

cost of the user fee. The total economic impact of this regulation is thus approximately \$842,897 annually, which is the product of the approximately 22,781 individuals and the \$37 increase in the fee which is not a significant economic impact. Accordingly, it is certified that the rule will not have a significant economic impact on a substantial number of small entities.

It is not anticipated that the increase in user fee that is paid every three years and averages to \$12.33 per year will negatively affect enrollment, which has historically remained steady as user fee amounts have changed. Pursuant to section 7805(f), the notice of proposed rulemaking was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business (83 FR 58202). No comments on the notice of proposed rulemaking were received from the Chief Counsel for Advocacy of the Small Business Administration.

#### Drafting Information

The principal author of these regulations is Mark Shurtliff of the Office of the Associate Chief Counsel (Procedure and Administration). Other personnel from the Treasury Department and the IRS participated in their development.

#### List of Subjects in 26 CFR Part 300

Reporting and recordkeeping requirements, User fees.

#### Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 300 is amended as follows:

#### PART 300—USER FEES

■ **Paragraph. 1.** The authority citation for part 300 continues to read as follows:

Authority: 31 U.S.C. 9701.

#### § 300.0 [Amended]

■ **Par. 2.** Section 300.0 is amended by removing paragraph (b)(10) and redesignating paragraphs (b)(11) through (13) as paragraphs (b)(10) through (12).

■ **Par. 3.** Section 300.5 is amended by revising paragraphs (b) and (d) to read as follows:

#### § 300.5 Enrollment of enrolled agent fee.

\* \* \* \* \*

(b) *Fee.* The fee for initially enrolling as an enrolled agent with the IRS is \$67.

\* \* \* \* \*

(d) *Applicability date.* This section applies beginning June 12, 2019.

■ **Par. 4.** Section 300.6 is amended by revising paragraphs (b) and (d) to read as follows:

#### § 300.6 Renewal of enrollment of enrolled agent fee.

\* \* \* \* \*

(b) *Fee.* The fee for renewal of enrollment as an enrolled agent with the IRS is \$67.

\* \* \* \* \*

(d) *Applicability date.* This section applies beginning June 12, 2019.

#### § 300.10 [Removed]

■ **Par. 5.** Section 300.10 is removed.

#### § 300.11 [Redesignated as § 300.10 and Amended]

■ **Par. 6.** Redesignate § 300.11 as § 300.10 and amend newly redesignated § 300.10 by revising paragraphs (b) and (d) to read as follows:

#### § 300.10 Renewal of enrollment of enrolled retirement plan agent fee.

\* \* \* \* \*

(b) *Fee.* The fee for renewal of enrollment as an enrolled retirement plan agent with the IRS is \$67.

\* \* \* \* \*

(d) *Applicability date.* This section applies beginning June 12, 2019.

#### §§ 300.12 and 300.13 [Redesignated as §§ 300.11 and 300.12]

■ **Par. 7.** Redesignate §§ 300.12 and 300.13 as §§ 300.11 and 300.12.

**Kirsten Wielobob,**

*Deputy Commissioner for Services and Enforcement.*

Approved: April 19, 2019.

**David J. Kautter,**

*Assistant Secretary of the Treasury (Tax Policy).*

[FR Doc. 2019-09732 Filed 5-10-19; 8:45 am]

**BILLING CODE 4830-01-P**

#### POSTAL SERVICE

#### 39 CFR Part 233

#### Inspection Service Authority; Civil Monetary Penalty Inflation Adjustment

**AGENCY:** Postal Service™.

**ACTION:** Interim final rule.

**SUMMARY:** This document updates postal regulations by implementing inflation adjustments to civil monetary penalties that may be imposed under consumer protection and mailability provisions enforced by the Postal Service pursuant to the Deceptive Mail Prevention and Enforcement Act and the Postal Accountability and Enhancement Act. These adjustments are required under

the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. This document includes the adjustments for 2018 and 2019 for statutory civil monetary penalties subject to the 2015 Act.

**DATES:** *Effective Date:* May 13, 2019.

**FOR FURTHER INFORMATION CONTACT:**

Steven Sultan, (202) 268-7385, [SESultan@uspis.gov](mailto:SESultan@uspis.gov).

**SUPPLEMENTARY INFORMATION:** The Federal Civil Penalties Inflation Adjustment Improvements Act of 2015 (2015 Act), Public Law 114-74, 129 Stat. 584, amended the Federal Civil Penalties Inflation Adjustment Act of 1990 (1990 Act), Public Law 101-410, 104 Stat. 890 (28 U.S.C. 2461 note), to improve the effectiveness of civil monetary penalties and to maintain their deterrent effect. Section 3 of the 1990 Act specifically includes the Postal Service in the definition of “agency” subject to its provisions.

Beginning in 2017, the 2015 Act requires the Postal Service to make an annual adjustment for inflation to civil penalties that meet the definition of “civil monetary penalty” under the 1990 Act. The Postal Service must make the annual adjustment for inflation and publish the adjustment in the **Federal Register** by January 15 of each year. The Postal Service did not complete the annual adjustments for 2018 or 2019 due to an oversight. In order to satisfy the annual adjustment requirement, the Postal Service will be making both the 2018 and 2019 annual adjustments at this time. Each penalty will be adjusted as instructed by the Office of Management and Budget (OMB) based on the Consumer Price Index (CPI-U) from the most recent October. OMB has furnished detailed instructions regarding the annual adjustment for 2018 in memorandum M-18-03, *Implementation of Penalty Inflation Adjustments for 2018, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015* (December 15, 2017), <https://www.whitehouse.gov/wp-content/uploads/2017/11/M-18-03.pdf>. OMB provided detailed instructions regarding the annual adjustment for 2019 in memorandum M-19-04, *Implementation of Penalty Inflation Adjustments for 2019, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015* (December 14, 2018), [https://www.whitehouse.gov/wp-content/uploads/2017/11/m\\_19\\_04.pdf](https://www.whitehouse.gov/wp-content/uploads/2017/11/m_19_04.pdf). For 2018, OMB has advised that an adjustment multiplier of 1.02041 will be

used. For 2019, OMB has advised that an adjustment multiplier of 1.02522 will be used. The Postal Service will first apply the 2018 adjustment multiplier. The Postal Service will then apply the 2019 adjustment multiplier on the 2018 adjusted amount. The new penalty amount must be rounded to the nearest dollar after each adjustment multiplier is applied. The new penalty amounts will take effect immediately upon publication in the **Federal Register**.

The 2015 Act allows the interim final rule and annual inflation adjustments to be published without prior public notice or opportunity for public comment.

### Adjustments to Postal Service Civil Monetary Penalties

Civil monetary penalties may be assessed for postal offenses under sections 106 and 108 of the Deceptive Mail Prevention and Enforcement Act, Public Law 106–168, 113 Stat. 1811, 1814 (see, 39 U.S.C. 3012(a), (c)(1), (d), and 3017(g)(2), (h)(1)(A)); and section 1008 of the Postal Accountability and Enhancement Act, Public Law 109–435, 120 Stat. 3259–3261 (see, 39 U.S.C. 3018(c)(1)(A)). The statutory civil monetary penalties subject to the 2015 Act and the amount of each penalty the annual adjustment for inflation are as follows:

#### 39 U.S.C. 3012(a)—False Representations and Lottery Orders

Under 39 U.S.C. 3005(a)(1)–(3), the Postal Service may issue administrative orders prohibiting persons from using the mail to obtain money through false representations or lotteries. Persons who evade, attempt to evade, or fail to comply with an order to stop such prohibited practices may be liable to the United States for a civil penalty under 39 U.S.C. 3012(a). The regulations implemented pursuant to this section currently imposes a \$69,463 penalty for each mailing less than 50,000 pieces, \$138,925 for each mailing of 50,000 to 100,000 pieces, and \$13,893 for each additional 10,000 pieces above 100,000 not to exceed \$2,778,505. The new penalties will be as follows: \$72,669 for each mailing less than 50,000 pieces, \$145,335 for each mailing of 50,000 to 100,000 pieces, and \$14,535 for each additional 10,000 pieces above 100,000 not to exceed \$2,906,718.

#### 39 U.S.C. 3012(c)(1)—False Representation and Lottery Penalties in Lieu of or as Part of an Order

In lieu of or as part of an order issued under 39 U.S.C. 3005(a)(1)–(3), the Postal Service may assess a civil penalty. Currently, the amount of this penalty, set in the implementing

regulations to 39 U.S.C. 3012(c)(1), is \$34,731 for each mailing that is less than 50,000 pieces, \$69,463 for each mailing of 50,000 to 100,000 pieces, and an additional \$6,946 for each additional 10,000 pieces above 100,000 not to exceed \$1,389,252. The new penalties will be: \$36,334 for each mailing that is less than 50,000 pieces, \$72,669 for each mailing of 50,000 to 100,000 pieces, and an additional \$7,267 for each additional 10,000 pieces above 100,000 not to exceed \$1,453,359.

#### 39 U.S.C. 3012(d)—Misleading References to the United States Government; Sweepstakes and Deceptive Mailings

Persons sending certain deceptive mail matter described in 39 U.S.C. 3001(h)–(k), including:

- Solicitations making false claims of Federal Government connection or approval;
  - Certain solicitations for the purchase of a product or service that may be obtained without cost from the Federal Government;
  - Solicitations containing improperly prepared “facsimile checks”; and
  - Certain solicitations for “skill contests” and “sweepstakes” sent to individuals who, in accordance with 39 U.S.C. 3017(d), have requested that such materials not be mailed to them;
- may be liable to the United States for a civil penalty under 39 U.S.C. 3012(d). Currently, this penalty is not to exceed \$13,893 for each mailing. The new penalty will be \$14,535.

#### 39 U.S.C. 3017(g)(2)—Commercial Use of Lists of Persons Electing Not To Receive Skill Contest or Sweepstakes Mailings

Under 39 U.S.C. 3017(g)(2), the Postal Service may impose a civil penalty against a person who provides information for commercial use about individuals who, in accordance with 39 U.S.C. 3017(d), have elected not to receive certain sweepstakes and contest information. Currently, this civil penalty may not exceed \$2,778,505 per violation. The new penalty may not exceed \$2,906,718 per violation.

#### 39 U.S.C. 3017(h)(1)(A)—Reckless Mailing of Skill Contest or Sweepstakes Matter

Currently, under 39 U.S.C. 3017(h)(1)(A) and its implementing regulations, any promoter who recklessly mails nonmailable skill contest or sweepstakes matter may be liable to the United States in the amount of \$13,893 per violation for each mailing to an individual. The new penalty is \$14,535 per violation.

#### 39 U.S.C. 3018(c)(1)(A)—Hazardous Material

Under 39 U.S.C. 3018(c)(1)(A), the Postal Service may impose a civil penalty payable into the Treasury of the United States on a person who knowingly mails nonmailable hazardous materials or fails to follow postal laws on mailing hazardous materials. Currently, this civil penalty is at least \$300, but not more than \$119,786 for each violation. The new penalty is at least \$314, but not more than \$125,314 for each violation.

### List of Subjects in 39 CFR Part 233

Administrative practice and procedure, Banks, Banking, Credit, Crime, Infants and children, Law enforcement, Penalties, Privacy, Seizures and forfeitures.

For the reasons set out in this document, the Postal Service amends 39 CFR part 233 as follows:

### PART 233—INSPECTION SERVICE AUTHORITY

- 1. The authority citation for 39 CFR part 233 is revised to read as follows:

**Authority:** 39 U.S.C. 101, 102, 202, 204, 401, 402, 403, 404, 406, 410, 411, 1003, 3005(e)(1), 3012, 3017, 3018; 12 U.S.C. 3401–3422; 18 U.S.C. 981, 983, 1956, 1957, 2254, 3061; 21 U.S.C. 881; Pub. L. 101–410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 104–208, 110 Stat. 3009; Secs. 106 and 108, Pub. L. 106–168, 113 Stat. 1806 (39 U.S.C. 3012, 3017); Pub. L. 114–74, 129 Stat. 584.

#### § 233.12 [Amended]

- 2. In § 233.12:

- a. In paragraph (a), remove “\$69,463” and add in its place “\$72,669”, remove “\$138,925” and add in its place “\$145,335”, remove “\$13,893” and add in its place “\$14,535”, and remove “\$2,778,505” and add in its place “\$2,906,718”.

- b. In paragraph (b), remove “\$34,731” and add in its place “\$36,334”, remove “\$69,463” and add in its place “\$72,669”, remove “\$6,946” and add in its place “\$7,267”, and remove “\$1,389,252” and add in its place “\$1,453,359”.

- c. In paragraph (c)(4), remove “\$13,893” and add in its place “\$14,535”.

- d. In paragraph (d), remove “\$2,778,505” and add in its place “\$2,906,718”.

- e. In paragraph (e), remove “\$13,893” and add in its place “\$14,535”.

- f. In § 233.12(f), remove “\$300” and add in its place “\$314” and remove

“\$119,786” and add in its place “\$125,314”.

**Ruth Stevenson,**

*Attorney, Federal Compliance.*

[FR Doc. 2019-09436 Filed 5-10-19; 8:45 am]

**BILLING CODE 7710-12-P**

## POSTAL REGULATORY COMMISSION

### 39 CFR Part 3050

[Docket No. RM2018-1; Order No. 5086]

#### Periodic Reporting

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Final rule.

**SUMMARY:** The Commission adopts final rules that require the Postal Service to provide information about cost and service issues affecting flats-shaped mail (flats). The Commission intends to analyze this information over time to identify trends and measurable goals that will lead to the development of a plan to improve these cost and service issues.

**DATES:** Effective June 12, 2019.

**ADDRESSES:** For additional information, Order No. 5086 can be accessed electronically through the Commission’s website at <https://www.prc.gov>.

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

#### SUPPLEMENTARY INFORMATION:

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- I. Background
- II. Basis and Purpose of Final Rules
- III. Final Rules

#### I. Background

On March 1, 2019, the Commission proposed specific reporting requirements to facilitate measuring and tracking cost and service performance issues related to flats. The Commission adopts final rules on these requirements, with minor revisions to the proposed rules as described below.

#### II. Basis and Purpose of Final Rules

The Commission initiated this proceeding to explore potential enhancements to the Postal Service’s data systems and to facilitate the development of consistent reporting requirements to measure, track, and report cost and service performance issues related to flats. With the adoption of these rules, the Postal Service will be required to annually file data at the national, and facility level data (when specified). These reporting requirements are designed to provide sufficient information to improve transparency

into the cost and service issues associated with flats. In addition, the reporting requirements will increase the accountability of the Postal Service related to operational initiatives related to flats.

The final rules incorporate many of the suggestions identified by commenters, as well as additional clarifying language added by the Commission; however, the substance of the rules remains unchanged.

The Commission revises paragraphs (b) through (g) to extend the filing date to 95 days after the end of the fiscal year.

Paragraph (b) of proposed § 3050.50 is modified in several ways. First, in § 3050.50(b)(2), the Commission removes the word “estimate,” as the Commission expects the Postal Service to use the actual unit attributable costs for each product. Second, in § 3050.50(b)(4), the Commission clarifies that the comparison should be conducted as the percentage change in unit attributable costs, and the Commission makes additional minor clarifications to the language. Third, in § 3050.50(b)(5), the Commission removes the word “current” and adds the word “changes” after “mail mix” for clarity. The Commission expands the reporting requirement for § 3050.50(b)(5) to provide data from FY 2013 to present. In addition, the Commission clarifies in § 3050.50(b)(5)(ii) through (iii) that the calculation should be for combined flat-shaped products rather than each flat-shaped product. Fourth, the Commission adds a requirement in § 3050.50(b)(5) that the Postal Service explain the methodology used to calculate mail mix changes. Finally, the Commission modifies § 3050.50(b)(6) and (7) to make clear that that the Postal Service must identify the drivers of changes in the result of the analyses.

Paragraph (e) of proposed § 3050.50 is clarified, as suggested by the Postal Service, to indicate the appropriate five years of historical data that the Commission is requesting. In addition, paragraph (e) of proposed § 3050.50 is supplemented with a rule for instances where a specific report name may change, and additional reporting required when a report name change occurs.

Paragraph (f) of proposed § 3050.50 is modified to ensure that the Postal Service reports on operational changes and/or initiatives that will have any impact on flat-shaped mail operations, flat-shaped mail costs, and/or flat-shaped mail service.

Paragraph (g) of proposed § 3050.50 is modified to ensure that the Postal

Service reports on data enhancements that will have any impact on measuring, tracking, and/or reporting on flat-shaped mail costs, operations, and/or service.

Finally, the Commission incorporates the majority of the suggested formatting edits to the rules provided by the Public Representative in Attachment A to her comments.

#### III. Final Rules

The Commission places the reporting requirements for flat-shaped mail products in a new section in 39 CFR part 3050.

##### List of Subjects for 39 CFR Part 3050

Administrative practice and procedure, Postal Service.

For the reasons stated in the preamble, the Commission amends chapter III of title 39 of the Code of Federal Regulations as follows:

#### PART 3050—PERIODIC REPORTING

- 1. The authority citation for part 3050 continues to read as follows:

**Authority:** 39 U.S.C. 503, 3651, 3652, 3653.

- 2. Add § 3050.50 to read as follows:

##### § 3050.50 Information pertaining to cost and service for flat-shaped mail.

(a) The reports in paragraphs (b) through (f) of this section shall be filed with the Commission at the times indicated.

(b) Within 95 days after the end of each fiscal year, the Postal Service shall file a financial report that analyzes data from the fiscal year for all mail products that consist of more than 80 percent flat-shaped mail. At a minimum, the report shall include:

(1) Volume and shape workpapers that identify products that contain more than 80 percent flat-shaped mail (flat-shaped products).

(2) Unit attributable cost workpapers for each flat-shaped product that is disaggregated into the following cost categories: Mail processing unit cost, delivery unit cost, vehicle service driver unit cost, purchased transportation unit cost, window service unit cost, and other unit cost.

(3) A narrative that explains the methodology used to calculate the unit attributable cost categories described in paragraph (b)(2) of this section.

(4) A narrative supported by workpapers that identifies flat-shaped products for which the percentage change in average unit attributable cost was greater than the percentage change in total market dominant average unit attributable cost for the same fiscal year. The narrative must include