

POSTAL SERVICE

39 CFR Part 111

New Automation Requirements for Detached Addressed Labels

AGENCY: Postal Service™.

ACTION: Final rule.

SUMMARY: To make Detached Address Labels (DALs) accompanying saturation mailings of Periodicals or Standard Mail® flats more compatible with our processing equipment, they must be automation-compatible and have a correct delivery point POSTNET™ barcode or Intelligent Mail® barcode with an 11-digit routing code. This requirement does not apply to DALs with simplified addresses. Also, for consistency, we are requiring return addresses on DALs.

EFFECTIVE DATE: March 2, 2009

FOR FURTHER INFORMATION CONTACT: Monica Grein at 202-268-8411.

SUPPLEMENTARY INFORMATION:

On August 27, 2008, we published a proposed rule in the *Federal Register* (Volume 73, Number 167, pages 50584-50585), requiring DALs to be automation-compatible and bear a delivery point barcode when used with saturation mailings of Periodicals or Standard Mail flats.

Except for DALs prepared with simplified addresses, all DALs accompanying saturation mailings of Periodicals or Standard Mail flats must be automation-compatible and have a correct delivery point POSTNET barcode or Intelligent Mail barcode with an 11-digit routing code. Automation-compatible and barcoded DALs may be processed in a manner that is more consistent with today's operating environment.

We suggest that mailers work with the local Postal Service mailpiece design analyst (MDA) to ensure that all DALs accompanying saturation mailings of Periodicals or Standard Mail flats meet the new standards. Saturation flats mailings presented with DALs that are not automation-compatible and barcoded will not qualify for saturation prices but may be entered at the basic carrier route price for Periodicals mailings or the basic Enhanced Carrier Route price for Standard Mail mailings.

We received comments from five respondents on the proposal: two from a mailer association, two from mailers that use DALs, and one from a USPS® postmaster.

Comments:

One commenter suggested that to reduce costs further we should eliminate the use of DALs altogether, or also apply the automation requirements to DALs prepared with simplified addresses. Eliminating the use of DALs or requiring saturation mailers to physically apply addresses directly on each mailpiece may cause undue hardship for some mailers. We determined that such a requirement would be difficult for small local mailers sending saturation mailings to rural or highway contract routes and perhaps cause them to stop using the mail. We concluded that these additional changes were not in the best interest of the Postal Service or our customers.

One commenter requested DALs be allowed for Periodicals and Standard Mail ECR high-density mailings. This request is outside the scope of this rule.

One commenter expressed concern about the added cost of preparing an automation-compatible DAL. We considered the implications for our customers, and note that the use of DALs is an option in most instances. We continue to encourage customers to move to on-piece addressing rather than use DALs. Incidentally, on June 7, 2007, at the request of many mailers, we revised our standards to allow advertising on the front of DALs, provided that the DALs were barcoded and automation-compatible (see *Postal Bulletin* 22208 and DMM® 602.4.2.5.b). This change provided mailers with the ability to offset the DAL surcharge, implemented in May 2007, with new opportunities for advertising revenue.

One commenter requested we extend the use of simplified addresses to city route deliveries. This request is outside the scope of this final rule.

One commenter expressed concerns about continuing to enter DALs at destination delivery units (DDUs) while remaining eligible for DDU prices for flats. Although DALs are letter-size, they are allowed to be entered at DDUs when they accompany either flats or parcels. This notice does not propose to change the current standards that allow the DALs to be dropped at the DDU and does not change price eligibility for flats.

The Postal Service adopts the following changes to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), which is 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 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, 416, 3001–3011, 3201–3219, 3403–3406, 3621, 3622, 3626, 3632, 3633, and 5001.

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

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600 Basic Standards for All Mailing Services

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602 Addressing

1.0 Elements of Addressing

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1.5 Return Addresses

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1.5.3 Required Use of Return Addresses

The sender's domestic return address must appear legibly on:

* * * * *

[Revise text of 1.5.3 to add new item m as follows:]

m. Detached addressed labels (DALs).

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4.0 Detached Address Labels (DALs)

4.1 DAL Use

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4.1.2 Periodicals or Standard Mail Flats Saturation Mailings

[Revise text of 4.1.2 to require that DALs accompanying saturation mailings of Periodicals or Standard Mail flats be automation-compatible as follows:]

Saturation mailings of unaddressed Periodicals or Standard Mail flats may be mailed with detached address labels (DALs). DALs accompanying saturation mailings of Periodicals or Standard Mail flats must be automation-compatible under 201.3.0. This standard does not apply to DALs with simplified addressing. For this standard, saturation mailing means a mailing sent to at least 75% of the total addresses on a carrier route or 90% of the residential addresses on a route, whichever is less. Deliveries are not required to every carrier route of a delivery unit. Saturation flats mailings presented with DALs that are not automation-compatible and barcoded do not qualify for saturation prices but may be entered at the basic carrier route price for Periodicals mailings or the basic Enhanced Carrier Route price for Standard Mail mailings.

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4.2 Label Preparation

4.2.1 Label Construction

Each DAL must be made of paper or cardboard stock that is not folded, perforated, or creased, and that meets these measurements:

[Revise text of 4.2.1 to modify item c and add new item d and new item e as follows:]

* * * * *

- c. At least .007 inch thick except under 4.2.1.d.
- d. If more than 4-1/4 inches high or more than 6 inches long, must be at least 0.009 inch thick.
- e. Must have an aspect ratio (length divided by height) from 1.3 to 2.5, inclusive.

4.2.2 Addressing

[Revise text of 4.2.2 by deleting the current last sentence in its entirety and adding a new last sentence to require a POSTNET or Intelligent Mail barcode with a delivery point routing code as follows:]

*** In addition, if DALs accompany saturation mailings of Periodicals or Standard Mail flats, a correct delivery point POSTNET barcode or Intelligent Mail barcode with an 11-digit routing code must be included (see 708.4) except when using a simplified address.

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Neva R. Watson,
Attorney, Legislative.
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