

imposed by this section, the IRS determines that the proposed installment agreement was submitted solely to delay collection, or the IRS determines that collection of the tax to which the installment agreement or proposed installment agreement relates is in jeopardy. This section will not prohibit levy to collect from any person other than the person named on the installment agreement.

(b) *Other actions by the IRS while levy is prohibited*—(1) *In general.* The IRS may take actions other than levy to protect the interests of the Government with regard to the liability named in an installment agreement or proposed installment agreement. Those actions include, for example—

- (i) Crediting an overpayment against the liability pursuant to section 6402;
- (ii) Filing or refiling notices of Federal tax lien; and
- (iii) Taking action to collect from any person who is not named on the installment agreement or proposed installment agreement but who is liable for the tax to which the installment agreement relates.

(2) *Proceedings in court.* The IRS will not begin a proceeding in court for the collection of any liability to which an installment agreement or proposed installment agreement relates against a person named in that installment agreement while levy is prohibited by paragraph (a)(1) of this section. In any refund action, however, the IRS may file a counterclaim or third-party complaint against a person without regard to whether that person is named in an installment agreement or proposed installment agreement. In addition, the IRS may join a person named in an installment agreement in any other proceeding in which liability for the tax that is the subject of the installment agreement may be established or disputed, and may file a claim in any bankruptcy proceeding, insolvency action, or interpleader case commenced by other creditors of the taxpayer. If a person named in an installment agreement is joined in a proceeding and the IRS obtains a judgment against that person, collection will continue to occur pursuant to the terms of the installment agreement.

(c) *Statute of limitations*—(1) *Suspension of the statute of limitations on collection.* The statute of limitations under section 6502 for collection of any liability shall be suspended during the period that a proposed installment agreement is pending with the IRS, for 30 days immediately following the rejection of a proposed installment agreement, and for 30 days immediately following the termination of an

installment agreement. If, within the 30 days following the rejection or termination of an installment agreement, the taxpayer files an appeal with the IRS Office of Appeals, the statute of limitations for collection shall be suspended while the rejection or termination is being considered by Appeals. The statute of limitations for collection shall continue to run if an exception under paragraph (a)(4) of this section applies and levy is not prohibited with respect to the taxpayer.

(2) *Waivers of the statute of limitations on collection.* The IRS may continue to request, to the extent permissible under section 6502 and § 301.6159-1, that the taxpayer agree to a reasonable extension of the statute of limitations for collection.

(d) *Effective date.* This section is applicable on the date final regulations are published in the **Federal Register**.

**Robert E. Wenzel,**

*Deputy Commissioner of Internal Revenue.*

[FR Doc. 02-9237 Filed 4-16-02; 8:45 am]

**BILLING CODE 4830-01-P**

## POSTAL SERVICE

### 39 CFR Part 111

#### New Specifications for Automated Flats

**AGENCY:** Postal Service.

**ACTION:** Proposed rule.

**SUMMARY:** The Automated Flat Sorting Machine (AFSM) 100 represents the next step into the automated processing environment envisioned for flats mail. Mailpieces that currently qualify for automation flat rates under FSM 881 standards (*Domestic Mail Manual* C820.2.0) will be eligible for the automation flat rates provided the pieces meet the physical criteria for processing on the AFSM 100 and other preparation requirements.

**DATES:** Comments must be received on or before May 6, 2002.

**ADDRESSES:** Mail or deliver written comments to the Manager, Mail Preparation and Standards, Postal Service Headquarters, 1735 N Lynn Street, Room 3025, Arlington VA 22209-6038. Copies of all written comments will be available for inspection and photocopying at Postal Service Headquarters Corporate Library, 475 L'Enfant Plaza, SW, Room 11800, Washington, DC, between 9 a.m. and 4 p.m., Monday through Friday.

**FOR FURTHER INFORMATION CONTACT:** Karen A. Magazino, (703) 292-3644.

**SUPPLEMENTARY INFORMATION:** AFSM 100 deployment will be completed in April 2002 with 534 systems installed in field offices. With deployment of the AFSM 100s, the FSM 881s are being phased out. Currently, pieces may qualify for a flats automation rate based on the FSM 881 physical criteria as defined in *Domestic Mail Manual* (DMM) C820. The Postal Service plans to replace the current FSM 881 standards, with new criteria based on the physical mailpiece requirements for the AFSM 100.

Processing mail on the AFSM 100 provides tremendous savings opportunities. One of the Postal Service's objectives is to reduce processing costs by moving flat's processing from the labor-intensive manual/mechanized environment to the more efficient automated mode. The additional machine capacity provided by AFSM 100 deployment enables a reduction in the overall amount of mail processed in manual/mechanized operations.

The processing and technological capabilities of the AFSM 100 machine are vastly superior to those of the FSM 881. The AFSM 100 has three automatic feeders with throughput rates capable of exceeding 17,000 pieces per hour, and 120 individual sort separations. Challenges that arise with high speed feeders compared to manual inductions include singulation (double feeds) and acceleration (jams, stoppages). The AFSM 100 also has Optical Character (OCR) and Barcode (BCR) reader functionality. The reader scans the mailpiece in search of an address block and barcode. If a POSTNET barcode is found, the piece is sorted based on the ZIP Code information. If a POSTNET barcode is not found or cannot be read, the OCR looks for the delivery address and the piece is sorted based on the result returned by the OCR.

If the address is unreadable by the OCR, a video-coding operator must key the image and the pieces then sorted to the correct bin or worked manually. The AFSM 100 does not apply (spray on) a POSTNET barcode.

To determine the range of mailpieces compatible with the AFSM 100, we conducted controlled tests using a variety of physical mailpiece characteristics. Three mail characteristic studies were performed: a preliminary test in Baltimore, Maryland, from February 26, 2001, to March 13, 2001; a test in Denver, Colorado, from July 9, 2001, to August 1, 2001; and a study to determine maximum weight conducted in Palantine, Illinois from February 25, 2002, to March 12, 2002.

The mailing industry assisted the Postal Service and supplied many of the

mailpieces that were processed during the tests. The mailing industry's participation and coordinated efforts were crucial to the successful outcome of the tests.

The AFSM 100 preliminary test was designed with specific analytical objectives, including: (1) Identifying mail characteristic ranges where additional data would be required to determine automation compatibility, (2) identifying factors that have a significant impact on sorter performance, (3) providing data to identify threshold levels, and (4) determining mailpiece characteristics that would not require further testing. Included in this test was the evaluation of a large number of mailpiece characteristics and a subset of combinations, each individually replicated over several test decks. The data represented: jams, double-feeds, missorts, thickness, weight limitations, physical dimensions, mechanical rejects, and mailpiece damage. In addition, we tested several different polywrap materials to analyze factors such as seam and wrap direction, contents, polywrap characteristics, and overhang (selvage).

The primary mail types included in the test were folded pieces (e.g. tabloids), paper envelopes, bound pieces, including digest-size and perfect bound magazines and catalogs, and a variety of pieces wrapped in polywrap. Other types of mailpieces were also included in the test, such as newspapers, self-mailers, CD/DVD disks, very thin pieces, very thick pieces, and the extremes of enveloped and folded mailpieces. Each test deck had varying characteristics including length, width, thickness, structure, polywrap, overhang (selvage), seam, and wrap direction.

We designed this test to define acceptable physical mailpiece characteristics and polywrap characteristics. The results from the pilot test in Baltimore eliminated some obvious mailpieces for the second test in Denver (e.g., odd-shaped envelopes and cards, pieces of non-uniform thickness, and pieces in polywrap with film-on-film coefficient of friction measuring greater than 0.5). Mailpieces tested in Denver included most types tested in Baltimore, as well as digest-sized pieces, perfect-bound and stitched magazines and catalogs, and unbound newspapers. The tabloid and digest-size pieces ranged from 8 pages to 220 pages with cover pages of varying basis weights. Other pieces tested included pieces bound on the short end, pieces with special cover folds (e.g. french doors, gatefolds), and pieces wrapped in

19 different types of polywrap. In addition to evaluating the polywrap characteristics, we also processed pieces to test the effects of overhang (selvage), seam, and wrap direction.

Data from these two tests have shown that the majority of the existing standards for physical dimensions—height, length, and thickness—developed for flats processed on the FSM 881 are applicable to flats processed on the AFSM 100. On the basis of these findings, the Postal Service proposes a minimum of 5 inches height x 6 inches length x 0.009 inches thick, and a maximum of 12 inches height x 15 inches length x 0.75 inches thick to qualify for AFSM 100 automation-based flat rates. The length and height of an automation-compatible flat-size mailpiece is not determined by the orientation of the address. For a piece that has a bound, folded, or closed edge (e.g., a newspaper, folded envelope, tabloid or catalog), the length is the dimension parallel to the bound, folded, or closed edge. The height (vertical dimension) is the dimension perpendicular to the length. If the piece is folded more than once or is bound and then folded, the length of the piece is based on the final fold.

Analysis from all three tests identified a maximum weight of 20 ounces for AFSM 100 enveloped, bound, and polywrapped flat mailpieces. This will allow more BPM pieces, which primarily weigh 16 ounces or more, to qualify as flats. The resolution of the rate case has been accelerated, and the Board of Governors has approved the new rates with implementation in June 2002. Those new rates will include distinct rates for BPM flats and parcels. Flats that meet the AFSM 100 mail characteristics and criteria will be eligible for a new barcode discount of 3 cents. Therefore, defining a "flat" will have significant impact on mailpiece design and rate eligibility.

The test data for polywrapped pieces led us to conclude that the current seven polywrap requirements for the FSM 881 will continue to be required for polywrapped pieces processed on the AFSM 100. A new property number 8 known as "blocking" will also be added. Blocking is simply the property that prevents polywrapped pieces from sticking together. Overhang (selvage) requirements will remain unchanged. Polywrapped flats for which automation rates based on AFSM 100 compatibility are claimed must be individually endorsed to show they are automation-compatible. The endorsement "USPS AFSM 100 Approved Poly" must be placed on the address side of the piece, either on the flat itself or on the

polywrap, preferably below the postage area or in another prominently visible location on the outside of the mailpiece. The polywrap certification process conducted by the mailpiece design analysts will remain the same as current procedures.

We tested three types of newspapers: broadsheet, tabloid, and quarter-fold pieces. Analysis of data collected on the processing of these newspapers resulted in our recommendation that all newspapers be prepared as quarter-folds.

The flat mail machineability tester, currently used to test FSM 881 mailpieces for rigidity, flexibility, and turning ability, will continue to be used for pieces processed on the AFSM 100. The performance of pieces with flimsy covers did cause some machine jams and damage to the mailpieces, however; sufficient data has not been collected to determine specific requirements for this type of mailpiece.

We need to conduct additional studies to determine if a basis weight for covers is critical enough to require specifications and design requirements for those mailpieces.

Although exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 401(a)), the Postal Service invites comments on the following proposed revisions to the DMMI, incorporated by reference in the Code of Federal Regulations. See 39 CFR part 111.

#### List of Subjects in 39 CFR Part 111

Postal Service.

#### PART 111—[AMENDED]

1. The authority citation for 39 CFR part 111 continues to read as follows:

**Authority:** 5 U.S.C. 552(a); 39 U.S.C. 101, 401, 403, 404, 3001–3011, 3201–3219, 3403–3406, 3621, 3626, 5001.

2. Revise the DMM as set forth below:

#### Domestic Mail Manual (DMM)

\* \* \* \* \*

#### C. Characteristics and Content

\* \* \* \* \*

#### C800 Automation-Compatible Mail

\* \* \* \* \*

#### C820 Flats

\* \* \* \* \*

#### 1.0 BASIC STANDARDS

[Revise 1.0 to read as follows:]

Flats claimed at automation rates must meet the standards in 1.0 through 8.0 and the general and specific standards for mail, the class of mail, and the rate claimed. Pieces may qualify for

the discount based on both the dimensions and characteristics for the AFSM 100 processing under 2.0 or the dimensions and characteristics for FSM 1000 processing under 3.0 except for BPM flats, which can only qualify based on the AFSM 100 criteria. If polywrap is used with pieces that meet the AFSM 100 dimensions and characteristics under 2.0, the polywrap must meet all of the physical properties in Exhibit 4.1a and Exhibit 4.1b in order to qualify for the automation flats discount. Pieces that meet FSM 1000 criteria and do not meet all of the AFSM 100 criteria that are prepared in polywrap need to meet only physical property number 2 (haze) in Exhibit 4.1a and the criteria in Exhibit 4.1b.

*[Revise the heading of 2.0 to read as follows:]*

## 2.0 DIMENSIONS CRITERIA FOR AFSM 100 PROCESSING

### 2.1 Determining Length and Height

\* \* \* \* \*

*[Amend 2.1 by revising 2.1b to read as follows:]*

The length and height of an automation-compatible flat-size mailpiece is not determined by the orientation of the address. Instead, for this standard:

\* \* \* \* \*

b. For a piece that has a bound, folded, or closed edge (e.g., a newspaper, folded envelope, tabloid, or catalog), the length is the dimension parallel to the bound, folded, or closed edge. The height (vertical dimension) is the dimension perpendicular to the length. If the piece is folded more than once or is bound and then folded, the length of the piece is based on the final fold.

### 2.2 Final Fold

*[Revise 2.2 by adding AFSM 100 to read as follows:]*

An AFSM 100 flat-size piece with a final fold must be designed so that the address is in view when the final folded edge is at the bottom and any intermediate bound or folded edge is to the right of the mailpiece.

### 2.3 Shape and Size

*[Revise 2.3 to read as follows:]*

Each flat-size piece must be rectangular and:

- For height, no more than 12 inches and no less than 5 inches high.
- For length, no more than 15 inches and no less than 6 inches long.
- For thickness, no more than 0.75 and no less than 0.009 inch thick.

*[Revise the heading and text of 2.4 to read as follows:]*

### 2.4 Maximum Weight for Enveloped, Bound and Polywrapped Pieces

Maximum weight limits are as follows:

- For First-Class Mail, 13 ounces.
- For Periodicals, 20 ounces.
- For Standard Mail, 16 ounces.
- For Bound Printed Matter, 20 ounces.

*[Remove Exhibits 2.5a(1), 2.5a(2) and Exhibit 2.5b.]*

### 2.5 Turning Ability and Deflection

*[Revise 2.5 to read as follows:]*

a. Turning Ability. The mailpiece must fit between two concentric arcs drawn on a horizontal flat surface, one with a radius of 15.72 inches and the other with a radius of 16.72 inches, in one of the following ways:

(1) The piece must be flexible enough to bend between the two arcs when positioned vertically, with (if applicable) the bound, folded, or final folded edge perpendicular to the surface where the arcs are drawn.

(2) If rigid (constructed of or containing inflexible materials), the piece must be small enough to allow its longest edge to be placed between the two arcs without touching the lines of the arcs.

b. Deflection. A flat-size mailpiece meeting the AFSM 100 dimensions must be rigid enough so that, when placed flat on a surface to extend unsupported 5 inches off that surface, no part of the edge of the piece that is opposite the bound, folded, or final folded edge (as applicable) deflects more than 1¾ inches (if the piece is less than ⅛ inch thick) or more than 2¾

inches (if the piece is from ⅛ to ¾ inch thick).

c. Test Device. Testing for compliance with the above standards must be done with a flat mail machineability tester constructed to USPS specification USPS-STD-28 and following the instructions for use of that device.

\* \* \* \* \*

## 3.0 DIMENSIONS FOR FSM 1000 FLATS

\* \* \* \* \*

### 3.2 Address Placement and Folded Pieces

*[Amend 3.2a. by revising 3.2 to read as follows:]*

The following requirements apply to folded publications:

a. A flat-size piece with a final fold must be designed so that the address is in view when the final folded edge is to the right and any intermediate bound or folded edge is at the bottom.

b. Unbound flat-sized publications must be double-folded.

\* \* \* \* \*

*[Revise the heading of 4.0 by adding Polywrap to read as follows:]*

## 4.0 POLYWRAP COVERINGS

\* \* \* \* \*

*[Revise the heading of Exhibit 4.1a by adding "polywrap" to read as follows:]*

### Exhibit 4.1a AFSM 100 Polywrapped Flats Specifications

*[Revise Exhibit 4.1a to read as follows:]*

Polywrapped automation flats that meet the dimensions and criteria for the AFSM 100 in 2.0 must be prepared with polywrap that meets all eight properties in this exhibit. For other pieces prepared with polywrap that do not meet all of the dimensions and characteristics for processing on the AFSM 100 and that meet the dimensions and other criteria for processing on the FSM 1000 in 3.0, the polywrap need to meet only physical property number 2 (haze).

*[Amend Property number 3a and b by reversing requirement column and add new number 8 to read as follows:]*

Property	Requirement	Test method	Comment
* * * * *			
3. Secant Modulus, 1% elongation:			
a. TD, psi .....	50,000	ASTM D 882.	
b. MD, psi .....	40,000	ASTM D 882.	

Property	Requirement	Test method	Comment
* * *	* * *	* * *	* * *
8. Blocking, g .....	<15	ASTM D 3354-96.	

**Exhibit 4.1b Wrap Instructions**

[Revise Exhibit 4.1b to read as follows:]

1. Wrap direction will be specified as around the longer axis of the mailpiece so that the seam is along the addressed side of the mailpiece, and oriented parallel to the longest direction. This seam must not cover any part of the address and barcode read areas.

2. a. For AFSM 100 mailpieces, overhang (selvage) cannot be more than 0.75 inches from the top of the mailpiece and 0.75 inches from the bottom of the mailpiece when the mailpiece is centered inside of the polywrap. Overhang (selvage) of not more than 1.5 inches will be allowed at the top of the mailpiece when the contents are totally positioned at the bottom of the polywrap. Overhang on each side must not be more than 0.25 inch. The piece must not be wrapped so tightly as to cause the mailpiece to bend.

b. For FSM 1000 mailpieces, overhang (selvage) cannot be more than 0.75 inches from any edge when the mailpiece is centered inside of the polywrap. Overhang (selvage) of not more than 1.5 inches will be allowed at the top of the mailpiece when the contents are totally positioned at the bottom of the polywrap and not more than 1.5 inches when the contents are positioned totally to the left or to the right side of the polywrap.

**4.2 Polywrap Certification Process**

[Revise 4.2 by changing "FSM 881" to read as "AFSM 100". No other changes to text.]

**4.3 Mailpiece Identification**

[Revise the first sentence of 4.3 to read as follows:]

Polywrapped flats must be endorsed to show that the polywrap has been approved by the USPS as automation compatible regardless of the placement of the address label. \* \* \*

\* \* \* \* \*

[Revise the heading and text of 4.5 by changing "FSM 881" to read as "AFSM 100".]

\* \* \* \* \*

**4.6 FSM 1000 Polywrap**

[Revise 4.6 by adding the following sentence at the end:]

\* \* \* When the address label is placed on the outside of the polywrap, the haze requirement does not apply.

\* \* \* \* \*

**G. General Information****G000 The USPS and Mailing Standards**

\* \* \* \* \*

**G090 Experimental Classification and Rates**

\* \* \* \* \*

**G094 Ride-Along Rate for Periodicals 1.0 Basic Eligibility**

\* \* \* \* \*

**1.3 Physical Characteristics**

[Revise item c by changing "FSM 881" to "AFSM 100".]

\* \* \* \* \*

**M. Mail Preparation and Sortation**

\* \* \* \* \*

**M800 All Automation Mail**

\* \* \* \* \*

**M820 Flat-Size Mail****1.0 BASIC STANDARDS**

\* \* \* \* \*

**1.5 Package Preparation**

[Revise 1.5 by replacing "FSM 881" to "AFSM 100".]

**1.6 Sack Preparation**

[Revise 1.6 by replacing "FSM 881" with "AFSM 100". No other changes to text.]

Mailers may combine AFSM 100 packages and FSM 1000 packages in the same tray (First-Class Mail) or in the same sack (Standard Mail, Bound Printed Matter, and Periodicals).

\* \* \* \* \*

**1.11 Tray-Based Preparation**

[Revise 1.11 by changing "FSM 881" to "AFSM 100".]

\* \* \* \* \*

**R. Rates and Fees**

\* \* \* \* \*

**R200 PERIODICALS****1.0 Outside-County—Excluding Science-of-Agriculture**

\* \* \* \* \*

**1.2 Piece Rates**

[Revise the footnote to read as follows:]

\* \* \* \* \*

1. Lower maximum weight limits apply: letter-size at 3 ounces (or 3.3 ounces for heavy letters); flat-size at 20 ounces for enveloped, bound and polywrapped pieces (AFSM 100) and 6 pounds (FSM 1000).

\* \* \* \* \*

An appropriate amendment to 39 CFR 111.3 to reflect these changes will be published if the proposal is adopted.

Neva Watson,

Attorney, Legislative.

[FR Doc. 02-9306 Filed 4-16-02; 8:45 am]

BILLING CODE 7710-12-P

**LEGAL SERVICES CORPORATION****45 CFR Part 1626****Restrictions on Legal Assistance to Aliens; 1626 Negotiated Rulemaking Working Group Meeting**

**AGENCY:** Legal Services Corporation.

**ACTION:** Regulation negotiation working group meeting.

**SUMMARY:** LSC is conducting a Negotiated Rulemaking to consider revisions to its alien representation regulations at 45 CFR Part 1626. This document announces the dates, times, and address of the next meeting of the working group, which is open to the public.

**DATES:** The Legal Services Corporation's 1626 Negotiated Rulemaking Working Group will meet on May 9-10, 2002. The meeting will begin at 9 a.m. on May 9, 2002. It is anticipated that the meeting will end by 3:30 p.m. on May 10, 2002.

**ADDRESS:** The meeting will be held in the First Floor Conference Room at the offices of Marasco Newton Group, Inc., 2425 Wilson Blvd., Arlington, VA 22201.

**FOR FURTHER INFORMATION CONTACT:** Mattie C. Condray, Senior Assistant General Counsel, Legal Services