

**§ 49.4264(d)–1 [Redesignated]**

■ **Par. 28.** Section 49.4264(d)–1 is redesignated as § 49.4263–4.

**§ 49.4263–4 [Amended]**

■ **Par. 29.** Newly redesignated § 49.4263–4 is amended by removing “4264(d)” and adding “4263(d)” in its place.

**§ 49.4264(e)–1 [Redesignated]**

■ **Par. 30.** Section 49.4264(e)–1 is redesignated as § 49.4263–5.

**§ 49.4264(f)–1 [Redesignated]**

■ **Par. 31.** Section 49.4264(f)–1 is redesignated as § 49.4263–6.

**§ 49.4263–6 [Amended]**

■ **Par. 32.** Newly redesignated § 49.4263–6 is amended by removing and reserving paragraph (b).  
■ **Par. 33.** In § 49.4271–1, revise paragraphs (a) and (b) to read as follows:

**§ 49.4271–1 Tax on transportation of property by air.**

(a) *Purpose of this section.* Section 4271 of the Internal Revenue Code (Code) imposes a 6.25% tax on amounts paid within or without the United States for the taxable transportation of property (as defined in section 4272). This section sets forth rules as to the general applicability of the tax. This section also sets forth rules authorized by section 4272(b)(2) of the Code which exempt from tax payments for the transportation of property by air in the course of exportation (including shipment to a possession of the United States) by continuous movement, and in due course so exported.

(b) *Imposition of tax.* (1) The tax imposed by section 4271 applies only to amounts paid to persons engaged in the business of transporting property by air for hire.

(2) The tax imposed by section 4271 does not apply to amounts paid for the transportation of property by air if such transportation is furnished on an aircraft having a maximum certificated takeoff weight (as defined in section 4281(b) of the Code) of 6,000 pounds or less, unless such aircraft is operated on an established line or when such aircraft is a jet aircraft. The tax imposed by section 4271 also does not apply to any payment made by one member of an affiliated group (as defined in section 4282(b) of the Code) to another member of such group for services furnished in connection with the use of an aircraft if such aircraft is owned or leased by a member of the affiliated group and is not available for hire by persons who are not members of such group.

\* \* \* \* \*

■ **Par. 34.** Section 49.4271–2 is added to read as follows:

**§ 49.4271–2 Aircraft management services.**

For rules regarding the exemption for certain amounts paid by aircraft owners for aircraft management services, see § 49.4261–10.

**§ 49.4282–1 [Reserved]**

■ **Par. 35.** Add and reserve § 49.4282–1.

**Sunita Lough,**

*Deputy Commissioner for Services and Enforcement.*

[FR Doc. 2020–15504 Filed 7–29–20; 11:15 am]

**BILLING CODE 4830–01–P**

---

---

**POSTAL REGULATORY COMMISSION**

**39 CFR Part 3050**

[Docket No. RM2020–9; Order No. 5586]

**Periodic Reporting**

**AGENCY:** Postal Regulatory Commission.  
**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Commission is requesting that they initiate an informal rulemaking proceeding to change how the Postal Service determines incremental costs and how it accounts for peak-season costs in its periodic reports. This rulemaking informs the public of the filing, invites public comment, and takes other administrative steps.

**DATES:** Technical conference to be held: September 29, 2020 at 11 a.m. EST. Notice of Intent to Participate due: September 14, 2020.

**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. Summary of the Petition
- III. Commission Analysis
- IV. Video Technical Conference
- V. Ordering Paragraphs

**I. Introduction**

On May 29, 2020, United Parcel Service, Inc. (UPS) filed a petition

pursuant to 39 CFR 3050.11.<sup>1</sup> UPS requests the Commission to initiate a proceeding to change how the Postal Service determines incremental costs and how it accounts for peak-season costs in its periodic reports. Petition at 1. UPS contends that pursuant to 39 U.S.C. 3652(a), these periodic reports apply the Postal Service’s costing methodologies to determine, among other things, “whether the Postal Service’s ‘costs, revenues, rates, and quality of service’ comply with Title 39, including [section] 3633, which applies to competitive products.” *Id.*

**II. Summary of the Petition**

UPS alleges that the Postal Service’s current costing models do not fully account for the increase in peak-season costs driven by package shipments. *Id.* UPS asserts that these shipments “take on sharply different seasonal patterns than letters,” which causes a “disconnect between costing models and package delivery.” *Id.* at 1–2. UPS asserts further that peak-season costs incurred in December and caused by competitive products would not exist if the Postal Service did not deliver packages and that, therefore, these costs are incremental costs, which should be attributed to competitive products. *Id.* at 2–3. Based on its analysis, UPS alleges that the current costing models fail to attribute approximately \$500 million of the “additional peak-season costs” annually, thereby “effectively ignoring them” under 39 U.S.C. 3633(a). *Id.* at 3. According to UPS, this alleged failure may be contributing to the Postal Service’s growing losses. *Id.* at 4.

UPS requests the Commission to address the alleged failure of existing cost models by directing the Postal Service to:

(1) Attribute what UPS characterizes as “unexplained peak-season costs” to competitive products as a group under the incremental cost test utilized for 39 U.S.C. 3633(a)(1).

(2) Properly analyze the seasonality effects and revise the cost models to accurately account for such effects, with respect to 39 U.S.C. 3633(a)(2).

(3) Produce additional data regarding peak-season operations, which would lead to an improved costing methodology.

(4) Develop a new methodological approach for 39 U.S.C. 3633(a)(1) and (a)(2) that addresses more generally

---

<sup>1</sup> Petition of United Parcel Service, Inc. for the Initiation of Proceedings to Make Changes to Postal Service Costing Methodologies, May 29, 2020 (Petition). UPS also filed a library reference in support of the Petition. See Notice of Filing of Library Reference UPS–LR–RM2020–9/1, May 29, 2020.

peak-season costs and the deficiencies in allocating incremental costs.

See *id.* at 39–41. UPS also suggests that “a comprehensive technical conference would be an appropriate next step. . . .” *Id.* at 41.

### III. Commission Analysis

The Commission established periodic reporting rules in 39 CFR part 3050 on April 16, 2009.<sup>2</sup> In Order No. 3506, the Commission directed the Postal Service “to use incremental costs as the basis for class-level and product-level attributable costs” in accounting for costs in its periodic reports.<sup>3</sup> UPS asserts that peak-season costs “are caused by competitive products” and “would not exist if the Postal Service did not deliver packages.” Petition at 2–3 (emphasis in original). UPS therefore concludes that “[p]eak-season costs plainly qualify as incremental costs” and that “the current costing models approved by the Commission fail to account for peak-season cost increases, effectively ignoring them under 39 U.S.C. 3633(a).” *Id.* at 3. To remedy these alleged shortcomings, UPS proposes changes which, if approved, would constitute changes in analytical principles relating to the Postal Service’s periodic reports. As such, the proposed changes are properly presented under 39 CFR 3050.11.

### IV. Video Technical Conference

Procedures for considering proposals to change accepted analytical principles are provided in section 3050.11(c). 39 CFR 3050.11(c). That section authorizes the Commission to order “the petitioner and/or the Postal Service . . . to participate in technical conferences, prepare statements clarifying or supplementing their views, or answer questions posed by the Commission or its representatives.” *Id.*

<sup>2</sup> Docket No. RM2008–4, Notice of Final Rule Prescribing Form and Content of Periodic Reports, April 16, 2009 (Order No. 203). Section 3050.60(f) of the periodic reporting rules requires the Postal Service to file periodic reports with an explanation of its costing methodologies, which describe the Postal Service’s current methodologies and recent changes. 39 CFR 3050.60(f). For the most recent report, see Rule 39 CFR 3050.60(f) Report for FY 2019 (Summary Descriptions), July 1, 2020, subfolders “Rule 39 CFR Sec 3050.60f\_Report FY19,” “SummaryDescriptionsFY2019.” A non-public version of the Summary Descriptions is filed under seal. See PDF file *Letter\_FY 2019\_3050\_60f.pdf*.

<sup>3</sup> 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, at 125 (Order No. 3506); Notice of Errata, October 19, 2016. Incremental costs are also used for other purposes, such as for testing for cross-subsidy of competitive products. See Order No. 3506 at 13.

Based upon allegations in the Petition, the Commission believes it would be appropriate to consider areas of possible improvement in costing methodology related to peak-season costs. As a preliminary step, the Commission intends to explore the ability of current costing models to identify and attribute additional peak-season costs. Accordingly, the Commission is establishing Docket No. RM2020–9 and scheduling a video technical conference to consider the alleged shortcomings of the Postal Service’s costing methodologies and potential improvements. The Commission directs both UPS and the Postal Service to make presentations and participate in a discussion of relevant issues in that technical conference. The technical conference will be held online via WebEx on September 29, 2020 at 11:00 a.m. EST. Interested persons who wish to participate must file a notice of intent to participate (Notice) no later than September 14, 2020.

The Notice shall provide the name and email address for each individual who will participate at the WebEx conference using an individual device (e.g., a desktop computer, laptop, tablet or smart phone). Entities, such as corporations, associations, or government agencies that identify more than one individual wishing to participate in the conference shall provide the names of interested persons with their email addresses and designate the individual who will serve as the primary point of contact for the entity.

Prior to the conference, the Commission will provide participants with a WebEx link and a guide explaining how to connect to the conference, and detailing its schedule and procedures to be followed.

At the conference, UPS shall present the analysis underlying its Petition and discuss its proposed modifications to the Postal Service’s costing methodologies. UPS should specifically clarify:

(1) How the attribution methodology, if modified, would ensure that the costs are attributed to products (or groups of products) through reliably identified causal relationships, as required by 39 U.S.C. 3622(c)(2).

(2) How the variability costing models, if modified, would be used consistently during both peak- and off-peak time periods.

The Postal Service shall discuss how the current costing methodologies account for the peak-season costs. The Postal Service’s presentation should address:

(1) How the Postal Service’s costing models (including, but not limited to, the city carrier street time regular delivery letter routes, city carrier street time Special Purpose Routes, and highway transportation models) account for seasonal volume spikes and peak-season costs.

(2) The extent to which the seasonal volume spikes are caused by competitive products and whether and how the current cost attribution methodology accounts for these volume spikes and any associated cost increases.

(3) Whether and, if so, how the Postal Service’s recently adopted changes to the methodology of incremental cost attribution allow for accounting for the peak-season cost increases in general and those caused by delivery of competitive products.<sup>4</sup>

Pursuant to 39 U.S.C. 505, Lawrence Fenster is designated as officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.

The Commission will establish additional procedures, as necessary, by further orders.

### V. Ordering Paragraphs

*It is ordered:*

1. The Commission establishes Docket No. RM2020–9 for consideration of the matters raised by the Petition, filed May 29, 2020.

2. A video technical conference is scheduled on September 29, 2020, at 11:00 a.m. EST and will be held online via WebEx to address issues identified in this Order and related to this matter.

3. Interested persons who wish to participate in the technical conference shall file a notice of intent to participate on or before September 14, 2020.

4. After the technical conference, the Commission shall post a recording of the conference on its website, which will be available to the general public.

5. Additional procedures, including procedures following conclusion of the technical conference, will be established by further orders of the Commission.

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

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

<sup>4</sup> See, e.g., Order No. 3506 at 60; Docket No. RM2016–13, Order Adopting Final Rules on Changes Concerning Attributable Costing, December 1, 2016, at 1, 13–15 (Order No. 3641); Docket No. RM2018–6, Order on Analytical Principles Used in Periodic Reporting (Proposal Three), July 19, 2018, at 1–2, 7–10 (Order No. 4719).

By the Commission.  
**Erica A. Barker,**  
*Secretary.*

[FR Doc. 2020–15403 Filed 7–30–20; 8:45 am]

BILLING CODE 7710–FW–P

## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Parts 22, 124, and 257

[EPA–HQ–OLEM–2019–0361; FRL–10012–99–OLEM]

RIN 2050–AH07

### Hazardous and Solid Waste Management System: Disposal of Coal Combustion Residuals From Electric Utilities; Federal CCR Permit Program; Reopening of Comment Period

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

**ACTION:** Proposed rule; reopening of comment period.

**SUMMARY:** The Environmental Protection Agency (EPA) issued a proposed rule in the **Federal Register** of February 20, 2020, concerning establishment of a federal permit program for disposal of coal combustion residuals (CCR). EPA has decided to reopen the comment period to allow submittal of additional comments on the proposal.

**DATES:** The comment period for the proposed rule published February 20, 2020, at 85 FR 9940, is reopened. Comments, identified by docket identification (ID) number EPA–HQ–OLEM–2019–0361, must be received on or before August 7, 2020.

**ADDRESSES:** Follow the detailed instructions provided under **ADDRESSES** in the **Federal Register** document of February 20, 2020 (85 FR 9940).

**FOR FURTHER INFORMATION CONTACT:** *For technical information contact:* Stacey Yonce, Office of Resource Conservation and Recovery, Environmental Protection Agency, 5304P, Washington, DC 20460; telephone number: (703) 308–8476; email address: [yonce.stacey@epa.gov](mailto:yonce.stacey@epa.gov). For more information on this rulemaking please visit <https://www.epa.gov/coalash>.

**SUPPLEMENTARY INFORMATION:** This document reopens the public comment period established in the **Federal Register** document of February 20, 2020 (85 FR 9940), for 7 days, from July 31, 2020, to August 7, 2020. In that document, EPA proposed to establish a federal CCR permit program in accordance with the requirements of the Water Infrastructure Improvements for the Nation (WIIN) Act. EPA is hereby

reopening the comment period for 7 days.

To submit comments, or access the docket, please follow the detailed instructions provided under **ADDRESSES** in the **Federal Register** document of February 20, 2020 (85 FR 9940). Out of an abundance of caution for members of the public and our staff, the EPA Docket Center and Reading Room are closed to the public, with limited exceptions, to reduce the risk of transmitting COVID–19. Our Docket Center staff will continue to provide remote customer service via email, phone, and webform. We encourage the public to submit comments via <https://www.regulations.gov/> or email, as there may be a delay in processing mail and faxes. Hand deliveries and couriers may be received by scheduled appointment only. For further information on EPA Docket Center services and the current status, please visit us online at <https://www.epa.gov/dockets>. If you have questions, consult the technical person listed under **FOR FURTHER INFORMATION CONTACT**.

#### List of Subjects

##### 40 CFR Part 22

Environmental protection, Administrative practice and procedure, Air pollution control, Hazardous substances, Hazardous waste, Penalties, Pesticides and pests, Poison prevention, Water pollution control.

##### 40 CFR Part 124

Environmental protection, Administrative practice and procedure, Air pollution control, Hazardous waste, Indians—lands, Reporting and recordkeeping requirements, Water pollution control, Water supply.

##### 40 CFR Part 257

Environmental protection, Beneficial use, Coal combustion products, Coal combustion residuals, Coal combustion waste, Disposal, Hazardous waste, Landfill, Surface impoundment.

#### Donna Salyer,

*Acting Director, Office of Resource Conservation and Recovery.*

[FR Doc. 2020–16482 Filed 7–30–20; 8:45 am]

BILLING CODE 6560–50–P

## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 52

[EPA–R03–OAR–2020–0157; FRL–10012–73–Region 3]

### Air Plan Approval; Pennsylvania; Allegheny County Area Attainment Plan for the 2012 Fine Particulate Matter National Ambient Air Quality Standard; Reopening of Comment Period

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

**ACTION:** Proposed rule; reopening of the comment period.

**SUMMARY:** The Environmental Protection Agency (EPA) is reopening the comment period for a document published in the **Federal Register** on June 12, 2020. EPA is reopening the comment period based on the Clean Air Council's request for a 30-day extension. Clean Air Council's request seeks an extension of the comment period until August 13, 2020.

**DATES:** The comment period for the proposed rule published June 12, 2020 (85 FR 35852), is reopened. The EPA must receive comments on or before August 13, 2020.

**ADDRESSES:** Submit your comments, identified by Docket ID No. EPA–R03–OAR–2020–0157 at <https://www.regulations.gov>, or via email to [spielberger.susan@epa.gov](mailto:spielberger.susan@epa.gov). For comments submitted at *Regulations.gov*, follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from *Regulations.gov*. For either manner of submission, EPA may publish any comment received to its public docket. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. 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. 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 submission methods for comments on this proposed approval of the Allegheny County Area PM<sub>2.5</sub> plan, please contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section. For the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit