filing begins a review process that results in an Annual Compliance Determination (ACD) issued by the Commission to determine whether Postal Service products offered during FY 2018 were in compliance with applicable title 39 requirements.

##### II. Overview of the Postal Service's FY 2018 ACR

*Contents of the filing.* The Postal Service's FY 2018 ACR consists of a 77-page narrative; extensive additional material appended as separate folders and identified in Attachment One; and an application for non-public treatment of certain materials, along with supporting rationale, filed as Attachment Two. The filing also includes the Comprehensive

<sup>1</sup> United States Postal Service FY 2018 Annual Compliance Report, December 28, 2018 (FY 2018 ACR). Public portions of the Postal Service's filing are available on the Commission's website at <http://www.prc.gov>.

Statement,<sup>2</sup> Report to the Secretary of the Treasury, and information on the Competitive Products Fund filed in response to Commission rules. This material has been filed electronically with the Commission.

*Scope of the filing.* The material appended to the narrative consists of: (1) Domestic product costing material filed on an annual basis summarized in the Cost and Revenue Analysis (CRA); (2) comparable international costing material summarized in the International Cost and Revenue Analysis (ICRA); (3) worksharing-related cost studies; and (4) billing determinant information for both domestic and international mail. FY 2018 ACR at 2–3. Inclusion of these four data sets is consistent with the Postal Service's past ACR practices. As with past ACRs, the Postal Service has split certain materials into public and non-public versions. *Id.* at 3.

*“Roadmap” document.* A roadmap to the FY 2018 ACR can be found in Library Reference USPS–FY18–9. This document provides brief descriptions of the materials submitted, as well as the flow of inputs and outputs among them; a discussion of differences in methodology relative to Commission methodologies in last year's ACD; and a list of special studies and a discussion of obsolescence, as required by Commission rule 3050.12. *Id.* at 3–4.

*Methodology.* The Postal Service states that it has adhered to the methodologies historically used by the Commission subject to changes identified and discussed in Library Reference USPS–FY18–9 and in prefaces accompanying the appended folders. *Id.* at 4. The Postal Service observes that one noteworthy methodological change regarding product costs was discussed in response to Commission Order No. 3506 and approach for reporting of group incremental cost estimates used by the Commission in the FY 2017 ACD.<sup>3</sup> As a result, the Postal Service's FY 2018 CRA reports group incremental cost estimates when available as the attributable costs of combinations of

products, including for the market dominant classes. FY 2018 ACR at 5. As a consequence, the costs labeled as attributable costs in each row of the FY 2018 CRA are not directly comparable to costs reported with the same label in the CRAs filed prior to FY 2017. *Id.* at 6.

*Market dominant product-by-product costs, revenues, and volumes.* Comprehensive cost, revenue, and volume data for all market dominant products of general applicability are shown directly in the FY 2018 CRA or ICRA. *Id.* at 8.

The FY 2018 ACR includes a discussion by class of each market dominant product, including costs, revenues, and volumes, workshare discounts, and passthroughs responsive to 39 U.S.C. 3652(b), and FY 2018 promotions. *Id.* at 8–45.

In response to the Commission's FY 2010 ACD directives,<sup>4</sup> the Postal Service states that it is providing information regarding: (1) All operational changes designed to reduce flats costs and the estimated financial effects of such changes (FY 2018 ACR at 24–32); (2) all costing methodology improvements made in FY 2018 and the estimated financial effects of such changes (*id.* at 32–36); and (3) a statement summarizing the current year subsidy of the flats product (*id.* at 35). In addition, the Postal Service presented its schedule of above-average price increases for Flats which provides planned price increases for Flats by the consumer price index times 1.05. *Id.* at 25.

*Market dominant negotiated service agreements.* The FY 2018 ACR presents information on the PHI Acquisitions, Inc. negotiated service agreement (NSA), the only market dominant NSA in effect in FY 2018. *Id.* at 43–44. The agreement was terminated effective June 30, 2018. *Id.* at 43.

*Service performance.* The Postal Service notes that the Commission issued rules on periodic reporting of service performance measurement and customer satisfaction in FY 2010. Responsive information appears in Library Reference USPS–FY18–29. *Id.* at 46.

*Customer satisfaction.* The FY 2018 ACR discusses the Postal Service's approach for measuring customer experience and satisfaction; discusses survey modifications; describes the methodology; presents a table with survey results; compares the results from FY 2017 to FY 2018; and provides information regarding customer access to postal services. *Id.* at 48–65.

*Competitive products.* The FY 2018 ACR provides costs, revenues, and volumes for competitive products of general applicability in the FY 2018 CRA or ICRA. For competitive products not of general applicability, data are provided in non-public Library References USPS–FY18–NP2 and USPS–FY18–NP27. *Id.* at 66. The FY 2018 ACR also addresses the competitive product pricing standards of 39 U.S.C. 3633. *Id.* at 66–74. The Postal Service also provides a response to the Commission's Directive in Order No. 4792 and reports separately the revenue, pieces, and weight of ECOMPRO pieces for each country in USPS–FY18–NP9.<sup>5</sup> Additionally, the Postal Service responds to the Commission's Directive in the FY 2016 ACD requiring it to identify each NSA product that had no mailpieces shipped under its contract in future ACRs.<sup>6</sup> This information is provided in USPS–FY18–NP27 (for domestic NSAs) and USPS–FY18–NP2 (for international NSAs). FY 2018 ACR at 74.

*Market tests; nonpostal services.* The Postal Service discusses the two competitive market tests conducted during FY 2018 and nonpostal services. *Id.* at 75.

### III. Procedural Steps

*Statutory requirements.* Section 3653 of title 39 requires the Commission to provide interested persons with an opportunity to comment on the ACR and to appoint an officer of the Commission (Public Representative) to represent the interests of the general public. The Commission hereby solicits public comment on the Postal Service's FY 2018 ACR and on whether any rates or fees in effect during FY 2018 (for products individually or collectively) were not in compliance with applicable provisions of chapter 36 of title 39 or Commission regulations promulgated thereunder. Commenters addressing market dominant products are referred in particular to the applicable requirements (39 U.S.C. 3622(d) and (e) and 39 U.S.C. 3626); objectives (39 U.S.C. 3622(b)); and factors (39 U.S.C. 3622(c)). Commenters addressing competitive products are referred to 39 U.S.C. 3633.

The Commission also invites public comment on the cost coverage matters the Postal Service addresses in its filing; service performance results; levels of

<sup>2</sup> In years prior to 2013, the Commission reviewed the Postal Service's reports prepared pursuant to 39 U.S.C. 2803 and 39 U.S.C. 2804 (filed as the Comprehensive Statement by the Postal Service) in its ACD. However, as it has for the past several years, the Commission intends to issue a separate notice soliciting comments on the comprehensive statement and provide its related analysis in a separate report from the ACD.

<sup>3</sup> *Id.*; see Docket No. RM2016–2, Order Concerning United Parcel Service, Inc.'s Proposed Changes to Postal Service Costing Methodologies (UPS Proposals One, Two, and Three), September 9, 2016 (Order No. 3506). Docket No. ACR 2017, Annual Compliance Determination, March 29, 2018, at 8–10 (FY 2017 ACD).

<sup>4</sup> Docket No. ACR2010, Annual Compliance Determination, March 29, 2011, at 106–107 (FY 2010 ACD).

<sup>5</sup> Docket No. CP2018–286, Order Approving Changes in Prices Not of General Applicability for Certain Inbound Parcel Post (at UPU Rates), August 23, 2018, at 7 (Order No. 4792).

<sup>6</sup> Docket No. ACR 2016, Annual Compliance Determination, March 28, 2017, at 83 (FY 2016 ACD).

customer satisfaction achieved; and such other matters that may be relevant to the Commission's review.

*Access to filing.* The Commission has posted the publicly available portions of the FY 2018 ACR on its website at <http://www.prc.gov>.

*Comment deadlines.* Comments by interested persons are due on or before January 31, 2019. Reply comments are due on or before February 11, 2019. The Commission, upon completion of its review of the FY 2018 ACR, comments, and other data and information submitted in this proceeding, will issue its ACD.

*Public Representative.* Mallory L. Smith is designated to serve as the Public Representative to represent the interests of the general public in this proceeding. Neither the Public Representative nor any additional persons assigned to assist her shall participate in or advise as to any Commission decision in this proceeding other than in his or her designated capacity.

**IV. Ordering Paragraphs**

*It is ordered:*

1. The Commission establishes Docket No. ACR2018 to consider matters raised by the United States Postal Service's FY 2018 Annual Compliance Report.

2. Pursuant to 39 U.S.C. 505, the Commission appoints Mallory L. Smith as an officer of the Commission (Public Representative) in this proceeding to represent the interests of the general public.

3. Comments on the United States Postal Service's FY 2018 Annual Compliance Report to the Commission are due on or before January 31, 2019.

4. Reply comments are due on or before February 11, 2019.

5. The Secretary shall arrange for publication of this Order in the **Federal Register**. Due to its funding lapse, the **Federal Register** is not being supported and this Order's publication will be delayed. The delay in publication in the **Federal Register** will not affect comment deadlines.

By the Commission.

**Stacy L. Ruble,**  
Secretary.

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**RAILROAD RETIREMENT BOARD**

**Agency Forms Submitted for OMB Review, Request for Comments**

*Summary:* In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the Railroad Retirement Board (RRB) is forwarding an Information Collection Request (ICR) to the Office of Information and Regulatory Affairs (OIRA), Office of Management and Budget (OMB). Our ICR describes the information we seek to collect from the public. Review and approval by OIRA ensures that we impose appropriate paperwork burdens.

The RRB invites comments on the proposed collections of information to determine (1) the practical utility of the collections; (2) the accuracy of the estimated burden of the collections; (3) ways to enhance the quality, utility, and clarity of the information that is the subject of collection; and (4) ways to minimize the burden of collections on respondents, including the use of automated collection techniques or other forms of information technology. Comments to the RRB or OIRA must contain the OMB control number of the ICR. For proper consideration of your comments, it is best if the RRB and OIRA receive them within 30 days of the publication date.

*1. Title and purpose of information collection:* Employer's Quarterly Report of Contributions under the Railroad Unemployment Insurance Act; OMB 3220-0012.

Under Section 8 of the Railroad Unemployment Insurance Act (RUIA), as amended by the Railroad Unemployment Improvement Act of 1988 (Pub. L. 100-647), the RRB determines the amount of an employer's contribution, primarily on the basis of the RUIA benefits paid, both unemployment and sickness, to the employees of the railroad employer. These experienced-based contributions take into account the frequency, volume, and duration of the employees' unemployment and sickness benefits. Each employer's contribution rate includes a component for administrative expenses as well as a component to cover costs shared by all employers. The regulations prescribing the manner and

conditions for remitting the contributions and for adjusting overpayments or underpayments of contributions are contained in 20 CFR 345.

RRB Form DC-1, Employer's Quarterly Report of Contributions under the Railroad Unemployment Insurance Act, is used by railroad employers to report and remit their quarterly contributions to the RRB. Employers can use either the manual version of the form or its internet equivalent. One response is requested of each respondent. Completion is mandatory.

*Previous Requests for Comments:* The RRB has already published the initial 60-day notice (83 FR 55580 on November 6, 2018) required by 44 U.S.C. 3506(c)(2). That request elicited no comments.

**Information Collection Request (ICR)**

*Title:* Employer's Quarterly Report of Contributions under the RUIA.

*OMB Control Number:* 3220-0012.

*Form(s) submitted:* DC-1.

*Type of request:* Revision of a currently approved collection.

*Affected public:* Private Sector: Businesses or other for-profits.

*Abstract:* Railroad employers are required to make contributions to the Railroad Unemployment Insurance fund quarterly or annually equal to a percentage of the creditable compensation paid to each employee. The information furnished on the report accompanying the remittance is used to determine correctness of the amount paid.

*Changes proposed:* The RRB proposes minor non-burdening changes to the manual and electronic versions of the forms in the collection and combined Paperwork Reduction Act link and form instructions link in the *Pay.gov* form version and renamed the link to read "Click for Instructions and Paperwork Reduction Act Notice."

*The burden estimate for the ICR is as follows:*

Form No.	Annual responses	Time (minutes)	Burden (hours)
DC-1 (RRB.Gov) .....	720	25	300
DC-1 (Pay.Gov) .....	1,680	25	700
Total .....	2,400	.....	1,000