

(7) *Port Condition RECOVERY* means a condition set by the COTP when NWS weather advisories indicate that sustained gale force winds (39–54 mph/34–47 knots) are no longer predicted for the regulated area. This port condition remains in effect until the regulated areas are deemed safe and are reopened to normal operations.

(c) *Regulations.* (1) Port Condition WHISKEY. All vessels must exercise due diligence in preparation for potential storm impacts. All oceangoing tank barges and their supporting tugs and all self-propelled oceangoing vessels over 500 gross tons (GT) must make plans to depart no later than setting of Port Condition YANKEE unless authorized by the COTP. The COTP may modify the geographic boundaries of the regulated area and actions to be taken under Port Condition WHISKEY, based on the trajectory and forecasted storm conditions.

(2) Port Condition X–RAY. All vessels must ensure that potential flying debris and hazardous materials are removed, and that loose cargo and cargo equipment is secured. Vessels at facilities must carefully monitor their moorings and cargo operations. Additional anchor(s) must be made ready to let go, and preparations must be made to have a continuous anchor watch during the storm. Engine(s) must be made immediately available for maneuvering. Also, vessels must maintain a continuous listening watch on VHF Channel 16. All oceangoing tank barges and their supporting tugs and all self-propelled oceangoing vessels over 500 GT must prepare to depart the port and anchorages within the affected regulated area. These vessels shall depart immediately upon the setting of Port Condition YANKEE. During this condition, slow-moving vessels may be ordered to depart to ensure safe avoidance of the incoming storm. Vessels that are unable to depart the port must contact the COTP to receive permission to remain in port. Vessels with COTP's permission to remain in port must implement their pre-approved mooring arrangement. The COTP may require additional precautions to ensure the safety of the ports and waterways. The COTP may modify the geographic boundaries of the regulated area and actions to be taken under Port Condition X–RAY based on the trajectory and forecasted storm conditions.

(3) Port Condition YANKEE. Affected ports are closed to all inbound vessel traffic. All oceangoing tank barges and their supporting tugs and all self-propelled oceangoing vessels over 500 GT must depart the regulated area. The

COTP may require additional precautions to ensure the safety of the ports and waterways. The COTP may modify the geographic boundaries of the regulated area within the Delaware Bay COTP Zone and actions to be taken under Port Condition YANKEE based on the trajectory and forecasted storm conditions.

(4) Port Condition ZULU. When Port Condition ZULU is declared, cargo operations are suspended, except final preparations that are expressly permitted by the COTP as necessary to ensure the safety of the ports and facilities. Other than vessels designated by the COTP, no vessels may enter, transit, move, or anchor within the regulated area. The COTP may modify the geographic boundaries of the regulated area and actions to be taken under Port Condition ZULU based on the trajectory and forecasted storm conditions.

(5) Port Condition RECOVERY. The COTP Zone, or portions of it designated as regulated areas, as are closed to all vessels. Based on assessments of channel conditions, navigability concerns, and hazards to navigation, the COTP may permit vessel movements with restrictions. Restrictions may include, but are not limited to, preventing, or delaying vessel movements, imposing draft, speed, size, horsepower or daylight restrictions, or directing the use of specific routes. Vessels permitted to transit the regulated area shall comply with the lawful orders or directions given by the COTP or representative.

(6) Regulated Area Notice. The Coast Guard will provide notice, via Broadcast Notice to Mariners, Marine Safety Information Bulletins, or by on-scene representatives, of where, within the COTP Zone, a declared Port Condition is to be in effect.

(7) Exception. This regulation does not apply to authorized law enforcement agencies operating within the regulated area.

Dated: May 21, 2024.

Kate F. Higgins-Bloom,

Captain, U.S. Coast Guard, Captain of the Port, Sector Delaware Bay.

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POSTAL REGULATORY COMMISSION

39 CFR Part 3050

[Docket No. RM2024–8; Order No. 7120]

Periodic Reporting

AGENCY: Postal Regulatory Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Commission is acknowledging a recent Postal Service 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: July 8, 2024.

Reply Comments are due: July 22, 2024.

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:

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I. Introduction

On May 13, 2024, 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.¹ The Petition identifies the proposed analytical changes filed in this docket as Proposal Three.

II. Proposal Three

Background. On November 22, 2023, the Postal Service filed a notice to establish a new Zone 10 for Priority Mail Express (PME), Priority Mail (PM), and USPS Ground Advantage (GA) and proposed associated Zone 10 rates.² The Commission approved the proposed price and classification changes and directed the Postal Service to file a rulemaking proceeding proposing and

¹ Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Three), May 13, 2024 (Petition). The Postal Service also filed a notice of filing of non-public materials relating to Proposal Three. Notice of Filing of USPS–RM2024–8–NP1 and Application for Nonpublic Treatment, May 13, 2024.

² Docket No. CP2024–72, USPS Notice of Changes in Rates and Classifications of General Applicability for Competitive Products, November 22, 2023.

supporting the methodological changes necessary to derive separate Zone 10 transportation costs for Priority Mail and USPS Ground Advantage.³

In accordance with Order No. 7016, the Postal Service filed notice with the Commission to develop procedures to derive separate Zone 10 transportation cost estimates for PM and GA.⁴

The Postal Service states that the mail transportation cost model for PM is updated annually and filed with the Annual Compliance Review (ACR), most recently in Docket No. ACR2023, Library Reference USPS–FY23–NP27, December 29, 2023. Petition, Proposal Three at 2. The current GA transportation cost model was first introduced as an interim model during the FY 2023 ACR and is under concurrent review before the Commission in Docket No. RM2024–7.⁵

The Postal Service states that “the current Priority Mail transportation models (USPS–FY23–NP27, ‘FY2023ParcelsCostModel.xls’ and ‘FY2023FlatsCostModel.xls’) group the costs from Cost Segment 14 into cube- and weight-related, air- and surface-related, distance- and non-distance-related components to calculate an overall cost per pound and a cost per cube by zone.” Petition, Proposal Three at 2. The Postal Service explains that “[t]he distributions to each zone are based on the cube and weight of parcels and flats by zone, parameters derived from USPS–LR–L–39, and USPS–LR–L–37 Table 107 air weight and average haul mileage by zone summaries for aggregated air lanes.” *Id.*

The Postal Service states “[t]he current USPS Ground Advantage transportation model (USPS–FY23–NP27, ‘GATransportationByZone_FY23.xls’) groups the costs from Cost Segment 14 in to Local/Intermediate costs, Long Distance Surface costs, and Air costs to derive a cost per cubic foot.” *Id.* at 3. The Postal Service notes that “[t]he distributions of these components by zone are based on mileage factors and proportions of weight by zone for Surface and Air volume from the Product Tracking and Reporting System (PTR).” *Id.*

³ Docket No. CP2024–72, Order Approving Price Adjustments and Classification Changes for Domestic Competitive Products, March 22, 2024, at 36 (Order No. 7016). The Commission directed the Postal Service to file a rulemaking proceeding within 90 days from the issuance of the order. *Id.*

⁴ See Petition, Proposal Three at 1 n.1, 2. The Postal Service indicates that PME models are unaffected by the addition of Zone 10, as the current PME transportation costs are not disaggregated by zone.

⁵ Docket No. RM2024–7, Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Two), May 10, 2024.

The Postal Service states that it applies the resulting costs by zone to appropriately reflect the costs associated with a specific customer’s weight and zone profile when calculating the financial projections of negotiated service agreements (NSA) that include PM or GA. *Id.* The Postal Service also states that the “forward-looking financial projections are filed to demonstrate expected compliance with the requirements of 39 U.S.C. 3633(a), pursuant to 39 CFR 3035.105(c)” and that “these costs are applied in the ACR proceedings each year to demonstrate compliance with the same requirements, pursuant to 39 [CFR] 3050.21(g)(2).” *Id.*

Proposal Three. The Postal Service proposes updating the methodology for distributing the transportation costs for PM and GA by using more granular data to produce distribution keys by zone for both the new Zone 10 assignment and the existing zones. *Id.* at 4. The Postal Service avers that the changes to the transportation cost models described in Proposal Three involve several phases. *Id.*

First, Proposal Three entails a mechanical update to PM transportation models, where the Postal Service plans to consolidate and eliminate redundancy in workbooks detailing the models. *Id.* The Postal Service states that the result of this update is not a new methodology nor introduction of new information. *Id.* at 6.

Second, the Postal Service would add Zone 10 to the model structures for PM and GA. *Id.* at 5–6. The Postal Service states, “inputs such as volumes, weights, and cubes would be remapped according to the new zone definitions.” *Id.* at 5.

Third, Proposal Three utilizes additional detailed information the Postal Service developed to account for the distance taper effect.⁶

The Postal Service states that “[t]he proposed methodology takes advantage of detailed information that is available for Highway Contract Route (HCR) trips:”

- The total mileage in a quarter for each trip can be determined from its origin and destination together with the

number of trips per quarter. The same information is currently used by Transportation Cost System (TRACS) to identify HCR trips and trip lengths.

- The predicted cost per mile is determined from contract information for each route within a contract type and cost segment. This cost per mile can be applied to all trips assigned to that route.

- For each trip, the zone from origin to destination can be determined from the three-digit ZIP Codes of the origin and destination facilities.

Petition, Proposal Three at 6.

The Postal Service states that “[f]or each zone, the average cost per mile can be calculated by aggregating the quarterly miles and predicted quarterly costs for all trips whose origin and destination map to that zone.” *Id.* The Postal Service asserts that “[b]ecause there are relatively few trips that directly extend to high zones, even within the Inter-[sectional center facility]SCF contract type, there is some variability in the calculated cost per mile.” *Id.* The Postal Service proposes to aggregate Zones 5 through 8 into a single group in order to mitigate this variability. *Id.*

The Postal service summarizes the distance taper adjustment factors for Inter-SCF regular trips for FY 2023 Q4 as follows:

Zone group	Distance taper
1	1.54
2	1.14
3	1.04
4	0.94
5–8	0.93

Id. at 7.

The Postal Service states that it “intends to repeat this analysis each fiscal year and provide updated distance taper factors in USPS–FYxx–NP27 along with other updated parameters that are provided for the transportation cost models utilized for NSAs.” *Id.*

Fourth, the Postal Service proposes a methodological change for the treatment of transportation cost pools for both PM and GA in order to refine the existing methodologies by using more granular data to develop new distribution keys by zone to distribute the costs more accurately in each Cost Segment 14 cost pool by the applicable cost driver. *Id.*

Proposal Three—Priority Mail. In Proposal Three, the Postal Service also proposes several changes to methodology used to calculate the cost per pound and per cube for PM parcels

⁶ See Docket No. RM2023–9, Order Approving Analytical Principles Used in Periodic Reporting (Proposal Four), November 2, 2023, at 8 (Order No. 6771). Order No. 6771 approved methodology changes for PM transportation costs and encouraged the Postal service to conduct future analysis on the phenomenon whereby trips of shorter distances are more expensive per mile compared to trips of longer distances, *i.e.*, the distance taper effect. The Postal Service indicates that it has “conducted the additional analysis and proposes the following data-driven approach to developing cost adjustment factors that reflect the economies achieved as the number of zones traversed by surface trips increases.” Petition, Proposal Three at 5.

and flats.⁷ The summary of each aspect of these proposed changes follows.

First, calculations for PM air weight and average haul by zone have been updated to incorporate Zone 10. *Id.* at 14. In addition, “instead of mapping each lane to a zone according to great circle mileage distance between origin and destination airports, the zone is now determined using the official mapping of the 3-digit ZIP pairs of the origin and destination airports (*i.e.*, according to the distance between the centroids of the 3-digit ZIPs in which the origin and destination airports are located).” *Id.* The Postal Service claims this is “an improvement over the current methodology because it would remove anomalies such as assigning some Intra-Alaska air lanes to Zone 2 when there is no such Zone 2 ZIP pair within Alaska.” *Id.* The Postal Service states that “[t]he air weights by origin and destination airport for the relevant offshore lanes would be remapped from the current zone to Zone 10” and “the ODIS–RPW data would be remapped according to the new zone definitions.” *Id.* 14–15. The Postal Service asserts that “ODIS–RPW information is collected at the 3-digit ZIP level, but Zone 9 only applies to certain 5-digit ZIPs,” therefore Zone 9 ODIS–RPW data is unavailable and would be combined with Zone 10. *Id.* at 15. The Postal Service indicates that because both Zone 9 and Zone 10 pieces would be on flights from the Continental U.S., and it is not possible to separate Zone 9 air weight from Zone 10 air weight, and Zones 9 and 10 must be reported together. *Id.*

Additionally, air weights for Commercial Air, UPS, and Air Taxi distributions by zone would be kept separate rather than aggregated and Air Taxi air weights would be further split into Intra-Caribbean versus all other lanes. *Id.*

The Postal Service proposes to remove calculating the average haul mileage per zone for the FedEx, Commercial Air, UPS, Hawaii, and Air Taxi cost pools because these cost pools do not have distance-related cost components. *Id.* at 16. However, the Postal Service indicates that the average haul calculation for the Alaska air modes would remain unchanged from the current methodology. *Id.*

The Postal Service proposes maintaining the separation of the existing distributions by zone for Alaska, Hawaii, and the Caribbean

instead of combining these distributions in the final step. *Id.*

Second, the Postal Service proposes replacing several parameters in the cost model for costs pertaining to mail in Alaska, reflecting distance and non-distance related costs for that mail. *Id.* The Postal Service also removes the parameters identifying local volume that avoids contract transportation, as it found that local pieces are comingled with higher zone packages and incur the same transportation costs. *Id.* at 17. The Postal Service indicates that new distribution keys “would be developed for each individual cost pool in Cost Segment 14 based on the new air weights by cost pool, average haul mileages, total weights, and total cubic feet by zone for parcels and flats.” *Id.*

Third, The Postal Services proposes that air weight and average haul miles by zone be calculated for individual providers, rather than aggregated. *Id.* The Postal Service states:

The Priority Mail air weight by zone would be distributed between parcels and flats, as in the current methodology, and the air cube for FedEx Day Turn parcels and flats would be calculated using the density factors and the air weight for FedEx. Next, the Air distribution keys for each air cost pool for parcels and flats would be calculated using the weight and cube by zone from the same cost pool. This refinement would represent an improvement over the current methodology because now, for example, UPS costs would be distributed to each zone according to the UPS weight by zone rather than being distributed based on the total air weight across all modes. Likewise, the FedEx Day costs would be distributed to each zone according to the FedEx cube by zone, rather than being distributed based on the total air cube across all modes.

Id.

The Postal Service indicates that:

Two distribution keys would be calculated for the Alaska cost pools: the pound distribution based solely on the Alaska air weight by zone; and the pound-miles distribution, which would be calculated by multiplying the Alaska air weight by zone by the average haul mileage by zone for Alaska. The Alaska Non-Preferential cost pool would employ a weighted average of the pound and pound-mile distributions using the percent distance-related Alaska Non-Preferential parameter.

Id. at 18.

Fourth, the Postal Service would calculate two distribution keys for surface transportation cost pools. One for distance-related surface transportation, and one for non-distance-related surface transportation. *Id.* The Postal Service further describes the breakout of these distribution keys into surface and air and details the calculation. *Id.* at 18–20. In sum, these

distribution keys would be applied at the cost pool level for the cost pools within CS14:

- Commercial air costs would be distributed by the commercial air weight proportions by zone.
 - FedEx Day Turn costs would be distributed by the FedEx cubic feet proportions by zone.
 - UPS costs would be distributed by the UPS air weight proportions by zone.
 - Peak air costs would be distributed by the total air weight proportions by zone.
 - Alaska Non-Preferential costs would be distributed by a weighted average of the Alaska air weight and Alaska pound-miles proportions by zone.
 - Alaska Preferential costs would be distributed by the Alaska air weight proportions by zone.
 - Hawaii costs would be distributed by the Hawaii air weight proportions by zone.
 - Air Taxi costs would be distributed by the air taxi air weight proportions by zone.
 - CDS Intra-SCF Highway costs would be excluded from the model.
 - Inter-SCF, Intra-NDC, Inter-NDC, Highway Plant Load, Alaskan Highway, Highway Empty Equipment, Freight Rail, Rail Plant Load, Rail Empty Equipment, Inland Water, and Offshore Water costs would be distributed by the distance-related surface cube proportions by zone.
 - Intra-SCF Highway costs would be distributed by the non-distance related surface cube proportions by zone.
 - Peak Highway and Terminal/Van Damage costs would each be distributed by a weighted average of the distance- and non-distance-related surface cube proportions by zone.
- Id.* at 20–21.

Proposal Three—USPS Ground Advantage. In Proposal Three, the Postal Service also proposes to update the USPS Ground Advantage transportation cost model.⁸ The summary of each aspect of these proposed changes follows.

First, the Postal Service proposes the same distance taper factors as proposed in the PM model for GA. *Id.* at 24. The Postal Service avers the addition is an improvement because it would allow the model to reflect that shorter distance trips have a higher cost per mile on average compared to longer haul trips. *Id.*

Second, the Postal Service proposes a methodological change to address the

⁷ The Postal Service describes the existing methodology at length, and that description is not repeated here. See Petition, Proposal Three at 7–13.

⁸ The Postal Service describes the existing methodology, and that description is not repeated here. See Petition, Proposal Three at 22–23.

treatment of Domestic Water cost pools. *Id.* Specifically, Inland and Offshore Water costs would be disaggregated, and Offshore Water costs would be distributed independently. *Id.* at 24–25.

Third, the Postal Service proposes a methodology for Zone 10 long-distance surface transportation, because GA pieces over one pound may travel by ocean to offshore locations rather than flying, but they would also travel by truck to the ocean port. *Id.* at 25. The Postal Service proposes accounting for this transport by calculating the average haul mileage for Zone 10 by analyzing PTR and geographic data. *Id.* at 25–26. This analysis would calculate the average miles per piece for Zone 10 pieces destined in the Caribbean, Pacific, and Alaska. *Id.* at 26. The Postal Service notes the pairs of most common departure ports and arrival ports for these pieces (Jacksonville, FL with Catano, PR; Richmond, CA with Honolulu, HI; and Seattle, WA with Anchorage, AK). *Id.* The Postal Service intends to use these pairs to calculate water miles (and by subtracting water miles from average miles per piece, estimating truck miles per piece) for these pieces. *Id.* The Postal Service uses the volume proportions by offshore destination to produce a weighted average truck mileage for all Zone 10 pieces. *Id.*

Fourth, the Postal Service proposes to analyze PTR data to identify Offshore Water Ground Advantage weight percentages by zone. *Id.* The weight distribution would be calculated by identifying the zone of the GA over-one-pound pieces that travel by ocean to or from the offshore location. *Id.* The weight distribution would be used to distribute the GA costs or offshore water transportation by zone and avoids assigning GA costs to zones that do not incur them as is done with the current methodology. *Id.* at 26–27. The costs per cube for each component category would be summarized to produce the total unit cost per cube by zone. *Id.* at 27.

Fifth, the Postal Service proposes to update customer-specific adjustments for Vehicle Service Driver (VSD) costs for local non-distance-related surface transportation for GA. *Id.* This proposed adjustment allows the Postal Service to account for deviations in VSD costs driven by the average size of the customers cube. *Id.*

Impact. The Postal Service provides the impact for each component of Proposal Three, as well as the combined impact, under seal in Library Reference USPS–RM2024–8–NP1. *Id.* Because the impact of Proposal Three is limited to PM and GA transportation costs

separated by zone, there is no impact on product-level costs. *Id.* at 28. The Postal Service avers that the materials filed under seal “substantiate and quantify the Postal Service’s prior statements that the cost of transport to offshore locations is higher on average than it is to transport to non-offshore destinations.” *Id.*

III. Notice and Comment

The Commission establishes Docket No. RM2024–8 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 Three no later than July 8, 2024. Reply comments on the Petition and Proposal Three are due no later than July 22, 2024. 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. RM2024–8 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 Three), filed May 13, 2024.

2. Comments by interested persons in this proceeding are due no later than July 8, 2024. Reply comments on the Petition and Proposal Three are due no later than July 22, 2024.

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. 2024–11566 Filed 5–24–24; 8:45 am]

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA–R04–OAR–2017–0454; EPA–R04–OAR–2019–0638; EPA–R04–OAR–2020–0186; FRL–11971–01–R4]

Air Plan Approval; North Carolina; Permitting Provisions Revisions

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The Environmental Protection Agency (EPA) is proposing to correct the erroneous incorporation of cross-references into the North Carolina State Implementation Plan (SIP) using the Clean Air Act (CAA or Act) error correction provision. EPA has determined that portions of its May 23, 2019, July 17, 2020, and March 1, 2021, final SIP rulemaking actions were in error and that it is appropriate to correct those actions by removing specific cross-references in the permitting rules from the SIP.

DATES: Comments must be received on or before June 27, 2024.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA–R04–OAR–2017–0454 at www.regulations.gov. Follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from *Regulations.gov*. 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, the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit www.epa.gov/dockets/commenting-epa-dockets.

There are three dockets supporting this action, EPA–R04–OAR–2017–0454, EPA–R04–OAR–2019–0638, and EPA–R04–OAR–2020–0186. Docket No. EPA–R04–OAR–2017–0454 includes a March 24, 2006, SIP submittal from North Carolina and EPA’s original approval of the cross-references to North Carolina