

plant, when adjusted for siting and design variations, would provide useful qualitative risk insights for other U.S. operating plants.

III. Availability of Documents

The documents identified in the following table are available to

interested persons through ADAMS, as indicated.

Document description	ADAMS accession No.
SRM-SECY-11-0089, "Options for Proceeding with Future Level 3 Probabilistic Risk Assessment (PRA) Activities"	ML112640419
Level 3 PRA Project, Volume 4: Overview of Reactor, At-Power, Level 1, 2, and 3 PRAs for Internal Fires, Seismic Events, and High Winds; Draft Report for Comment	ML23194A015
Level 3 PRA Project, Volume 4a: Reactor, At-Power, Level 1 PRA for Internal Fires	ML23194A016
Level 3 PRA Project, Volume 4b: Reactor, At-Power, Level 1 PRA for Seismic Events	ML23194A017
Level 3 PRA Project, Volume 4c: Reactor, At-Power, Level 1 PRA High Winds and Other Hazards	ML23194A012
Level 3 PRA Project, Volume 4d: Reactor, At-Power, Level 2 PRA for Internal Fires, Seismic Events, and High Winds	ML23194A013
Level 3 PRA Project, Volume 4e: Reactor, At-Power, Level 3 PRA for Internal Fires, Seismic Events, and High Winds	ML23194A014

Dated: August 9, 2023.

For the Nuclear Regulatory Commission.

Jonathan E. Evans,

*Chief, Probability Risk Assessment Branch,
Division of Risk Analysis, Office of Nuclear
Regulatory Research.*

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BILLING CODE 7590-01-P

POSTAL REGULATORY COMMISSION

[Docket Nos. MC2023-222 and R2023-4;
Order No. 6619]

New Postal Products

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is recognizing a recent Postal Service filing requesting the addition of a negotiated service agreement with Publisher's Clearing House to the Market Dominant product list. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* September 11, 2023.

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:

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- I. Introduction
- II. Overview of the Postal Service's Filing
- III. Initial Administrative Actions
- IV. Ordering Paragraphs

I. Introduction

On August 11, 2023, the Postal Service filed a request to add a negotiated service agreement (NSA) with Publisher's Clearing House (PCH) to the Market Dominant product list.¹ If favorably reviewed by the Commission, the intended effective date will be in November or December 2023. Request at 1. The Request, which was filed pursuant to 39 U.S.C. 3622 and 3642 as well as 39 CFR 3040 subparts B and G, triggers a notice-and-comment proceeding.

II. Overview of the Postal Service's Filing

Contents of filing. The Postal Service's filing consists of its Request, six attachments, and one set of financial workpapers:

- Attachment A—a copy of Governors' Resolution No. 23-5, establishing price and classification changes for Market Dominant products to implement a negotiated service agreement with PCH, which the Postal Service asserts conforms with 39 CFR 3040.131(b);
- Attachment B—a copy of the instant contract, which the Postal Service asserts conforms with 39 CFR 3040.221(b);
- Attachment C—proposed changes to the Mail Classification Schedule (MCS), which the Postal Service asserts conforms with 39 CFR 3040.131(f);
- Attachment D—a proposed data collection plan, which the Postal Service asserts conforms with 39 CFR 3040.222;
- Attachment E—a statement of supporting justification, which the Postal Service asserts conforms with 39 CFR 3040.132 and 39 CFR 3040.221(f)–(j);

¹ USPS Notice of Filing of Contract and Supporting Data and Request to Add Publisher's Clearing House Negotiated Service Agreement to the Market-Dominant Product List, with Portions Filed Under Seal, August 11, 2023 (Request).

• Attachment F—an application for non-public treatment of "certain data which reflect commercially sensitive aspects of Publisher's Clearing House's business model, response rates, and strategy[.]" (*id.* Attachment F at 1), appearing in the Request and financial analysis, which the Postal Service asserts conforms with 39 CFR part 3011; and

• Supporting Financial Analysis—an Excel file containing a financial analysis, which the Postal Service asserts conforms with 39 CFR 3040.221(f) and demonstrates that the PCH NSA will improve the net financial position of the Postal Service. Request at 2–3, 9.

Background. The Postal Service explains that in recent years the mailing industry has seen steady year-over-year decline in mail volumes. *Id.* at 3. To compensate for industry shifts away from direct mail, the Postal Service states that it "has been looking to strengthen its existing strategic partnerships and build new ones when opportunities arise." *Id.* PCH "is a prominent direct mail marketing company that sends a variety of letter mail to consumers related to sweepstakes entries, marketing materials, invoicing, and related correspondence." *Id.* The Postal Service explains that "PCH typically interacts with the Postal Service in a five-stage mailing and shipping lifecycle, which begins with promotional mailings and ends with bill payments." *Id.* at 3–4.

The Postal Service represents that PCH has found that certain dormant prospects (*i.e.*, individuals not mailed to in at least 3 months) "are no longer profitable for PCH to send promotional mail to, because the lifetime value of these prospects falls below the cost of mailing" *Id.* at 4. The Postal Service asserts that an up-front discount on an initial USPS Marketing Mail promotional mailing would allow PCH to inject reactivation volume into the

cycle that it would not have mailed under normal business practices. *Id.* The Postal Service avers that the resulting proportional increases in final mail volume is anticipated to be two times greater than if the dormant prospect mailing list were never reactivated. *Id.* Accordingly, the Postal Service states that it engaged in discussions with PCH “to determine whether an NSA could help PCH make these dormant prospecting mailings economically feasible,” while at the same time providing the Postal Service “with a needed boost in volume, revenue, and contribution from additional follow-on mailings.” *Id.*

The Postal Service’s position. The Postal Service asserts that the PCH NSA conforms to the policies embodied in the Postal Accountability and Enhancement Act (PAEA),² the statutory standards supporting the desirability of special classifications (39 U.S.C. 3622(c)(10)), and associated regulations. *Id.* at 3. The Postal Service provides a statement of supporting justification from Mr. Steven E. Mills, Director of Product Management, Mailing Services, which reviews the objectives and factors appearing in 39 U.S.C. 3622(b) and (c) and asserts, *inter alia*, that the PCH NSA will provide an incentive for profitable new mail; will enhance the financial position of the Postal Service; will encourage increased mail volume; and will not imperil the ability of USPS Marketing Mail (or the PCH NSA) to cover its attributable costs. *See id.* at 2; *id.* Attachment E at 1–3. The Postal Service states that the PCH NSA would also align with a core mission of the *Delivering for America* plan, as it would allow the Postal Service “to build and set new rational pricing strategies with long-standing partners.”

Request at 4.

PCH NSA. The Postal Service states that the PCH NSA is designed to give PCH a discounted initial mailing of 1 million pieces of USPS Marketing Mail letters, mailed at cost. *Id.* at 5. This initial mailing would be limited to 1 million dormant prospecting customer addresses, which PCH has not mailed to within the past 3 months. *Id.* In exchange for these discounts, the Postal Service represents that PCH has committed to certain performance targets for follow-on mailings (both from PCH to the addresses of the million-piece mailing and to PCH from the addresses of the million-piece mailing) that are expected to result from the initial mailing, also known as the “multiplier effect.” *Id.* PCH expects that 2 million pieces will result from the

initial mailing, mailed at published rates, within 9 months of the date of the initial mailing. *Id.* If the parties deem the initial mailing and performance satisfactory, an additional second prospecting mailing could be authorized at least 6 months after the initial mailing. *Id.* The Postal Service represents that “[t]he same performance period and targets would apply to the second mailing.” *Id.*

The parties intend for the PCH NSA to take effect in November or December 2023, assuming favorable review by the Commission. *Id.* The Postal Service states that the initial mailing date would then be established at least 30 calendar days after the effective date of the contract, expected to be in January 2024 or shortly thereafter. *Id.* at 5–6. The contract term would be for 1 year from the date of the initial mailing. *Id.* at 6. If the parties were to agree to a second mailing, then the NSA term would conclude 1 year from the date of the second mailing. *Id.*

The contract contains a termination for convenience provision, which allows either party to terminate the NSA without penalty upon 30 days’ written notice to the other party, provided that no termination by the Postal Service would be effective during the 15-week period prior to either the initial mailing or the potential subsequent mailing. *Id.* Additionally, either party may immediately terminate the NSA for breach of any material term of the contract, if the breaching party fails to cure such breach within 5 business days after receiving written notice from the non-breaching party describing the breach. *Id.*

Similarly situated mailers. The Postal Service states that if the NSA were to prove successful at improving the financial position of the Postal Service as expected, then the Postal Service “stands ready to consider NSAs on comparable terms to similarly situated mailers, provided that [they] can provide a similar ‘multiplier effect’ and are willing to commit to performance targets that mitigate the financial risk to the Postal Service.” *Id.*

Financial analysis. The Postal Service states that to both incent PCH to meet certain performance targets and protect the financial interests of the Postal Service, the financial terms of the PCH NSA consist of three primary components:

- The Postal Service would provide PCH with an initial 1-million-piece mailing priced at the Postal Service’s attributable cost, which the Postal Service asserts would result in approximately \$128,000 in revenue. To maintain this discount, PCH would

need to achieve at least 50 percent of its forecasted total multiplier volume.

- If PCH were to not achieve at least 50 percent of the forecasted multiplier volume, PCH would lose the discount on the initial mailing, which would be paid back to the Postal Service. The Postal Service asserts that this would result in approximately \$299,000 in total postage and \$171,000 in contribution from the initial mailing, plus however much multiplier percentage PCH were able to achieve.

- If PCH were to achieve 90 percent of more of the multiplier volume, the Postal Service would provide an additional discount to PCH of the price paid for the initial mailing in the form of a postage credit of approximately \$128,000.

Id. at 6–7. The Postal Service maintains that under any scenario, it would see an improvement in its financial position. *Id.* at 8.

Possibility of harm to the marketplace. Pursuant to 39 U.S.C. 3622(c)(10)(B), a Market Dominant NSA may not “cause unreasonable harm to the marketplace.” The Postal Service maintains that the PCH NSA will not cause any such harm. *Id.* at 10. The Postal Service states that the NSA will cover its attributable costs in all cases, and to the extent the Postal Service might have overestimated the multiplier effect, risk mitigation provisions have been agreed to, in which PCH must pay back the amount of the discounted mailing if specified performance metrics are not achieved. *Id.* The Postal Service notes that the Commission has previously found “unreasonable harm to the marketplace” to consist of anticompetitive pricing, *i.e.*, pricing below cost,³ and the Postal Service states that since the terms of the contract would price the postage of the initial mailing and the potential subsequent mailing at cost, the proposed rates would be neither anticompetitive nor unreasonably harmful to the marketplace.

Request at 10–11.

Notice. The Postal Service represents that it will inform customers of the new proposed classification changes and associated price effects through publication in the **Federal Register**. *Id.* at 2.

³ See Docket Nos. MC2012–14 and R2012–8, Order Approving Addition of Valassis Direct Mail, Inc. Negotiated Service Agreement to the Market Dominant Product List, August 23, 2012, at 27 (Order No. 1448); see also *Newspaper Ass’n of America v. Postal Regul. Comm’n*, 734 F.3d 1208 (D.C. Cir. 2013) (denying petition for review of Order No. 1448).

² Public Law 109–435, 120 Stat. 3198 (2006).

III. Initial Administrative Actions

The Commission establishes Docket No. MC2023–222 and Docket No. R2023–4 for consideration of the Request pertaining to the proposed new product and the related contract, respectively.

Interested persons may submit comments on whether the Postal Service's filings in the captioned dockets are consistent with the policies of 39 U.S.C. 3622 and 3642, as well as 39 CFR part 3040. Comments are due September 11, 2023. The public portions of the Postal Service's filing are available for review on the Commission's website (<https://www.prc.gov>). Comments and other material filed in this proceeding will be available for review on the Commission's website unless the information contained therein is subject to an application for non-public treatment. The Commission's rules on non-public materials (including access to documents filed under seal) appear in 39 CFR part 3011.

Pursuant to 39 U.S.C. 505, the Commission appoints Stephanie A. Quick to represent the interests of the general public (Public Representative) in these dockets.

IV. Ordering Paragraphs

It is ordered:

1. The Commission establishes Docket No. MC2023–222 and Docket No. R2023–4 for consideration of the matters raised in each docket.

2. Pursuant to 39 U.S.C. 505, Stephanie A. Quick is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in these proceedings.

3. Comments are due September 11, 2023.

4. The Commission directs the Secretary of the Commission to arrange for publication of this order in the **Federal Register**.

By the Commission.

Mallory Richards,
Attorney-Adviser.

[FR Doc. 2023–17904 Filed 8–18–23; 8:45 am]

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POSTAL REGULATORY COMMISSION

[Docket No. R2023–3; Order No. 6618]

Market Dominant Price Adjustment

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is recognizing a recently filed Postal

Service notice of a Market Dominant price change proposing two incentives, along with proposed classification changes. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* September 11, 2023.

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:

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I. Introduction

On August 11, 2023, the Postal Service filed a notice of a Market Dominant price change proposing two incentives, along with classification changes to the Mail Classification Schedule (MCS).¹ The intended effective date for the two new incentives is January 1, 2024. Notice at 1. The Notice, which was filed pursuant to 39 CFR part 3030, triggers a notice-and-comment proceeding. 39 CFR 3030.124.

II. Overview of the Postal Service's Filing

The Postal Service's filing consists of the Notice, which the Postal Service represents addresses applicable requirements of 39 CFR 3030.122 and 39 CFR 3030.123; one PDF attachment (Attachment A) to the Notice; and three Excel workbooks entitled “Marketing Mail Incentive Projections.xls,” “First Class Mail Incentive Projections.xls,” and “CY24 Consolidated Incentives Projections.xlsx.”

Attachment A includes the changes to the MCS necessary to implement the incentives. Notice, Attachment A. The three Excel workbooks contain the Postal Service's financial models to support the proposed incentives.²

The Postal Service states that “incentives build stronger relationships

between the Postal Service and the mailing industry and encourage mailers to continue to use the mail to engage with their customers, expand their customer base, and increase customer loyalty.” Notice at 2–3. The Postal Service also asserts that “incentives have the potential to improve the Postal Service's overall financial position.” *Id.* at 3. Based on this, as well as declining volume trends, the Postal Service proposes an incentive for First-Class Mail (First-Class Mail Growth Incentive) and an incentive for USPS Marketing Mail (Marketing Mail Growth Incentive). *Id.*

The Postal Service states that the two incentives are “substantially identical.” *Id.* A mailer would be eligible for the First-Class Mail Growth Incentive when its combined volume of qualifying pieces in the incentive period, Calendar Year (CY) 2024, exceeds the incentive threshold. *Id.* The qualifying pieces are First-Class Mail Presort Letters; First-Class Mail Presort Cards; or First-Class Mail Presort Flats. *Id.* Similarly, a mailer would be eligible for the Marketing Mail Growth Incentive when its combined volume of qualifying pieces in CY 2024 exceeds the incentive threshold. *Id.* The qualifying pieces are USPS Marketing Mail Letters and High Density/Saturation Letters; USPS Marketing Mail Flats and High Density/Saturation Flats & Parcels; USPS Marketing Mail Carrier Route; or USPS Marketing Mail Parcels. *Id.*

Under both incentives, “for every qualifying piece mailed in calendar year 2024 after the first million pieces, mailers receive a credit equal to 30 percent of the average per-piece price paid for mailing all qualifying pieces, unless the volume of qualifying pieces the mailer sent in the preceding fiscal year exceeded 1,000,000 pieces. In that case, credits accrue only after the mailer surpasses its fiscal year 2023 volume of qualifying pieces.” *Id.* The Postal Service states that its use of CY 2024 for the incentive period and Fiscal Year 2023 for the comparison period “is intentional” and “allows the Postal Service time to complete the administrative setup of the incentives before the incentive period begins.” *Id.* at 4. The Postal Service states that calculating the credits earned is “somewhat complex” because “[t]here is more than one qualifying product for each incentive, and within any given product, pieces of different weights, sortation levels, and dropship locations have different prices.” *Id.* The Postal Service states that for each incentive, the credits earned are equal to “the total actual price paid for all qualifying pieces (not including any special

¹ United States Postal Service Notice of Market Dominant Price Change Creating Two Incentives, August 11, 2023 (Notice).

² Notice, Excel files “Marketing Mail Incentive Projections.xls,” “First Class Mail Incentive Projections.xls,” and “CY24 Consolidated Incentives Projections.xlsx.”