

categorically excluded from further review under paragraph L[60a] of Appendix A, Table 1 of DHS Instruction Manual 023–01–001–01, Rev. 1. A preliminary Record of Environmental Consideration supporting this determination is available in the docket. For instructions on locating the docket, see the **ADDRESSES** section of this preamble. We seek any comments or information that may lead to the discovery of a significant environmental impact from this proposed rule.

#### G. Protest Activities

The Coast Guard respects the First Amendment rights of protesters. Protesters are asked to call or email the person listed in the **FOR FURTHER INFORMATION CONTACT** section to coordinate protest activities so that your message can be received without jeopardizing the safety or security of people, places, or vessels.

#### V. Public Participation and Request for Comments

We view public participation as essential to effective rulemaking, and will consider all comments and material received during the comment period. Your comment can help shape the outcome of this rulemaking. If you submit a comment, please include the docket number for this rulemaking, indicate the specific section of this document to which each comment applies, and provide a reason for each suggestion or recommendation.

**Submitting comments.** We encourage you to submit comments through the Federal Decision Making Portal at <https://www.regulations.gov>. To do so, go to <https://www.regulations.gov>, type USCG–2022–0483 in the search box and click “Search.” Next, look for this document in the Search Results column, and click on it. Then click on the Comment option. If you cannot submit your material by using <https://www.regulations.gov>, call or email the person in the **FOR FURTHER INFORMATION CONTACT** section of this proposed rule for alternate instructions.

**Viewing material in docket.** To view documents mentioned in this proposed rule as being available in the docket, find the docket as described in the previous paragraph, and then select “Supporting & Related Material” in the Document Type column. Public comments will also be placed in our online docket and can be viewed by following instructions on the <https://www.regulations.gov> Frequently Asked Questions web page. We review all comments received, but we will only post comments that address the topic of the proposed rule. We may choose not

to post off-topic, inappropriate, or duplicate comments that we receive.

**Personal information.** We accept anonymous comments. Comments we post to <https://www.regulations.gov> will include any personal information you have provided. For more about privacy and submissions to the docket in response to this document, see DHS’s eRulemaking System of Records notice (85 FR 14226, March 11, 2020).

#### List of Subjects in 33 CFR Part 165

Harbors, Marine safety, Navigation (water), Reporting and recordkeeping requirements, Security measures, Waterways.

For the reasons discussed in the preamble, the Coast Guard is proposing to amend 33 CFR part 165 as follows:

#### PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS

■ 1. The authority citation for part 165 continues to read as follows:

**Authority:** 46 U.S.C. 70034, 70051; 33 CFR 1.05–1, 6.04–1, 6.04–6, and 160.5; Department of Homeland Security Delegation No. 00170.1, Revision No. 01.2.

■ 2. Add § 165.1189 to read as follows:

##### § 165.1189 Security Zone; San Francisco Bay, San Francisco, CA.

(a) **Location.** The following area is a security zone: all navigable waters of the San Francisco Bay on the east side of Yerba Buena Island from a point along the southeastern shore of Yerba Buena Island at 37°48′27″ N, 122°21′44″ W; east to 37°48′27″ N, 122°21′35″ W; north to 37°48′49″ N, 122°21′35″ W, a point on the northeastern side of Yerba Buena Island. These coordinates are based on North American Datum (NAD) 83.

(b) **Regulations.** (1) In accordance with the general security zone regulations in subpart D of this part, entry into the area of the security zone described in paragraph (a) of this section is prohibited unless authorized by the Captain of the Port (COTP) San Francisco.

(2) The security zone is closed to all vessel traffic, except as may be permitted by the COTP.

(3) To seek permission to enter, contact the COTP by VHF Marine Radio channel 16 or through the 24-hour Command Center at telephone (415) 399–3547. Those in the security zone must comply with all lawful orders or directions given to them by the COTP.

(c) **Enforcement.** The Captain of the Port will enforce the security zone described in paragraph (a) of this section and may be assisted in the patrol and enforcement of the security zone by

any Federal, State, county, municipal, or private agency.

Dated: July 12, 2022.

**Taylor Q. Lam,**

*Captain, U.S. Coast Guard, Captain of the Port San Francisco.*

[FR Doc. 2022–15270 Filed 7–15–22; 8:45 am]

**BILLING CODE 9110–04–P**

#### POSTAL REGULATORY COMMISSION

##### 39 CFR Part 3050

[Docket No. RM2022–8; Order No. 6224]

#### Periodic Reporting

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Commission is acknowledging a recent filing requesting the Commission initiate a rulemaking proceeding to consider changes to analytical principles relating to periodic reports (Proposal Two). This document informs the public of the filing, invites public comment, and takes other administrative steps.

**DATES:** *Comments are due:* August 26, 2022.

**ADDRESSES:** Submit comments electronically via the Commission’s Filing Online system at <https://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. Proposal Two
- III. Notice and Comment
- IV. Ordering Paragraphs

##### I. Introduction

On July 7, 2022, the Postal Service filed a petition pursuant to 39 CFR 3050.11 requesting that the Commission initiate a rulemaking proceeding to consider changes to analytical principles relating to periodic reports.<sup>1</sup>

<sup>1</sup> Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Two), July 7, 2022 (Petition). The Petition was accompanied by a study supporting its proposal. See Michael D. Bradley, *Calculating Variabilities for Postmaster Costs*, July 7, 2022. The Postal Service also filed a notice of filing of public and non-public materials relating to Proposal Two. Notice of Filing

Continued

The Petition identifies the proposed analytical changes filed in this docket as Proposal Two.

## II. Proposal Two

**Background.** In Docket No. RM2020–2 (Proposal Ten), the Postal Service proposed revisions aimed at updating and improving the attribution of Postmaster costs.<sup>2</sup> The Commission raised four main issues with Proposal Ten and ultimately rejected it because the Postal Service did not show that its proposed revisions to Postmaster cost variability and attribution would result in a significant improvement in the attribution of costs nor were necessitated by the public interest. *See* Order No. 5932 at 9–46. The Commission offered two alternative methods that would remedy the deficiencies in Proposal Ten, and encouraged the Postal Service to resubmit an updated Postmaster variability analysis. *See id.* at 47. Following the Commission’s guidance in Order No. 5932, the Postal Service now submits Proposal Two to address and improve the Postmaster variability analysis. *See* Petition at 2.

**Proposal.** The first of the two variability calculation methods offered by the Commission in Order No. 5932 was termed the “Large Sample Version of Proposal Ten Variability” (LSVPTV) method.<sup>3</sup> The LSVPTV method addresses the Postmaster variability discontinuity issue through analyzing the variability calculation under the assumption that there is an infinite number of Post Offices in the two grades for which the variability is calculated. *See id.* at 3. However, the Postal Service states that under this method, the Work Service Credit (WSC) probability distribution is unknown and must be estimated in an additional analysis before the variability can be calculated. *See id.*

The second variability calculation method offered by the Commission in Order No. 5932 was termed the “Minimization of Error Distance Between Predicted and Actual Cost” (MEDBPAC) method, which was also referred to as a “geometrical” approach. *See id.* at 3–4 (citing File A5 at 12). To calculate a variability for a given Executive Administrative Schedule

(EAS) grade pair, the algorithm modifies the total Postmaster cost equation by replacing the counts of the numbers of offices in the higher and lower EAS grades with the sums of the probabilities of an office being in either the higher or lower EAS grade, as determined by the logit model. *See id.* at 4.

The Postal Service considered and evaluated the two methods and determined that the MEDBPAC method provides a stronger foundation than the LSVPTV method for calculating Postmaster attributable costs. *See id.* The Postal Service asserts that the LSVPTV method has several disadvantages. First, it involves calculating the limit of the variability function, not calculating the variability directly from the variability function itself. *See id.* Second, it requires assuming that there is an infinite number of Post Offices, which may present issues for pairs of EAS grades with relatively few Post Offices. *See id.* at 4–5. Third, it requires non-parametric estimation of the continuous probability distribution of the WSCs for each pair of Post Offices, which imparts arbitrariness to the estimation and adds another step of complexity to the calculation. *See id.* at 5. Fourth, the calculated LSVPTV variability turns out to be the variability of cost with respect to the threshold WSC level, not WSCs directly, which may cause issues for the calculation of incremental costs. *See id.*

The Postal Service contends that in comparison, the MEDBPAC method has several advantages. First, it is much closer in form to established methods of variability calculation. *See id.* Second, it is transparent and does not require another layer of assumptions and estimations. *See id.* Third, it makes use of the actual distribution of WSCs across Post Offices, ensuring that the variabilities reflect the underlying cost surface. *See id.* Fourth, it is consistent with the economic theory underlying attributable cost calculation. *See id.* Therefore, the Postal Service proposes to use the MEDBPAC method to calculate the Postmaster variability.

The Postal Service also determined to extract Form 150 WSC data from 2022 to update the logit models used in Docket No. RM2022–2, as those logit models were estimated from older Form 150 WSC data from 2019. *See id.* The Postal Service states that doing so updates the variability analysis to the most recent data available and demonstrates the stability of the logit models. *See id.*

As the 2022 Postmaster variabilities depend not only on the logit models estimated on the 2022 WSC data, but also on the EAS salary schedule for

2022, the Postal Service summarized the changes in EAS salary schedule for 2022 in comparison with the EAS salary schedule for 2019. *See id.* at 7–8.

Based on the logit models estimated on the 2022 WSC data and the 2022 EAS salary schedule, the Postal Service calculated the 2022 Postmaster variabilities. *See id.* at 8, Table 1. The Postal Service also included the 2019 Postmaster variabilities for comparison and found that three of the estimated variabilities were very stable, one showed modest change, and two showed substantial change due to EAS salary schedule change from 2019 to 2022. *See id.* at 8–9.

**Impact.** In the Postmaster cost model used currently, a single variability is applied against the costs for EAS grades 18 through 22, and grades 24 and above receive a zero variability by assumption. *See id.* at 10. In contrast, the variability calculation using the MEDBPAC method as proposed by the Postal Service calculates variability for each of the EAS grades below EAS–26, including EAS–24. *See id.* The Postal Service states that doing so results in an overall variability of 3.03 percent, calculated by first calculating the total volume variable costs implied by the individual EAS grade variabilities and then dividing that sum by total accrued costs. *See id.*

The Postal Service states that under the proposed approach the new overall variability is lower than the existing variability for three reasons. First, the Postal Service observes that current variability calculation method is overstated due to a computational error. *See id.*

Second, the Postal Service notes that the Post Office Structure Plan (POSTPlan) eliminated the lower EAS grades. *See id.* In lower EAS grades, Postmaster could move relatively rapidly through WSCs to a higher salary. *See id.* In higher EAS grades, Postmaster would need much larger increases in WSCs in order to move to a higher salary. *See id.* Therefore, the Postal Service contends that eliminating the lower EAS grades results in the less likelihood of Postmaster cost increase for a given percentage increase in volume, which in turn results in the lower overall variability. *See id.*

Third, the Postal Service states that the current variability calculation method measures only the potential increase in cost from an increase in WSCs, not the actual increase captured by the distribution of offices, by WSCs, and within each grade. *See id.* at 10–11. Thus, the Postal Service notes that the current methodology tends to overstate the variability because it assumes that all offices would change grades when

of USPS–RM2022–8–1 and USPS–RM2022–8–NP1 and Application for Nonpublic Treatment, July 7, 2022.

<sup>2</sup> *See* Petition at 1 (citing Docket No. RM2020–2, Order on Analytical Principles Used in Periodic Reporting (Proposal Ten), July 8, 2021 (Order No. 5932)).

<sup>3</sup> *See id.* at 3 (citing Docket No. RM2020–2, Library Reference PRC–LR–RM2020–2/5, July 8, 2021, at 1 (File A5)).

WSC changes. *See id.* at 11. In contrast, the Postal Service observes that its proposed MEDBPAC method averages the variabilities calculated at each Post Office used to estimate the logit models, and reflects the actual changes in cost associated with a given change in WSCs. *See id.* The Postal Service states that since most Post Offices have WSC levels that are unlikely to change EAS grades in response to a WSC change, the actual overall variability should be lower. *See id.*

The Postal Service calculated the impact of new Postmaster variabilities on costs of domestic Market Dominant products in Table 2.<sup>4</sup> The Postal Service asserts that lower new variabilities do not have a large impact on those costs, as unit Postmaster costs are low to begin with. *See id.* at 11.

### III. Notice and Comment

The Commission establishes Docket No. RM2022–8 for consideration of matters raised by the Petition. More information on the Petition may be accessed via the Commission's website at <https://www.prc.gov>. Interested persons may submit comments on the Petition and Proposal Two no later than August 26, 2022. Pursuant to 39 U.S.C. 505, Madison Lichtenstein 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. RM2022–8 for consideration of the matters raised by the Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Two), filed July 7, 2022.

2. Comments by interested persons in this proceeding are due no later than August 26, 2022.

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

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

By the Commission.

**Erica A. Barker,**

*Secretary.*

[FR Doc. 2022–15229 Filed 7–15–22; 8:45 am]

**BILLING CODE 7710–FW–P**

## POSTAL REGULATORY COMMISSION

### 39 CFR Part 3050

[Docket No. RM2022–9; Order No. 6223]

### Periodic Reporting

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Commission is acknowledging a recent filing requesting the Commission initiate a rulemaking proceeding to consider changes to analytical principles relating to periodic reports (Proposal Three). This document informs the public of the filing, invites public comment, and takes other administrative steps.

**DATES:** *Comments are due:* August 12, 2022.

**ADDRESSES:** Submit comments electronically via the Commission's Filing Online system at <https://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. Proposal Three
- III. Notice and Comment
- IV. Ordering Paragraphs

### I. Introduction

On July 8, 2022, the Postal Service filed a petition pursuant to 39 CFR 3050.11 requesting that the Commission initiate a rulemaking proceeding to consider changes to analytical principles relating to periodic reports.<sup>1</sup> The Petition identifies the proposed analytical changes filed in this docket as Proposal Three.

<sup>1</sup> Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Three), July 8, 2022 (Petition). The Postal Service also filed a notice of filing of non-public material relating to Proposal Three. Notice of Filing of USPS–RM2022–9–NP1 and Application for Nonpublic Treatment, July 8, 2022.

## II. Proposal Three

**Background.** Proposal Three relates to the Revenue, Pieces, and Weight (RPW) reporting methodology for measuring the country-level totals of contract mailpieces in outbound international product categories bearing permit-imprint indicia. *See* Petition; *id.* Proposal Three at 1. The international outbound products at issue include Priority Mail International (PMI), First-Class Package International Service (FCPIS), Priority Mail Express International (PMEI), First-Class Mail International (FCMI), International Priority Airmail (IPA), International Surface Airlift (ISAL), and Commercial ePackets (CEPK). Proposal Three at 1. Currently, the Postal Service uses statistical sampling estimates from the System for International Revenue and Volume, Outbound, and International Origin Destination Information System (SIRVO–IODIS), along with estimates from Global Business System Dispatch (GBS Dispatch), to report the country-level totals. *See id.* The Postal Service also filed an assessment of the impact of the proposal on particular products in a non-public attachment accompanying this proposal.<sup>2</sup>

**Proposal.** The Postal Service's proposal seeks to replace the SIRVO–IODIS sampling estimates and the GBS Dispatch estimates used in the existing RPW reporting methodology with granular census data. *See id.* at 5. The Postal Service would use two auxiliary data sources for permit-imprint contract pieces: manifest information for PostalOne! customers using the Electronic Verification System (eVS) and, for other PostalOne! customers, barcodes of mailer-prepared receptacles in the GBS Dispatch system. *See id.* For PC Postage contract pieces, the Postal Service would determine destination-country information from a disaggregated National Meter Account Tracking System (NMATS) report containing activity by individual contract and product. *See id.*

**Rationale and impact.** The Postal Service states that, under the current methodology, certain country-level detail cannot be obtained directly and that approximations, which may contain sampling error or be imprecise, are used instead. *See id.* at 4. According to the Postal Service, such error and imprecision affect analyses of negotiated service agreements (NSAs), which analyses rely on country-level detail. *See id.* The Postal Service asserts that its proposed methodology could “be used for more precise analyses of individual

<sup>2</sup> *See* Library Reference USPS–RM2022–9/NP1, July 8, 2022.

<sup>4</sup> *See id.* at 12, Table 2. The impact of the new variabilities on Competitive products are presented in the non-public materials submitted by the Postal Service, Excel file “Non Public Impact.xlsx” in Library Reference USPS–RM2022–8/NP1.