

Postal Service

Periodicals – Limited Circulation Rate

AGENCY: Postal Service™.

ACTION: Final rule.

SUMMARY: This final rule revises the *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®) to provide the eligibility standards for the Outside-County Limited Circulation rate that has been approved by the Governors of the United States Postal Service. Eligible issues of publications entitled to use this rate will receive a 5% discount on qualifying Outside-County copies. As set forth in the new standards, publications in each of the qualification categories may be eligible for the rate; issues of these publications will qualify if eligible copies are mailed at In-County rates and the total number of Outside-County copies mailed for that issue is less than 5,000.

EFFECTIVE DATE: May 12, 2008

FOR FURTHER INFORMATION CONTACT: Jerry Lease, 202-268-7264, or Sue Thomas, 202-268-7268, United States Postal Service.

SUPPLEMENTARY INFORMATION:

Section 1003 of the Postal Accountability and Enhancement Act, Public Law No. 109-435, 120 Stat. 3198, requires the Postal Service to establish, in accordance with the procedures in 39 U.S.C. 3622, a reduced rate of postage for certain copies of publications with at least one copy mailed at In-County rates, and less than 5,000 copies mailed to addresses outside of the county in which copies are eligible to be mailed at In-County rates. Publications in each qualification category may be eligible for the discount. Although the literal language of the statute does not appear to cover Requester publications, other parts of the statute allow Requester publications to qualify for Nonprofit, Classroom, and other preferred Periodicals rates and it appears consistent with the spirit of the law to allow them to qualify for the Limited Circulation rate as well. In order to do so, the new standards provide that circulation limits apply to paid and requester circulation, depending upon the qualification category of the publication.

The discount does not apply to commingled nonsubscriber or nonrequester copies in excess of the 10% allowance in DMM 707.7, Nonprofit Periodicals, Classroom Periodicals, and Limited Circulation Science-of-Agriculture Periodicals publications. Limited Circulation Science-of-Agriculture publications receive a similar reduced rate of postage when also meeting the requirements of DMM 707.11.2.2.

The eligibility test established by the statute considers the outside county circulation of the issue. Accordingly, whether individual copies of a publication within one of the eligible qualification categories can utilize the discount must be determined on an issue-by-issue basis.

The Postal Service adopts the following changes to the *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), which is incorporated by reference in the Code of Federal Regulations. See 39 CFR Part 111.

List of Subjects in 39 CFR part 111

Administrative practice and procedure, Postal Service.

Accordingly, 39 CFR part 111 is amended as follows:

PART 111--- [AMENDED]

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

Authority: 5 U.S.C. 552(a); 39 U.S.C. 101, 401, 403, 404, 414, 416, 3001-3011, 3201-3219, 3403-3406, 3621, 3622, 3626, 3632, 3633, and 5001.

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

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700 Special Standards

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707 Periodicals

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707.0 Rates and Fees

1.0 Rates and Fees

1.1 Outside-County—Including Science-of-Agriculture

[Revise 1.1.1 to incorporate the 5% discount for Limited Circulation rates and Limited Circulation Science-of-Agriculture rates as follow:]

1.1.1 Pound Rates

Per pound or fraction:

Preferred Rate Discounts: Authorized Nonprofit and Classroom mailers, and publications that meet the standards for Limited Circulation publications and

Limited Circulation Science-of-Agriculture publications receive a discount of 5% off the total Outside-County postage excluding the postage for advertising pounds. The 5% discount does not apply to commingled nonsubscriber or nonrequester copies in excess of the 10% allowance in DMM 707.7.

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[Add new 1.1.8, and 1.1.9 as follows:]

1.1.8 Limited Circulation Publications

Publications, excluding Nonprofit, Classroom, and Limited Circulation Science-of-Agriculture publications receive a 5% discount off the total Outside-County postage, excluding the postage for advertising pounds, if eligible copies are mailed at In-County rates and the total number of Outside-County copies mailed for that issue is less than 5,000. Nonsubscriber or nonrequester copies claiming the Limited Circulation discount are subject to the standards in 7.0.

1.1.9 Limited Circulation Science-of-Agriculture Publications

Publications meeting the requirements of 11.2.2 receive a 5% discount off the total Outside-County postage, excluding the postage for advertising pounds, if eligible copies are mailed at In-County rates and the total number of Outside-County copies mailed for that issue is less than 5,000. Nonsubscriber copies claiming the Limited Circulation discount are subject to the standards in 7.0.

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7.0 Mailing to Nonsubscribers or Nonrequesters

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[Revise 7.9.3 to incorporate provisions limiting the number of nonsubscriber or nonrequester copies that may be mailed at the new Limited Circulation and Limited Circulation Science-of-Agriculture rates as follows:]

7.9.3 Preferred Rates

For In-County rates, Nonprofit, Classroom, Science-of-Agriculture, Limited Circulation, and Limited Circulation Science-of-Agriculture publications, nonsubscriber (for Periodicals except requester publications) or nonrequester (for requester publications) copies up to 10% of the total number of copies mailed to subscribers or requesters during the calendar year may be mailed at the applicable Preferred rates or Preferred rate discount, provided that the nonsubscriber or nonrequester copies would qualify as Preferred rate or Preferred rate discount publications if mailed to subscribers or requesters and if the copies are presorted under applicable standards. Nonsubscriber or nonrequester copies mailed over the 10% limit are not eligible for Preferred rates or the Preferred rate discount. To qualify for regular Outside-County rates, the nonsubscriber or nonrequester copies over the 10% limit must be part of a

presorted, commingled mailing (one that includes subscriber or requester copies). Subject to 11.3, nonsubscriber or nonrequester copies may be mailed at In-County rates up to a 10% limit of the total number of subscriber or requester copies of the publication mailed at In-County rates during the calendar year. Once the 10% calendar year limit is exceeded for the number of nonsubscriber or nonrequester copies that may be mailed at Preferred rates or the Preferred rate discount, the nonsubscriber or nonrequester copies may not then be mailed at In-County rates even if the 10% limit separately applied to those rates is not exceeded.

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11.0 Basic Rate Eligibility

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11.1 Outside-County Rates

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[Add new 11.1.4 as follows:]

11.1.4 Limited Circulation Discount

Publications, excluding Nonprofit, Classroom, and Limited Circulation Science-of-Agriculture publications, receive a 5% discount off the total Outside-County postage, excluding the postage for advertising pounds, if eligible copies are mailed at In-County rates and the total number of Outside-County copies mailed for that issue is less than 5,000. Nonsubscriber or nonrequester copies claiming the Limited Circulation discount are subject to the standards in 7.0.

11.2 Outside-County Science-of-Agriculture Rates

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[Revise the first sentence in 11.2.2 to include the words “or requesters” as follows:]

11.2.2 General

Science-of-Agriculture rates apply to Outside-County copies of authorized Periodicals publications mailed by publishers or news agents when the total copies provided during any 12-month period to subscribers or requesters residing in rural areas are at least 70% of the total number of copies distributed by any means for any purpose.

[Revise heading and text of 11.2.3 as follows:]

11.2.3 Limited Circulation Science-of-Agriculture Discount

Publications meeting the requirements of 11.2.2 , receive a 5% discount off the total Outside-County postage, excluding the postage for advertising pounds, if eligible copies are mailed at In-County rates and the total number of Outside-County copies mailed for that issue is less than 5,000. Nonsubscriber or nonrequester copies claiming the Limited Circulation Science-of-Agriculture discount are subject to the standards in 7.0.

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Neva R. Watson

Attorney, Legislative

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