

requirements, Security measures, Waterways.

■ For the reasons discussed in the preamble, the Coast Guard amends 33 CFR part 165 as follows:

#### **PART 165—REGULATED NAVIGATION AREAS AND LIMITED ACCESS AREAS**

■ 1. The authority citation for part 165 continues to read as follows:

**Authority:** 33 U.S.C. 1226, 1231; 46 U.S.C. Chapter 701; 50 U.S.C. 191, 195; 33 CFR 1.05–1, 6.04–1, 6.04–6, and 160.5; Pub. L. 107–295, 116 Stat. 2064; Department of Homeland Security Delegation No. 0170.1.

■ 2. Add § 165–T09–012 to read as follows:

#### **§ 165–T09–012 Safety Zone, Great Lake Naval Training Center Harbor, North Chicago, IL.**

(a) *Location.* The following area is a temporary safety zone: All waters of Lake Michigan and Great Lakes Naval Training Center Harbor, from surface to bottom, from the shoreline to 2,200 yards east, 1,900 yards north, and 2,900 yards south of Great Lakes Light 2 (Lightlist number 20285), and bounded by a line with a of point origin at 42°20′12″ N, 087°48′ W; then west to 42°20′12″ N, 087°50′ W; then south to 42°17′ N, 087°50′ W; then east to 42°17′ N, 087°48′ W; then north to the point of origin (NAD 83).

(b) *Effective period.* This regulation is effective from 8 a.m. (local) on June 19, 2007 to 6 p.m. (local) on June 20, 2007. This regulation will be enforced from 8 a.m. (local) to 6 p.m. (local) on June 19, 2007 and from 8 a.m. (local) to 6 p.m. (local) on June 20, 2007.

(c) *Regulations.* (1) In accordance with the general regulations in section 165.23 of this part, entry into, transiting, or anchoring within this safety zone is prohibited unless authorized by the Captain of the Port Lake Michigan, or his designated on-scene representative.

(2) This safety zone is closed to all vessel traffic, except as may be permitted by the Captain of the Port Lake Michigan or his designated on-scene representative.

(3) The “on-scene representative” of the Captain of the Port is any Coast Guard commissioned, warrant or petty officer who has been designated by the Captain of the Port to act on his behalf. The on-scene representative of the Captain of the Port will be aboard either a Coast Guard or Coast Guard Auxiliary vessel. The Captain of the Port or his designated on-scene representative may be contacted via VHF Channel 16.

(4) Vessel operators desiring to enter or operate within the safety zone must contact the Captain of the Port Lake

Michigan or his on-scene representative to obtain permission to do so. Vessel operators given permission to enter or operate in the safety zone must comply with all directions given to them by the Captain of the Port Lake Michigan or his on-scene representative.

Dated: May 16, 2007.

**Bruce C. Jones**

*Captain, U.S., Coast Guard Captain of the Port Lake Michigan.*

[FR Doc. E7–10146 Filed 5–24–07; 8:45 am]

**BILLING CODE 4910–15–P**

#### **POSTAL SERVICE**

#### **39 CFR Part 111**

#### **New Standards for Periodicals Mailing Services**

**AGENCY:** Postal Service.

**ACTION:** Final rule.

**SUMMARY:** This final rule provides the revisions to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM) that we will adopt to support the new Periodicals prices effective on July 15, 2007.

The new prices enhance efficiency, offer more choices, and better ensure that all types of Periodicals mail cover their costs. Periodicals mailers have new incentives to use efficient containers and bundles, and copalletization becomes a permanent offering to encourage more publishers to combine mailings. We also add new prices for the nonadvertising portion of a mailing to give mailers of high-editorial-content publications access to lower destination entry rates.

**EFFECTIVE DATE:** 12:01 a.m. on July 15, 2007.

**FOR FURTHER INFORMATION CONTACT:** Joel Walker, 202–268–7261; Carrie Witt, 202–268–7279.

**SUPPLEMENTARY INFORMATION:** The Postal Service’s request in Docket No. R2006–1 included mail classification changes, new pricing structures, and price changes for most domestic mailing services. This final rule provides the revisions to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM) that we will adopt to implement the Periodicals portion of the R2006–1 pricing change. We summarize and respond to comments on our previous Periodicals proposal, summarize all major changes since our proposal, update our summary of Periodicals mail, and update our mailing standards.

You can find this final rule and all Periodicals rates, as well as our earlier

proposal and the final rule effective May 14 for all other classes of mail, at <http://www.usps.com/ratecase>. Our Web site also provides frequently asked questions, press releases, and *Mailers Companion* and *MailPro* articles related to the pricing change for all classes of mail.

#### **Background**

On May 14, 2007, the Postal Service implemented new prices and mailing standards to support the majority of the pricing change recommended by the Postal Regulatory Commission in Docket No. R2006–1 and accepted by the Governors of the United States Postal Service. The Postal Service Board of Governors delayed the implementation of new Periodicals prices and mailing standards until July 15, 2007, to give postal employees and mailers more time to prepare for the complex pricing structure recommended by the Commission.

In our request for a recommended decision filed with the Commission on May 3, 2006, we proposed Periodicals rates based on pieces, pounds, and a single container charge. The Commission recommended rates based on pieces and pounds but also on bundles and containers for Outside-County pieces. Piece rates vary based on machinability, barcoding, and presort level. Bundle and container rates vary based on presort level and point of entry. The recommended rate structure explicitly recognizes the cost differences between various bundles, containers, and entry points. Ideally, mailers will respond to these price signals, bring down costs, and improve the efficiency of all Periodicals mail.

For In-County Periodicals, the rate design is still based on pieces and pounds, as it is today. Since many publications use both Outside-County and In-County rates, the Board established July 15 as the implementation date for both subclasses, and for all Periodicals fees.

#### **Summary of Comments Received**

We received forty-six comments on our Periodicals proposal from thirty newspaper publishers, two associations, two software providers, two magazine publishers, one fulfillment and lettershop, one freelance writer, and one individual who did not identify a business concern. We appreciate all of the feedback, and we carefully considered the comments.

#### **Comments on the New Prices**

Forty-one commenters objected to the new prices or the new price structure for Outside-County Periodicals mail.

Most of these commenters stated that the new prices were too expensive, too complex, or both too expensive and too complex for small-circulation publications. Several commenters asked us to retain the piece/pound structure for Outside-County mail. One commenter objected to eliminating the discounts for pieces on pallets.

The postage rates were formulated by the independent Postal Regulatory Commission in separate, public proceedings and are outside the scope of our mailing standards proposal. We do not have the authority in this rulemaking to change the rates that were recommended by the Commission and subsequently accepted by the Postal Service Governors. However, in response to these commenters, we emphasize that under Federal law, each class of mail, including Periodicals mail, must cover its own costs. Our handling and delivery costs for Periodicals mail have been increasing while the number of pieces mailed is decreasing, and the new rate structure reflects these changing cost patterns. Periodicals rates historically have not covered costs or have barely covered costs, and many types of pieces do not cover their costs. This discrepancy means that other pieces must pay more than their share to make up the difference, because we do not receive any tax dollars or other subsidies to cover our costs for Periodicals mail.

Several commenters suggested that "larger" circulation publications should pay higher Periodicals rates to help cover the costs associated with the entire Periodicals class of mail. The Postal Regulatory Commission did not return rates that provide for one group of mailers to pay more postage and for another group to pay less postage than necessary to cover costs.

We agree with commenters that the educational, cultural, scientific, and informational value of Periodicals should be recognized in our prices. The new prices for Periodicals mail are as low as they can go, while still covering our costs. In addition, the new Periodicals prices, like our current prices, include low rates that do not vary by distance for the nonadvertising portion of a mailpiece, to promote the dissemination of information nationwide. The new rate structure further provides new discounts for the nonadvertising portion when the publication is entered at a destination facility.

Several commenters expressed concern that the new Outside-County Periodicals rate structure was designed by a large-circulation Periodicals mailer in closed-door proceedings. We reiterate

that rate setting is outside the scope of our mailing standards proposal, but we note that the new rates for Periodicals mail were recommended by the independent Postal Regulatory Commission as part of the Omnibus Rate Case in Docket No. R2006-1, and subsequently accepted by the Postal Service Board of Governors. During the rate case proceedings, the Commission held 34 days of public hearings, and Periodicals mailers of all circulation sizes were represented and provided substantial amounts of feedback. The proceedings were on the record, announced in both the print and online versions of the **Federal Register**, open to the public, and broadcast live on the Internet. The Commission used a rate design similar to one proposed by Time Warner both in 2004 and in Docket No. R2006-1, but substantially modified the rates to ensure fairness and equity for all mailers.

Twenty commenters objected to container charges for Outside-County Periodicals flat-size mail prepared in trays. These commenters said they would stop moving mail out of sacks and into trays as a result of the new charges, thereby undermining an initiative to prepare more Periodicals mail in trays. Our mail preparation standards provide only one option for preparing flat-size pieces in trays. This option is explained in DMM 707.22.7, and it applies only to automation-compatible pieces sorted to the ADC or mixed ADC levels. Because flats in these types of trays are not bundled, mailers can avoid the bundle charges, but there is no provision to avoid the container charges for this or any type of Periodicals mail (except for some mixed containers of In-County and Outside-County mail and for noncontainerized mail entered at a destination delivery unit, as explained below).

One commenter stated that the Commission did not recommend a container rate for trays, and questioned the costing data used to determine the tray rates. The Commission's Opinion and Recommended Decision included Periodicals rate design information in Library Reference #14 (PRC-LR-14-Periodicals). When calculating Periodicals revenues, the Commission used a worksheet called "PieceVolume(3)" to determine the container counts (refer to the "Containers" tab of the worksheet). The source, as noted in the worksheet, is TW-LR-5, which originally comes from USPS witness Loetscher's response to interrogatories from Time Warner (see TW/USPS-T28-7&8). Loetscher included "all other types of containers" (other than pallets) in "sacks" (see Table

13, "Periodicals Outside-County Flats Distribution of Containers by Strata, Type, Level, and Entry Facility Type"). The Commission's calculation used container numbers that included pieces in trays with pieces in sacks, and our interpretation and application of the container rate is consistent with the Commission's calculation.

One of our goals is to encourage efficient use of containers, including trays, and the Commission returned rates to support this goal. We note that for mail properly prepared loose in trays (according to the appropriate mailing standards), the bundle charges do not apply and mitigate the effect of the container charges.

One commenter asked how to determine the piece and bundle rates for automation-rate letter-size mail prepared in full letter trays. When prepared in full letter trays these pieces are not bundled, and mailers would use the tray level in place of a bundle level to calculate the piece charge. Unbundled pieces in full letter trays are not subject to bundle charges (but are subject to the container charges). Automation letters in less-than-full trays must be bundled and are subject to both bundle and container charges.

One commenter objected to eliminating the discounts for pieces on pallets. We emphasize that both the old and the new rate structures for Periodicals mail offer incentives for mailers to put more mail on pallets and enter those pallets at destination facilities. Rather than offer discounts, the overall rates are lower for mail on pallets, and send the appropriate pricing signals to mailers who can prepare mail on pallets either in single or in combined mailings.

One commenter agreed with our proposal not to assess bundle and container charges for mixed In-County and Outside-County pieces at the carrier route and 5-digit levels. This same commenter agreed that uncontainerized mail presented at a destination delivery unit should pay bundle charges but not container charges, and would like us to eliminate all bundling and container requirements and charges for this mail in the future. Because there is value in bundled mail to a carrier route entered at a DDU, we do not plan to change these mailing standards.

#### Comments on Mail Preparation

Two commenters asked us to clarify our standards for mailings entered at destination bulk mail centers (DBMCs). We clarified the standards in revised DMM 707.29.2.2. One of these commenters also asked us to clarify whether DBMC-entered offshore

containers are considered origin-or destination-entered. Offshore containers are considered origin-entered because the DBMC does not service the Line 1 ZIP Code on those containers.

One commenter asked us to raise the maximum weight for machinable flat-size mail. We provided machinable rates for 5-digit barcoded flats up to 4.4 pounds to align with our future flats sequencing equipment, which will be able to process heavier and thicker flats compared to the automated flat sorting machine (AFSM) 100. In addition, the previous 6-pound limit for UFSM 1000 pieces was too high for efficient handling, even on existing equipment, and often resulted in manual processing.

This commenter also asked us to increase the 20-ounce limit to 48 ounces for flat-size pieces prepared under DMM 301.3.0 when the pieces are part of a comailing. We cannot accommodate this request because we cannot process these types of heavier pieces efficiently on the AFSM 100. We do allow up to 5 percent of the pieces in a comailing to be over 20 ounces, but not more than 22 ounces.

This commenter additionally objected to our standards that designate UFSM 1000-compatible pieces as "nonmachinable" at the 3-digit, ADC, and mixed ADC levels. Our standards are intended to align automation flats preparation with the processing capabilities of the AFSM 100, currently the preferred machine for flats processing and the workhorse for the distribution of flats prepared in 3-digit, ADC, and mixed ADC bundles in our processing plants. The processing capabilities of the AFSM 100 are superior to those of the UFSM 1000. The throughput of the AFSM 100 (17,000 pieces per hour) is much higher than the throughput of the UFSM 1000 (5,000 pieces per hour). We have no plans to purchase new UFSM 1000s, and we are removing them from many plants. Therefore, the best rates are for AFSM 100-compatible mailpieces.

One commenter asked us to clarify that Outside-County firm bundles no longer count toward the minimum number of pieces required for a presort destination, but In-County firm bundles do count toward presort minimums. We revised our standards for firm bundles to clarify this distinction. In-County firm bundles will count toward presort minimums, as they do today. Outside-County firm bundles will not count toward presort minimums, because the Commission assigned a single piece rate and separate bundle rates for Outside-County firm bundles.

Two commenters asked us to clarify the new Periodicals terminology and

apply it consistently throughout DMM 705 and 707. One commenter remarked that our terminology is confusing. We revised the terminology in DMM 705 and 707 for clarity and consistency. We use the term "machinable" for all flat-size pieces prepared under DMM 301.3.0, and for 5-digit barcoded flat-size pieces prepared under DMM 707.26.0. We use the term "nonmachinable" for flat-size pieces prepared under DMM 707.26.0 at the 3-digit/SCF, ADC, and mixed ADC levels, and for nonbarcoded pieces at the 5-digit level. We also use the term "nonmachinable" to describe all Periodicals parcels.

#### Comments on Mailing Documentation

Seven commenters said that the Periodicals postage statement, Form 3541, was too complicated, and asked for an easy-to-use form. Two of these commenters objected to using presort software because of its cost, and asked for a simple manual form. We designed Form 3541 to be as straightforward as possible, but we recognize that a simple form cannot accommodate the complex new structure for Outside-County mail recommended by the Postal Regulatory Commission.

One commenter expressed concern over the width of the USPS Qualification Report and asked whether the "running total" column could serve as the column that indicates which bundles and containers are subject to the Outside-County bundle and container rates. To clarify, the running total column can serve this purpose.

This same commenter asked if PAVE will certify the new container and bundle reports. We do intend to certify products using the new documentation standards that are being developed.

One commenter asked if firm bundles will be represented on the USPS Qualification Report any differently than they are today. Outside-County firm bundles cannot count toward presort minimums and will be reported as separate bundles on the Qualification Report. We did not change the standards or documentation requirements for In-County firm bundles.

One commenter asked us to remove the requirement to include postage information on standardized documentation. We agree with this commenter and made this requirement an option in revised DMM 708.1.2.

One commenter objected to the approval requirements for "titles" prepared in combined mailings. As clarification, each publication must be authorized or pending authorization to mail at Periodicals rates, but only the

mailer must be authorized to combine mailings.

#### Comments on Service

Eight commenters expressed concerns about delivery delays, lost mail, and other service issues. One commenter detailed delivery problems prior to 2004 but explained that these problems were resolved successfully. We are committed to providing a high level of service for Periodicals and all types of mail. We formed a new Mailers Technical Advisory Committee (MTAC) workgroup, with both mailers and Postal Service employees, to establish service standards and recommend ways to measure performance for Periodicals mail. We will communicate and implement these service standards in the future. In the meantime, we will continue to work with mailers at the local and national levels when service problems arise to identify and resolve issues on an ongoing basis.

#### Other Comments

One commenter asked us to verify that FAST will update the mail direction data for Periodicals entered at DBMCs. FAST already shows the default BMC ZIP Code range, and does not distinguish among classes. FAST will allow pallet or speedline appointments for Periodicals at BMCs; bedloaded or "drop and pick" mailings will not be allowed. The Mail Direction file already accommodates BMC entry of Periodicals.

One commenter agreed with the Governors' decision to delay the new Periodicals prices and mailing standards until July 15, to give mailers more time to prepare for the changes.

One commenter raised questions about the Postal Accountability and Enhancement Act as it applies to Periodicals mail. The Act is outside the scope of our mailing standards proposed and final rules, and will be addressed in a separate proceeding.

#### Overview of Changes Since the Proposed Rule

We made revisions throughout our mailing standards to consistently reflect the new Periodicals rate structure and terminology. We updated our standards to reflect that In-County firm bundles count toward presort minimums, but Outside-County firm bundles do not count toward presort minimums. We revised mailing standards in DMM 707.2.0 that described both In-County and Outside-County rates to better distinguish between the two and to clarify the new Outside-County piece rates. We revised DMM 707.2.1.8 to clarify that the container level is based

on the least-finely presorted bundle it contains (for example, a “5-digit metro pallet” may contain 3-digit and 5-digit bundles and would pay the 3-digit/SCF pallet rate). We also added information about mailer-supplied air freight containers in 707.2.1.8. We revised DMM 708.1.2 to make the inclusion of postage information and certain running totals optional on standardized documentation. We reformatted the Outside-County piece rate chart to separate the parcel rates from the flats rates. The new format better reflects that the piece rates for parcels do not vary based on the use of a barcode.

### **Overview of Outside-County Periodicals Mail**

#### **New Container Rate Structure**

The new rate structure adds container rates for Periodicals mail. We define a “container” as a tray, sack, pallet, or other equivalent USPS-approved container. Most of our standards for mail preparation are not changing as a result of the new rate structure. Mailers will still follow the mail preparation requirements in DMM 705, 707, and 708, which specify when to prepare mail in bundles and when to place it in trays, sacks, and pallets. We note that mailers must follow the preparation and entry requirements in the DMM. Mailers cannot choose to use certain containers (or to not use containers) to circumvent the rates.

New Outside-County container rates are based on the type of container (tray, sack, or pallet), the level of sortation of the container, and where the container is entered. The container level is determined by the least-finely presorted bundle it contains, because that determines the point where the container must be opened for bundle sorting. We will apply the container rates to pallets, sacks, and trays containing Outside-County Periodicals mail (except for mixed containers of In-County and Outside-County pieces in carrier route, 5-digit carrier routes, and 5-digit/scheme containers). When trays and sacks are placed on pallets, we will charge for each tray and sack, but not for the pallets. This should encourage mailers to use pallets.

Container rates decrease with deeper entry because there are fewer handlings needed. The best rates are for mail that is finely sorted on pallets and entered close to its destination. For example, the price for a 5-digit pallet entered at a DDU is \$1.20, compared to \$15.50 if entered at a DADC.

On the other hand, when entered at the same facility level, prices are higher for more-finely presorted containers

than for those that are less-finely presorted. The difference reflects the additional handlings that the more-finely presorted container will get before it is opened. For instance, for origin entry, the price for a 5-digit pallet is \$26.95, or \$8.34 higher than the \$18.61 price for an ADC pallet.

Working in the opposite direction, a bundle in a less-finely presorted container requires more handlings prior to piece sortation than the same level bundle in a more-finely presorted container, and bundle prices reflect this. The price for a 5-digit bundle is \$0.095 on an ADC pallet, but only \$0.008 on a 5-digit pallet, a difference of \$0.087. The lower bundle postage will offset some, all, or more than all of the higher container postage.

Taken as a whole, the inter-relationships among the per-container, per-bundle and per-piece prices in this rate structure provide further incentives for mailers to comail and copalletize.

The rate structure also provides new rates for pallets and for trays or sacks on pallets entered at a destination bulk mail center (DBMC). These rates reflect the cost of cross-docking pallets and do not represent a new pallet sortation level. Mailers can enter Periodicals mail at the DBMCs or DASFs listed in DMM Exhibit 346.3.1, or at a USPS-designated facility. For DBMC entry, pieces must be prepared in bundles or in sacks on SCF, ADC, 3-digit, or 5-digit pallets, and addressed for delivery to one of the 3-digit ZIP Codes served by that BMC.

#### **New Bundle Rate Structure**

We are adopting new rates for bundles of Periodicals mail, but we are not changing the definition of a bundle or the bundling requirements. A “bundle” is a group of addressed pieces secured together as a unit. Pieces are first sorted to destinations and then assembled into groups for bundling based on quantity and other factors. The term bundle does not apply to unsecured groups of pieces (for example, pieces prepared loose in letter or flat trays). “Firm bundles” are also groups of pieces that are secured together, but in a firm bundle all pieces are for delivery to the address shown on the top piece.

New Outside-County bundle rates are based on the level of sorting of both the bundle and the container (but not on the type of container). More finely presorted bundles within the same container level have higher rates to reflect more bundle handlings before they are opened. For example, for pieces sorted into a carrier route bundle, and then placed on an ADC pallet or sack, a mailer pays 10.4 cents per bundle. For pieces sorted into an ADC bundle and placed on an ADC

pallet or sack, a mailer pays 3.8 cents per bundle. A lower piece rate for pieces in more finely presorted bundles offsets the higher bundle charge.

We will apply the bundle rates to all bundles containing Outside-County mail, except for mixed bundles of In-County and Outside-County pieces in carrier route and 5-digit/scheme bundles. This exception will avoid imposing the Outside-County pricing structure on bundles that will likely contain mostly In-County pieces.

Firm bundles are subject to both a piece charge (16.9 cents) and a bundle charge (2.7 cents to 7.9 cents, depending on the container level). Because of this new rate structure, mailers may no longer use firm bundles to satisfy a six-piece bundle requirement to a presort level for Outside-County bundles.

We will charge bundle rates based on the actual number of bundles entered, so mailers must precisely document the number of bundles they produce. Unlike today, where there is no rate impact for a difference between the number of bundles implied by the presort requirements and the actual number of bundles created during production, under the new rates mailers must conscientiously modify software parameters and monitor physical breaks between bundles to ensure the number of bundles produced matches their documentation.

#### **New Piece Rate Structure**

Periodicals Outside-County prices include new piece rates based on shape, machinability, barcoding, and presort level. The presort level of the piece is based primarily on the bundle level of the piece, with one exception: The presort level of pieces loose in trays is based on the tray level.

While the new structure eliminates the per-piece discounts for pieces on pallets, including the experimental copalletization discounts, the container and bundle charges are designed to encourage copalletization. The new structure also eliminates the per-piece discounts for destination area distribution center (DADC), destination sectional center facility (DSCF), and destination delivery unit (DDU) entry, but recognizes instead the associated cost savings in the new DADC, DSCF, and DDU rates for nonadvertising pounds, as well as in the container rates.

We divide the piece rates into “letter” rates, “machinable flats” rates, “nonmachinable flats” rates, and “parcel” rates; with the exception of carrier route rates, which we divide only according to saturation, high density, and basic rates.

## Letters

We provide letter rates for “barcoded” and “nonbarcoded” pieces. Periodicals letters must meet the standards for all letters in DMM 201. Letters mailed at the barcoded rates must include a barcode and must meet the additional standards for automation letters in DMM 201.3.0. Automation Periodicals letters meet these dimensions:

- Minimum height is 3½ inches.
- Maximum height is 6⅞ inches.
- Minimum length is 5 inches.
- Maximum length is 11½ inches.
- Maximum thickness is 0.25 inch.
- Minimum thickness is:
  - 0.007 inch if the piece is no more than 4¼ inches high and 6 inches long; or
  - 0.009 inch if the piece is more than 4¼ inches high or 6 inches long, or both.
- The maximum weight for each piece is 3.5 ounces.

Periodicals letters mailed at the nonbarcoded rates meet the standards for all letters in DMM 201 but do not include a barcode, or do not meet all of the automation standards in 201.3.0 (whether or not a barcode is used). We assigned the machinable—nonbarcoded flats rates to these pieces. Nonbarcoded Periodicals letters meet these dimensions:

- Minimum height is 3½ inches.
- Maximum height is 6⅞ inches.
- Minimum length is 5 inches.
- Maximum length is 11½ inches.
- Minimum thickness is 0.007 inch.
- Maximum thickness is 0.25 inch.
- The maximum weight for each piece is 3.5 ounces.

## Flats

We divide flats rates into categories for machinable and nonmachinable pieces, and then provide rates for barcoded and nonbarcoded pieces.

For flats prepared in 3-digit, ADC, and mixed ADC bundles and containers, we define “machinable—barcoded” flats as barcoded pieces that we can process on our primary flats-sorting equipment, the automated flat sorting machine (AFSM 100). These pieces must meet our standards for minimum flexibility, maximum deflection, and uniform thickness, and use automation-compatible polywrap (if polywrapped). Machinable—barcoded Periodicals flats meet these dimensions:

- Minimum height is 5 inches.
- Maximum height is 12 inches.
- Minimum length is 6 inches.
- Maximum length is 15 inches.
- For bound or folded pieces, the edge perpendicular to the bound or folded edge may not exceed 12 inches.

- Minimum thickness is 0.009 inch.
- Maximum thickness is 0.75 inch.
- The maximum weight for each piece is 20 ounces.

These pieces are defined in DMM 301.3.0 and match our standards for Standard Mail flat-size pieces mailed at automation rates, with a different weight limit.

“Machinable—nonbarcoded” flats prepared in 3-digit, ADC, and mixed ADC bundles and containers meet the same criteria noted above, but they do not include a barcode.

For flats prepared in 3-digit, ADC, and mixed ADC bundles and containers, we define “nonmachinable—barcoded” flats as barcoded pieces that we can process on the upgraded flat sorting machine (UFSM 1000) and in the future flats sequencing environment; therefore, the requirements are slightly more restrictive than current UFSM 1000 requirements. These pieces must meet our standards for uniform thickness and use automation-compatible polywrap (if polywrapped), but they are not currently subject to our standards for minimum flexibility and maximum deflection. Nonmachinable—barcoded Periodicals flats meet these dimensions:

- Minimum height is 5 inches.
- Maximum height is 12 inches.
- Minimum length is 6 inches.
- Maximum length is 15 inches.
- Minimum thickness is 0.009 inch.
- Maximum thickness is 1.25 inches.
- The maximum weight for each piece is 4.4 pounds.

These pieces are defined in DMM 707.26.0, and they are unique to Periodicals mail.

For pieces prepared in 5-digit bundles, we define “machinable—barcoded” flats as those pieces prepared under 301.3.0 that we can process on the AFSM 100, and those pieces prepared under 707.26 that we can process on the UFSM 1000 and on the future flats sequencing equipment. This definition will help us align Periodicals mail with the flats sequencing system, which will process a wider variety of flat-shaped mail than the AFSM 100. We are not changing the standards to allow mailers to combine pieces defined in 301.3.0 and pieces defined in 707.26.0 in the same bundle.

Machinable—nonbarcoded” flats prepared in 5-digit bundles meet the same dimensions noted above, but they do not include a barcode. The rate design includes a price for “nonmachinable—barcoded” flats prepared in 5-digit bundles, but mailers will not use this rate because we allow these UFSM 1000-compatible barcoded pieces to pay the lower, machinable—

barcoded rates for pieces sorted to the 5-digit level.

For all sort levels, we define “nonmachinable—nonbarcoded” flats as barcoded or nonbarcoded pieces that do not meet the standards in DMM 301.3.0 or in 707.26.0.

## Parcels

Periodicals parcels are pieces that cannot be processed on our primary flat-sorting equipment. This rate category includes rigid and parcel-like pieces, pieces in boxes, and tubes and rolls. Parcels exceed the weight or dimensions for flats in DMM 707.26, but cannot weigh more than 70 pounds or measure more than 108 inches in length and girth combined (for parcels, length is the longest dimension and girth is the distance around the thickest part).

Parcel rates do not distinguish between barcoded and nonbarcoded pieces.

## New Pound Rate Structure

For advertising pounds, the new price structure retains zoned rates and per-pound rate incentives for DADC, DSCF, and DDU entry. For nonadvertising pounds, postage from any entry point upstream from the DADC will continue to be unzoned, but there are new per-pound rate incentives for DADC, DSCF, and DDU entry. There are no pound-rate incentives for DBMC entry.

## Documentation

We provide new documentation requirements in DMM 708.1.0, including a new bundle report, a new container report, and a new column on the USPS qualification report indicating which bundles and containers are subject to the Outside-County bundle and container rates. As we stated above, we will charge bundle rates based on the actual number of bundles entered, and the new documentation will help us verify that mailers have correctly prepared and paid for their mailings. We are not changing the documentation requirements for In-County mail.

## Overview of In-County Periodicals Mail

Other than changes to In-County rates, we are not implementing any changes to the In-County rate design or mail preparation standards.

We provide the updated DMM standards, and how they are applied for Periodicals mail, below. These standards are effective on July 15, 2007.

We adopt the following amendments to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), incorporated by reference in the Code of Federal Regulations. See 39 CFR 111.1.

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

Administrative practice and procedure, Postal Service.

■ Accordingly, 39 CFR part 111 is amended as follows:

**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, 414, 3001–3011, 3201–3219, 3403–3406, 3621, 3626, 5001.

■ 2. Revise the following sections of *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), as follows:

**200 Discount Letters and Cards**

**201 Physical Standards**

\* \* \* \* \*

**2.0 Physical Standards for Nonmachinable Letters**

\* \* \* \* \*

*[Insert new 2.4 as follows:]*

**2.4 Additional Criteria for Periodicals Nonmachinable Letters**

The nonbarcoded letter rates in 707.1.1.2 apply to Periodicals letter-size pieces that have one or more of the nonmachinable characteristics in 2.1.

\* \* \* \* \*

**3.0 Physical Standards for Automation Letters and Cards**

\* \* \* \* \*

**3.5 Weight Standards for Periodicals Automation Letters**

The maximum weight for Periodicals automation letters is 3.5 ounces (0.2188 pound). See 3.13.4 for pieces heavier than 3 ounces.

\* \* \* \* \*

**700 Special Standards**

\* \* \* \* \*

**705 Advanced Preparation and Special Postage Payment Systems**

\* \* \* \* \*

**8.0 Preparation for Pallets**

\* \* \* \* \*

**8.9 Bundles on Pallets**

\* \* \* \* \*

**8.9.3 Periodicals**

Bundle size: Six-piece minimum (lower-volume bundles permitted under 707.22.0, *Preparing Presorted Periodicals*, and 707.23.0, *Preparing Carrier Route Periodicals*), 20-pound maximum, except:

*[Revise item a to remove the option to count firm bundles as one piece for presort standards for Outside-County Periodicals as follows:]*

a. Firm bundles may contain as few as two copies of a publication. Mailers must not consolidate firm bundles with other bundles to the same 5-digit destination. Only In-County firm bundles may be counted as an addressed piece for presort standards (see 707.22.0 and 707.23.0).

\* \* \* \* \*

**9.0 Preparing Cotrayed and Cosacked Bundles of Automation and Presorted Flats**

\* \* \* \* \*

**9.2 Periodicals**

\* \* \* \* \*

**9.2.5 Sack Preparation and Labeling**

Nonbarcoded rate and barcoded rate bundles prepared under 9.2.2, 9.2.3, and 9.2.4 must be presorted together into sacks (cosacked) in the sequence listed below. Sacks must be labeled using the following information for Lines 1 and 2 and 707.21.0 for other sack label criteria. If, due to the physical size of the mailpieces, the barcoded rate pieces are considered flat-size under 301.3.0 and the nonbarcoded rate pieces are considered parcels under 401.1.6, the processing category shown on the sack label must show “FLTS.”

*[Revise item a to require scheme sorting as follows:]*

a. 5-digit/scheme, required; scheme sort required only for pieces meeting the criteria in 301.3.0; 24-piece minimum, fewer pieces not permitted; labeling:

1. Line 1: For 5-digit scheme sacks, use L007, Column B. For 5-digit sacks, use city, state, and 5-digit ZIP Code destination on pieces.

2. Line 2: “PER” or “NEWS” as applicable and, for 5-digit scheme sacks, “FLT 5D SCH BC/NBC;” for 5-digit sacks, “FLT 5D BC/NBC.”

\* \* \* \* \*

**10.0 Preparation for Merged Containerization of Bundles of Flats Using City State Product**

**10.1 Periodicals**

**10.1.1 Basic Standards**

Carrier route bundles in a carrier route rate mailing may be placed in the same sack or on the same pallet as 5-digit bundles from a barcoded rate mailing and 5-digit bundles from a nonbarcoded rate mailing (including pieces cobundled under 11.0) under the following conditions:

\* \* \* \* \*

*[Revise item j to remove the option to count firm bundles toward the six-piece minimum for rate eligibility for Outside-County Periodicals as follows:]*

j. For mailings prepared in sacks, mailers may not combine firm bundles and 5-digit scheme pieces in 5-digit scheme bundles or in 5-digit scheme sacks. Firm bundles must be placed in a separate individual 5-digit sack under 10.1.4g to maintain 5-digit rate eligibility. Mailers may combine firm bundles with 5-digit scheme, 3-digit scheme, and other presort destination bundles in carrier route, 5-digit, 3-digit, SCF, ADC, and mixed ADC sacks. Only an In-County firm bundle can contribute toward the six-piece minimum for rate eligibility.

\* \* \* \* \*

**11.0 Preparing Cobundled Barcoded Rate and Nonbarcoded Rate Flats**

\* \* \* \* \*

**11.2 Periodicals**

**11.2.1 Basic Standards**

*[Revise the introductory text in 11.2.1 to require 5-digit scheme and 3-digit scheme sort and eliminate distinctions between AFSM 100 and UFSM 1000 flats as follows:]*

Mailers may choose to cobundle (see 707.18.4ab) barcoded rate and nonbarcoded rate flat-size pieces as an option to the basic bundling requirements in 707.22.0 and 707.25.0. 5-digit scheme and 3-digit scheme bundles also must meet the additional standards in 707.18.4i and 707.18.4r. Mailing jobs (for flats meeting the criteria in 301.3.0) prepared using the 5-digit scheme and/or the 3-digit scheme bundle preparation must be sacked under 10.0 or palletized under 10.0, 12.0, or 13.0. All bundles are subject to the following conditions:

\* \* \* \* \*

*[Revise item g as follows:]*

g. Within a bundle, all pieces must meet the requirements in 301.3.0 or all pieces must meet the requirements in 707.26.0.

\* \* \* \* \*

**11.2.2 Bundle Preparation**

*[Revise the introductory text in 11.2.2 to specify that pieces meeting the criteria in 301.3.0 must be scheme-sorted as follows:]*

Pieces meeting the criteria in 301.3.0 must be prepared in 5-digit scheme bundles for those 5-digit ZIP Codes identified in L007 and in 3-digit scheme bundles for those 3-digit ZIP Codes identified in L008. Preparation sequence, bundle size, and labeling:

\* \* \* \* \*

[Revise item b to require 5-digit scheme bundles as follows:] b. 5-digit scheme, required; \* \* \*

[Revise item d to require 3-digit scheme bundles as follows:] d. 3-digit scheme, required; \* \* \*

15.0 Plant-Verified Drop Shipment

\* \* \* \* \*

15.2 Program Participation

\* \* \* \* \*

15.2.4 Periodicals

[Revise 15.2.4 to reflect the new rate structure for Periodicals mail as follows:]

Periodicals postage must be paid at the post office verifying the copies or as designated by the district. Postage is calculated from the destination USPS facility where the mail is deposited and accepted (or from the facility where the Express Mail or Priority Mail Open and Distribute destinates). The publisher must ensure that sufficient funds are on deposit to pay for all mailings before their release. A publisher authorized under an alternative postage payment system must pay postage under the corresponding standards.

\* \* \* \* \*

16.0 Express Mail Open and Distribute and Priority Mail Open and Distribute

[Revise heading of 16.1 as follows:]

16.1 Description

\* \* \* \* \*

16.1.4 Basis of Rate

[Revise 16.1.4 to specify that container rates do not apply to Express Mail and Priority Mail Open and Distribute sacks as follows:]

Mailers must pay Express Mail and Priority Mail postage based on the weight of the entire contents of the Express Mail or Priority Mail shipment. Do not include the tare weight of the external container. Do not apply Priority Mail dimensional weight pricing or Periodicals container rates to the external container.

\* \* \* \* \*

707 Periodicals

1.0 Rates and Fees

1.1 Outside-County—Excluding Science-of-Agriculture

\* \* \* \* \*

[Renumber 1.1.3 through 1.1.5 as new 1.1.5 through 1.1.7. Insert new 1.1.3 and 1.1.4 as follows:]

1.1.3 Outside-County Bundle Rates

Rate for each bundle containing Outside-County Periodicals mail (see 2.1.8 for how to apply these rates):

[We provide all of the new rates for Periodicals mail at pe.usps.com (click on "Ratefold").]

1.1.4 Outside-County Container Rates

Rate for each pallet, sack, tray, or other USPS-approved container containing Outside-County Periodicals mail (see 2.1.9 for how to apply these rates):

[We provide all of the new rates for Periodicals mail at pe.usps.com (click on "Ratefold").]

\* \* \* \* \*

1.2 Outside-County—Science-of-Agriculture

\* \* \* \* \*

[Renumber 1.2.3 as new 1.2.5. Insert new 1.2.3 and 1.2.4 as follows:]

1.2.3 Outside-County Bundle Rates

Rate for each bundle containing Outside-County Periodicals mail (see 2.1.8 for how to apply these rates):

[We provide all of the new rates of Periodicals mail to pe.usps.com (click on "Ratefold").]

1.2.4 Outside-County Container Rates

Rate for each pallet, sack, tray, or other USPS-approved container containing Outside-County Periodicals mail (see 2.1.9 for how to apply these rates):

[We provide all of the new rates for Periodicals mail at pe.usps.com (click on "Ratefold").]

2.0 Rate Application and Computation

2.1 Rate Application

2.1.1 Rate Elements

[Revise 2.1.1 to reflect the new Outside-County bundle and container rates and the new nonadvertising pound rate structure as follows:]

Postage for Periodicals mail includes a pound rate charge, a piece rate charge, bundle and container rate charges for Outside-County mail, and any discounts for which the mail qualifies under the corresponding standards.

[Renumber 2.1.2 through 2.1.5 as 2.1.4 through 2.1.7. Add new 2.1.2 and 2.1.3 to reflect the new piece rate structure for Outside-County mail and to separate the piece rate application for In-County and Outside-County mail as follows:]

2.1.2 Applying Outside-County Piece Rates

An addressed piece can be a single individually addressed copy or a firm

bundle containing unaddressed or individually addressed copies for the same address. The per piece charge is based on the number of addressed pieces (not the number of copies). Outside-County piece rates are based on the shape of the mailpiece (letter, flat, or parcel); the characteristics of the mailpiece (machinable or nonmachinable, see 18.4ac and 18.4ad); the application of a barcode; and the bundle presort level. For pieces properly prepared loose in trays, the rate is based on the tray presort level. Apply piece rates for Outside-County mail as follows:

a. Letters.

1. Apply the "Letters—Barcoded" rates to pieces that meet all of the standards for automation letters in 201.3.0 and include a barcode.

2. Apply the "Letters—Nonbarcoded" rates to pieces that meet the standards for all letters in 201 but do not include a barcode. Apply these rates also to pieces that are barcoded but do not meet all of the automation letter standards in 201.3.0.

b. Machinable flats.

1. Apply the "Machinable Flats—Barcoded" rates to pieces that meet all of the standards for automation flats in 301.3.0 and include a barcode. Apply the 5-digit rate also to 5-digit barcoded pieces prepared under the alternative flats criteria in 26.0.

2. Apply the "Machinable Flats—Nonbarcoded" rates to pieces that meet all of the standards for automation flats in 301.3.0 but do not include a barcode.

c. Nonmachinable flats.

1. Apply the "Nonmachinable Flats—Barcoded" rates to pieces that meet all of the alternative standards for flats in 26.0 and include a barcode.

Exception: 5-digit barcoded pieces prepared under 26.0 pay the "Machinable Flats—Barcoded" 5-digit rate.

2. Apply the "Nonmachinable Flats—Nonbarcoded" rates to pieces that meet all of the alternative standards for flats in 26.0 but do not include a barcode. Apply these rates also to all nonmachinable flats, whether or not a barcode is used.

c. Parcels. Apply the "Parcels" rates to all parcels, whether or not a barcode is used.

2.1.3 Applying In-County Piece Rates

An addressed piece can be a single individually addressed copy or a firm bundle containing unaddressed or individually addressed copies for the same address. The per piece charge is based on the number of addressed pieces (not the number of copies). For In-County mail, piece rates apply to

each addressed piece, based on the sorting done by the publisher. Piece rates for automation mailings are based on the bundle level (or tray level for unbundled pieces in trays); piece rates for nonautomation mailings are based on the tray or sack level.

#### 2.1.4 Applying Pound Rate

*[Revise renumbered 2.1.4 to reflect the new nonadvertising rate structure and to clarify item b as follows:]*

Apply pound rates to the weight of the pieces in the mailing as follows:

- Outside-County and Science-of-Agriculture Outside-County pound rates are based on the weight of the advertising portion sent to each postal zone (as computed from the entry office) or destination entry zone, and the weight of the nonadvertising portion to a destination entry zone or a single rate to all other zones.

- In-County pound rates consist of a DDU entry rate and an unzoned rate for eligible copies delivered to addresses within the county of publication.

*[Revise the heading of renumbered 2.1.4 as follows:]*

#### 2.1.5 Computing Weight of Advertising and Nonadvertising Portions

*[Revise renumbered 2.1.5 to reflect the new nonadvertising rate structure as follows:]*

The pound rate charge is the sum of the charges for the computed weight of the advertising portion of copies to each destination entry and zone, plus the sum of the charges for the computed weight of the nonadvertising portion of copies to each destination entry and all other zones. The following standards apply:

- The minimum pound rate charge for any zone to which copies are mailed is the 1-pound rate. For example, three 2-ounce copies for a zone are subject to the minimum 1-pound charge.

- Authorized Nonprofit and Classroom publications with an advertising percentage that is 10% or less are considered 100% nonadvertising. When computing the pound rates and the nonadvertising adjustment, use "0" as the advertising percentage. Authorized Nonprofit and Classroom publications claiming 0% advertising must pay the nonadvertising pound rate for the entire weight of all copies to all zones.

\* \* \* \* \*

*[Insert new 2.1.8 and 2.1.9 as follows:]*

#### 2.1.8 Applying Outside-County Bundle Rates

For Outside-County mail prepared in bundles, mailers pay the bundle rate

according to the presort level of the bundle and the presort level of the container that the bundle is placed in or on. Bundle rates do not apply to barcoded letter-size mail prepared in full letter trays or to flat-size mail prepared in flat trays under the optional tray preparation in 705 and 707. The bundle rates are in addition to the container rates in 2.1.8. The following standards apply:

- Bundles of fewer than six pieces under 25.1.5 (including single-piece bundles) must each pay the applicable bundle charge.

- For bundles containing both In-County and Outside-County pieces, mailers do not pay the bundle charge for carrier route and 5-digit/scheme bundles.

#### 2.1.9 Applying Outside-County Container Rates

For Outside-County mail prepared in trays, sacks, pallets, and other USPS-approved containers, mailers pay the container rate according to the type of container, the presort level of the container, and where the mail is entered. The container level is determined by the least-finely presorted bundle it contains (for example, a "5-digit metro pallet" may contain 3-digit and 5-digit bundles and would pay the 3-digit/SCF pallet rate). For mailer-supplied air freight containers, mailers pay the container charge based on the original presort of the mail before it is transferred to the airfreight container. The container rates are in addition to the bundle rates in 2.1.7. The following additional standards apply:

- For mailings prepared in trays or sacks, mailers pay the container rate for each tray or sack based on container level and entry.

- For mailings prepared on pallets under 705.8.0:

- For bundles placed directly on pallets, mailers pay the container rate for each pallet.

- For trays or sacks on pallets, mailers pay the container rate for each tray or sack, and not for the pallets. The container rate for each tray or sack is based on the tray or sack level and where the pallet is entered.

- For containers with both In-County and Outside-County pieces, mailers do not pay the container rate for carrier route, 5-digit carrier routes, and 5-digit/scheme pallets, sacks, and trays.

#### 2.2 Computing Postage

\* \* \* \* \*

*[Revise 2.2.5 to reflect the new piece rate structure for Outside-County mail as follows:]*

#### 2.2.5 Piece Rate

Determine the piece rate postage as follows:

- Outside-County.* Multiply the number of copies by the appropriate rate, based on the criteria in 2.1.2a.

- In-County.* Multiply the number of addressed pieces (not copies) by the appropriate rate, based on the presort of the pieces as mailed.

\* \* \* \* \*

*[Renumber 2.2.7 as 2.2.8. Insert new 2.2.7 to compute the Outside-County bundle and container rates as follows:]*

#### 2.2.7 Outside-County Bundle and Container Charges

The Outside-County bundle charge is the sum of the number of bundles for each bundle level and container level in the mailing subject to the Outside-County bundle rates (see 1.1.3 and 1.2.3), multiplied by the applicable bundle rates. The Outside-County container charge is the sum of the number of containers for each container type, container level, and entry level in the mailing subject to the Outside-County container rates (see 1.1.4 and 1.2.4), multiplied by the applicable container rates. Mailers must document the number of bundles and containers required for the rates claimed. If the documentation shows more bundles and containers are required than are presented for mailing, the mailer must pay the charges according to the documentation. Mailers cannot reduce the bundle and container charges by preparing fewer bundles and containers than standards require. Mailers who prepare Periodicals publications as a combined mailing by merging copies or bundles of copies under 27.0 may pay the Outside-County bundle and container charges in one of the following ways:

- On one publisher's Form 3541.
- On one consolidated Form 3541. Under this option, the consolidator must complete the appropriate sections of the form and pay the charges from the consolidator's own advance deposit account.

- Apportioned on each publisher's Form 3541. The following standards apply:

- The qualification report must be submitted electronically via Mail.dat. See 708.1.0 for additional documentation requirements.

- The total charges on all Form 3541s in a combined mailing must equal the total charges for all bundles and containers subject to the Outside-County container rates presented for mailing.

- Apportion the bundle charge for each title or edition by determining how



many of each type of bundle that title or edition is in. Next calculate the percentage of copies in each of those bundles and convert to four decimal places, rounding if necessary (for example, convert 20.221% to .2022). Add the decimal values for each type of bundle in the mailing and multiply the total by the applicable bundle rate in 1.1.3 and 1.2.3. Add the bundle charges to determine the total for each title or edition.

4. Apportion the container charge for each title or edition by determining how many of each type of container that title or edition is in. Next calculate the percentage of copies in each of those containers and convert to four decimal places, rounding if necessary (for example, convert 20.221% to .2022). Add the decimal values for each type of container in the mailing and multiply the total by the applicable container rate in 1.1.4 and 1.2.4. Add the container charges to determine the total for each title or edition.

**2.2.8 Total Postage**

*[Revise renumbered 2.2.8 to reflect the new Outside-County container rates as follows:]*

Total Outside-County postage is the sum of the per pound and per piece charges, the bundle charges, the container charges, and any Ride-Along and Repositionable Notes charges; minus all discounts; rounded off to the nearest whole cent. Total In-County postage is the sum of the per pound and per piece charges, and any Ride-Along and Repositionable Notes charges, less all discounts, rounded off to the nearest whole cent.

**3.0 Physical Characteristics and Content Eligibility**

\* \* \* \* \*

**3.5 Mailpiece Construction**

\* \* \* \* \*

**3.5.2 Size and Weight**

*[Revise 3.5.2 as follows:]*

Periodicals mail may not weigh more than 70 pounds or measure more than 108 inches in length and girth combined. Additional size and weight limits apply to letters and machinable and nonmachinable pieces. Requester publications must contain at least 24 pages per issue.

\* \* \* \* \*

**11.0 Basic Rate Eligibility**

\* \* \* \* \*

**11.4 Discounts**

The following discounts are available:

\* \* \* \* \*

*[Delete item c to eliminate the pallet discounts.]*

\* \* \* \* \*

**12.0 Nonbarcoded/Presorted Rate Eligibility**

\* \* \* \* \*

*[Renumber 12.2 through 12.4 as new 12.3 through 12.5 and add new 12.2 as follows:]*

**12.2 Rates—Outside-County**

Outside-County nonbarcoded/presorted rates are based on the following criteria (see 2.0 for rate application and computation):

a. Piece rates are based on shape, machinability, barcoding, and presort level. The presort level of the piece is based primarily on the bundle level of the piece, except the presort level of pieces loose in trays is based on the tray level.

b. Bundle rates are based on the bundle and container sortation level.

c. Container rates are based on the type of container (tray, sack, or pallet), the level of sortation of the container, and where the container is entered.

*[Revise the heading in renumbered 12.3 as follows:]*

**12.3 Rates—In-County**

\* \* \* \* \*

**14.0 Barcoded/Automation Rate Eligibility**

*[Renumber 14.2 and 14.3 as new 14.3 and 14.4 and add new 14.2 as follows:]*

**14.2 Rates—Outside-County**

Outside-County barcoded/automation rates are based on the following criteria (see 2.0 for rate application and computation):

a. Piece rates are based on mailpiece shape (letter, flat, or parcel), machinability, barcoding, and presort level. The presort level of the piece is based on the bundle level of the piece, except the presort level of pieces loose in trays is based on the tray level.

b. Bundle rates are based on the bundle and container sortation level.

c. Container rates are based on the type of container (tray, sack, pallet), the level of sortation of the container, and where the container is entered.

*[Revise the heading in renumbered 14.3 as follows:]*

**14.3 Rates—Inside-County**

\* \* \* \* \*

**15.0 Ride-Along Rate Eligibility**

\* \* \* \* \*

**15.3 Physical Characteristics**

The host Periodicals piece and the Ride-Along piece must meet the following physical characteristics:

\* \* \* \* \*

*[Revise item c as follows:]*

c. A Periodicals piece with a Ride-Along must maintain the same processing category as before the addition of the Ride-Along.

\* \* \* \* \*

**16.0 Postage Payment**

\* \* \* \* \*

**16.4 Payment Method**

*[Revise 16.4 to clarify payment options in a combined mailing as follows:]*

Mailers must pay Periodicals postage by advance deposit account at the original or additional entry post office, except under procedures in 16.5 for Centralized Postage Payment or in 705.15.2.4. Mailers may not pay postage for Periodicals using permit imprint, meter stamp, postage stamp, or precanceled stamps. Mailers must pay postage for First-Class Mail and Standard Mail enclosures under 703.9.8 through 703.9.12 and 705.16.1. Mailers who prepare Periodicals publications as a combined mailing by merging copies or bundles of copies under 27.0 may pay the Outside-County bundle and container charges on one mailer's Form 3541, on one consolidated Form 3541, or on each mailer's Form 3541 (see 2.2.7).

\* \* \* \* \*

**17.0 Documentation**

\* \* \* \* \*

**17.7 Additional Standards**

\* \* \* \* \*

*[Insert new 17.7.4 as follows:]*

**17.7.4 Outside-County Bundle and Container Rate Documentation**

A complete, signed postage statement, using the correct USPS form or an approved facsimile, must accompany each mailing, supported by standardized documentation meeting the basic standards in 708.1.0. The documentation must show how many bundles are used and how many trays, sacks, and pallets are required for the rates and discounts claimed.

**18.0 General Information for Mail Preparation**

\* \* \* \* \*

**18.3 Presort Terms**

Terms used for presort levels are defined as follows:

\* \* \* \* \*

[Revise items e and p for scheme sorting as follows:]  
e. 5-digit scheme (bundles and sacks) for flats prepared according to 301.3.0: The ZIP Code in the delivery address on all pieces is one of the 5-digit ZIP Codes processed by the USPS as a single scheme, as shown in L007.

\* \* \* \* \*

p. 3-digit scheme bundles for flats prepared according to 301.3.0: The ZIP Code in the delivery address on all pieces is one of the 3-digit ZIP Codes processed by the USPS as a single scheme, as shown in L008.

\* \* \* \* \*

18.4 Mail Preparation Terms

For purposes of preparing mail:

\* \* \* \* \*

[Revise item b to require trays to be at least 85% full as follows:]

b. A full letter tray is one in which faced, upright pieces fill the length of the tray between 85% and 100% full.

\* \* \* \* \*

[Revise items i and r for scheme sorting as follows:]

i. A 5-digit scheme sort yields 5-digit scheme bundles for those 5-digit ZIP Codes identified in L007. Mailers must presort according to L007. Pieces prepared in scheme bundles must meet the automation flat criteria in 301.3.0. Mailpieces must be labeled using an optional endorsement line under 708.7.0. Periodicals firm bundles must not be combined within 5-digit scheme bundles.

\* \* \* \* \*

r. A 3-digit scheme sort yields 3-digit scheme bundles for those 3-digit ZIP Codes identified in L008. The 3-digit scheme sort is optional, except under 705.12.0 and 705.13.0. For 705.12.0 and 705.13.0, mailers must presort according to L008. Pieces prepared in scheme bundles must meet the automation flat criteria in 301.3.0. Mailers must label mailpieces using an OEL under 708.7.0. Periodicals firm bundles must not be combined within 3-digit scheme bundles.

\* \* \* \* \*

[Insert new items ac and ad to define "machinability" as follows:]

ac. Machinable flats are:

1. Flat-size pieces meeting the standards in 301.3.0 that are sorted into 5-digit, 3-digit, ADC, and mixed ADC bundles. These pieces are compatible with processing on the AFSM 100.

2. Barcoded flat-size pieces meeting the standards in 26.0 that are sorted into 5-digit bundles.

ad. Nonmachinable flats are flat-size pieces meeting the standards in 26.0, with the exception of barcoded 5-digit

pieces under 18.4ac (item 2) above. Nonmachinable flats are not compatible with processing on the AFSM 100.

\* \* \* \* \*

22.0 Preparing Nonbarcoded Periodicals

\* \* \* \* \*

22.2 Bundle Preparation

[Revise the introductory text of 22.2 to specify that pieces must meet the criteria in 301.3.0 for scheme sorting as follows:]

Mailings consisting entirely of nonbarcoded pieces meeting the criteria in 301.3.0 may be prepared in 5-digit scheme bundles for those 5-digit ZIP Codes identified in L007 and in 3-digit scheme bundles for those 3-digit ZIP Codes identified in L008. A bundle must be prepared when the quantity of addressed pieces for a required presort level reaches the minimum bundle size (except under 22.7). Smaller volumes are not permitted except in mixed ADC bundles and 5-digit/scheme and 3-digit/scheme bundles prepared under 22.4. Bundling is also subject to 19.0, Bundles. Preparation sequence, bundle size, and labeling:

\* \* \* \* \*

[Renumber items b through f as new items c through g. Insert new item b as follows:]

b. 5-digit scheme (optional); six-piece minimum; OEL.

\* \* \* \* \*

[Renumber new items d through g as items e through h. Insert new item d as follows:]

d. 3-digit scheme (optional); six-piece minimum; OEL.

\* \* \* \* \*

[Revise 22.3 to remove the option to count firm bundles toward the six-piece bundle requirement for a presort destination for Outside-County Periodicals as follows:]

22.3 Firm Bundles

A "firm bundle" is defined as two or more copies for the same address placed in one bundle. If each copy has a delivery address, each may be claimed as a separate piece for presort and on the postage statement, or the firm bundle may be claimed as one addressed piece. A firm bundle claimed as one addressed piece must be physically separate from other bundles and may only be used to satisfy a six-piece bundle requirement to a presort destination for In-County rates.

\* \* \* \* \*

22.6 Sack Preparation—Flat-Size Pieces and Parcels

For mailing jobs that also contain a barcoded rate mailing under 301.3.0, see 22.1.2 and 705.9.0 or 705.10.0. For mailing jobs that do not contain barcoded rate pieces, preparation sequence, sack size, and labeling:

[Renumber items a through g as new items b through h. Insert new item a for scheme sorting as follows:]

a. 5-digit scheme; optional; for pieces meeting the standards in 301.3.0; 24-piece minimum, fewer pieces not permitted.

1. Line 1: L007, Column B.

2. Line 2: "PER" or "NEWS" as applicable, followed by "FLTS 5D SCH NON BC."

\* \* \* \* \*

22.7 Optional Tray Preparation—Flat-Size Nonbarcoded Pieces

[Revise the introductory text in 22.7 to specify that pieces must meet the criteria in 301.3.0 and to add the container charge for trays as follows:]

As an option, mailers may place in flat-size trays pieces meeting the criteria in 301.3.0 that would normally be placed in ADC, origin mixed ADC, or mixed ADC sacks. The trays are subject to the container charge in 1.1.4 or 1.2.4. Pieces must not be secured in bundles and are not subject to a bundle charge. Mailers must group pieces together for each 5-digit scheme, 5-digit, 3-digit scheme, 3-digit, and ADC destination as follows:

\* \* \* \* \*

23.0 Preparing Carrier Route Periodicals

\* \* \* \* \*

23.4 Preparation—Flat-Size Pieces and Irregular Parcels

\* \* \* \* \*

23.4.2 Exception to Sacking

[Revise the introductory text in 23.4.2 to specify when mailers do not pay the container charge as follows:]

Sacking is not required for bundles prepared for and entered at a DDU when the mailer unloads bundles under 29.4.6. Mail presented under this exception is not subject to the container charge (but is still subject to the bundle charges). Mailers must prepare unsacked bundles as follows:

\* \* \* \* \*

**25.0 Preparing Flat-Size Periodicals With Barcodes**

**25.1 Basic Standards**

**25.1.1 General**

[Revise 25.1.1 to reference 301.3.0 as follows:] Each piece must meet the physical standards in 301.3.0 or in 26.0. Bundle, sack, and tray preparation are subject to 18.0 through 21.0 and this section. Trays and sacks must bear the appropriate barcoded container labels under 708.6.0.

\* \* \* \* \*

**25.1.5 Bundle Preparation**

[Revise 25.1.5 for clarity as follows:] All pieces must be prepared in bundles (except under 25.6) and meet the following requirements:

a. Pieces that meet the standards in 301.3.0 must be prepared in separate bundles from pieces that meet the standards in 26.0.

\* \* \* \* \*

c. Each bundle of pieces prepared under 301.3.0 and each bundle of pieces prepared under 26.0 must separately meet the bundle minimums in 25.4.

d. Bundles may contain fewer than six pieces when the mailpieces are too thick or too heavy to create a six-piece bundle. Piece rate eligibility is not affected if the total number of pieces bundled for a presort destination meets or exceeds the minimum for rate eligibility under 14.0.

**25.1.6 Scheme Bundle Preparation**

[Revise 25.1.6 as follows:] Pieces must be prepared in 5-digit scheme bundles for those 5-digit ZIP Codes identified in L007 and in 3-digit scheme bundles for those 3-digit ZIP Codes identified in L008. These bundles must meet the additional standards in 18.4i or 18.4r.

**25.1.7 Sack Preparation**

[Revise 25.1.7 as follows:] Mailers may combine bundles of pieces prepared under 301.3.0 and bundles of pieces prepared under 26.0 in the same sack, with the exception of 5-digit scheme sacks, which may contain only pieces prepared under 301.3.0.

**25.1.8 Exception—Barcoded and Nonbarcoded Flats on Pallets**

[Revise 25.1.8 as follows:] When the physical dimensions of the mailpieces in a Periodicals mailing meet the definition of both a letter-size piece and a machinable barcoded flat-size piece, the entire job may be prepared, merged, and palletized under 705.9.0 through 705.13.0. The following standards apply:

a. The nonbarcoded portion is paid at the nonbarcoded rates.

b. Mailing jobs prepared entirely in sacks and claiming this exception must be cobundled under 705.11.0.

c. As an alternative to 705.9.0 through 705.13.0, if a portion of the job is prepared as palletized barcoded flats, the nonbarcoded portion may be prepared as palletized flats and paid at nonbarcoded machinable and carrier route rates. The nonbarcoded rate pieces that cannot be placed on ADC or finer pallets may be prepared as flats in sacks and paid at the nonbarcoded rates.

\* \* \* \* \*

[Renumber 25.2 through 25.4 as new 25.3 through 25.5. Insert new 25.2 as follows:]

**25.2 Physical Standards**

Each flat-size piece must be rectangular and must meet the standards in 301.3.0 or, for 5-digit barcoded pieces, in 26.0.

**25.3 Bundling and Labeling**

Preparation sequence, bundle size, and labeling:

[Revise items a and c to require scheme bundling as follows:]

a. 5-digit scheme (required for pieces meeting the criteria in 301.3.0); six-piece minimum (fewer pieces permitted under 25.1.5); OEL required.

\* \* \* \* \*

c. 3-digit scheme (required for pieces meeting the criteria in 301.3.0); six-piece minimum (fewer pieces permitted under 25.1.5); OEL required.

\* \* \* \* \*

**25.4 Sacking and Labeling**

For mailing jobs that also contain a nonbarcoded rate mailing, see 25.1.10 and 705.9.0. Other mailing jobs are prepared, sacked, and labeled as follows:

[Revise item a as follows:]

a. 5-digit scheme, required at 24 pieces, fewer pieces not permitted; may contain 5-digit scheme bundles only; labeling:

\* \* \* \* \*

**25.6 Optional Tray Preparation—Flat-Size Barcoded Pieces**

[Revise the introductory text in renumbered 25.6 to specify that pieces must meet the criteria in 301.3.0 and to add the container charge for trays as follows:]

As an option, mailers may place in trays pieces prepared under 301.3.0 that would normally be placed in ADC, origin mixed ADC, or mixed ADC sacks. The trays are subject to the container charge in 1.1.4 or 1.2.4. Pieces must not

be secured in bundles. Mailers must group together pieces for each 5-digit scheme, 5-digit, 3-digit scheme, 3-digit, and ADC destination as follows:

\* \* \* \* \*

[Renumber 26.0 through 29.0 as 27.0 through 30.0. Insert new 26.0 as follows:]

**26.0 Alternative Physical Criteria for Flat-Size Periodicals**

**26.1 General**

Prepare barcoded flat-size pieces according to 25.0 above. Pieces may meet the physical criteria in 26.0 or in 301.3.0, but mailers cannot combine these two types of flat-size pieces in the same bundle.

**26.2 Weight and Size**

The maximum weight for each piece is 4.4 pounds. The following minimum and maximum dimensions apply (determine length and height according to 301.1.2):

a. Minimum height is 5 inches.

Maximum height is 12 inches.

b. Minimum length is 6 inches.

Maximum length is 15 inches.

c. Minimum thickness is 0.009 inch.

Maximum thickness is 1.25 inches.

**26.3 Address Placement on Folded Pieces**

Mailers must design folded pieces 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 of the piece. Unbound flat-size pieces must be at least double-folded.

**26.4 Flexibility and Deflection**

Pieces prepared under 26.0 are not subject to the standards for flexibility in 301.1.4 or the standards for deflection in 301.3.2.4.

**26.5 Additional Criteria**

Pieces must meet the standards for polywrap coverings in 301.3.3; protrusions and staples in 301.3.4; tabs, wafer seals, tape, and glue in 301.3.5; and uniform thickness and exterior format in 301.3.6.

**27.0 Combining Multiple Editions or Publications**

[Reorganize and revise renumbered 27.0 to add the definition and standards for copalletized mailings. The experimental copalletization drop-ship classifications in 709.3.0 and 709.4.0 expire, and all mailers may copalletize as follows:]

**27.1 Description**

Mailers may prepare Periodicals publications as a combined mailing by

merging copies or bundles of copies to achieve the finest presort level possible or to reduce the total Outside-County postage. Each publication in a combined mailing must be authorized (or pending authorization) to mail at Periodicals rates. Mailers may use the following methods:

a. Mailers may comail individually addressed copies of different editions of a Periodicals publication (one title) or individually addressed copies of different Periodicals publications (more than one title) to obtain finer presort levels.

b. Mailers may place two or more copies of different Periodicals publications (more than one title), and/or multiple editions of the same publication in the same mailing wrapper or firm bundle and present it as one addressed piece to a single addressee to reduce the per piece charge.

c. Mailers may copalletize separately presorted bundles of different Periodicals titles and editions to achieve minimum pallet weights. Mailers do not have to achieve the finest pallet presort level possible.

## 27.2 Authorization

### 27.2.1 Basic Standards

Each mailer must be authorized to comail or copalletize mailings under 27.1a and 27.1c by Business Mailer Support (see 608.8.1 for address). Requests for authorization must show:

- a. The mailer's name and address.
- b. The mailing office.
- c. Procedures and quality control measures for the combined mailing.
- d. The expected date of the first mailing.
- e. A sample of the standardized documentation.

### 27.2.2 Denial

If the application is denied, the mailer or consolidator may reapply at a later date, or submit additional information needed to support the request.

### 27.2.3 Termination

An authorization may not exceed 2 years. Business Mailer Support may take action to terminate an authorization at any time, by written notice, if the mailer does not meet the standards.

## 27.3 Minimum Volume

The following minimum volume standards apply:

a. For comailings prepared under 27.1a, multiple publications or editions are combined to meet the required minimum volume per bundle, sack, or tray for the rate claimed.

b. For combined mailings prepared under 27.1b, the minimum volume requirements in 22.0, 23.0, or 25.0 apply for the rate claimed.

c. For copalletized mailings prepared under 27.1c, the minimum volume requirements for pallets in 705.8.5.3 apply for the rate claimed.

## 27.4 Labeling

Mailers must label all containers in a combined mailing as either "NEWS" (see 21.1.3) or "PER" as follows:

a. If at least 51% of the total number of copies in the combined mailing can qualify for "NEWS" treatment then all containers in the mailing are labeled "NEWS," unless the mailer chooses to use "PER."

b. If less than 51% of the total number of copies in a combined mailing can qualify for "NEWS" treatment then all containers in the mailing are labeled "PER."

## 27.5 Documentation

Each mailing must be accompanied by documentation meeting the standards in 17.0, as well as any additional mailing information requested by the USPS to support the postage claimed (such as advertising percentage and weight per copy). The following additional standards apply:

a. Presort documentation required under 708.1.0 must show the total number of addressed pieces and total number of copies for each publication and each edition in the combined mailing claimed at the carrier route, 5-digit, 3-digit, ADC, and mixed ADC rates. The mailer also must provide a list, by 3-digit ZIP Code prefix, of the number of addressed pieces for each publication and each edition claimed at any destination entry discount.

b. Copalletized mailing documentation must consolidate and identify each title and version (or edition) in the mailing. Mailers may use codes in the summary heading to represent each title and version (or edition) presorted together on pallets. The documentation must include presort and pallet reports showing by title and version (or edition) how the bundles are presorted and where they will be entered.

## 27.6 Postage Statements

Mailers must prepare postage statements for a combined mailing as follows:

a. Copy weight and advertising percentage determine whether separate postage statements are required for editions of the same publication:

1. If the copy weight and advertising percentage for all editions of a

publication are the same, mailers may report all the editions on the same postage statement or each edition on a separate postage statement.

2. If the copy weight or the advertising percentage is different for each edition of a publication, mailers must report each edition on a separate postage statement.

b. For a combined mailing prepared under 27.1a, mailers must prepare a separate postage statement that claims all applicable per piece, per pound charges, and bundle and container charges (if apportioned) for each publication or edition. The mailer must annotate on, or attach to, each postage statement, the title and issue date of each publication or edition and indicate that the pieces were prepared as part of a combined mailing under 27.1a.

c. For mailings under 27.1b, mailers must prepare a separate postage statement claiming the applicable per pound charges for each publication or edition in the combined mailing except as provided in 27.2.5a. The mailer must annotate on, or attach to, each postage statement, the title and issue date of each publication or edition and indicate that the copies were prepared as part of a combined mailing under 27.1b. The per piece charges must be claimed as follows:

1. If *all* copies in the combined mailing are eligible for the Classroom or Nonprofit discount, or if *all* copies are not eligible for the Classroom or Nonprofit discount, mailers may claim the per piece charges only on the postage statement for the publication that contains the highest amount of advertising.

2. If a portion of the copies in the combined mailing are eligible for the Classroom or Nonprofit discount and a portion are not eligible, mailers may claim the per piece charges only on the postage statement for the publication that contains the highest amount of advertising and is not eligible for the Classroom or Nonprofit discount. The Classroom or Nonprofit per piece discount must not be claimed.

d. For copalletized mailings under 27.1c, mailers must prepare a separate postage statement for each publication in the mailing. One consolidated postage statement and a register of mailings for each publication must accompany mailings consisting of different editions or versions of the same publication.

## 27.7 Postage Payment

Each mailing must meet the postage payment standards in 16.0. For copalletized mailings under 27.1c, mailers must pay postage at the post

office serving the facility where consolidation takes place, except that postage for publications authorized under the Centralized Postage Payment (CPP) system may be paid to the Pricing and Classification Service Center (see 608.8.4.1 for address).

27.8 Deposit of Mail

Each publication in a combined mailing must be authorized (or pending authorization) for original entry or additional entry at the post office where the mailing is entered. For copalletized mailings under 27.1c, mailers must enter each mailing at the post office serving the facility where consolidation takes place.

\* \* \* \* \*

29.0 Destination Entry Rate Eligibility

29.1 Basic Standards

29.1.1 Rate Application

[Revise renumbered 29.1.1 to eliminate the pallet discounts and add the new container and bundle rates as follows:]

Outside-County mail may qualify for destination area distribution center (DADC) rates or destination sectional center facility (DSCF) rates under 29.3 or 29.4. Carrier route rate pieces may qualify for destination delivery unit (DDU) rates under 29.5. Outside-County pieces are subject to the Outside-County bundle rates in 1.1.3 or 1.2.3 and the Outside-County container rates in 1.1.4 or 1.2.4.

For all destination entry rate pieces:

a. An individual bundle, tray, sack, or pallet may contain pieces claimed at different destination entry pound rates.

b. In-County carrier route rate addressed pieces may qualify for the DDU discount under 29.5.

c. The advertising and nonadvertising portions may be eligible for DADC, DSCF, or DDU pound rates based on the entry facility and the address on the piece.

\* \* \* \* \*

[Further renumber 29.2 through 29.4 as 29.3 through 29.5. Insert new 29.2 as follows:]

29.2 Destination Bulk Mail Center

29.2.1 Definition

For this standard, destination bulk mail center (DBMC) includes the facilities in Exhibit 346.3.1, or a USPS-designated facility.

29.2.2 Eligibility

DBMC container rates apply as follows:

a. Pieces must be prepared in bundles on ADC or more finely presorted pallets

or in sacks or trays on ADC or more finely presorted pallets under 705.8.0.

b. Mailers may claim a DBMC container rate if the facility ZIP Code (as shown on Line 1 of the corresponding container label) is within the service area of the BMC or ASF at which the container is deposited, as shown in Exhibit 346.3.1.

\* \* \* \* \*

29.3 Destination Area Distribution Center

\* \* \* \* \*

29.3.3 Rates

[Revise renumbered 29.3.3 to reflect the new nonadvertising rate structure as follows:]

DADC rates include a nonadvertising pound rate and, if applicable, an advertising pound rate.

29.4 Destination Sectional Center Facility

\* \* \* \* \*

29.4.3 Rates

[Revise renumbered 29.4.3 to reflect the new nonadvertising rate structure as follows:]

DSCF rates include a nonadvertising pound rate and, if applicable, an advertising pound rate.

29.5 Destination Delivery Unit

\* \* \* \* \*

29.5.3 Rates

[Revise renumbered 29.5.3 to reflect the new nonadvertising rate structure as follows:]

DDU rates for Outside-County include a nonadvertising pound rate and, if applicable, an advertising pound rate. DDU rates for In-County consist of a pound charge and a per piece discount off the addressed piece rate.

\* \* \* \* \*

30.0 Additional Entry

\* \* \* \* \*

30.2 Authorization

30.2.1 Filing

[Add new last sentence to renumbered 30.2.1 as follows:]

The publisher is responsible for timely filing of all forms and supporting documentation to establish, modify, or cancel an additional entry. Under the standards for combining mailings on pallets in 27.0, consolidators may apply for additional entry authorizations on behalf of publishers at the post office serving the consolidator's facility.

\* \* \* \* \*

708 Technical Specifications

1.0 Standardized Documentation for First-Class Mail, Periodicals, Standard Mail, and Flat-Size Bound Printed Matter

\* \* \* \* \*

1.2 Format and Content

For First-Class Mail, Periodicals, Standard Mail, and flat-size Bound Printed Matter, standardized documentation includes:

\* \* \* \* \*

c. For mail in trays or sacks, the body of the listing reporting these required elements:

\* \* \* \* \*

[Delete item c8, renumber item c9 as new item c8, and add new item c9 as follows:]

9. For Periodicals mailings that contain both In-County and Outside-County pieces, include a separate "Container Charge" and "Bundle Charge" column. The body of the listing must indicate which trays, sacks and bundles are subject to the container or bundle charges and a total or, optionally, a running total.

d. For bundles on pallets, the body of the listing reporting these required elements:

\* \* \* \* \*

[Renumber item d7 as item d8. Add new item d7 as follows:]

7. For Periodicals mailings that contain both In-County and Outside-County pieces, include a separate "Container Charge" and "Bundle Charge" column. The body of the listing must indicate which pallets and bundles are subject to the container or bundle charges and a total or, optionally, a running total.

[Revise item e as follows:]

e. At the end of the documentation, a summary report of the total number of pieces mailed at each postage rate for each mailing reported on the listing by postage payment method (and by entry point for drop shipment mailings) and the total number of pieces in each mailing. This information must correspond to the information reported on the postage statement(s) for the pieces reported. For Periodicals mailings, documentation also must provide:

1. A summary of the total number of each type of bundle in the mailing and, optionally, the total bundle charge paid. Report only bundles subject to the Outside-County bundle rate under 1.1.3 or 1.2.3.

2. A summary of the total number of each type of container in the mailing and, optionally, the total container

charge paid. Report only trays, sacks, and pallets subject to the Outside-County container rates under 1.1.4 or 1.2.4.

3. For combined mailings, a summary by individual mailer of the number of each type of bundle and container in the mailing and, optionally, the bundle and container rate paid. Report only bundles, trays, sacks, and pallets subject to the Outside-County bundle and container rates under 1.1.3 or 1.2.3 and 1.1.4 or 1.2.4.

4. A summary of the total number of copies for each zone, including In-County, DDU, SCF, and ADC rates. A separate summary report is not required if a PAVE-certified postage statement facsimile generated by the presort software used to prepare the standardized documentation is presented for each mailing.

5. Additional data if necessary to calculate the amount of postage for the mailing (or additional postage due, or postage to be refunded) if nonidentical-weight pieces that do not bear the correct postage at the rate for which they qualify are included in the mailing, or if different rates of postage are affixed to pieces in the mailing.

\* \* \* \* \*

[Insert new 1.8 as follows:]

### 1.8 Bundle and Container Reports for Periodicals Mail

A publisher must present documentation to support the actual number of bundles and containers of each edition of an issue as explained in 1.8.1 and 1.8.2 below.

#### 1.8.1 Bundle Report

The bundle report must contain, at a minimum, the following elements:

- Container identification number.
- Container type.
- Container presort level.
- Bundle ZIP Code.
- Bundle level.
- Rate category.
- Number of copies by version in the bundle.
- An indicator showing which bundles are subject to the bundle charge.

#### 1.8.2 Container Report

The container report must contain, at a minimum, the following elements:

- Container identification number.
- Container type.
- Container level.
- Container entry level (origin, DDU, DSCF, DADC, or DBMC).
- An indicator showing which containers are subject to the container charge.

\* \* \* \* \*

### 709 Experimental Classifications and Rates

[Delete 3.0, Outside-County Periodicals Copalletization Drop-Ship Classification; and 4.0, Outside-County Periodicals Copalletization Drop-Ship Discounts for High-Editorial, Heavy-Weight, Small-Circulation Publications. Renumber remaining sections 5.0 and 6.0 as new 3.0 and 4.0. The experimental copalletization discounts expire and are replaced by the new rate structure for Periodicals mail in 707.]

\* \* \* \* \*

Neva R. Watson,

Attorney, Legislative.

[FR Doc. E7-10139 Filed 5-24-07; 8:45 am]

BILLING CODE 7710-12-P

## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 52

[EPA-R05-OAR-2006-0976; FRL-8318-3]

### Approval and Promulgation of Air Quality Implementation Plans; Ohio; Control of Gasoline Volatility

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

**SUMMARY:** EPA is approving a State Implementation Plan (SIP) revision submitted by the State of Ohio on February 14, 2006, and October 6, 2006, establishing a lower Reid Vapor Pressure (RVP) fuel requirement for gasoline distributed in the Cincinnati and Dayton 8-hour ozone nonattainment areas. Ohio has developed this fuel requirement to reduce emissions of volatile organic compounds (VOC) in accordance with the requirements of the Clean Air Act (CAA). EPA is approving Ohio's fuel requirement into the Ohio SIP because EPA has found that the requirement is necessary for the Cincinnati and Dayton areas to achieve the 8-hour ozone national ambient air quality standard (NAAQS). This action is being taken under section 110 of the CAA. On March 29, 2007, the EPA published a Notice of Proposed Rulemaking (NPRM) proposing to approve the SIP revision. During the comment period EPA received a number of comments both supporting and opposing the approval of the fuel requirement.

This document summarizes the comments received, EPA's responses, and finalizes the approval of Ohio's SIP revision to establish a RVP limit of 7.8 pounds per square inch (psi) for

gasoline sold in the Cincinnati and Dayton 8-hour ozone nonattainment areas.

**DATES:** This final rule is effective on May 31, 2007.

**ADDRESSES:** EPA has established a docket for this action under Docket ID No. EPA-R05-OAR-2006-0976. All documents in the docket are listed on the www.regulations.gov Web site. Although listed in the index, some information is not publicly available, i.e., Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available either electronically through www.regulations.gov or in hard copy at the Environmental Protection Agency, Region 5, Air and Radiation Division, 77 West Jackson Boulevard, Chicago, Illinois 60604. This facility is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding Federal holidays. We recommend that you telephone Francisco J. Acevedo, Environmental Protection Specialist, at (312) 886-6061 before visiting the Region 5 office.

**FOR FURTHER INFORMATION CONTACT:** Francisco J. Acevedo, Environmental Protection Specialist, Criteria Pollutant Section, Air Programs Branch (AR-18J), Environmental Protection Agency, Region 5, 77 West Jackson Boulevard, Chicago, Illinois 60604, (312) 886-6061, [acevedo.francisco@epa.gov](mailto:acevedo.francisco@epa.gov).

**SUPPLEMENTARY INFORMATION:** Throughout this document whenever "we," "us," or "our" is used, we mean EPA. This supplementary information section is arranged as follows:

- What is the background for this action?
- What is our response to comments received on the notice of proposed rulemaking?
- What action is EPA taking?
- Statutory and Executive Order Review

#### I. What is the background for this action?

On April 15, 2004, the EPA designated 5 counties in the Cincinnati, Ohio area (Hamilton, Butler, Clinton, Warren and Clermont counties—Cincinnati-Hamilton, OH-KY-IN) and 4 counties in the Dayton, Ohio area (Clark, Greene, Miami, and Montgomery counties—Dayton-Springfield, OH) as nonattainment for the 8-hour ozone standard. Both areas have been designated Basic nonattainment with respect to the 8-hour ozone standard and they are required to attain the