

new rates or surcharges are proposed for this matter. The proposal entails minor changes to the DMCS and the addition of new footnotes to Standard Mail Rate Schedules 321A and 323A. The changes would not have a significant effect on the Postal Service's overall volumes, revenues and costs. *Id.* at 1. Moreover, the Service asserts that there is a strong possibility of settlement, given indications from potential participants. *Id.* at 2. It also notes that because the proposal is likely to appeal to highly targeted mailings, it should have no adverse effect on other mailers or competitors. *Ibid.*

B. Motion for Waiver

The Postal Service seeks waiver, in whole or part, of several rules that call for detailed data and information. 39 CFR 3001.64(b)(3); 39 CFR 3001.64(d) and 39 CFR 3001.69a(a)(3).³ In general, it asserts that waivers are appropriate, in the public interest, and not prejudicial to the interests of any participant because the classification changes in issue are minor in nature and will not have a substantial effect on the volume, revenue and cost estimates, or on the relationships of mail. Moreover, the Service says production of the information would be unduly burdensome. Motion of United States Postal Service for Waiver, (Postal Service Waiver Motion), March 14, 2003, at 1 and 3.

Rule 64(b)(3)—information on the economic substitutability between various classes and subclasses of mail, including a description of cross-elasticity of demand between various classes of mail.

The Service notes that economic substitutability of demand would not be expected to change under this proposal, particularly since potential users would only be able to enter CMM into the basic nonletter category tier in Standard Mail. Accordingly, it asserts the data this section seeks are not necessary or useful in considering the Service's proposal, and waiver will not impair the ability of the Commission or any participant to evaluate the Request. Postal Service Waiver Motion at 2.

Rule 64(d)—effects on cost assignments, total costs, and total revenues and 69a(a)(3)—a detailed estimate of the overall impact of the requested change in mail classification on postal costs and revenues, mail users, and competitors of the Postal Service.

The Service invokes the explanations provided in the testimony of its two

witnesses as to why the proposal will not result in significant changes to postal cost and revenue relationships. *Id.* at 3. It says the cost of conducting detailed analyses is not justified by the limited scope of the proposal and the small number of users likely to avail themselves of these new classification provisions. *Ibid.* It also says that given the expected insignificant near-term effect on costs and revenue, waiver of section 64(d) will not impair the ability of the Commission or prospective participants to evaluate the Service's presentation. *Ibid.*

V. Initial Procedural Steps

Although some aspects of the Service's proposal necessarily await an opportunity for interested parties to assess the filing, the Commission agrees with the Service that several steps can be taken now to expedite this case.

Dates for Intervention, Statements, and Responses

The Commission prefers that those wishing to be heard in this matter submit a notice of intervention on or before April 3, 2003. Notices should indicate whether participation will be on a full or limited basis and state whether a hearing is requested. The Commission also prefers that responses to the Service's Request for Expedition and to the Postal Service Waiver Motion be filed no later than April 3, 2003.⁴

Settlement Matters and Prehearing Conference

Subject to reconsideration if responses from participants so warrant, the Commission authorizes settlement proceedings in this case. It appoints Postal Service counsel to serve as settlement coordinator and to schedule settlement conferences as deemed appropriate. A settlement conference held before the prehearing conference would facilitate prompt action on the Request. Participants and the Commission are to be provided reasonable notice of such conferences. The Postal Service is also directed to file periodic status reports with the Commission. A prehearing conference is scheduled for April 9, 2003, at 10 a.m. in the Commission's hearing room. Participants should be prepared to discuss matters pertinent to the Service's proposal, especially the need for a hearing, and the request for expedition, including the Service's suggestions related to discovery.

⁴ Interventions as of right, requests for a hearing and responses to the Service's request for expedition will be accepted until the April 9, 2003, prehearing conference.

Representation of the General Public

In conformance with 39 U.S.C. 3624(a), the Commission designates Shelley S. Dreifuss, Director of the Commission's Office of the Consumer Advocate (OCA), to represent the interests of the general public. Pursuant to this designation, Ms. Dreifuss will direct the activities of Commission personnel assigned to assist her and, when requested, shall provide their names for the record. Neither Ms. Dreifuss nor any of the assigned personnel will participate in or provide advice on any Commission decision in this proceeding. Service of documents on the OCA shall conform to Commission rules.

Ordering Paragraphs

It is ordered:

1. The Commission will sit *en banc* in this proceeding.

2. Participants are encouraged to file notices of intervention, respond to the Request for Expedition and Establishment of Settlement Procedures, respond to the Postal Service's Motion for Waiver, and submit a request for a hearing no later than April 3, 2003.

3. Shelley S. Dreifuss, Director of the Commission's Office of the Consumer Advocate, is designated to represent the interests of the general public.

4. The Commission authorizes settlement discussions in this proceeding.

5. Postal Service counsel is appointed to act as settlement coordinator in this proceeding, subject to reconsideration.

6. Settlement conferences are authorized to be held at time, dates and places arranged by the settlement coordinator.

7. The settlement coordinator shall file periodic status reports with the Commission.

8. A prehearing conference is scheduled for April 9, 2003, at 10 a.m. in the Commission's hearing room.

9. The Secretary shall cause this notice and order to be published in the **Federal Register**.

By the Commission.

Issued: March 19, 2003.

Steven W. Williams,

Secretary.

[FR Doc. 03-7022 Filed 3-24-03; 8:45 am]

BILLING CODE 7710-FW-P

POSTAL RATE COMMISSION

[Order No. 1364]

Petition Seeking a Proceeding— Additional Comments

AGENCY: Postal Rate Commission.

³ The Service seeks partial waiver for rule 69a(a)(3).

ACTION: Notice and order allowing comments.

SUMMARY: This document informs the public that the Postal Service has filed a report on an internal review of certain nonpostal offerings. This report is relevant to a Consumer Action petition for a rulemaking. The document also reviews initial comments and authorizes a further round of comments.

DATES: Submit comments by April 18, 2003.

ADDRESSES: Submit responsive documents electronically via the Commission's Filing Online system, which may be accessed at <http://www.prc.gov>.

FOR FURTHER INFORMATION CONTACT: Stephen L. Sharmfan, General Counsel, 202-789-6818.

SUPPLEMENTARY INFORMATION:

Regulatory History

67 FR 71843 (December 3, 2002).

Background

In Order No. 1353, issued November 21, 2002, the Commission gave notice of a petition filed by Consumer Action requesting that proceedings be instituted to review the jurisdictional status of 14 specified services and to establish rules to require a full accounting of all non-jurisdictional domestic services. The order noted that while the Commission was considering the petition, the Chairman received a letter from the Chairman of the Board of Governors indicating that the Postal Service was conducting an internal review of its "non-postal service offerings."¹ Chairman Rider expressed the hope that, prior to addressing the request for a formal proceeding, the Commission would afford the Postal Service an opportunity to comment on the issues and further that it first be able to complete its internal review.² Among other things, Chairman Rider indicated that "[t]he results of this review will also bear substantially on the representations in the petition."³ It was anticipated that this review would be completed in early January 2003.

Concluding that a brief deferral would not prejudice the petitioner, the Commission deferred action on the petition pending completion of the Postal Service's internal review.

¹ Letter to the Honorable George A. Omas from the Honorable Robert F. Rider, Chairman of the Board of Governors, November 14, 2002, at 1 (Rider Letter). Effective January 2003, S. David Fineman succeeded Mr. Rider as Chairman of the Board of Governors.

² Rider Letter at 2.

³ *Id.* at 1.

Accordingly, the Commission set January 30, 2003 as the due date for comments from interested persons to advise the Commission on the most appropriate way to proceed. PRC Order No. 1353, November 21, 2002, at 3.

Summary of Initial Comments

Six sets of comments were received. Each is identified below, along with a brief summary of that commenter's recommendation of how the Commission should proceed.

- Association for Postal Commerce (PostCom)—PostCom takes no position on the Commission's jurisdiction over the 14 services identified in the petition, but urges the Commission to initiate a rulemaking to examine establishing accounting conventions applicable to Postal Service offerings that are not subject to regulated rates.⁴

- Computer & Communications Industry Association (CCIA)—CCIA endorses the petition and urges the Commission to initiate the proceeding requested.⁵

- Council for Citizens Against Government Waste (CCAGW)—CCAGW endorses the petition and urges the Commission to initiate the proceeding requested.⁶

- Pitney Bowes, Inc.—Pitney Bowes, while expressing some general concerns, noted that at the time its comments were filed no person had an opportunity to review the results of the Postal Service's internal evaluation. Thus, Pitney Bowes requests that the Commission provide interested persons an opportunity to comment on "the appropriate scope and manner of proceeding" after having time to consider the results of the Postal Service's internal review.⁷

- Washington Legal Foundation (WLF)—WLF supports the petition and urges the Commission to act favorably on it.⁸ Among other things, WLF also

⁴ Comments of PostCom, January 30, 2003, at 1-2.

⁵ Comments of the Computer & Communications Industry Association on the Motion of the Office of the Consumer Advocate to Request that the Commission Institute a Proceeding to Consider the Postal/Nonpostal Character of Specified Services and the Establishment of Rules to Require a Full Accounting of the Costs and Revenues of Nonpostal Services, January 28, 2003, at 1 and 9.

⁶ Comments of the Council for Citizens Against Government Waste on the Motion of the Office of the Consumer Advocate to Request that the Commission Institute a Proceeding to Consider the Postal/Nonpostal Character of Specified Services and the Establishment of Rules to Require a Full Accounting of the Costs and Revenues of Nonpostal Services, January 30, 2003, at 1.

⁷ Comments of Pitney Bowes, Inc., January 30, 2003, at 2.

⁸ WLF letter addressed to the Commission's Secretary, Steven W. Williams, January 30, 2003, at 1.

requests that interested persons be afforded an opportunity to comment on the results of the Postal Service's internal review. *Id.* at 5.

- Postal Service—The Postal Service opposes the petition and requests that the Commission decline to adopt the proposals contained in the petition and accompanying joint letter.⁹

Postal Service Report

On March 10, 2003, the Postal Service submitted a report that generally describes the results of its internal review.¹⁰ The report briefly summarizes the business review process, including the procedures used to monitor the various services offered by the Postal Service. In addition, the report discusses each of the services identified in the Petition. The report and comments are available on the Commission's Web site, <http://www.prc.gov>.¹¹

Additional Round of Comments

The requests by Pitney Bowes and WLF that interested persons be afforded an opportunity to comment on the report are well taken. The report provides information not available to commenters at the time initial comments were filed. Providing interested persons an opportunity to comment on the report will assist the record. Comments on the report are due April 18, 2003. In addition to addressing the substantive aspects of the report, interested persons may also respond to positions and arguments contained in the initial comments of any commenter.

Ordering Paragraphs

It is ordered:

1. Notice is hereby given that interested persons may submit comments, as more fully described in the body of this order, concerning the Postal Service's "Report on Nonpostal Initiatives," filed March 10, 2003.

2. Comments from interested persons authorized by this order are due no later than April 18, 2003.

⁹ Comments of United States Postal Service on Consumer Action Petition, January 30, 2003, at 45; see also *id.* at 20 *et seq.* Concurrently with the filing of its Comments, the Postal Service requested leave to file a report summarizing the internal review referenced by Chairman Rider. United States Postal Service Request for Leave to File Report, January 30, 2003. At that time, the Postal Service anticipated filing the report in early February. The request to file the report is granted.

¹⁰ See Notice of United States Postal Service of Filing Report, March 10, 2003. Attached to the notice is the "Report on Nonpostal Initiatives."

¹¹ On the Commission's homepage, this material can be accessed by clicking on "Contents" and then either on "Docketed Cases & Matters," or on "Pending Cases & Matters." It can be found under "Other Matters," where it is listed separately.

3. The Postal Service's request, dated January 30, 2003, for leave to file the report is granted.

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

By the Commission.

Issued: March 19, 2003.

Steven W. Williams,

Secretary.

[FR Doc. 03-6999 Filed 3-24-03; 8:45 am]

BILLING CODE 7710-FW-P

UNITED STATES POSTAL SERVICE BOARD OF GOVERNORS

Sunshine Act Meeting

TIMES AND DATES: 1 p.m., Monday, March 31, 2003; 8:30 a.m., Tuesday, April 1, 2003.

PLACE: Washington, DC, at U.S. Postal Service Headquarters, 475 L'Enfant Plaza, SW., in the Benjamin Franklin Room.

STATUS: March 31—1 p.m. (Closed); April 1—8:30 a.m. (Open).

MATTERS TO BE CONSIDERED:

Monday, March 31—1 p.m. (Closed)

1. Strategic Planning.
2. Amendment to Board of Governors Bylaws.
3. Financial Performance.
4. Rate Case Planning.
5. Capital Investment for Ventilation and Filtration System (VFS) for Mail Processing Equipment.
6. Unresolved Audit Recommendation.
7. Personal Matters and Compensation Issues.

Tuesday, April 1—8:30 a.m. (Open)

1. Minutes of the Previous Meeting, March 3-4, 2003.
2. Remarks of the Postmaster General and CEO.
3. Quarterly Report on Service Performance.
4. Quarterly Report on Financial Performance.
5. Fiscal Year 2003 Supplemental Appropriation Request for Emergency Preparedness Costs.
 - a. Self Service Platform.
 - b. Advanced Funding Request for the James A. Farley Processing and Distribution Center Sale Transition and Redevelopment.
7. Tentative Agenda for the May 5-6, 2003, meeting in Chicago, Illinois.

CONTACT PERSON FOR MORE INFORMATION:

William T. Johnstone, Secretary of the Board, U.S. Postal Service, 475 L'Enfant

Plaza, SW., Washington, DC 20260-1000. Telephone (202) 268-4800.

William T. Johnstone,

Secretary.

[FR Doc. 03-7257 Filed 3-21-03; 2:28 pm]

BILLING CODE 7710-12-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 33-8207, File No. S7-05-03]

Securities Uniformity; Annual Conference on Uniformity of Securities Laws

AGENCY: Securities and Exchange Commission.

ACTION: Notice of conference; request for comments.

SUMMARY: The Commission and the North American Securities Administrators Association, Inc. are requesting comments on the proposed agenda for their annual conference to be held on April 7, 2003. The purpose of the conference is to further the objectives of section 19(d) of the Securities Act of 1933, principally to increase cooperation between the Commission and state securities regulatory authorities in order to maximize the efficiency and effectiveness of securities regulation.

DATES: The conference will be held on April 7, 2003. We must receive comments by April 3, 2003 in order to consider them for discussion at the conference.

ADDRESSES: To help us process and review your comments more efficiently, comments should be sent by one method only. Please send three copies of written comments to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549-0609. Comments may also be sent electronically to the following e-mail address: rule-comments@sec.gov. Comment letters should refer to File No. S7-05-03; if e-mail is used, please include this file number on the subject line. Anyone can inspect and copy the comment letters in our Public Reference Room, 450 5th Street, NW., Washington, DC 20549-0102. All electronic comment letters will be posted on the Commission's internet Web site (<http://www.sec.gov>).¹

¹ We do not edit personal identifying information, such as names and e-mail addresses, from electronic submissions. Therefore, you should submit only information you wish to make publicly available.

FOR FURTHER INFORMATION CONTACT:

Marva Simpson, Office of Small Business Policy, Division of Corporation Finance, U.S. Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549-0310, (202) 942-2950.

SUPPLEMENTARY INFORMATION:

I. Discussion

The Federal government and the states have jointly regulated securities offerings and the securities industry in the United States since the adoption of the first federal securities statute, the Securities Act of 1933 (the "Securities Act").² Companies trying to raise capital in our securities markets, as well as participants in the secondary trading markets, must comply with all applicable federal and state securities laws and regulations. Parties involved in the securities markets have long recognized the need to increase cooperation between the federal and state regulatory systems to facilitate capital formation while retaining necessary investor protections.

Congress endorsed more uniformity in securities regulation with the enactment of section 19(d) of the Securities Act³ in the Small Business Investment Incentive Act of 1980.⁴ Section 19(d) authorizes the Commission to cooperate with an association of state securities regulators that can assist in achieving such uniformity. The North American Securities Administrators Association ("NASAA") fulfills that function.⁵ Section 19(d) requires the Commission to cooperate with NASAA to:

- maximize the effectiveness of regulation;
- maximize uniformity in federal and state regulatory standards;
- minimize interference with the capital formation;
- reduce the cost and paperwork burdens of raising investment capital, particularly by small business; and
- reduce administration costs of the government programs involved.

The Commission is required under Section 19(d) to conduct an annual conference to establish ways to achieve these goals.

² 15 U.S.C. 77a *et seq.*

³ 15 U.S.C. 77s(d). Section 19(d) was enacted originally as section 19(c) of the Securities Act but was renumbered by section 108 of the Sarbanes-Oxley Act of 2002, Pub. L. 107-204, 116 Stat. 745 (July 30, 2002).

⁴ Pub. L. 96-477, 94 Stat. 2275 (Oct. 21, 1980).

⁵ NASAA is an association of securities administrators from each of the 50 states, the District of Columbia, Puerto Rico, Mexico and 12 Canadian provinces and territories.