

POSTAL SERVICE

39 CFR Part 111

New Standards for Domestic Mailing Services

AGENCY: Postal Service™.

ACTION: Proposed rule.

SUMMARY: In July 2010, the Postal Service filed a notice of mailing services price adjustments with the Postal Regulatory Commission (PRC), effective in January 2011. This proposed rule provides the mailing standards that would accompany the new prices in 2011.

DATES: We must receive comments on or before *[INSERT DATE 30 DAYS FROM DATE OF PUBLICATION]*.

ADDRESSES: Mail or deliver written comments to the Manager, Mailing Standards, U.S. Postal Service, 475 L'Enfant Plaza SW, Room 4446, Washington DC 20260-4446. You may inspect and photocopy all written comments at USPS® Headquarters Library, 475 L'Enfant Plaza SW, 11th Floor N, Washington DC between 9 a.m. and 4 p.m., Monday through Friday. Email comments, containing the name and address of the commenter, may be sent to: *MailingStandards@usps.gov*, with a subject line of "January 2011 Domestic Mailing Standards Proposal." Faxed comments are not accepted.

FOR FURTHER INFORMATION CONTACT: Bill Chatfield, 202-268-7278.

SUPPLEMENTARY INFORMATION: Proposed prices are or will be available under Docket Number(s) R2010-4 on the Postal Regulatory Commission's website at *www.prc.gov*.

The Postal Service's proposed rule includes: two incentive programs, several mail classification changes, modifications to mailpiece characteristics, and changes in classification terminology. This proposed rule contains the revisions to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®) that we would adopt to implement the new prices.

Incentive Programs

Reply Rides Free First-Class Mail Incentive Program

The Postal Service encourages the growth of automation letter-size mail, particularly pieces that are part of full-service Intelligent Mail® automation mailings entered at *PostalOne!*® acceptance facilities. Accordingly, we propose revised mailing standards to allow First-Class Mail letters weighing over 1 ounce up to 1.2 ounces to

qualify for postage payment at the 1-ounce price when those letters include a reply card or reply envelope under specified conditions.

This new program provides an incentive for mailers to include more content in their automation First-Class Mail letters by providing a postage credit as follows:

- Eligible letters must qualify for the full-service Intelligent Mail barcode discount and weigh more than 1 ounce up to 1.2 ounces. At the time of mailing, mailers would pay the applicable 2-ounce price for these pieces. All commercial (presorted and automation) First-Class Mail letter-size volume counts towards meeting the overall mail volume threshold, but only those letters qualifying for the full-service Intelligent Mail barcode discount will be eligible for postage credit.
- Letters must include a reply card or envelope, either Business Reply Mail[®] or Courtesy Reply Mail[™]. The reply piece may be in the format of a reusable envelope. Permit reply mail pieces are not eligible for this program.
- The postage credit would be for the amount paid for the second ounce and would be provided for those pieces mailed during the 2011 program period when the mailer's volume of commercial First-Class Mail (FCM) letter-size mailpieces mailed in 2011 is at least 2.5 percent greater than the mailer's trend of commercial FCM letter-size volume mailed during USPS fiscal year 2010 (October 1, 2009 through September 30, 2010) compared with volume mailed in USPS fiscal year 2009 (October 1, 2008 through September 30, 2009). The threshold volume for program postage credit eligibility will be the total amount that is 2.5 percent greater than the mailer's projected volume based on the mailer's trend. For example, if a mailer's letter-size volume has declined from 100,000 to 95,000 pieces (a 5 percent decline) from 2009 to 2010, the projected volume for 2011 at the same trend would be 90,250. That mailer's volume must be at least 92,507 (1.025 times 90,250) during the program period to meet the eligibility threshold. Similarly, a mailer with a positive trend would have a threshold that is 2.5 percent more than their volume trend. The credit would be provided after the end of the program, upon calculation and verification of the mail volume data.
- Mailers who did not mail commercial First-Class Mail letters in fiscal year 2009 may not participate in the Reply Rides Free program.
- The program period will be from January 2, 2011 through December 31, 2011.

Mail owners, but not mail service providers, who have mailed commercial First-Class Mail letters during USPS fiscal years (FY) 2009 and 2010 may apply to participate in this incentive program by following instructions provided on our website:

www.usps.com/firstclassmailincentive, beginning November 1, 2010, but no later than December 31, 2010. Mail owners must validate that they have mailed or intend to mail at least one commercial presorted or automation mailing of First-Class Mail letters during each of calendar years 2009 and 2010, and should state their intent to mail First-Class Mail letters containing qualifying reply pieces weighing more than 1 ounce up to 1.2 ounces during the 2011 program period. After registration, mail owners must supply adequate proof of the total qualifying mail volume claimed for USPS FY 2009 and FY 2010 in order to be eligible for participation.

2011 Saturation and High Density Incentive Program

The Postal Service proposes to add new standards to the eligibility sections of DMM 243 and 343 describing an incentive program designed to increase the volume of Standard Mail and Nonprofit Standard Mail letters and flats mailed at saturation and high density prices. This program would encourage mailers to increase the volume within two of our highest margin products and would be open to all mailers meeting the basic eligibility requirements. The program would enable customers to expand mailing to additional markets, test new mailpieces, and increase the frequency of their mailings at reduced net postage prices.

Mailers of Standard Mail or Nonprofit Standard Mail letters and/or flats (complete mailpieces) applying for participation in the program would have to meet the eligibility requirements for participation in the price category selected. Mailers meeting the eligibility criteria would be able to participate in both the saturation and high density categories simultaneously. Participants would have the option to demonstrate growth in total mailed volume or growth within a defined market. Mailers who participate only within defined market areas would be required to demonstrate volume growth within a specific, or group of specific, USPS sectional center facility (SCF) service area(s) to qualify for the incentive. Participants would have the option to select one or more, up to a maximum of 20, individual SCF areas or up to five metropolitan target markets (consisting of multiple contiguous SCFs), for participation in the program, and would be required to meet the eligibility requirements for each area selected. The USPS would approve all applicant-selected market areas prior to acceptance into the program.

Franchisees that are not separate business entities would not be able to apply for an incentive independently of the parent organization. Applicants would receive a credit for volume demonstrated, within their selected growth area and price category, above their USPS-determined threshold. The program period would be from January 2, 2011 through December 31, 2011.

To participate, mailers must be the permit holder (i.e., owner) of a permit imprint advance deposit account(s) at a postal facility having *PostalOne!* capability or the owner of qualifying mail volume entered through the permit imprint advance deposit account of a mail service provider at a postal facility having *PostalOne!* capability. Only the volume of the mail owner, usually defined as the entity paying for the postage, would be eligible within the program period or to meet eligibility requirements. Mail service providers and customers supplying inserts, enclosures, or other components included in the saturation or high density mailings of another mailer would not be eligible to participate in this program.

Standard Mail or Nonprofit Standard Mail letters and/or flats (complete mailpieces) mailed through a permit imprint advance deposit account, precanceled stamp permit, or a postage evidencing system owned by a mail service provider may be included as volume within the program, and towards program eligibility, when adequate documentation demonstrates that the applicant is the owner of the mail.

As applicable, applicants would be required to submit postage statements and mailing documentation electronically to the *Postal One!* system for the duration of the program period. Applicants participating within a defined market area(s) would be required to submit postage statements and mailing documentation electronically to the *Postal One!* using Mail.dat or Mail.XML. All other applicants may optionally submit postage statements via Postal Wizard.

For either the saturation or high density incentive, applicants would be required to demonstrate a combined minimum of six saturation or high density mailings within the period of October 1, 2009 to September 30, 2010. Applicants meeting the other eligibility criteria would have the option to participate in both price categories simultaneously. Applicants who choose to participate only within defined market areas would be required to meet the eligibility criteria independently for each selected SCF service area or selected metropolitan target market.

Mail owners participating in the 2011 Saturation and High Density Incentive Program would not be eligible for concurrent participation in any other Postal Service-sponsored, volume incentive program that includes Standard Mail pieces in the saturation or high density price categories.

Thresholds for the 2011 Saturation and High Density Incentive Program would be set at five percent (5%) above the volume of Standard Mail or Nonprofit Standard Mail letters and/or flats recorded in the 2010 calendar year, within each participant-selected growth area and price category. Applicants electing to participate in both the saturation and high density price categories would be required to exceed the combined thresholds of both categories before qualifying for an incentive payment in either category.

Approved program participants demonstrating an increase, above their threshold level, in their total Standard Mail or Nonprofit Standard Mail letters and/or flats volume, within their total market area, selected SCF service areas, or metropolitan target market, would qualify for a credit to a single designated permit imprint advance deposit account or Centralized Account Payments System (CAPS) account, following the close of the 2011 Saturation and High Density Incentive Program. The total postage paid for Standard Mail letters and flats within the program period would be identified for each participant and divided by the total number of recorded pieces, to generate the average price per piece. Participants would receive a credit in the amount of a percentage of the average price per piece, for the total number of mailpieces of their incremental volume above their threshold level, recorded during the program period as follows:

Participation Level	Standard Mail	Nonprofit Standard Mail
Saturation	22%	8%
High Density	13%	8%

Program Administration

Those mailers identified by the Postal Service as being eligible to participate in the program would be sent an invitation letter on or before November 1, 2010. These invitation letters would direct mailers to apply for the program online at www.usps.com/SaturationHD. Mailers wishing to participate in the program, but who were not notified by letter, would be able to request a review of their eligibility by contacting the USPS no later than December 1, 2010 at SaturationHDIncentive@usps.gov. Any mailer wishing to participate in the program would be required initially to apply online no later than December 15, 2010.

Mailers completing the online application process would receive an electronic response from the USPS that includes:

- An individual volume threshold report.
- A certification letter.
- A threshold inquiry form.

The individual threshold report would display the applicant's USPS-recorded saturation and/or high density mail volume for the 2010 calendar year. Applicants agreeing with their threshold volume(s) would have the option to sign the provided certification letter and return a copy via email or mail a hardcopy to Saturation Incentive Program Office, 475 L'Enfant Plaza SW, RM 5500, Washington, DC 20260-5500, to register for the program. Applicants not agreeing with any portion of their USPS-calculated threshold(s) would be required to complete the threshold inquiry form along with supporting evidence and return it, via email or mail hardcopy, no later than March 15, 2011.

In addition to Standard Mail volume prepared and entered directly by the mailer (applicant), applicants would also be eligible to participate in the program with qualifying volume prepared by a mail service provider when entered through a permit owned by the applicant. Mail volume entered through a mail service provider's permit would also qualify for the program if adequate documentation, such as a postage statement, PS Form 3602-R or PS Form 3602-N, identifies the mail as being prepared on behalf of the applicant and demonstrates the applicant's 2010 mailing activity.

Additionally, as part of the program administration, the Postal Service would require each program participant to certify the data used to calculate the participant's program threshold(s). This certification requirement would be similar to that currently used on a postage statement (PS Form 3602-R or 3602-N), and is designed to ensure that the data used by the Postal Service to calculate the threshold level(s) are accurate.

Proposed Changes for Letters and Flats

Move Update Tolerance

We propose to change the tolerance for First-Class Mail and Standard Mail pieces, found through a Performance-Based Verification procedure to be lacking an

update via Move Update procedures, from the current 30 percent to a 25 percent tolerance before we charge a 7-cent per piece assessment charge.

The Move Update standards, applicable to commercial mailings of First-Class Mail and Standard Mail mailpieces, are designed to reduce the number of mailpieces that require forwarding, return, or disposal as waste, thus reducing Postal Service costs. The standards also help to assure that mail reaches its intended recipients in a timely manner.

Performance-Based Verification (PBV) procedures introduced in 2009 allow the Postal Service to sample mailings during the acceptance process to compare mailpiece addresses with the National Change of Address (NCOA[®]) database. For the Move Update portion of PBV, addresses on the verification sample are compared to the NCOA database and the ratio of the number of failed changes of address (COAs), addresses that should have been updated per Postal Service records, to the number of actual COAs (all changed addresses for addresses in the mailing) is calculated. Currently, if this ratio for the sample is sufficiently high (30 percent or more), pieces in a First-Class Mail or Standard Mail mailing are subject to additional postage (the Move Update assessment charge).

In a *Federal Register* final rule published October 27, 2009 (74 FR 55140-55142), we stated: "We will analyze the results of the PBV samples periodically, and will adjust the tolerance as needed to ensure the effectiveness of mailers' Move Update processes." Accordingly, the Postal Service proposes to change the current 30 percent tolerance to 25 percent before a Move Update assessment postage charge would be incurred.

Standard Mail Letters only

Currently, nonbarcoded or nonautomation-compatible Standard Mail[®] letters that are mailed at saturation or high density prices pay the corresponding nonautomation Standard Mail flats prices. This causes confusion for both customers and employees regarding mail preparation and sortation. For example, mailers often ask if they can enter nonautomation saturation or high density letters at destination delivery unit (DDU) prices, which is allowed for flats but not for letters that are paid for at flats prices. Similar confusion exists regarding the prices for nonmachinable letters weighing more than 3.3 ounces, which default to nonautomation flats prices.

To reduce confusion, we propose to change the terminology used for the pricing of nonbarcoded and/or nonautomation-compatible saturation and high density letters from the current default flat-size pricing by establishing a separate price table with nonautomation letter prices for those pieces. Prices will be the same as for saturation and high density flats. Similarly, we also propose to use "nonmachinable letter prices" to refer to nonmachinable letters weighing more than 3.3 ounces, instead of using the current terminology of nonautomation flats prices for nonmachinable letters. As is currently the case, nonmachinable letters over 3.3 ounces will have the same prices as nonautomation flats over 3.3 ounces, but the prices will be called nonmachinable letter

prices. Actual prices will be published in a separate *Federal Register* notice, or may be found under Docket No. R2010-4 on the PRC website.

Standard Mail Flats

We have found that rigid flat-size pieces are generally less efficient to handle than non-rigid flats, even when they are able to be sorted by our flat-sorting machines. Therefore, as announced in March 2010, we propose to eliminate the current option for rigid flats to be eligible for automation prices if they pass a Pricing and Classification Service Center (PCSC)-administered testing process.

Proposed Changes for Parcels

First-Class Mail Parcels

We propose to establish a separate price category for commercial single-piece First-Class Mail[®] (FCM) parcels with prices lower than those for retail FCM parcels. Currently, mailers who presort a minimum of 500 FCM parcels pay single-piece prices for the residual portion of a presorted mailing after sorting to all required area distribution centers. We would also allow non-presort mailers access to those prices, with no volume minimum per mailing. Mailers would be able to pay commercial single-piece FCM prices for their parcels when they pay postage by any of three methods: permit imprint, information-based indicia (IBI) meters, or PC Postage[®]. Parcels with IBI-metered postage or PC postage must be marked "COMM" in addition to the First-Class Mail marking. The "COMM" marking may be either within or directly below the indicia area.

Standard Mail Parcels

Standard Mail parcels would be separated into two price categories, Marketing parcels and Fulfillment parcels. Each of the two price categories would have additional pricing separations for nonprofit pieces (Nonprofit Marketing parcels and Nonprofit Fulfillment parcels).

Marketing parcels are defined as containing messages and/or product samples whose purposes are to encourage recipients to purchase a product or service, make a contribution, support a cause, form a belief or opinion, take an action, or provide information to recipients. These parcels would be required to bear an alternative addressing format (occupant or exceptional addressing, or simplified addressing when allowed for saturation mail), subject to DMM 602.3.0 and would be presented for mailing in carrier route (including carrier route basic, high-density, or saturation sortation) or presort separations. Presorted parcels would be prepared as either machinable or irregular parcels. All Marketing parcels would have a maximum size of 9 inches by 12 inches by 2 inches thick.

Fulfillment parcels are lightweight products typically requested by the addressees (recipients). These parcels would be prepared for mailing as either presorted machinable or irregular parcels.

Not Flat-Machinables (NFMs)

In 2007, we created an NFM price category for Standard Mail items that could not meet revised automation flats standards. In the *Federal Register* on February 6, 2009 (74 FR 6250-6257), we announced our intention to discontinue the NFM category in May 2010. In the March 25, 2010 Postal Bulletin (No. 22281), we announced that we would extend the NFM price category until the next price change. We now propose to end the NFM category as of January 2011. Pieces that would have been mailed as NFMs should qualify as either Standard Mail Fulfillment or Marketing parcels.

Other Parcels

Parcel Post[®] packages will be zone priced for each pound increment including packages weighing up to 1 pound.

Parcel Post, Bound Printed Matter (BPM), Media Mail[®], and Library Mail single-piece parcel weights will be rounded off to two decimal places, instead of the current four decimal places.

Special and Other Services

Address Information System Products and Services

Address Management at the USPS National Customer Support Center (NCSC) in Memphis, Tennessee, provides value-added product and service offerings that enable customers to better manage the quality of their mailing lists while maximizing the Postal Service's ability to deliver mail efficiently. Our proposed revision adds a comprehensive list, in DMM 509, of address information system products and services available from the NCSC. Existing services, such as address sequencing service or mailing list service, that customers obtain via the local Post Office[™] or USPS District remain in DMM 507.

Discontinuation of Standard Mail Stamped Envelopes

Standard Mail stamped envelopes will no longer be available for purchase. Based on reduced customer demand, the Postal Service has determined that these items be discontinued because alternatives are readily available.

Stamped envelopes have been produced since 1853. In 1965, the U.S. Post Office Department first offered stamped envelopes specifically inscribed for authorized nonprofit mailers, denominated for the most-used basic rate. In 1992, a Standard Mail bulk-rate envelope was added, and in 1995, both the nonprofit and bulk-rate envelopes were converted to nondenominational products to allow their use for the expanding variety of rates and subcategories. In 2002, the bulk-rate envelope was adjusted to include the preferred inscription "Presorted Standard." Because of minimum mailing requirements, the sales of these envelopes were limited to box lots of 500 (except for philatelic sales).

Sales for these Standard Mail envelopes have been declining over the past 10 years. More and more Standard Mail customers have opted to affix precanceled stamps

or use permit imprints on commercially available envelopes. Since these alternatives are readily available, we propose to eliminate Standard Mail stamped envelopes from our schedules and inventory lists. The product numbers that will be eliminated are: 215100, 215200, 262700, 262800, and 216400.

Post Office Box Handling Fee

The Postal Service proposes to revise DMM 508.4.0 to expand the applicability of the lock replacement fee for Post Office boxes. Current standards require payment of the lock replacement fee when a customer requests that the lock be changed.

The Postal Service proposes to also apply this fee when customers renew Post Office Box (PO BOX™) service more than 10 days after the renewal due date. This will provide an incentive for customers to pay their PO BOX rental fees on time. For those customers who do not renew until after the 10-day grace period, the Postal Service often changes the lock or incurs other lock-related costs, such as plugging the lock and bundling mail separately for the PO BOX. The lock replacement fee also will be treated as a late payment fee, even in those cases in which the Postal Service does not actually change the lock.

General

We encourage customers to comment on the proposed changes and add that this proposed rule provides the opportunity for mailers to prepare for possible operation changes well ahead of the effective date.

Although we are exempt from the notice and comment requirements of the Administrative Procedure Act [5 U.S.C of 553 (b), (c)] regarding proposed rulemaking by 39 U.S.C. 410 (a), we invite public comments on the following proposed revisions 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 Part 111.1.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Accordingly, 39 CFR Part 111 is proposed to be 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); 13 U.S.C 301-307; 18 U.S.C. 1692-1737; 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:

100 Retail Letters, Cards, Flats, and Parcels

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150 Parcel Post

153 Prices and Eligibility

1.0 Parcel Post Prices and Fees

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1.2 Determining Single-Piece Weight

[Revise the last sentence of 1.2 to read as follows:]

* * * Express all single-piece weights in decimal pounds rounded off to two decimal places.

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200 Commercial Letters and Cards

201 Physical Standards

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2.0 Physical Standards for Nonmachinable Letters

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2.3 Additional Criteria for Standard Mail Nonmachinable Letters

[Revise 2.3 to read as follows:]

The nonmachinable prices in 243.1.0 apply to Standard Mail letter-size pieces that have one or more of the nonmachinable characteristics in 2.1. Mailers must prepare all nonmachinable letters as described in 245.5.0.

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230 First-Class Mail

233 Prices and Eligibility

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3.0 Basic Standards for First-Class Mail Letters

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3.5 Move Update Standards

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[Revise title and text of 3.5.4 to read as follows:]

3.5.4 Basis for Move Update Assessment Charges

Mailings are subject to a Move Update assessment charge if more than 25 percent of addresses with a change of address (COA) are not updated, based on the error rate found in USPS sampling at acceptance during Performance-Based Verification.

Specifically, mailings for which the sample contains greater than 25 percent failed COAs out of the total COAs are subject to additional postage charges as follows:

- a. The percentage of the mailing paying the charge is based on the percentage of failed pieces above 25 percent.
- b. Each of the assessed pieces is subject to the \$0.07 per piece charge.
- c. As an example, if 35% of COAs in the sample are not updated, then the charge is applied to 10% (=35% - 25%) of the total mailing.
- d. Mailings for which the sample has five or fewer pieces that were not updated for a COA are not subject to the assessment, regardless of the failure percentage.

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[Add new 7.0 to read as follows:]

7.0 First-Class Mail Incentive Programs

7.1 General Description

First-Class Mail incentive programs are designed to encourage mail volume growth and retention.

7.2 Reply Rides Free Program

The Reply Rides Free program provides an incentive for mailers to include additional contents in their full-service automation (see 705.22) First-Class Mail letters by providing a postage credit for letters weighing over 1 ounce but no more than 1.2 ounces.

7.2.1 Basic Mailpiece Eligibility

Letter-size mailpieces mailed by an approved program participant are eligible for a postage credit under all of the following conditions:

- a. Eligible full-service automation letters must weigh more than 1 ounce but no more than 1.2 ounces. Mailers pay the applicable 2-ounce price for these pieces.
- b. Letters must include a reply card or envelope, either Business Reply Mail or Courtesy Reply Mail. The reply piece may be part of a reusable envelope prepared according to 601.6.4 or 601.6.5. Mailers must provide a sample of the reply card or envelope at the time of mailing.
- c. The postage credit is for the amount paid for the second ounce for eligible letters that meet the standards in 7.2, that are mailed during the 2011 program period, and that meet or exceed their USPS-determined threshold volume for 2011. To be eligible for program participation, a mailer must have mailed at least one mailing of 500 or more presorted or automation First-Class Mail letters during the USPS fiscal years (FY) 2009 and 2010 (October 1 through September 30). The threshold volume is determined as follows:
 1. The USPS determines a mailing volume trend for mailers with all commercial First-Class Mail letter volume mailed during both USPS FY 2009 and USPS FY 2010. To qualify for postage credit, the mailing volume in 2011 must be at least 2.5 percent greater than the projected mail volume based on the volume trend percentage from FY 2009 to FY 2010. For example, if a mailer's letter-size volume has declined from

100,000 to 95,000 pieces (a trend of 5 percent decline) from USPS FY 2009 to USPS FY 2010, that mailer's projected volume for 2011 would be 95,000 pieces times .95 (90,250). The actual volume mailed (threshold volume) during calendar year 2011 must be at least 92,507 pieces (1.025 times 90,250, the projected volume) during the program period.

2. The credit is provided after the end of the program period, upon USPS calculation and verification of the mail volume data.
- d. The program period for eligible mail volume is from January 2, 2011 through December 31, 2011. Mailed volumes are calculated at the end of the program period, comparing the volume mailed during the program with the threshold volume. To be eligible for any postage credit, the participant must ensure that the total volume of First-Class Mail commercial letters paid at presorted or automation letters prices mailed during the 2011 program period meets or exceeds the USPS-determined threshold volume for 2011, as determined under 7.2.1c.

7.2.2 Mailer Participation Eligibility and Documentation

Mail service providers are not eligible to participate in this program. Mail owners are considered eligible for the program as follows:

- a. Applicants must have mailed at least one presorted or automation First-Class Mail mailing of 500 letters or more during both USPS FY 2009 and FY 2010. Applicants must be able to document their total mailed volume of commercial First-Class Mail letters for calendar years 2009 and 2010, as follows:
 1. Volume through one or more permit imprint advance deposit accounts, precanceled stamp permits, or postage meter permits owned by the applicant, or
 2. Volume prepared by a mail service provider when entered through a permit owned by the applicant, or
 3. Volume mailed under a mail service provider's permit that can be specifically identified as being mailed on behalf of the applicant.
- b. Approved participants must be able to document the total mailed volume of letters that are eligible, under 7.2, for postage credit. Accordingly, pieces must be presented for mailing under either of the following conditions:
 1. A separate mailing of identical weight pieces, all of which weigh more than 1 ounce up to 1.2 ounces.
 2. A mailing of nonidentical weight pieces, supported by documentation under the manifest mailing standards in 705.2.0, with individual piece weight listings substantiating that participant pieces weigh more than 1 ounce but no more than 1.2 ounces. The manifest listing must also provide a total of eligible pieces.
- c. At the end of the 2011 program period, approved participants must be able to document their total mailed volume of commercial First-Class Mail letters during the program period, the total mail volume eligible for postage credit under 7.2.2b, and meet the following conditions:

1. Letters mailed in the 2011 program period that meet the USPS-determined mail volume threshold for 2011, as provided in 7.2.1c, must weigh more than 1 ounce up to a maximum of 1.2 ounces.
 2. Letters mailed during the 2011 program period must contain a reply card or reply envelope.
 3. Credit applies only to letters mailed under the full-service automation option in 705.22.
- d. Fluctuations in mailing activity resulting from the merger or acquisition of one or more program participants, prior or subsequent to the beginning of the program period, are subject to review, possible recalculation of thresholds, and approval by the USPS.
- e. Mailers participating in the Reply Rides Free incentive program are not eligible for concurrent participation in any other USPS-sponsored volume incentive program that includes First-Class Mail letters.

7.2.3 Application

Mail owners wishing to participate may apply at www.usps.com/firstclassmailincentive beginning November 1, 2010, but no later than December 31, 2010. Following registration, mailers are required to provide documentation demonstrating their total commercial First-Class Mail letter volume mailed during USPS FY 2009 and FY 2010 (as described in 7.2.1c). The USPS reviews the documentation provided for adequacy and provides an electronic response that includes:

- a. Notification of approval (or of the need for additional documentation) for participation in the program.
- b. Applicant's verified mail volume for USPS FY 2009 and FY 2010.
- c. Applicant's 2011 mail volume threshold for program and postage credit eligibility.
- d. A certification letter. Mailers must present a printed copy of the certification letter to a postal acceptance employee with the first mailing, under this program, at each mailing office.

7.2.4 Mailer Response

Mailers wishing to dispute the USPS-verified mail volume or USPS-determined threshold (see 7.2.3) may request a review by sending an email to (email address to be published later) no later than February 15, 2011.

7.2.5 Program Credits

Approved participants that can demonstrate an increase in their mailed volume of commercial First-Class Mail letters in the 2011 program period, compared with the projected volume as determined under 7.2.1c, qualify for a credit, after the end of the program period, to their designated Centralized Account Payment System (CAPS) permit imprint account, as follows:

- a. The letter-size pieces for which the credit is claimed must weigh more than 1 ounce but no more than 1.2 ounces and be mailed under all standards in 7.2.
- b. Participants that meet or exceed their threshold volume receive a credit in the amount of the postage paid for the second ounce for each eligible piece

meeting all the conditions in 7.2 that are mailed during the 2011 program year from January 2, 2011 through December 31, 2011.

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240 Standard Mail

243 Prices and Eligibility

1.0 Prices and Fees for Standard Mail

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[Delete section 1.7 in its entirety to remove reference to the 2009 Saturation Mail Volume Incentive Program.]

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3.0 Basic Standards for Standard Mail Letters

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3.2 Defining Characteristics

3.2.1 Mailpiece Weight

All Standard Mail pieces must weigh less than 16 ounces. The following weight limits also apply to pieces mailed at Standard Mail letter prices:

[Revise items a and b to read as follows:]

- a. Pieces mailed at machinable letter prices may weigh up to 3.3 ounces. Letter-size pieces weighing more than 3.3 ounces are mailable at nonmachinable letter prices, unless they are barcoded and eligible to be mailed as automation letters. For saturation and high density letters over 3.5 ounces, see 3.2.1b.
- b. Pieces mailed at automation letter prices may weigh up to 3.5 ounces. Saturation and high density letters weighing more than 3.5 ounces are mailable at applicable saturation or high density nonautomation letter prices.

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3.9 Move Update Standards

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3.9.4 Basis for Move Update Assessment Charges

[Revise text of 3.9.4 to read as follows:]

Mailings are subject to a Move Update assessment charge if more than 25 percent of addresses with a change of address (COA) are not updated, based on the error rate found in USPS sampling at acceptance during Performance-Based Verification. Specifically, mailings for which the sample contains greater than 25 percent failed COAs out of the total COAs are subject to additional postage charges as follows:

- a. The percentage of the mailing paying the charge is based on the percentage of failed pieces above 25 percent.

- b. Each of the assessed pieces is subject to the \$0.07 per piece charge.
- c. As an example, if 35% of COAs in the sample are not updated, then the charge is applied to 10% (=35% - 25%) of the total mailing.
- d. Mailings for which the sample has five or fewer pieces that were not updated for a COA are not subject to the assessment, regardless of the failure percentage.

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5.0 Additional Eligibility Standards for Nonautomation Standard Mail Letters

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5.5 Nonmachinable Price Application

[Revise 5.5 to read as follows:]

Nonmachinable prices in 1.0 apply only to Standard Mail letter-size pieces (including card-size pieces) that meet the criteria in 201.2.1 for nonmachinable letters.

Nonmachinable saturation or high density letter-size pieces are subject to the applicable saturation or high density nonautomation letter prices.

* * * * *

6.0 Additional Eligibility Standards for Enhanced Carrier Route Standard Mail Letters

6.1 General Enhanced Carrier Route Standards

* * * * *

6.1.2 Basic Eligibility Standards

All pieces in an Enhanced Carrier Route or Nonprofit Enhanced Carrier Route Standard Mail mailing must:

* * * * *

[Revise item g to read as follows:]

g. Meet the requirements for automation compatibility in 201.3.0 and bear an accurate delivery point POSTNET barcode or Intelligent Mail barcode encoded with the correct delivery point routing code matching the delivery address and meeting the standards in 202.5.0, and 708.4.0, except as provided in 6.1.2h. Pieces prepared with a simplified address format are exempt from the automation-compatibility and barcode requirements. Letters with Intelligent Mail barcodes entered under the full-service Intelligent Mail automation option also must meet the standards in 705.22.0.

[Add new item h to read as follows:]

h. All saturation and high density letters over 3.5 ounces, and saturation (other than pieces with a simplified address) and high density letter-size pieces not meeting the standards 6.1.2g must pay the applicable nonautomation saturation or high density prices. Basic carrier route letter prices are the same for barcoded automation-compatible pieces and nonautomation pieces.

[Delete 6.1.3 in its entirety.]

* * * * *

6.3 Basic Price Enhanced Carrier Route Standards

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6.3.2 Basic Price Eligibility

[Revise 6.3.2 by deleting items a and b to read as follows:]

Basic prices apply to each piece sorted under 245.6.0 or 705.8.0 in a full carrier route tray, in a carrier route bundle of 10 or more pieces, or in groups of 10 or more pieces placed in a 5-digit carrier routes or a 3-digit carrier routes tray.

6.4 High Density Enhanced Carrier Route Standards

6.4.1 Basic Eligibility Standards for High Density Prices

[Revise 6.4.1, by deleting items a and b and incorporating those items into the text to read as follows:]

High density letter-size mailpieces must be in a full carrier route tray or in a carrier route bundle of 10 or more pieces placed in a 5-digit carrier routes or 3-digit carrier routes tray. High density prices apply to each piece that is automation-compatible according to 201.3.0, and has an accurate delivery point POSTNET barcode or Intelligent Mail barcode encoded with the correct delivery point routing code matching the delivery address and meeting the standards in 202.5.0, and 708.4.0. Except for pieces with a simplified address, pieces that are not automation-compatible or not barcoded are mailable only at the nonautomation high density letter prices.

* * * * *

6.4.3 High Density Discount for Heavy Letters

[Revise 6.4.3 to read as follows:]

High density pieces that are automation-compatible under 201.3.0, that are accurately barcoded with a delivery point barcode, and that weigh more than 3.3 ounces but not more than 3.5 ounces, pay postage equal to the piece/pound price and receive a discount equal to the high density flat-size piece price (3.3 ounces or less) minus the high density letter piece price (3.3 ounces or less). The discount is calculated using nondestination entry prices only, regardless of entry level. This discount does not apply to pieces paying nonautomation high density letter prices.

6.5 Saturation ECR Standards

6.5.1 Basic Eligibility Standards for Saturation Prices

[Revise 6.5.1 by deleting items a through c and incorporating those items into the text to read as follows:]

Saturation letter-size mailpieces must be in a full carrier route tray or in a carrier route bundle of 10 or more pieces placed in a 5-digit carrier routes or 3-digit carrier routes tray. Saturation prices apply to each piece that is automation-compatible according to 201.3.0, and has an accurate delivery point POSTNET barcode or Intelligent Mail barcode encoded with the correct delivery point routing code matching the delivery

address and meeting the standards in 202.5.0, and 708.4.0. Except for pieces with a simplified address, pieces that are not automation-compatible or not barcoded are mailable at nonautomation saturation letter prices.

* * * * *

6.5.3 Saturation Discount for Heavy Letters

[Revise 6.5.3 to read as follows:]

Saturation pieces that are automation-compatible under 201.3.0, are accurately barcoded with a delivery point barcode, and weigh more than 3.3 ounces but not more than 3.5 ounces pay postage equal to the piece/pound price and receive a discount equal to the saturation flat-size piece price (3.3 ounces or less) minus the saturation letter piece price (3.3 ounces or less). The discount is calculated using nondestination entry prices only, regardless of entry level. This discount also applies to saturation pieces with simplified addresses. This discount does not apply to pieces paying nonautomation saturation letter prices.

* * * * *

[Add new section 8.0 to read as follows:]

8.0 Incentive Programs for Standard Mail Letters

8.1 General Description

Incentive programs for Standard Mail letters are designed to encourage mail volume growth and retention.

8.2 Saturation and High Density Incentive Program

The Saturation and High Density Incentive Program provides postage credits for qualified mail owners of Standard Mail, or Nonprofit Standard Mail, letters and/or flats mailed at saturation or high density carrier route prices that can document mail volumes exceeding their individual USPS-recorded threshold level, during the 2011 program period, from January 2, 2011 through December 31, 2011. Participating mail owners documenting volumes above their threshold level receive a credit, for each piece exceeding their threshold level, to a designated permit imprint advance deposit account or Centralized Account Payment System (CAPS) account after the end of the program period. Refer to 343.8.2 for program details.

* * * * *

300 Commercial Mail Flats

301 Physical Standards

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3.0 Physical Standards for Automation Flats

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[Delete 3.3 in its entirety, and renumber current 3.4 through 3.6 as new 3.3 through 3.5.]

* * * * *

330 First-Class Mail

333 Prices and Eligibility

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3.0 Eligibility Standards for First-Class Mail Flats

* * * * *

3.5 Move Update Standard

* * * * *

[Revise title and text of 3.5.4 to read as follows:]

3.5.4 Basis for Move Update Assessment Charges

Mailings are subject to a Move Update assessment charge if more than 25 percent of addresses with a change of address (COA) are not updated, based on the error rate found in USPS sampling at acceptance during Performance-Based Verification. Specifically, mailings for which the sample contains greater than 25 percent failed COAs out of the total COAs are subject to additional postage charges as follows:

- a. The percentage of the mailing paying the charge is based on the percentage of failed pieces above 25 percent.
- b. Each of the assessed pieces is subject to the \$0.07 per piece charge.
- c. As an example, if 35% of COAs in the sample are not updated, then the charge is applied to 10% (=35% - 25%) of the total mailing.
- d. Mailings for which the sample has five or fewer pieces that were not updated for a COA are not subject to the assessment, regardless of the failure percentage.

* * * * *

340 Standard Mail

343 Prices and Eligibility

1.0 Prices and Fees for Standard Mail

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[Delete section 1.6 in its entirety to remove reference to the 2009 Saturation Mail Volume Incentive Program.]

* * * * *

3.0 Basic Standards for Standard Mail Flats

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3.9 Move Update Standards

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[Revise title and text of 3.9.4 to read as follows:]

3.9.4 Basis for Move Update Assessment Charges

Mailings are subject to a Move Update assessment charge if more than 25 percent of addresses with a change of address (COA) are not updated, based on the error rate found in USPS sampling at acceptance during Performance-Based Verification. Specifically, mailings for which the sample contains greater than 25 percent failed COAs out of the total COAs are subject to additional postage charges as follows:

- a. The percentage of the mailing paying the charge is based on the percentage of failed pieces above 25 percent.
- b. Each of the assessed pieces is subject to the \$0.07 per piece charge.
- c. As an example, if 35% of COAs in the sample are not updated, then the charge is applied to 10% (=35% - 25%) of the total mailing.
- d. Mailings for which the sample has five or fewer pieces that were not updated for a COA are not subject to the assessment, regardless of the failure percentage.

* * * * *

[Add new 8.0 as follows:]

8.0 Incentive Programs for Standard Mail Flats

8.1 General Description

Incentive programs for Standard Mail letters are designed to encourage mail volume growth and retention.

8.2 Saturation and High Density Incentive Program

8.2.1 Program Description

The Saturation and High Density Incentive Program provides postage credits for qualified mail owners of Standard Mail, or Nonprofit Standard Mail, letters and/or flats (complete mailpieces) mailed at saturation or high density carrier route prices that can document mail volumes exceeding their individual USPS-recorded threshold level, during the 2011 program period, from January 2, 2011 through December 31, 2011. Participating mail owners documenting volumes above their threshold level receive a credit, for each piece exceeding their threshold level, to a single designated permit imprint advance deposit account or Centralized Account Payment System (CAPS) account after the end of the program period. Applicants are required to review and certify the accuracy of the data used by the USPS to calculate their threshold level(s); and, upon request, may be required to provide documentation of their mailing activity in the 2010 calendar year, the 2009-2010 eligibility period and during the program period.

8.2.2 Eligibility Standards

Mail service providers are not eligible to participate in this program. Mail owners are eligible for the program as follows:

- a. Mailers must be the owner of a permit imprint advance deposit account, precanceled stamp permit, or postage meter permit at a USPS facility having *PostalOne!* capability; or the owner of qualifying mailpiece volume entered

- through the account(s) of a mail service provider at a USPS facility having *PostalOne!* capability, when adequate documentation demonstrates that the applicant is the owner of the mailpieces.
- b. Applicants must electronically submit postage statements and mailing documentation to the *Postal One!* system. Applicants participating within a defined market area(s) must electronically submit postage statements and mailing documentation using Mail.dat or Mail.XML. All other applicants may optionally submit postage statements via Postal Wizard.
 - c. Only the volume of the mail owner, usually defined as the entity paying for the postage, is eligible within the program period.
 - d. Mail service providers and customers supplying inserts, enclosures or other components included in the mailings of another mailer are not eligible to participate in this program.
 - e. For either the saturation or high density incentives, applicants must demonstrate a combined minimum of six saturation or high density mailings of Standard Mail letters and/or flats within the qualification period of October 1, 2009 to September 30, 2010.
 - f. Applicants meeting the eligibility criteria in 8.2.2a through 8.2.2d may participate within both the saturation and high density price categories simultaneously.
 - g. Applicants who participate only within defined market areas must meet the eligibility criteria independently for each selected SCF service area or selected metropolitan target market.
 - h. Mailers participating in the 2011 Saturation and High Density Incentive Program are not eligible for concurrent participation in any other USPS-sponsored volume incentive program that includes Standard Mail pieces in the saturation or high density price categories.

8.2.3 Program Threshold Level

Threshold level figures are calculated independently for each applicant as follows:

- a. Thresholds are set at five percent (5%) above (or 105% of) the volume, within the participant-selected growth area and price category, of Standard Mail or Nonprofit Standard Mail letters and/or flats recorded in the 2010 calendar year.
- b. Applicants participating in both the saturation and high density price categories must exceed the combined thresholds of both categories before qualifying for an incentive payment in either category.

8.2.4 Application

Mail owners identified by the Postal Service as being eligible to participate in the program will be sent an invitation letter by November 1, 2010. Mail owners may apply for the program as follows:

- a. The invitation letter directs mail owners to apply for the program online at www.usps.com/SaturationHD no later than December 15, 2010.
- b. Applicants participating with Standard Mail saturation and/or high density mail volume destinating only within defined market areas must select the sectional

- center facility (SCF) service areas for participation in the program, up to a maximum of 20 individual SCF areas or up to five metropolitan target markets (consisting of multiple contiguous SCFs). The USPS must approve all applicant-selected market areas prior to acceptance into the program.
- c. Mail owners completing the online application process receive an electronic response from the USPS that includes:
 1. An individual volume threshold report, with the applicant's recorded saturation and/or high density volume for the 2010 calendar year.
 2. A certification letter.
 3. A threshold inquiry form.
 - d. Applicants agreeing with their threshold volume(s) can sign the certification letter and return a copy via email to: *SaturationHDIncentive@usps.gov* or mail hardcopy to Saturation Incentive Program Office, 475 L'Enfant Plaza SW, Room 5500, Washington, DC 20260-5500, to be registered for the program.
 - e. Applicants not agreeing with any portion of their USPS-calculated threshold(s) must complete the threshold inquiry form and return it along with supporting evidence, via email, or mail hardcopy to Saturation Incentive Program Office, 475 L'Enfant Plaza SW, Room 5500, Washington, DC 20260-5500, no later than March 15, 2011.
 - f. Mail owners wishing to participate in the program, but who were not notified by letter, may request a review of their eligibility by contacting the USPS no later than December 1, 2010.

8.2.5 Program Participation

Mail owners may participate in the program with qualifying letters and/or flats mailpieces mailed at saturation or high density prices as follows:

- a. Standard Mail, or Nonprofit Standard Mail, mailpieces mailed by the participant through the participant's own permit imprint advance account, precanceled stamp permit(s), or postage meter permit(s);
- b. Standard Mail, or Nonprofit Standard Mail, mailpieces prepared by a mail service provider, when entered through a permit owned by the participant;
- c. Standard Mail, or Nonprofit Standard Mail, mailpieces mailed through a mail service provider's permit, only when the pieces can be identified as being prepared for the participant and when the applicant's prior mailing activity through the mail service provider's permit can be validated.
- d. Fluctuations in mailing activity resulting from the merger or acquisition of one or more program participants, prior or subsequent to the beginning of the program period, are subject to review and approval by the USPS.

8.2.6 Incentive Program Credits

Approved participants demonstrating an increase in Standard Mail, or Nonprofit Standard Mail, letters and flats volume above their threshold level qualify for a credit to a single designated permit imprint advance deposit account or Centralized Account Payment System (CAPS) account as follows:

- a. The total postage paid for Standard Mail, or Nonprofit Standard Mail, letters and flats mailed at saturation or high density prices, recorded during the program is identified for each participant.
- b. The total postage paid during the program period is divided by the total number of recorded mailpieces to determine the average price per piece for the program period.
- c. Participants receive a credit, based on the percentages of the average price per piece, for the number of mailpieces of incremental volume above their threshold level, recorded during the program period, as follows:
 1. Saturation letters and flats: 22 percent for Standard Mail, 8 percent for Nonprofit Standard Mail pieces.
 2. High density letters and flats: 13 percent for Standard Mail, 8 percent for Nonprofit Standard Mail pieces.

* * * * *

400 Commercial Parcels

401 Physical Standards

1.0 Physical Standards for Parcels

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1.3 Maximum Weight and Size

[Revise text of 1.3 by adding a new third sentence to read as follows:]

* * * Standard Mail Marketing parcels (see 2.4) may not be larger than 9 inches high, 12 inches long and 2 inches thick. * * *

* * * * *

2.0 Additional Physical Standards by Class of Mail

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2.3 First-Class Mail Parcels

* * * * *

2.3.2 Surcharge

Unless prepared in 5-digit/scheme containers or paid at a single-piece price, presorted parcels are subject to a surcharge if any of the following characteristics apply:

[Revise 2.3.2 by deleting current item a and redesignating current items b and c as new items a and b to read as follows:]

- a. The parcels do not bear a GS1-128 or POSTNET barcode.
- b. The parcels are irregularly shaped, such as rolls, tubes, and triangles.

* * * * *

[Revise the title of 2.4 to read as follows:]

2.4 Standard Mail Parcels

* * * * *

[Revise title and text of 2.4.2 to delete references to Not Flat-Machinables and add standards for Marketing parcels to read as follows:]

2.4.2 Marketing Parcels

Marketing parcels have the following characteristics:

- a. Height not more than 9 inches high. Minimum height must be 3-1/2 inches if the parcel is 1/4 inch thick or less.
- b. Length not more than 12 inches long. Minimum length must be 5 inches if the parcel is 1/4 inch thick or less.
- c. Thickness at least 0.009 thick, but not more than 2 inches.
- d. An alternative addressing format, according to 602.3.0.

2.4.3 Surcharge

[Revise text of 2.4.3 to delete reference to Not Flat-Machinables and reorganize text to read as follows:]

Unless prepared in carrier route or 5-digit/scheme containers, Standard Mail parcels are subject to a surcharge if:

- a. The *machinable* parcels do not bear a GS1-128 barcode (see 708.5.0) or,
- b. The *irregular* parcels do not bear a GS1-128 barcode (see 708.5.0) or POSTNET barcode (see 708.4.0).

* * * * *

402 Elements on the Face of a Mailpiece

1.0 All Mailpieces

* * * * *

1.2 Delivery and Return Address

[Revise 1.2 by reorganizing the text and adding a new last sentence to read as follows:]

The delivery address specifies the location to which the USPS is to deliver a mailpiece (see 602 for more information). Except for pieces prepared with detached address labels under 602.4.0, each mailpiece must have a visible and legible delivery address only on the side of the piece bearing postage. A return address is required in specific circumstances (see 3.2 and 602.1.5). Standard Mail Marketing parcels (see 443) must use an alternative addressing format under 602.3.0.

* * * * *

2.0 Placement and Content of Markings

* * * * *

2.4 First-Class Mail and Standard Mail Markings

[Revise the title of 2.4.1 to read as follows:]

2.4.1 Placement and Content

Markings must be placed as follows:

* * * * *

[Revise item b to add a marking for First-Class Mail parcels and reorganize text to read as follows:]

- b. Other Markings. In addition to the basic class marking, nonpresorted First-Class Mail parcels claiming the single-piece commercial parcel price (see 433) must be marked "COMM" when postage is paid by IBI meter or PC postage. Price-specific markings for Standard Mail only are "ECRLOT," "ECRWSH," "ECRWSS," and "Customized MarketMail" (or "CUST MKTMAIL" or "CMM"). Place price-specific markings in one of the following locations:
1. In the location specified in 2.4.1a.
 2. In the address area on the line directly above or two lines above the address if the marking appears alone or if included in an optional endorsement line under 708.7.0 or with carrier route information under 708.6.0.
 3. If preceded by two asterisks (**), place "PRESORTED" or "Customized MarketMail" (or abbreviated marking) on the line directly above or two lines above the address in a mailer keyline or manifest keyline, or above the address and below the postage in an MLOCR ink-jet-printed date correction/meter drop shipment line.

[Delete item c in its entirety and redesignate current item d as new item c.]

* * * * *

4.0 General Barcode Placement for Parcels

* * * * *

4.3 POSTNET Barcodes

[Revise text of 4.3 by deleting references to Not Flat-Machinable pieces to read as follows:]

First-Class Mail parcels and Standard Mail irregular parcels may bear POSTNET barcodes or GS1-128 barcodes. First-Class Mail parcels and Standard Mail irregular parcels bearing POSTNET barcodes representing only the postal routing barcode (destination ZIP Code) are eligible to be mailed using eVS. POSTNET barcodes may not be used on eVS parcels bearing concatenated GS1-128 barcodes. Place POSTNET barcodes on parcels under 4.3.1 through 4.3.3.

4.3.1 General Placement of POSTNET Barcodes

[Revise text of 4.3.1 by deleting references to Not Flat-Machinable piece under 6 ounces to read as follows:]

On any First-Class Mail parcel, or any Standard Mail irregular parcel, the POSTNET barcode may be anywhere on the address side as long as it is at least 1/8 inch from any edge of the piece. POSTNET barcodes must be printed according to 708.4.0. Address block barcodes are subject to the standards in 4.3.2.

* * * * *

430 First-Class Mail

433 Prices and Eligibility

1.0 Prices and Fees for First-Class Mail

* * * * *

[Revise text of 1.3 to add eligibility standards for the single-piece commercial parcel price to read as follows:]

1.3 Parcel Prices

For prices, see Notice 123-Price List. First-Class Mail parcels mailed under the following conditions are eligible for single-piece commercial parcel prices:

- a. The residual portion of a presorted mailing prepared under 435.4.0.
- b. Nonpresorted mailings for which the postage is paid by permit imprint, IBI meter, or PC Postage. The minimum quantity per mailing when using permit imprints (see 604.5.0) is 200 pieces or 50 pounds. See 401.2.4 for required marking when postage is paid by IBI meter or PC Postage.

* * * * *

3.0 Basic Standards for First-Class Mail Parcels

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3.5 Move Update Standards

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[Revise title and text of 3.5.4 to read as follows:]

3.5.4 Basis for Move Update Assessment Charges

Mailings are subject to a Move Update assessment charge if more than 25 percent of addresses with a change of address (COA) are not updated, based on the error rate found in USPS sampling at acceptance during Performance-Based Verification. Specifically, mailings for which the sample contains greater than 25 percent failed COAs out of the total COAs are subject to additional postage charges as follows:

- a. The percentage of the mailing paying the charge is based on the percentage of failed pieces above 25 percent.
- b. Each of the assessed pieces is subject to the \$0.07 per piece charge.
- c. As an example, if 35% of COAs in the sample are not updated, then the charge is applied to 10% (=35% - 25%) of the total mailing.
- d. Mailings for which the sample has five or fewer pieces that were not updated for a COA are not subject to the assessment, regardless of the failure percentage.

* * * * *

440 Standard Mail

443 Prices and Eligibility

1.0 Prices and Fees for Standard Mail

* * * * *

[Revise title of 1.2 to read as follows:]

1.2 Regular and Nonprofit Standard Mail – Fulfillment Parcel Prices

* * * * *

[Revise title of 1.3 to read as follows:]

1.3 Regular and Nonprofit Standard Mail – Marketing Parcel Prices

* * * * *

3.0 Basic Standards for Standard Mail Parcels

* * * * *

3.3 Additional Basic Standards for Standard Mail

Each Standard Mail mailing is subject to these general standards:

* * * * *

[Revise text of item d to read as follows:]

- d. Each Fulfillment parcel must bear the addressee's name and delivery address, including the correct ZIP Code or ZIP+4 code; unless an alternative addressing format is used subject to 602.3.0. Detached address labels (DALs) may be used subject to 602.4.0.

[Re-designate current items e through h as new items f through i, and add new item e to read as follows:]

- e. Each Marketing parcel must bear an alternative addressing format subject to 602.3.0. DALs may be used subject to 602.4.0.

* * * * *

3.0 Basic Standards for Standard Mail Flats

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3.9 Move Update Standards

* * * * *

[Revise title and text of 3.9.4 to read as follows:]

3.9.4 Basis for Move Update Assessment Charges

Mailings are subject to a Move Update assessment charge if more than 25 percent of addresses with a change of address (COA) are not updated, based on the error rate found in USPS sampling at acceptance during Performance-Based Verification. Specifically, mailings for which the sample contains greater than 25 percent failed COAs out of the total COAs are subject to additional postage charges as follows:

- a. The percentage of the mailing paying the charge is based on the percentage of failed pieces above 25 percent.
- b. Each of the assessed pieces is subject to the \$0.07 per piece charge.
- c. As an example, if 35% of COAs in the sample are not updated, then the charge is applied to 10% (=35% - 25%) of the total mailing.

- d. Mailings for which the sample has five or fewer pieces that were not updated for a COA are not subject to the assessment, regardless of the failure percentage.

* * * * *

4.0 Price Eligibility for Standard Mail

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4.2 Minimum Per Piece Prices

The minimum per piece prices (i.e., the minimum postage that must be paid for each piece) apply as follows:

* * * * *

[Revise text of item c by deleting the reference to Not Flat-Machinable in the second to last sentence to read as follows:]

- c. * * * DDU prices are available for parcels entered only at 5-digit, Enhanced Carrier Route, or Nonprofit Enhanced Carrier Route prices. * * *

* * * * *

4.4 Surcharge

[Revise the introductory text of 4.4 to read as follows:]

Unless prepared in carrier route (Marketing parcels only) or 5-digit/scheme containers, Standard Mail parcels are subject to a surcharge if:

* * * * *

[Delete current item c in its entirety and redesignate current item d as new item c and revise to read as follows:]

- e. The irregular parcels weigh less than 16 ounces and those pieces do not bear a GS1-128 or POSTNET barcode, under 708.5.0, for the ZIP Code of the delivery address.

4.5 Extra Services for Standard Mail

* * * * *

4.5.2 Eligible Matter

[Revise 4.5.2 by deleting the reference to Not Flat-Machinable to read as follows:]
Extra services may be used only with pieces mailed at parcel prices.

* * * * *

5.0 Additional Eligibility Standards for Presorted Standard Mail Pieces

* * * * *

5.2 Price Application

[Revise 5.2 by inserting the term "Fulfillment" parcels to further identify machinable and irregular parcels, deleting the reference to Not Flat-Machinable, and adding the term "Marketing" parcels to read as follows:]

Prices for Standard Mail and Nonprofit Standard Mail apply separately to Fulfillment parcels (machinable and irregular) and Marketing parcels that meet the eligibility standards in 2.0 through 4.0 and the preparation standards in 445.5.0, 705.6.0, 705.8.0, or 705.20. When parcels are combined under 445.5.0, 705.6.0, or 705.20, all pieces are eligible for the applicable prices when the combined total meets the eligibility standards. For example, when there are 10 pounds of combined machinable parcels and irregular parcels in a 5-digit sack, all pieces are eligible for the 5-digit prices.

* * * * *

[Revise title of 5.4 to read as follows:]

5.4 Prices for Irregular Parcels

5.4.1 5-Digit Price

[Revise the introductory text of 5. 4.1 by deleting the reference to NFMs to read as follows:]

The 5-digit price applies to irregular parcels that are dropshipped to a DNDC (or ASF when claiming DNDC prices), DSCF, or DDU and presented:

* * * * *

[Delete item 5.4.1e in its entirety.]

5.4.2 SCF Price

[Revise the introductory text of in 5.4.2 by deleting the reference to NFMs to read as follows:]

The SCF price applies to irregular parcels that are dropshipped and presented to a DSCF or DNDC:

* * * * *

5.4.3 NDC Price

[Revise the introductory text of 5 .4.3 by deleting the reference to NFMs to read as follows:]

The NDC price applies to qualifying irregular parcels as follows under either of the following conditions:

* * * * *

5.4.4 Mixed NDC Price

[Revise the text of 5.4.4 by deleting the references to NFMs to read as follows:]

The mixed NDC price applies to irregular parcels in origin NDC or mixed NDC containers that are not eligible for 5-digit, SCF, or NDC prices. Place irregular parcels at mixed NDC prices in origin NDC or mixed NDC sacks under 445.5.4.4 or on origin NDC or mixed NDC pallets under 705.8.10.

* * * * *

6.0 Additional Eligibility Standards for Enhanced Carrier Route Standard Mail Parcels

6.1 General Enhanced Carrier Route Standards

* * * * *

6.1.2 Basic Eligibility Standards

All pieces in an Enhanced Carrier Route or Nonprofit Enhanced Carrier Route Standard Mail mailing must:

* * * * *

d. Bear a delivery address that includes the correct ZIP Code, ZIP+4 code, or numeric equivalent to the delivery point barcode (DPBC) and that meets these address quality standards:

* * * * *

[Revise item d2 to require alternative addressing to read as follows:]

2. An alternative addressing format as described in 602.3.0.

* * * * *

[Revise the first sentence of item f to indicate new size restrictions to read as follows:]

f. Enhanced Carrier Route parcels may not be more than 9 inches high, 12 inches long, or 2 inches thick.***

* * * * *

445 Mail Preparation

* * * * *

2.0 Bundles

2.1 Definition of a Bundle

[Revise the last sentence in 2.1 by deleting the reference to 5-digit bundles and Not Flat-Machinables to read as follows:]

*** Bundling under 445 is allowed only for carrier route bundles of irregular parcels.

* * * * *

5.0 Preparing Presorted Parcels

5.1 Basic Standards

[Revise the introductory paragraph in 5.1 by deleting the word “nonautomation” to read as follows:]

All mailings and all pieces in each mailing at Standard Mail and Nonprofit Standard Mail prices are subject to preparation standards in 5.3 or 5.4, and to these general standards:

* * * * *

[Delete current 6.0 in its entirety and renumber all of current 7.0 as new 6.0.]

* * * * *

446 Enter and Deposit

* * * * *

5.0 Destination Delivery Unit (DDU) Entry

* * * * *

5.2 Eligibility

Pieces in a mailing that meets the standards in 2.0 and 5.0 are eligible for the DDU price when deposited at a DDU, addressed for delivery within that facility's service area, and prepared as follows:

* * * * *

[Revise item 5.2b by deleting the reference to Not Flat-Machinable pieces to read as follows:]

- b. One or more parcels in 5-digit containers.

* * * * *

460 Bound Printed Matter

463 Prices and Eligibility

1.0 Prices and Fees for Bound Printed Matter

* * * * *

1.2 Commercial Bound Printed Matter

* * * * *

1.2.6 Determining Single-Piece Weight

[Revise the last sentence of 1.2.6 to read as follows:]

* * * Express all single-piece weights in decimal pounds rounded off to two decimal places.

* * * * *

470 Media Mail

473 Prices and Eligibility

1.0 Media Mail Prices and Fees

* * * * *

1.5 Computing Postage for Media Mail

1.5.1 Determining Single-Piece Weight

[Revise the last sentence of 1.5.1 to read as follows:]

* * * Express all single-piece weights in decimal pounds rounded off to two decimal places.

* * * * *

480 Library Mail

483 Prices and Eligibility

1.0 Library Mail Prices and Fees

* * * * *

1.5 Computing Postage for Library Mail

1.5.1 Determining Single-Piece Weight

[Revise the last sentence of 1.5.1 to read as follows:]

* * * Express all single-piece weights in decimal pounds rounded off to two decimal places.

* * * * *

500 Additional Mailing Services

* * * * *

507 Mailer Services

* * * * *

7.0 Mailing List Services

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7.2 General Information

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[Revise title and text of 7.2.2 to read as follows:]

7.2.2 Carrier Route Information System

The official city delivery scheme, called the Carrier Route Information System, is available to mailers.

* * * * *

508 Recipient Services

* * * * *

4.0 Post Office Box Service

* * * * *

4.8 Keys and Locks

* * * * *

4.8.4 Lock Replacement

[Revise text of 4.8.4 by adding the following sentence as a new last sentence as follows:]

* * * The lock replacement fee also applies as a late payment charge when the customer renews a box more than 10 days after the renewal due date, whether or not the lock is actually changed.

* * * * *

509 Other Services

1.0 Address Information System Products

[Revise entire 509.1.0 section to reorganize by adding additional address information system products as follows:]

1.1 General Information

Address Management provides value-added product and service offerings that enable customers to manage the quality of their mailing lists while maximizing the Postal Service's ability to efficiently deliver mail. Additional information on these products and services can be found on RIBBS at ribbs.usps.gov or by calling the National Customer Support Center (see 608.8.0 for address) at 800-238-3150. See Notice 123—*Price List*.

1.2 Address Element Correction (AEC)

AEC service identifies and corrects bad or incomplete addresses using enhanced computer logic.

1.3 Address Matching System Application Program Interface (AMS API)

AMS API is a core set of compiled address-matching software instructions available, for a set fee, to developers to incorporate into their software so that address lists can be updated with address data from the following databases, which are integrated into the AMS-API: City State, ZIP + 4, Five-Digit ZIP, eLOT, DPV, and LACS^{Link}. The following services require payment of separate additional fees:

- a. Installing the AMS-API on multiple computers for its own use.
- b. Reselling its address-matching software.
- c. Obtaining computer software instructions that permit the API to access the RDI data when licensed separately.
- d. Reselling RDI-API.

1.4 Advance Notification and Tracking System

The Advance Notification and Tracking System provide mailers with delivery performance reports and data for qualified Standard Mail and Periodicals mailings with specific in-home delivery windows.

1.5 AEC II Service

AEC II Service sends addresses with errors that cannot be resolved through other Address Management services to the field for resolution based on knowledge of delivery personnel. The mailer is provided with the correct address or with information that the address is not a recognized deliverable address.

1.6 Address Information Service (AIS) Viewer

The AIS Viewer is an interactive CD-ROM that provides the ability to retrieve, view, and print accurate and current ZIP Code information for all 50 states on demand, eliminating hardcopy reports.

1.7 Barcode Certification

The barcode certification program evaluates manufacturers' printers, computer software, and computer systems that produce a barcode in order to certify that the barcode meets all dimensional specifications required by the Postal Service.

1.8 Carrier Route Information System (CRIS)

The CRIS service provides reference information needed to apply carrier route codes to addresses. Copying is allowed for an additional fee.

1.9 CASS Certification

CASS evaluates and certifies the accuracy of address-matching software that applies ZIP + 4, DPV, LACS^{Link}, Carrier Route Information System (CRIS), DSF2, eLOT, RDI, and Five-Digit ZIP. The Postal Service certifies software meeting its standards until the expiration of the applicable CASS cycle. Software must be re-certified for each CASS cycle. Ordinarily, a CASS testing cycle extends from August 1 through July 31 of the next year, and permits software use until the following July 31.

1.10 Change-of-Address Information for Election Boards and Registration Commissions

Change-of-Address Information for Election Boards and Registration Commissions service provides election boards and voter registration commissions with the current address of a resident addressee, if known to the Postal Service.

1.11 City State

The City State service is a comprehensive ZIP Code list associated with the appropriate city, county, and Post Office names. Copying is allowed for an additional fee.

1.12 Computerized Delivery Sequence (CDS)

CDS service provides and updates delivery sequence address information by carrier route for qualified mailers. The CDS No Stat service provides and updates nondelivery address information about new construction and rural route vacancies by carrier route for qualified mailers.

1.13 Delivery Statistics

The Delivery Statistics service provides statistical information regarding delivery by carrier route and Post Office box section. Copying is allowed for an additional fee.

1.14 Delivery Type

The Delivery Type service provides a file that indicates the type of deliveries (i.e., P.O. Box, street, unique, military, and general deliveries) made within each 5-digit ZIP Code area in the United States. Copying is allowed for an additional fee.

1.15 Domestic Mail Manual (DMM) Labeling Lists

DMM Labeling Lists contain destination ZIP Codes with the corresponding Postal Service facility destination information.

1.16 DPV

The DPV (Delivery Point Validation) service in conjunction with CASS-Certified address matching software validates delivery points. Unlimited sublicensing is allowed by software developers without further payment.

1.17 DSF2 Service

The DSF2 service is used to check mailing address accuracy, identify address types, and obtain walk sequence statistics. The DSF2 database is the most complete Postal Service address database available, containing every deliverable mailing address in the United States, and is used to verify that address lists are correct and complete, identify business versus residential addresses, recognize commercial mail receiving agencies, provide walk sequence numbers and postal codes, identify seasonal addresses, detect addresses vacant for over 90 days, and categorize addresses by delivery type, e.g., curbside, door slot, box, etc. DSF2 processing includes address standardization that may be used to apply for CASS qualification.

1.18 eLOT Service

eLOT service gives mailers the ability to sort their mailings in approximate carrier-casing line-of-travel sequence. Copying is allowed for an additional fee.

1.19 *FASTforward* Multi-line Optical Character Reader (MLOCR)

The *FASTforward* system makes change-of-address information for moves available to mailers so that it can be applied to a mailpiece while it is being processed on an MLOCR. Customers use *FASTforward* Move Update Notification electronic files to update their databases with change-of-address information.

1.20 Five-Digit ZIP

The Five-Digit ZIP service provides detailed street data for multi-coded cities (i.e., cities that have more than one 5-digit ZIP Code), so that the proper ZIP Code can be identified. Copying is allowed for an additional fee.

1.21 LACS^{Link}

LACS^{Link} service provides mailers an automated method of obtaining new addresses when rural-style addresses are converted to street-style addresses. The three types of licenses are listed in 1.22.1 through 1.22.3.

1.21.1 Interface Developer

Interface Developer service grants the right to develop an interface between address-matching software and the LACS^{Link} database service.

1.21.2 Interface Distributor

Interface Distributor service grants the right to sublicense the interface and the LACS^{Link} database service to third parties.

1.21.3 End User

End User service grants the right to obtain the LACS^{Link} database service directly from the Postal Service for use in updating mailing lists.

1.22 MAC Batch System Certification

The MAC Batch System Certification service evaluates and certifies that manifest/presort mailing products accurately list and calculate postage for presorted non-identical piece mailings consistent with DMM, IMM, and manifest mailing system processing standards. Software is certified until the expiration of the applicable MAC Batch System cycle.

1.23 MAC Gold System Certification

The MAC Gold System Certification service evaluates and certifies that manifest mailing systems (software, weigh scales, and label printers) accurately list and calculate postage for nonidentical piece mailings consistent with DMM, IMM, and manifest mailing system itemized pricing standards. Software is certified until the expiration of the applicable MAC Gold System cycle.

1.24 MAC System Certification

The MAC System Certification service evaluates and certifies that manifest mailing software accurately lists and calculates postage for nonidentical piece mailings consistent with DMM, IMM, and manifest mailing system standards, until the expiration of the applicable MAC System cycle.

1.25 MASS Certification

MASS (Multiline Accuracy Support System) Certification service provides certification for multiline optical character readers, remote video encoding, local video encoding, and encoding stations ("equipment"). The MASS certification process is designed to evaluate the ability of the equipment to process address information using CASS-Certified software, and apply an accurate delivery point barcode to a mailpiece. The Postal Service separately certifies the equipment for a manufacturer and the user. Certified equipment can be used until the expiration of the applicable MASS cycle. Ordinarily, a MASS testing cycle extends from August 1st through July 31st of the next year, and permits use until the following July 31st.

1.26 NCOA^{Link}

The NCOA^{Link} service makes change-of-address information for moves available to mailers. The Postal Service tests the systems under the Developer, Full Service Provider, Limited Service Provider, End User, and Mail Processing Equipment licenses to ensure that they meet Postal Service performance requirements. The six types of licenses are listed in 1.27.1 through 1.27.6.

1.26.1 NCOA^{Link} Interface Developer

NCOA^{Link} Interface Developer service grants the right to develop a software interface between address-matching software and the NCOA^{Link} service database.

1.26.2 NCOA^{Link} Interface Distributor

NCOA^{Link} Interface Distributor service grants the right to unlimited sublicensing of software interfaces developed pursuant to an NCOA^{Link} Interface Developer License.

1.26.3 NCOA^{Link} Full Service Provider (FSP)

NCOA^{Link} FSP service grants the right to perform address list updating services for both the licensee and third party mailers using 48 months of change-of-address data. Postal Service database services such as DPV and LACS^{Link} are included.

1.26.4 NCOA^{Link} Limited Service Provider (LSP)

NCOA^{Link} LSP service grants the right to perform address list updating services for third-party mailers, as well as for the licensee's own mail using 18 months of change-of-address data.

1.26.5 NCOA^{Link} End User Mailer

NCOA^{Link} End User Mailer service grants a mailer the right to perform address list updating for its own mail using 18 months of change-of-address data.

1.26.6 NCOA^{Link} Mail Processing Equipment

NCOA^{Link} Mail Processing Equipment service grants a mailer the right to either perform address updating directly onto its mailpieces using 18 months of change-of-address data and a MLOCR or to create an electronic file for address updating using other mail processing equipment.

1.27 NCOA^{Link} — ANK^{Link} Service Option

ANK^{Link} provides an option for NCOA^{Link} LSP and End User Mailer licensees to acquire an additional 30 months of change-of-address information. ANK^{Link} informs mailers that a customer has moved, along with the move effective date. It does not provide the new address.

1.28 Official National Zone Charts

The Official National Zone Charts identify the appropriate distance code assigned to each originating and destination pairing for every ZIP Code in the nation.

1.29 Periodicals Accuracy, Grading, and Evaluation (PAGE) System Certification

The PAGE system evaluates and certifies the accuracy of publication and print planning (PPP) software that calculates virtual copy weight and the percentage of advertising consistent with Periodicals computation standards, and certifies users of PPP software who demonstrate knowledge of the software for Periodicals mailings based on DMM standards and applicable USPS Customer Support Rulings. Software and users are certified until the expiration of the applicable PAGE cycle.

1.30 PAVE System Certification

The PAVE (presort accuracy validation evaluation) system evaluates and certifies the accuracy of presort software that sorts mailing lists consistent with DMM mail preparation standards. Software is certified until the expiration of the applicable PAVE cycle.

1.31 RDI Service

The RDI service verifies whether a delivery type is classified as residential or business.

1.32 Topological Integrated Geographic Encoding and Referencing (TIGER/ZIP+4)

TIGER/ZIP+4 service is a bridge file that allows mailers to access other information using the ZIP+4 codes they already have associated with their addresses. This file offers demographers and market researchers a method to relate ZIP+4 coded address lists to U. S. Census Bureau demographic data.

1.33 Z4CHANGE

The Z4CHANGE service provides the information necessary to facilitate frequent and cost-effective updating of very large computerized mailing lists for automation compatibility and improved deliverability. Copying is allowed for an additional fee.

1.34 Z4INFO

Z4INFO is an add-on utility to the ZIP+4 service that can be integrated into address-matching software to improve address quality. There is no charge for this service.

1.35 ZIP+4 Service

The ZIP+4 service is the base reference that can be used to assign the correct ZIP+4 code associated with a physical address. Copying is allowed for an additional fee.

1.36 ZIPMove

The ZIPMove data file assists address-matching software in providing up-to-date, accurate ZIP+4 codes.

1.37 ZIP Code Sortation of Address Lists

ZIP Code Sortation of Address Lists service provides sortation of addresses to the finest possible ZIP Code level.

1.38 99 Percent Accurate Method

The 99 Percent Accurate Method provides testing of mailers' address lists to determine how up-to-date the lists are. Lists deemed to meet threshold requirements are considered to be Move Update-compliant.

* * * * *

600 Basic Standards for All Mailing Services

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604 Postage Payment Methods

* * * * *

2.0 Stamped Stationery

2.1 Plain Stamped Envelopes

* * * * *

2.1.2 Availability

[Revise 2.1.2 by deleting item b in its entirety and incorporating item a into the text to read as follows:]

Plain stamped envelopes are available at all Post Offices, except that only sizes 6-3/4 and 10 regular and window envelopes are sold in less than full box lots (a full box contains 500 envelopes).

* * * * *

2.2.6 Optional Information

The following endorsements and instructions printed in at least 8-point type may be included as part of the return address:

* * * * *

[Revise item b by deleting the last sentence so that item b reads as follows:]

b. Any sender instruction under 507.1.8 or 507.4.0 that specifies a period for holding mail, not fewer than 3 and not more than 30 days (e.g., "AFTER 5 days RETURN TO"). The instruction must appear directly above the return address.

* * * * *

700 Special Standards

* * * * *

705 Advanced Preparation and Special Postage Payment Systems

* * * * *

6.0 Combining Mailings of Standard Mail, Package Services, and Parcel Select Parcels

[Revise title of 6.1 by deleting the reference to NFMs to read as follows:]

6.1 Basic Standards for Combining Parcels

6.1.1 Basic Standards

[Revise text in the first sentence of 6.1.1 by deleting NFMs to read as follows:]

Standard Mail parcels, Package Services, and Parcel Select parcels in combined mailings must meet the following standards:

* * * * *

[Revise title of 6.2 by deleting reference to NFMs to read as follows:]

6.2 Combining Parcels – DNDC Entry

[Revise 6.2 by deleting reference to NFMs 6 ounces or more to read as follows:]

Mailers may combine Standard Mail machinable parcels with Package Services and Parcel Select machinable parcels for entry at an NDC when authorized by the USPS under 6.1.4.

* * * * *

6.2.2 Additional Standards

[Revise the introductory text and items a and e of 6.2.2 by deleting references to NFMs 6 ounces or more to read as follows:]

Standard Mail machinable parcels and Package Services and Parcel Select machinable parcels prepared for DNDC entry must meet the following conditions in addition to the basic standards in 6.1:

- a. Each piece in a combined Standard Mail, Package Services, and Parcel Select mailing must meet the criteria for machinable parcels in 401.1.5.

* * * * *

- e. Mailers must deposit combined machinable parcels at NDCs or ASFs (see Exhibit 6.2.3) under applicable standards in 15.0.

* * * * *

6.3 Combining Parcels — Parcel Select ONDC Presort, NDC Presort, DSCF, and DDU Prices

6.3.1 Qualification

Combination requirements for specific discounts and prices are as follows:

[Revise items a, b, c, and d in 6.3.1 by deleting references to NFMs 6 ounces or more to read as follows:]

- a. When claiming Parcel Select ONDC Presort discounts, machinable Standard Mail parcels may be combined with machinable Package Services parcels under 6.3 only if the mailpieces are palletized and each pallet or pallet box contains a 200-pound minimum.
- b. When claiming Parcel Select NDC Presort discounts, machinable Standard Mail parcels may be combined with machinable Package Services parcels under 6.3 only if the mailpieces are palletized and each pallet or pallet box contains a 200 pound minimum.
- c. When claiming the DSCF price for Parcel Select or Bound Printed Matter parcels, all Standard Mail parcels may be combined with Package Services and Parcel Select parcels under 6.3.
- d. All Standard Mail parcels may be combined with Package Services and Parcel Select parcels prepared for DDU prices under 6.3.

* * * * *

6.4 Combining Package Services, Parcel Select, and Standard Mail — Optional 3-Digit SCF Entry

* * * * *

6.4.2 Qualifications and Preparation

[Revise 6.4.2 by deleting references to NFMs to read as follows:]

Parcel Select and Bound Printed Matter machinable parcels, and Standard Mail parcels, may be prepared for entry at designated SCFs under these standards:

- a. Standard Mail parcels that weigh less than 2 ounces and Standard Mail parcels that are tubes, rolls, triangles, and similar pieces may not be included.
- b. Mailers must prepare pieces on 3-digit pallets or pallet boxes, or unload and physically separate the pieces into containers as specified by the destination facility.
- c. Parcel Select and Bound Printed Matter parcels are eligible for the applicable DNDC entry price.
- d. Standard Mail machinable parcels are eligible for the NDC presort level, DNDC price; irregular parcels are eligible for the 3-digit presort level, DSCF price.
- e. All pieces must be for delivery within the service area of the SCF where they are deposited by the mailer.
- f. Postage on all zone-priced parcels deposited at the SCF is computed using the zone chart for that postal facility.

* * * * *

8.0 Preparing Pallets

* * * * *

8.10 Pallet Presort and Labeling

* * * * *

8.10.3 Standard Mail—Bundles, Sacks, or Trays

[Revise the third sentence of 8.10.3 for clarity to read as follows:]

*** For irregular parcels, use this preparation only for pieces in sacks or in carrier route bundles. ***

* * * * *

8.10.6 Package Services, Parcel Select

[Revise introductory text of 8.10.6 to read as follows:]

Prepare pallets under 8.0 in the sequence below, completing each required level before preparing the next level. Unless indicated as optional, all sort levels are required. Combined mailings of Standard Mail, Parcel Select, and Package Services machinable parcels also must meet the standards in 6.0 or 20.0. Label pallets according to Line 1 and Line 2 information below and under 8.6, except for combined mailings that include Standard Mail parcels.

[Delete all references to "NFM..." and replace all references to "STD MACH" with "STD/PSVC MACH..." in items 8.10.6 a through e.]

* * * * *

[Revise title and text of 8.10.7 to remove all references to Not Flat-Machinables and NFMs in the title and text, and revise the introductory text to read as follows:]

8.10.7 Standard Mail Machinable Parcels

Mailers who palletize machinable parcels must make pallets or pallet boxes when there are 250 pounds or more for the destination levels below for DNDC, DSCF, or DDU prices. When prepared at origin, a 200-pound minimum is required for the NDC price. Prepare pallets under 8.0 in the sequence below, completing each required level before preparing the next level. Unless indicated as optional, all sort levels are required. Label pallets according to Line 1 and Line 2 information below and under 8.6.

[Revise items a through f by removing all references to Not Flat-Machinables and NFMs.]

* * * * *

[Delete current 8.10.9 in its entirety.]

* * * * *

8.17 Pallets of Machinable Parcels

8.17.1 Standard Mail

[Revise text of 8.17.1 to read as follows:]

Pieces may be eligible for the 5-digit price only when prepared under 8.10.7a or 8.10.7b and entered at a destination facility under 446.

* * * * *

20.0 Optional Combined Parcel Mailings

20.1 Basic Standards for Combining Parcel Select, Package Services, and Standard Mail Parcels

20.1.1 Basic Standards

[Revise first sentence in 20.1.1 by deleting the references to NFMs to read as follows:]

Package Services parcels, Parcel Select parcels, and Standard Mail parcels in a combined parcel mailing must meet the following standards:

* * * * *

d. Combined mailings must meet the following minimum volume requirements:

[Revise item d1 to delete the reference to NFMs to read as follows:]

1. Standard Mail — Minimum 200 pieces or 50 pounds of Standard Mail parcels.

* * * * *

20.2 Price Eligibility

* * * * *

20.2.2 Price Application

Apply prices based on the criteria in 400 and the following standards:

[Revise first sentence in item a by deleting the reference to NFMs to read as follows:]

- a. Standard Mail parcels are based on the container level and entry. * * *

* * * * *

20.3 Mail Preparation

20.3.1 Basic Standards

Prepare combined mailings as follows:

- a. Different parcel types must be prepared separately for combined parcel mailings as indicated below:

[Revise item a1 through a4 by deleting the references to NFMs to read as follows:]

1. Standard Mail, Parcel Select, and Package Services machinable parcels. Use "STD/PSVC MACH" for line 2 content labeling.
2. Standard Mail, Parcel Select, and Package Services irregular parcels at least 2 ounces and up to, but not including, 6 ounces (APPS-machinable pieces), except for tubes, rolls, triangles, and other similarly irregularly-shaped pieces. Use "STD/PSVC" for line 2 content labeling.
3. Standard Mail, Parcel Select, and Package Services tubes, rolls, triangles, and similarly irregularly-shaped parcels; and all parcels weighing under 2 ounces (not APPS-machinable pieces). Use "STD/PSVC IRREG" for line 2 content labeling.
4. All parcel types may be combined in 5-digit and 5-digit scheme containers. Use "STD/PSVC PARCELS" for line 2 content labeling.

* * * * *

[Revise title of 20.3.2 to read as follows:]

20.3.2 Combining Standard Mail, Parcel Select, and Package Services Machinable Parcels

* * * * *

[Revise title of 20.3.3 to read as follows:]

20.3.3 Combining Standard Mail, Parcel Select, and Package Services Apps-Machinable Parcels

* * * * *

[Revise title of 20.3.4 to read as follows:]

20.3.4 Combining Standard Mail (Under 2 Ounces), Parcel Select, and Package Services Other Irregular Parcels

* * * * *

We will publish an appropriate amendment to 39 CFR Part 111 to reflect these changes if our proposal is adopted.

Stanley F. Mires,
Chief Counsel, Legislative.
[END DOCUMENT]