



POSTAL SERVICE

39 CFR Part 111

New Mailing Standards for Domestic Mailing Services Products

AGENCY: Postal Service™.

ACTION: Proposed rule.

SUMMARY: On October 3, 2017, the Postal Service (USPS) filed a notice of mailing services price adjustments with the Postal Regulatory Commission (PRC). The proposed price adjustments are scheduled to become effective on January 21, 2018. 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 rule changes coincident with the price adjustments.

DATES: Submit comments on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Mail or deliver written comments to the manager, Product Classification, U.S. Postal Service, 475 L'Enfant Plaza SW, Room 4446, Washington, DC 20260-5015. If sending comments by email, include the name and address of the commenter and send to ProductClassification@usps.gov, with a subject line of "January 2018 Domestic Mailing Services Proposal." Faxed comments are not accepted. You may inspect and photocopy all written comments, by appointment only, at USPS® Headquarters Library, 475 L'Enfant Plaza SW, 11th Floor North, Washington, DC, 20260. These records are available for review on Monday through Friday, 9 am - 4 pm, by calling 202-268-2906.

FOR FURTHER INFORMATION CONTACT: Jacqueline Erwin at (202) 268-2158, or Lizbeth Dobbins at (202) 268-3789.

SUPPLEMENTARY INFORMATION: Proposed prices will be available under Docket No. R2018-1 on the Postal Regulatory Commission's Web site at www.prc.gov. The Postal Service's proposed rule includes: Changes to prices, mail classification updates, modifications to mail preparation standards, and minor revisions to the DMM to condense language and/or eliminate redundancy.

Add Bound Printed Matter Flats up to 24 ounces to comail DSCF or DDU only.

Currently, the USPS allows authorized mailers to combine USPS Marketing Mail flats and Periodicals flats in a single mailing. Each mailpiece must meet the standards for the mail class, and Periodicals publications must be authorized or pending original or additional entry at the office of mailing. Mailers must prepare pieces in bundles on pallets.

The USPS proposes allowing Bound Printed Matter (BPM) Flats up to 24 ounces to be included in the current comailing structure which includes USPS Marketing Mail flats and Periodicals flats up to 24 ounces entered at a Destination Sectional Center Facility, (DSCF) or a Destination Delivery Unit, (DDU). The maximum weight of comailed BPM and Periodicals flats is 24 ounces per piece within the same bundle. Pieces within the bundle must be in line-of-travel, LOT, sequence. These bundles must not contain more than half of the heavier pieces. Note that comail bundles which contain all three classes of mail assume the service standard of USPS Marketing Mail. If bundles are made only of Periodicals and Bound Printed Matter Flats, then the service standard adopted will be the lesser of the two. This proposal includes CoPal, which allows the

mixing of class-specific, bundles on the same pallet, which can also include mixed class bundles (comail). If BPM bundles are included on the same pallet, then this CoPal pallet must be DSCF or DDU entry only.

Order of pallet preparation for Carrier Route (CR) Pallets in Non-FSS Zones

Currently, the pallet preparation requirements for Carrier Route pallets in Non-FSS zones allows merged 5-digit scheme pallets as the first required sortation, followed by 5-digit scheme carrier routes, 5-digit scheme, and merged 5-digit pallets.

The USPS is considering updating the order of pallet preparation, to increase the number of pure CR Pallets (as opposed to 5-Digit Merged Pallets) presented in non-FSS zones. This will be accomplished by moving 5-digit Scheme Carrier Route pallets ahead of Merged 5-digit Scheme pallets. This includes both USPS Marketing Mail and Periodicals. This change would increase the amount of mail eligible for a CR pallet discount, resulting in eligibility for lower prices on the mail.

Zone Charts Revision: Priority Mail to APO/FPO/DPO Processing at Chicago ISC

The Postal Service is proposing a change to all zone charts to reflect Priority Mail to APO/FPO/DPO destinations will only be processed at the Chicago ISC.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Although we are exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 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 111.1. 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:

***Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM)**

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700 Special Standards

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705 Advanced Preparation and Special Postage Payment Systems

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10.0 Merging Bundles of Flats Using the City State Product

10.1 Periodicals

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10.1.5 Pallet Preparation and Labeling

[Revise the second sentence in the introductory text of 10.1.5 to read as follows:]

*** When sortation under this option is performed, mailers must prepare all 5-digit scheme carrier routes, merged 5-digit scheme, 5-digit carrier routes, and merged 5-digit pallets that are possible in the mailing based on the volume of mail to the destination using L001 and/or the City State Product.***

[Reverse the order of items a. and b.; and revise the text of reordered items a. and b. to read as follows:]

- a. *5-digit scheme carrier routes*, required; allowed with no minimum. May contain only carrier route bundles for carrier routes in an L001 scheme for which all of the 5-digit ZIP Codes in the scheme have a “B” or “D” indicator in the City State Product. Labeling:
 1. Line 1: use L001, Column B.
 2. Line 2: “PER” or “NEWS” as applicable; followed by “FLTS”; followed by “CR-RTS SCHEME.”

- b. *Merged 5-digit scheme*, required and permitted only when there is at least one 5-digit ZIP Code in the scheme that has an “A” or “C” indicator in the City State Product. May contain carrier route bundles for any 5-digit ZIP Code(s) in a single scheme listed in L001 as well as machinable barcoded price 5-digit bundles and machinable nonbarcoded price 5-digit bundles for those 5-digit ZIP Codes in the scheme that have an “A” or “C” indicator in the City State Product. Labeling:
 1. Line 1: use L001, Column B.

2. Line 2: “PER” or “NEWS” as applicable; followed by “FLTS”;
followed by “CR/5D SCHEME.”

[Reverse the order of items c and d; and revise the text of reordered item c to read as follows:]

c. 5-digit carrier routes, required; allowed with no minimum. May contain only carrier route price bundles for the same 5-digit ZIP Code for those 5-digit ZIP Codes that are not part of a scheme and that have a “B” or “D” indicator in the City State Product. Labeling:

1. Line 1: use city, state, and 5-digit ZIP Code destination (see 8.6.4 for military mail).
2. Line 2: “PER” or “NEWS” as applicable; followed by “FLTS”;
followed by “CARRIER ROUTES” or “CR-RTS.”

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10.2 USPS Marketing Mail

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10.2.5 Pallet Preparation and Labeling

[Revise the second sentence in the introductory text of 10.2.5 to read as follows:]

After completing required carrier route pallets, mailers must prepare all merged 5-digit scheme, 5-digit scheme carrier routes, and merged 5-digit pallets that are possible in the mailing based on the volume of mail to the destination using L001 and/or the City State Product.

[Reverse the order of items a. and b.; and revise the text in reordered items a. and b. to read as follows:]

a. *5-digit scheme carrier routes*, required; allowed with no minimum. May contain only carrier route bundles for carrier routes in an L001 scheme for which all of the 5-digit ZIP Codes in the scheme have a “B” or “D” indicator in the City State Product. Labeling:

1. Line 1: use L001, Column B.
2. Line 2: “MKT FLTS CR-RTS SCHEME.”

b. *Merged 5-digit scheme*, required and permitted only when there is at least one 5-digit ZIP Code in the scheme that has an “A” or “C” indicator in the City State Product. May contain carrier route bundles for any 5-digit ZIP Code(s) in a single scheme listed in L001 as well as automation price 5-digit bundles and Presorted price 5-digit bundles for those 5-digit ZIP Codes in the scheme that have an “A” or “C” indicator in the City State Product. Labeling:

1. Line 1: use L001, Column B.
2. Line 2: “MKT FLTS CR/5D SCHEME.”

[Reverse the order of items c and d; and revise the text of reordered item c to read as follows:]

c. *5-digit carrier routes*, required; allowed with no minimum. May contain only carrier route price bundles for the same 5-digit ZIP Code for those 5-digit ZIP Codes that are not part of a scheme and that have a “B” or “D” indicator in the City State Product. Labeling:

1. Line 1: use city, state, and 5-digit ZIP Code destination (see 8.6.4 for military mail).
2. Line 2: "MKT FLTS," followed by "CARRIER ROUTES" or "CR-RTS."

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12.0 Merging Bundles of Flats on Pallets Using a 5% Threshold

12.1 Periodicals

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12.1.5 Pallet Preparation and Labeling

[Revise the second sentence in the introductory text of 12.1.5 to read as follows:]

***Mailers must prepare all 5-digit scheme carrier routes, merged 5-digit scheme, 5-digit scheme, 5-digit carrier routes and merged 5-digit pallets that are possible in the mailing based on the volume of mail to the destination using L001 and the 5% threshold, as applicable. ***

Prepare and label pallets as follows:

[Reverse the order of items a. and b.; and revise the text of reordered items a. and b. to read as follows:]

- a. *5-digit scheme carrier routes*, required; allowed with no minimum. May contain only carrier route bundles for all carrier routes in an L001 scheme.

Labeling:

1. Line 1 use L001, Column B.
2. Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; followed by "CR-RTS SCHEME."

*b. Merged 5-digit scheme, required; *** For 5-digit ZIP Codes not included in a scheme, begin preparing pallets under 12.1.5e (merged 5-digit pallet).*

Labeling:

1. Line 1: use L001, Column B.

Line 2: “PER” or “NEWS” as applicable; followed by “FLTS” or “IRREG” as applicable; followed by “CR/5D SCHEME.”

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[Reverse the order of items d and e; and revise the text of reordered item d to read as follows:]

d. 5-digit carrier routes, required; allowed with no minimum. May contain only carrier route price bundles for the same 5-digit ZIP Code that is not part of a scheme. Labeling:

1. Line 1: use city, state, and 5-digit ZIP Code destination (see 8.6.4 for military mail).
2. Line 2: “PER” or “NEWS” as applicable; followed by “FLTS” or “IRREG” as applicable; followed by “CARRIER ROUTES” or “CR-RTS.”

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[Add new heading 12.2, USPS Marketing Mail, renumber 12.1.6 through 12.1.8 as 12.2.1 through 12.2.3]

12.2 USPS Marketing Mail

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12.2.3 Pallet Preparation and Labeling

[Revise the second sentence in the introductory text of renumbered 12.2.3 to read as follows:]

***Mailers must prepare all 5-digit scheme carrier routes, merged 5-digit scheme, 5-digit carrier routes and merged 5-digit pallets that are possible in the mailing based on the volume of mail to the destination using L001 and the 5% threshold.

[Reverse the order of items a. and b.; and revise the text in reordered items a. and b. to read as follows:]

a. *5-digit scheme carrier routes*, required, allowed with no minimum. May contain only carrier route bundles for all carrier routes in an L001 scheme.

Labeling:

1. Line 1: use L001, Column B.
2. Line 2: "MKT FLTS CR-RTS SCHEME."

b. *Merged 5-digit scheme*, required, permitted only when 5-digit bundles for at least one 5-digit ZIP Code in the scheme may be merged with carrier route bundles under the 5% threshold standard in 12.2.2.*** For 5-digit ZIP Codes not included in a scheme, begin preparing pallets under 12.2.3d (merged 5-digit pallet). Labeling:

1. Line 1: use L001, Column B.
- Line 2: "MKT FLTS CR/5D SCHEME."

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[Reverse the order of items c and d; and revise the text of reordered item c to read as follows:]

c. *5-digit carrier routes*, required, allowed with no minimum. May contain only carrier route price bundles for the same 5-digit ZIP Code that is not part of a scheme. Labeling:

1. Line 1: use city, state, and 5-digit ZIP Code destination (see 8.6.4 for military mail).
2. Line 2: "MKT FLTS"; followed by "CARRIER ROUTES" or "CR-RTS."

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13.0 Merging Bundles of Flats on Pallets Using the City State Product and a 5% Threshold

13.1 Periodicals

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13.1.5 Pallet Preparation and Labeling

[Revise the second sentence in the introductory text of 13.1.5 to read as follows:]

***Mailers must prepare all 5-digit scheme carrier routes, merged 5-digit scheme, 5-digit scheme, 5-digit carrier routes, and merged 5-digit pallets that are possible in the mailing based on the volume of mail to the destination (8.0) using L001, the City State Product, and the 5% threshold (13.1.4), as applicable. ***Prepare and label pallets as follows:

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[Reverse the order of items a. and b.; and revise the text of reordered item a. to read as follows:]

- a. *5-digit scheme carrier routes*, required, allowed with no minimum. May contain only carrier route bundles for all carrier routes in an L001 scheme for which all 5-digit ZIP Codes in the scheme have a “B” or “D” indicator.

Labeling:

1. Line 1: use L001, Column B.
2. Line 2: “PER” or “NEWS” as applicable; followed by “FLTS” or “IRREG” as applicable; and followed by “CR-RTS SCHEME.”

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[Reverse the order of items d and e; revise the text of reordered item d to read as follows:]

- d. *5-digit carrier routes*, required; allowed with no minimum. May contain only carrier route price bundles for the same 5-digit ZIP Code that is not part of a scheme. Labeling:

1. Line 1: use city, state, and 5-digit ZIP Code destination (see 8.6.4 for military mail).
2. Line 2: “PER” or “NEWS” as applicable; followed by “FLTS” or “IRREG” as applicable; and followed by “CARRIER ROUTES” or “CR-RTS.”

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13.2 USPS Marketing Mail

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13.2.4 Pallet Preparation and Labeling

[Revise the second sentence of the introductory text of 13.2.4 to read as follows:]

***Mailers must prepare all 5-digit scheme carrier routes, merged 5-digit scheme, and merged 5-digit pallets that are possible in the mailing based on the volume of mail to the destination using L001, the City State Product, and the 5% threshold. Mailers must label pallets according to the Line 1 and Line 2 information listed below and under 8.6.

[Reverse the order of items a. and b.; revise the text of reordered item a. to read as follows:]

- a. *5-digit scheme carrier routes*, required, allowed with no minimum. May contain only carrier route bundles for all carrier routes in an L001 scheme.

Labeling:

1. Line 1: use L001, Column B.
2. Line 2: "MKT FLTS CR-RTS SCHEME."

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[Reverse the order of items c and d; revise the text of reordered item c to read as follows:]

- c. *5-digit carrier routes*, required, allowed with no minimum. May contain only carrier route price bundles for the same 5-digit ZIP Code that is not part of a scheme. Labeling:

1. Line 1: use city, state, and 5-digit ZIP Code destination (see 8.6.4 for military mail).
2. Line 2: "MKT FLTS," followed by "CARRIER ROUTES or "CR-RTS."

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[Revise the heading of 15.0 to read as follows:]

15.0 Combining USPS Marketing Mail Flats, Bound Printed Matter Flats, and Periodicals Flats

15.1 Basic Standards

[Revise the introductory text of 15.1 to read as follows:]

Authorized mailers may combine USPS Marketing Mail flats, Bound Printed Matter flats and Periodicals flats in a single mailing as follows:

[Revise the text in item a, to read as follows:]

- a. Each mailpiece must meet the standards in 240 for USPS Marketing Mail, 260 for Bound Printed Matter, and 207 for Periodicals. Periodicals publications must be authorized or pending original or additional entry at the office of mailing.

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[Add new item h, to read as follows:]

- h. Each comailing containing Bound Printed Matter Flats must:
 1. Be entered at a Destination Sectional Center Facility, (DSCF) or a Destination Delivery Unit, (DDU)
 2. Not exceed the maximum weight of 24 ounces per piece within the same bundle, when comailed with Periodicals pieces. The maximum number of heavier pieces would be no more than half of each bundle.

15.1.1 Service Objectives

[Revise the text in 15.1.1 to read as follows:]

The Postal Service processes combined mailings of USPS Marketing Mail flats, Bound Printed Matter Flats and Periodicals flats to the service standards of USPS Marketing Mail.

15.1.2 Postage Payment

[Revise the first sentence of 15.1.2 to read as follows:]

Postage for all USPS Marketing Mail and Bound Printed Matter pieces must be paid with permit imprint using a special postage payment system in 2.0 through 4.0 at the Post Office location serving the mailer's plant. ***

15.1.3 Documentation

***In addition, mailers must provide:

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[Revise the text of item f to read as follows:]

- f. When requested, a copy of a notification document signed and dated by the Periodicals publisher, acknowledging their participation in a combined mailing of USPS Marketing Mail, Bound Printed Matter Mail and Periodicals and the potential for their mailpieces to receive deferred USPS handling.

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15.1.4 Authorization

[Revise the first sentence in 15.1.4 to read as follows:]

A mailer must submit a written request to the manager, Business Mailer Support (see 608.8.1 for address) to combine mailings of USPS Marketing Mail flats, Bound Printed Matter flats, and Periodicals flats. ***

15.1.5 Price Eligibility

[Revise the introductory text in 15.1.5 to read as follows:]

Apply prices based on the standards in 240 for USPS Marketing Mail and 260 for Bound Printed Matter flats. ***

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[Revise the heading of 15.2 to read as follows:]

15.2 Combining USPS Marketing Mail Flats, Bound Printed Matter Flats, and Periodicals Flats in the Same Bundle

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15.2.2 Mailpiece and Bundle Identification

[Revise the text in 15.2.2 to read as follows:]

Each USPS Marketing Mail, Bound Printed Matter and Periodicals mailpiece prepared under a combined mailing of USPS Marketing Mail flats, Bound Printed Matter and Periodicals flats must be identified as being part of a mixed class mailing through the use of an optional endorsement line (OEL) in accordance with the standards in 203.7.1.8. "Post-print consolidators may use the following alternative:

a. Mailings of USPS Marketing and Bound Printed Matter, using Permit Imprint, may include a "Co-Class" marking.

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[Revise the heading of 15.3 to read as follows:]

15.3 Combining Bundles of USPS Marketing Mail Flats, Bound Printed Matter Flats, and Periodicals Flats on the Same Pallet

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15.3.2 Mailpiece and Bundle Identification

[Revise the introductory text in item a. in 15.3.2 to read as follows:]

Each USPS Marketing Mail, Bound Printer Matter, and Periodicals mailpiece prepared under a combined mailing of USPS Marketing Mail flats, Bound Printed

Matter flats, and Periodicals flats must be identified as being part of a mixed class mailing through the use of an optional endorsement line (OEL) in accordance with standards in 203.7.1.8. “Post-print consolidators may use the following alternative:

a. Mailings of USPS Marketing and Bound Printed Matter, using Permit Imprint, may include a “Co-Class” marking.

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15.4 Pallet Preparation

15.4.1 Pallet Preparation, Sequence and Labeling

[Revise the introductory text in 15.4.1 to read as follows:]

When combining USPS Marketing Mail, Bound Printed Matter and Periodicals flats within the same bundle or combining bundles of USPS Marketing Mail flats, Bound Printed Matter flats and bundles of Periodicals flats on pallets, bundles must be placed on pallets. Preparation, sequence and labeling:

a. *5-digit scheme carrier routes, required.* ***Labeling:

[Revise item a. 2 to read as follows:]

2. Line 2: “MKT/BPM/PER FLTS,” as applicable; ***

b. *Merged 5-digit scheme, optional.* ***Labeling:

[Revise item b. 2 to read as follows:]

2. Line 2: “MKT/BPM/PER FLTS CR/5D,” as applicable ***

c. *Merged 5-digit, optional.* *** Labeling:

[Revise item c. 2 to read as follows:]

2. Line 2: “MKT/BPM/PER FLTS,” as applicable; ***

d. *5-digit carrier routes, required.* *** Labeling:

[Revise item d. 2 to read as follows:]

2. Line 2: "MKT/BPM/PER FLTS," as applicable; ***

e. *5-digit, required.* *** Labeling:

[Revise item e. 2 to read as follows:]

2. Line 2: "MKT/BPM/PER FLTS," as applicable; ***

f. *3-digit, optional,* *** Labeling:

[Revise item f. 2 to read as follows:]

2. Line 2: "MKT/BPM/PER FLTS," as applicable; ***

g. *SCF, required.* *** Labeling:

[Revise item g. 2 to read as follows:]

2. Line 2: "MKT/BPM/PER FLTS," as applicable;***

h. *ASF, required unless bundle reallocation used under 15.1.10.**** Labeling:

[Revise item h. 2 to read as follows:]

2. Line 2: "MKT/BPM/PER FLTS NDC," as applicable;***

[Revise item i to read as follows:]

i. *NDC, required.* Pallet may contain carrier route, automation or presorted mail for the 3-digit ZIP Code groups in L601. *** Labeling:

[Revise item i. 2 to read as follows:]

2. Line 2: "MKT/BPM/PER FLTS NDC," as applicable;***

[Revise item j. to read as follows:]

j. *Mixed NDC, required, no minimum.* Pallet may contain carrier route, automation or presorted mail. *** Labeling:

[Revise item j. 2 to read as follows:]

Line 2: "MKT/BPM/PER FLTS," as applicable;

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Notice 123 (Price List)

[Revise prices as applicable.]

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

Stanley F. Mires,

Attorney, Federal Compliance.

[END DOCUMENT]

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