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POSTAL SERVICE

39 CFR Part 551

Semipostal Stamp Program

AGENCY: Postal Service[™].

ACTION: Final rule.

SUMMARY: This final rule revises the provisions governing the Postal Service's discretionary Semipostal Stamp Program to simplify and expedite the process for selecting causes for semipostal stamps, and facilitate the issuance of five such stamps over a 10-year period. It also removes certain restrictions on the commencement date for the Postal Service's discretionary Semipostal Stamp Program, and clarifies how many semipostal stamps issued under that program may be on sale at any one time.

DATES: This rule is effective on: [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Lori Mazzone, Manager, Stamp Products & Exhibitions, 202-268-6711, lori.l.mazzone@usps.gov.

SUPPLEMENTARY INFORMATION:

Publication of Proposed Rule

The Semipostal Authorization Act, Pub. L. 106-253, grants the Postal Service discretionary authority to issue and sell semipostal stamps to advance such causes as it considers to be “in the national public interest and appropriate.” See 39 U.S.C. 416(b). On March 3, 2016, the Postal Service published and

requested comments concerning a detailed revision of the rules concerning the discretionary Semipostal Stamp Program, as set forth in 39 CFR part 551 (81 FR 11164). As summarized below, these changes are designed to facilitate the smooth and efficient operation of the discretionary Semipostal Stamp Program.

Revisions

The revision of § 551.3 streamlines and simplifies the selection of causes to receive funds raised through the sale of semipostal stamps, and states the Postal Service's intention to issue five such stamps over the statutory ten-year period. It also notifies the public that no further consideration will be given to previously submitted proposals but that such proposals may be resubmitted under the revised regulations. The paragraph relating to proposals regarding the same subject and proposals for the sharing of funds between two agencies is edited for clarity and moved to § 551.4, concerning submission requirements and criteria, where it more appropriately belongs.

The revision of § 551.4 sharpens the submission requirements and, among other things, makes Postal Service employees ineligible to submit proposals for semipostal stamps.

The revision of § 551.5(a) removes certain restrictions on the commencement date of the discretionary Semipostal Stamp Program. Under current regulations, the 10-year period for the discretionary semipostal stamp program would commence on a date determined by the Office of Stamp Services, but that date must be after the sales period of the *Breast Cancer Research* stamp (BCRS) is concluded. Most recently, Public Law 114–99

(December 11, 2015) extended that sales period to December 31, 2019. As revised, the 10-year period will commence on a date determined by the Office of Stamp Services, but the date need not be after the BCRS sale period concludes.

The revision of § 551.5(b) clarifies that although only one semipostal stamp under the discretionary Semipostal Stamp Program under 39 U.S.C. 416 (a “discretionary program semipostal stamp”) will be offered for sale at any one time, other semipostal stamps required to be issued by Congress (such as the BCRS) may be on sale when a discretionary program semipostal stamp is on sale. Current regulations state that the Postal Service will offer only one semipostal stamp for sale at any given time during the 10-year period (not specifying whether it is a discretionary program semipostal stamp or a semipostal stamp required by Congress). As revised, the one-at-a-time limitation on the sale of semipostal stamps applies only to discretionary program semipostal stamps.

To minimize confusion regarding applicable postage rates, the revision of § 551.6 specifies that for purposes of calculating the price of a semipostal, the First-Class Mail® single-piece *stamped* first-ounce rate of postage will be considered “the rate of postage that would otherwise regularly apply.”

Comments and Response

The Postal Service received three comments in response to the proposed rule. All three comments supported the discretionary Semipostal Stamp Program, but suggested that the Postal Service should issue only one semipostal stamp for the entire ten-year duration of the program. The Postal Service believes that the public interest would be better served by issuing five different semipostal stamps

for two years each during the ten-year period, and has determined to adopt the amendments to 39 CFR part 551 as proposed.

List of Subjects in 39 CFR Part 551

Administrative practice and procedure.

For the reasons stated in the preamble, the Postal Service hereby amends 39 CFR part 551 as follows:

PART 551—[AMENDED]

1. The authority citation for part 551 continues to read as follows:

Authority: 39 U.S.C. 101, 201, 203, 401, 403, 404, 410, 414, 416.

2. Revise § 551.3 to read as follows:

§ 551.3 Procedure for selection of causes and recipient executive agencies.

The Postal Service has discretionary authority to select causes and recipient executive agencies to receive funds raised through the sale of semipostal stamps. These regulations apply only to such discretionary semipostal stamps and do not apply to semipostal stamps that are mandated by Act of Congress, such as the *Breast Cancer Research* stamp. The procedure for selection of causes and recipient executive agencies is as follows:

- (a) The Office of Stamp Services will accept proposals from interested persons for future semipostal stamps beginning on [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. The Office of Stamp Services will begin considering

proposals on [INSERT DATE 75 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. The Postal Service intends to issue five semipostal stamps under these regulations during the 10-year period established by Congress in 39 U.S.C. 416(g). Each semipostal stamp will be sold for no more than two years. Proposals may be submitted and will be considered on a rolling basis until seven years after [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. The Office of Stamp Services may publicize this request for proposals in the **Federal Register** or through other means, as it determines in its discretion. Proposals for semipostal stamps made prior to [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*] will not be given further consideration. Nothing in these regulations should be construed as barring the resubmission of previously submitted causes and recipient executive agencies.

(b) Proposals will be received by the Office of Stamp Services, which will review each proposal under § 551.4.

(c) The Office of Stamp Services will forward those proposals that satisfy the requirements of § 551.4 to the Citizens' Stamp Advisory Committee for its consideration.

(d) Based on the proposals received from the Office of Stamp Services, the Citizens' Stamp Advisory Committee may make recommendations on causes and eligible recipient executive agencies to the postmaster general. The Citizens' Stamp Advisory Committee may

recommend more than one cause and eligible recipient executive agency at the same time.

(e) Meetings of the Citizens' Stamp Advisory Committee are closed, and deliberations of the Citizens' Stamp Advisory Committee are pre-decisional in nature.

(f) In making decisions concerning semipostal stamps, the postmaster general may take into consideration such factors, including the recommendations of the Citizens' Stamp Advisory Committee, as the postmaster general determines are appropriate. The decision of the postmaster general shall be the final agency decision.

(g) The Office of Stamp Services will notify each executive agency in writing of a decision designating that agency as a recipient of funds from a semipostal stamp.

(h) As either a separate matter, or in combination with recommendations on a cause and recipient executive agencies, the Citizens' Stamp Advisory Committee may recommend to the postmaster general a design (*i.e.*, artwork) for the semipostal stamp. The postmaster general will make a final decision on the design to be featured.

(i) The decision of the postmaster general to exercise the Postal Service's discretionary authority to issue a semipostal stamp is final and not subject to challenge or review.

3. Revise § 551.4 to read as follows:

§ 551.4 Submission requirements and selection criteria.

(a) Proposals on recipient executive agencies and causes must satisfy the following requirements:

(1) Interested persons must timely submit the proposal by U.S. Mail to the Office of Stamp Services, Attn: Semipostal Discretionary Program, 475 L'Enfant Plaza, SW, Room 3300, Washington, DC 20260-3501, or in a single Adobe Acrobat (.pdf) file sent by email to semipostal@usps.gov. Indicate in the Subject Line: *Semipostal Discretionary Program*. For purposes of this section, interested persons include, but are not limited to, individuals, corporations, associations, and executive agencies under 5 U.S.C. 105.

(2) The proposal must be signed by the individual or a duly authorized representative and must provide the mailing address, phone number, fax number (if available), and email address of a designated point of contact.

(3) The proposal must describe the cause and the purposes for which the funds would be used.

(4) The proposal must demonstrate that the cause to be funded has broad national appeal, and that the cause is in the national public interest and furthers human welfare. Respondents are encouraged to submit supporting documentation demonstrating that funding the cause would benefit the national public interest.

(5) The proposal must include a letter from an executive agency or agencies on agency letterhead representing that:

- (i) It is an executive agency as defined in 5 U.S.C. 105,
- (ii) It is willing and able to implement the proposal, and
- (iii) It is willing and able to meet the requirements of the Semipostal Authorization Act, if it is selected. The letter must be signed by a duly authorized representative of the agency.

(6)(i) A proposal may designate one or two recipient executive agencies to receive funds, but if more than one executive agency is proposed, the proposal must specify the percentage shares of differential revenue, net of the Postal Service's reasonable costs, to be given to each agency. If percentage shares are not specified, it is presumed that the proposal intends that the funds be split evenly between the agencies. If more than two recipient executive agencies are proposed to receive funds and the proposal is selected, the postmaster general will provide the recipient executive agencies with an opportunity to jointly decide which two agencies will receive funds. If the agencies are unable to reach a joint decision within 20 days, the postmaster general shall either decide which two agencies will receive funds or select another proposal.

(ii) If more than one proposal is submitted for the same cause, and the proposals would have different executive agencies receiving funds, the funds may be evenly divided among the executive agencies, with no more than two agencies being designated to receive funds, as determined by the postmaster general.

(b) Proposals become the property of the Postal Service and are not returned to interested persons who submit them. Interested persons who submit proposals are not entitled to any remuneration, compensation, or any other form of payment, whether their proposals are selected or not, for any reason.

(c) The following persons may not submit proposals:

(1) Employees of the United States Postal Service;

(2) Any contractor of the Postal Service that may stand to benefit financially from the Semipostal Stamp Program; or

(3) Members of the Citizens' Stamp Advisory Committee and their immediate families, and contractors of the Postal Service, and their immediate families, who are involved in any decision-making related to causes, recipient agencies, or artwork for the Semipostal Stamp Program.

(d) Consideration for evaluation will not be given to proposals that request support for any of the following: anniversaries; public works; people; specific organizations or associations; commercial enterprises or products; cities, towns, municipalities, counties, or secondary schools; hospitals, libraries, or similar institutions; religious institutions; causes that do not further human welfare; or causes determined by the Postal Service or the Citizens' Stamp Advisory Committee to be inconsistent with the spirit, intent, or history of the Semipostal Authorization Act.

(e) Artwork and stamp designs may not be submitted with proposals.

5. Revise § 551.5 to read as follows:

§551.5 Frequency and other limitations.

(a) The Postal Service is authorized to issue semipostal stamps for a 10-year period beginning on the date on which semipostal stamps are first sold to the public under 39 U.S.C. 416. The Office of Stamp Services will determine the date of commencement of the 10-year period.

(b) The Postal Service will offer only one discretionary semipostal stamp for sale at any given time during the 10-year period, although a discretionary semipostal stamp may be offered for sale at the same time as one or more congressionally mandated semipostal stamps.

(c) The sales period for any given discretionary semipostal stamp is limited to no more than two years, as determined by the Office of Stamp Services.

(d) Prior to or after the issuance of a given discretionary semipostal stamp, the Postal Service may withdraw the semipostal stamp from sale, or to reduce the sales period, if, *inter alia*:

(1) Its sales or revenue statistics are lower than expected,

(2) The sales or revenue projections are lower than expected, or

(3) The cause or recipient executive agency does not further, or does not comply with, the statutory purposes or requirements of the Semipostal Authorization Act.

6. Revise § 551.6 to read as follows:

§ 551.6 Pricing.

(a) The Semipostal Authorization Act, as amended by Public Law 107-67, section 652, 115 Stat. 514 (2001), prescribes that the price of a semipostal stamp is the rate of postage that would otherwise regularly apply, plus a differential of not less than 15 percent. The price of a semipostal stamp shall be an amount that is evenly divisible by five. For purposes of this provision, the First-Class Mail® single-piece stamped first-ounce rate of postage will be considered the rate of postage that would otherwise regularly apply.

(b) The prices of semipostal stamps are determined by the Governors of the United States Postal Service in accordance with the requirements of 39 U.S.C. 416.

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