

**OFFICE OF PERSONNEL  
MANAGEMENT****Privacy Act of 1974; Computer  
Matching Program**

**AGENCY:** Office of Personnel Management.

**ACTION:** Notice—computer matching between the Office of Personnel Management and the Social Security Administration (Computer Matching Agreement 1071).

**SUMMARY:** In accordance with the Privacy Act of 1974 (5 U.S.C. 552a), as amended by the Computer Matching and Privacy Protection Act of 1988 (Pub. L. 100–503), Office of Management and Budget (OMB) Guidelines on the Conduct of Matching Programs (54 FR 25818 published June 19, 1989), and OMB Circular No. A–130, revised November 28, 2000, “Management of Federal Information Resources,” the Office of Personnel Management (OPM) is publishing notice of its new computer matching program with the Social Security Administration (SSA).

**DATES:** OPM will file a report of the subject matching program with the Committee on Homeland Security and Governmental Affairs of the Senate, the Committee on Oversight and Government Reform of the House of Representatives and the Office of Information and Regulatory Affairs, Office of Management and Budget (OMB). The matching program will begin 30 days after the **Federal Register** notice has been published or 40 days after the date of OPM’s submissions of the letters to Congress and OMB, whichever is later. The matching program will continue for 18 months from the beginning date and may be extended an additional 12 months thereafter. Subsequent matches will run until one of the parties advises the other in writing of its intention to reevaluate, modify, and/or terminate the agreement.

**ADDRESSES:** Send comments to Deon Mason, Chief, Business Services, Office of Personnel Management, Room 4316, 1900 E. Street NW., Washington, DC 20415.

**FOR FURTHER INFORMATION CONTACT:** Bernard A. Wells III on 202–606–2730.

**SUPPLEMENTARY INFORMATION:****A. General**

The Privacy Act (5 U.S.C. 552a), as amended, establishes the conditions under which computer matching involving the Federal government could be performed and adding certain protections for individuals applying for and receiving Federal benefits. Section

7201 of the Omnibus Budget Reconciliation Act of 1990 (Pub. L. 101–508) further amended the Privacy Act regarding protections for such individuals.

The Privacy Act, as amended, regulates the use of computer matching by Federal agencies when records in a system of records are matched with other Federal, State, or local government records. Among other things, it requires Federal agencies involved in computer matching programs to:

(1) Negotiate written agreements with the other agency for agencies participating in the matching programs;

(2) Obtain the approval of the match agreement by the Data Integrity Boards (DIB) of the participating Federal agencies;

(3) Furnish detailed reports about matching programs to Congress and OMB;

(4) Notify applicants and beneficiaries that their records are subject to matching;

(5) Verify match findings before reducing, suspending, termination, or denying an individual’s benefits or payments.

**B. OPM Computer Matches Subject to  
the Privacy Act**

We have taken action to ensure that all of OPM’s computer matching programs comply with the requirements of the Privacy Act, as amended.

*Notice of Computer Matching Program, Office of Personnel Management (OPM) With the Social Security Administration (SSA)*

**A. Participating Agencies**

OPM and SSA.

**B. Purpose of the Matching Program**

The purpose of this agreement is to establish the conditions under which SSA will disclose Social Security benefit data to OPM via direct computer link. OPM will use the Social Security benefit data for the administration of certain programs by OPM’s Retirement Services. OPM is legally required to offset specific benefits by a percentage of benefits payable to disability annuitants, children survivor annuitants, and spousal survivor annuitants, under title II of the Social Security Act. This matching activity will enable OPM to compute benefits at the correct rate and determine eligibility for those benefits. Appendices A, B, and C of this agreement contain specific information on the matching programs that OPM will conduct.

**C. Authority for Conducting the  
Matching Program**

Chapters 83 and 84 of title 5 of the United States Code provide the basis for computing annuities under CSRS and FERS, respectively, and require release of information by SSA to OPM in order to administer data exchanges involving military service performed by an individual after December 31, 1956. The CSRS requirement is codified at section 8332(j) of title 5 of the United States Code; the FERS requirement is codified at section 8422(e)(4) of title 5 of the United States Code. The responsibilities of SSA and OPM with respect to information obtained pursuant to this agreement are also in accordance with the following: the Privacy Act (5 U.S.C. 552a), as amended; section 307 of the Omnibus Budget Reconciliation Act of 1982 (Pub. L. 97–253), codified at section 8332 Note of title 5 of the United States Code; section 1306(a) of title 42 of the United States Code; and section 6103(1)(11) of title 26 of the United States Code.

**D. Categories of Records and Individuals  
Covered by the Match**

SSA will disclose data from its MBR file (60–0090, Master Beneficiary Record, SSA/OEEAS) and MEF file (60–0059, Earnings Recording and Self-Employment Income System, SSA/OEEAS) and manually-extracted military wage information from SSA’s “1086” microfilm file when required (71 FR 1796, January 11, 2006). OPM will provide SSA with an electronic finder file from the OPM system of records published as OPM/Central-1 (Civil Service Retirement and Insurance Records) on October 8, 1999 (64 FR 54930), as amended on May 3, 2000 (65 FR 25775). The system of records involved have routine uses permitting the disclosures needed to conduct this match.

**E. Privacy Safeguards and Security**

The Privacy Act (5 U.S.C. 552a(o)(1)(G)) requires that each matching agreement specify procedures for ensuring the administrative, technical and physical security of the records matched and the results of such programs.

All Federal agencies are subject to: the Federal Information Security Management Act of 2002 (FISMA) (44 U.S.C. 3541 *et seq.*); related OMB circulars and memorandum (e.g., OMB Circular A–130 and OMB M–06–16); National Institute of Science and Technology (NIST) directives; and the Federal Acquisition Regulations (FAR). These laws, circulars, memoranda

directives and regulations include requirements for safeguarding Federal information systems and personally identifiable information used in Federal agency business processes, as well as related reporting requirements. OPM and SSA recognize that all laws, circulars, memoranda, directives and regulations relating to the subject of this agreement and published subsequent to the effective date of this agreement must also be implemented if mandated.

FISMA requirements apply to all Federal contractors and organizations or sources that possess or use Federal information, or that operate, use, or have access to Federal information systems on behalf of an agency. OPM will be responsible for oversight and compliance of their contractors and agents. Both OPM and SSA reserve the right to conduct onsite inspection to monitor compliance with FISMA regulations.

#### F. Inclusive Dates of the Match

The matching program shall become effective upon the signing of the agreement by both parties to the agreement and approval of the agreement by the Data Integrity Boards of the respective agencies, but no sooner than 40 days after notice of this matching program is sent to Congress and the Office of Management and Budget or 30 days after publication of this notice in the **Federal Register**, whichever is later. The matching program will continue for 18 months from the effective date and may be extended for an additional 12 months thereafter, if certain conditions are met.

U.S. Office of Personnel Management.

**John Berry,**  
Director.

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## POSTAL REGULATORY COMMISSION

[Docket No. ACR2012; Order No. 1609]

### FY 2012 Annual Compliance Report

**AGENCY:** Postal Regulatory Commission.  
**ACTION:** Notice.

**SUMMARY:** The Postal Service has filed an Annual Compliance Report on the costs, revenues, rates, and quality of service associated with its products in fiscal year 2012. Within 90 days, the Commission must evaluate that information and issue its determination as to whether rates were in compliance with title 39, chapter 36 and whether service standards in effect were met. To assist in this, the Commission seeks

public comments on the Postal Service's Annual Compliance Report.

**DATES:** *Comments are due:* February 1, 2013.

*Reply Comments are due:* February 15, 2013.

**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:** Stephen L. Sharfman, General Counsel, at 202-789-6820.

#### SUPPLEMENTARY INFORMATION:

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#### I. Introduction

On December 28, 2012, the United States Postal Service (Postal Service) filed with the Commission, pursuant to 39 U.S.C. 3652, its Annual Compliance Report (ACR) for fiscal year (FY) 2012.<sup>1</sup> Section 3652 requires submission of data and information on the costs, revenues, rates, and quality of service associated with postal products within 90 days of the closing of each fiscal year. In conformance with other statutory provisions and Commission rules, the ACR includes the Postal Service's FY 2012 Comprehensive Statement, its FY 2012 annual report to the Secretary of the Treasury on the Competitive Products Fund, and certain related Competitive Products Fund material. *See respectively*, 39 U.S.C. 3652(g), 39 U.S.C. 2011(i), and 39 CFR 3060.20-23. In line with past practice, some of the material in the FY 2012 ACR appears in non-public annexes.

The filing begins a review process that results in an Annual Compliance Determination (ACD) issued by the Commission to determine whether Postal Service products offered during FY 2012 are in compliance with applicable title 39 requirements.

#### II. Overview of the Postal Service's FY 2012 ACR

*Contents of the filing.* The Postal Service's FY 2012 ACR consists of a 48-

page narrative; extensive additional material appended as separate folders and identified in Attachment One; and an application for non-public treatment of certain materials, along with a supporting rationale filed as Attachment Two. The filing also includes the Comprehensive Statement, Report to the Secretary of the Treasury, and information on the Competitive Products Fund filed in response to Commission rules. This material has been filed electronically with the Commission, and some also has been filed in hard-copy form.

*Scope of filing.* The material appended to the narrative consists of: (1) Domestic product costing material filed on an annual basis summarized in the Cost and Revenue Analysis (CRA); (2) comparable international costing material summarized in the International Cost and Revenue Analysis (ICRA); (3) worksharing-related cost studies; and (4) billing determinant information for both domestic and international mail. FY 2012 ACR at 2-3. Inclusion of these four data sets is consistent with the Postal Service's past ACR practices. As with past ACRs, the Postal Service has split certain materials into public and non-public versions. *Id.* at 3.

*"Roadmap" document.* A roadmap to the FY 2012 ACR appears as Library Reference USPS-FY12-9. This document provides brief descriptions of the materials submitted, as well as the flow of inputs and outputs among them; a discussion of differences in methodology relative to Commission methodologies in last year's ACD; a list of special studies and a discussion of obsolescence, as required by Commission rule 3050.12. *Id.* at 3-4.

*Methodology.* The Postal Service states that it has adhered to the methodologies applied by the Commission in the FY 2011 ACD, except in instances where the Commission approved methodology changes subsequent to the FY 2011 ACD. Those changes are identified in the prefaces accompanying the appended folders. *Id.* at 4.

Proposals for which the Postal Service has filed to change analytical principles since the filing of the FY 2011 ACR are identified and summarized in a table. *Id.* at 4-5. Generally, with respect to proposed changes that were pending resolution as of the date of the filing, the Postal Service prepared two versions of the materials for its ACR. *Id.* at 5. The Postal Service states that it intends to file a petition to amend the rule governing proposals to change methodologies, and requests that the Commission file all of the models it has

<sup>1</sup> United States Postal Service FY 2012 Annual Compliance Report, December 28, 2012 (FY 2012 ACR). Public portions of the Postal Service's filing are available on the Commission's Web site at <http://www.prc.gov>.