

§ 21.7131 Commencing dates.

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(l) *Eligibility established under § 21.7042 (a)(7) or (b)(10).* This paragraph must be used to establish the effective date of an award of educational assistance when the veteran or servicemember has established eligibility under either § 21.7042 (a)(7) or (b)(10). The commencing date of an award of educational assistance for such a veteran or servicemember is the latest of the following:

- (1) The commencing date as determined by paragraphs (a) through (c) and (f) through (j) of this section;
- (2) The date of election provided that—
 - (i) The servicemember initiated the \$1,200 reduction in basic pay required by § 21.7042(g)(4) and the full \$1,200 was collected through that pay reduction;
 - (ii) Within one year of the date of election VA both collected from the veteran \$1,200 or the difference between \$1,200 and the amount collected through a reduction in the veteran's military pay, as provided in § 21.7042(g)(4), and received from the veteran any other evidence necessary to establish a valid election; or
 - (iii) VA received from the veteran \$1,200 or the difference between \$1,200 and the amount collected through a reduction in the veteran's military pay and any other evidence necessary to establish a valid election within one year of the date VA requested the money and/or the evidence.

(3) If applicable, the date VA collected the difference between \$1,200 and the amount by which the servicemember's military pay was reduced, if the provisions of paragraph (l)(2)(ii) or (l)(2)(iii) of this section are not met; or

(4) If applicable, the date VA collected \$1,200, if the provisions of paragraph (l)(2)(ii) or (l)(2)(iii) of this section are not met.

(Authority: 38 U.S.C. 5113; sec. 107, Pub. L. 104-275, 110 Stat. 3329-3330)

(m) *Eligibility established under 21.7045(d).* This paragraph must be used to establish the effective date of an award of educational assistance when the veteran or servicemember has established eligibility under § 21.7045(d). The commencing date of an award of educational assistance for such a veteran or servicemember is the latest of the following:

- (1) The commencing date as determined by paragraphs (a) through (c) and (f) through (j) of this section;
- (2) The date of election provided that—
 - (i) The servicemember initiated the \$1,200 reduction in basic pay required

by § 21.7045(d)(3) and the full \$1,200 was collected through that pay reduction;

(ii) Within one year of the date of election VA both collected from the veteran \$1,200 or the difference between \$1,200 and the amount collected through a reduction in the veteran's military pay, as provided in § 21.7045(d)(3), and received from the veteran any other evidence necessary to establish a valid election; or

(iii) VA received from the veteran \$1,200 or the difference between \$1,200 and the amount collected through a reduction in the veteran's military pay and any other evidence necessary to establish a valid election within one year of the date VA requested the money and/or the evidence.

(3) If applicable, the date VA collected the difference between \$1,200 and the amount by which the servicemember's military pay was reduced, if the provisions of paragraph (m)(2)(ii) or (m)(2)(iii) of this section are not met; or

(4) If applicable, the date VA collected \$1,200, if the provisions of paragraph (m)(2)(ii) or (m)(2)(iii) of this section are not met.

(Authority: 38 U.S.C. 3018C(a), (b), 5113) (The Office of Management and Budget has approved information collection requirements in this section under control number 2900-0607.)

Subpart L—Educational Assistance for Members of the Selected Reserve

13. The authority citation for part 21, subpart L is revised to read as follows:

Authority: 10 U.S.C. ch. 1606; 38 U.S.C. 501(a), 512, ch. 36, unless otherwise noted.

14. In § 21.7520, paragraph (b)(23)(iv) is amended by removing "during the period beginning on November 2, 1994, and ending on September 30, 1996,;" and the authority citation for paragraph (b)(23) is revised to read as follows:

§ 21.7520 Definitions.

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- (b) * * *
- (23) * * *

(Authority: 10 U.S.C. 16131(a), (c); 38 U.S.C. 3002, 3452)

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15. In § 21.7635, paragraph (y) is redesignated as paragraph (z); and a new paragraph (y) is added, to read as follows:

§ 21.7635 Discontinuance dates.

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(y) *Election to receive educational assistance under 38 U.S.C. chapter 30.* VA shall terminate educational assistance effective the first date for

which the reservist received educational assistance when—

(1) The service that formed a basis for establishing eligibility for educational assistance under 10 U.S.C. chapter 1606 included a period of active duty as described in § 21.7020(b)(1)(iv); and

(2) The reservist subsequently made an election, as described in § 21.7042(a)(7) or (b)(10), to become entitled to basic educational assistance under 38 U.S.C. chapter 30.

(Authority: Sec. 107, Pub. L. 104-275, 110 Stat. 3329-3330)

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[FR Doc. 00-2637 Filed 2-4-00; 8:45 am]

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POSTAL SERVICE

39 CFR Part 111

Domestic Mail Manual Changes to Processing Instructions for Nonautomation Mail and Revisions to Letter Tray Labels

AGENCY: Postal Service.

ACTION: Final Rule.

SUMMARY: This final rule revises Domestic Mail Manual (DMM) sections M130 and M610 with amendments to optional processing instructions for nonautomation mail. New standards provide a means for mailers to exclude their letter-size mail from any automated processing involved with initial distribution of mail, including tabbing and labeling machines, barcode sorters, and optical character readers. This final rule also revises DMM section M013, with inclusion of an optional endorsement line, "MANUAL ONLY," and section M032, with changes to the second line of tray labels for Presorted First-Class Mail letters and Presorted Standard Mail (A) letters.

EFFECTIVE DATE: April 1, 2000.

FOR FURTHER INFORMATION CONTACT: Jamie Gallagher, (202) 268-4031.

SUPPLEMENTARY INFORMATION: On October 25, 1999, the Postal Service published for public comment in the **Federal Register** a proposed rule (FR 64 57419-57421) that expanded provisions for mailers who wanted nonautomated (manual) processing and revised Line 2 of letter tray labels for First-Class Mail and Standard Mail (A). The Postal Service also invited comments on the proposed rule from interested parties and accepted comments until December 9, 1999. This final rule contains the DMM standards adopted by the Postal

Service after review of the comments that were submitted.

Evaluation of Comments Received

The Postal Service received eight pieces of correspondence offering comments on the October 25 proposed rule. Respondents included major mailing associations, large business mailers, and mailing agents.

Based on additional costs expected to be incurred by mailers, four commenters objected to the use of facing slips on package bundles. An alternative to facing slips was proposed by two other commenters who suggested the use of optional endorsement lines with "DO NOT AUTOMATE" printed on mailpieces. For package identification of letter-size mail, the use of optional endorsement lines will be added to the DMM revisions. Mailers must use either facing slips or optional endorsement lines printed with "MANUAL ONLY" on all required bundles that are to be excluded from automated processing.

Three commenters objected to postal tabbing, claiming that marketing effectiveness could be compromised. Similarly challenged was the right of the Postal Service to change the physical properties of a mailpiece. However, according to the view of the Postal Service's General Counsel, the legal authority to make reasonable alterations to mailpieces in order to facilitate processing of the mail is implied within the Postal Service's express authority to provide for an efficient system of sorting and delivery of the mail. Tabbing by the Postal Service, placing labels on mailpieces, and spraying barcodes on letters are included in the Postal Service's authority to exercise powers incidental, necessary, or appropriate to the performance of its assigned functions.

One commenter noted problems from postal labeling when information on Standard Mail (A) carrier route pieces had been covered by LMLM (letter mail labeling machine) labels. This

commenter suggested adding carrier route mail to the category of mailings that could be excluded from automated processing. This proposal will be deferred for publication and comment in the **Federal Register** at a later time.

Processing letter-size mail has been revolutionized during the past decade as the Postal Service deployed a network of automated equipment. Optical character readers, barcode sorters, tabbing machines, and labeling machines are among the pieces of automated equipment currently used to process mail. Today's infrastructure provides many efficiencies which contribute to holding postage rates down. Nationally, the average cost for a postal plant to process 1,000 letters through automation is around \$5. Manual sortation, the alternative, costs the Postal Service nearly \$60 per 1,000 letters.

In an effort to minimize more costly and slower manual processing, the Postal Service will attempt to sort machineable pieces through automation. Letter-size mailpieces, for which an automated postage rate has not been paid, are considered potentially upgradeable and subject to automated processing. Even though 95 percent of letter-size mail is processed through automation, some mailers prefer to have their mailpieces sorted manually. New processing instructions will provide a means for mailers to indicate if presorted pieces should be processed exclusively by manual operations. To maintain the handling request through downstream postal processes, mailers must use facing slips or optional endorsement lines with "Manual Only" applied to required packages. Additionally, letter tray labels for First-Class Mail and Standard Mail (A) are revised, with Line 2 reflecting new information.

The Domestic Mail Manual is revised as follows. These changes are incorporated by reference in the Code of

Federal Regulations. See 39 CFR part 111.

List of Subjects in 39 CFR Part 111

Postal Service.

PART 111—[AMENDED]

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

Authority: 5 U.S.C. 5552(a); 39 U.S.C. 101, 401, 403, 404, 414, 3001–3011, 3201–3219, 3403–3406, 3621, 3626, 5001.

2. Revise the following sections of the Domestic Mail Manual as set forth below:

M Mail Preparation and Sortation

M000 General Preparation Standards

M010 Mailpieces

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M013 Optional Endorsement Lines

- 1.0 USE
- 1.1 Basic Standards

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[Add a new category with the following Sortation Levels and OEL examples to end of table.]

Optional Tray Level for Manual Processing:

- 5-digit—5-DIGIT 23456 MANUAL ONLY
- 3-digit—3-DIGIT 090 MANUAL ONLY
- ADC (3-digit ZIP Code Prefix)—ALL FOR ADC 103 MANUAL ONLY
- ADC (5-digit ZIP Code)—ALL FOR ADC 98765 MANUAL ONLY
- Mixed ADC (3-digit ZIP Code prefix)—MIXED ADC 630 MANUAL ONLY
- Mixed ADC (5-digit ZIP Code)—MIXED ADC 12345 MANUAL ONLY

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M030 Containers

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M032 Barcoded Labels

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[Amend Exhibit 1.3a as follows:]

EXHIBIT 1.3A.—3-DIGIT CONTENT IDENTIFIER NUMBERS

Class and mailing	CIN	Human-readable content line
FIRST-CLASS MAIL		
FCM Letters—Presorted (Basic Preparation)		
[Revise the following CIN and human-readable content lines:]		
5-digit trays	250	FCM LTRS 5D NON BC.
3-digit trays	253	FCM LTRS 3D NON BC.
ADC trays	256	FCM LTRS ADC NON BC.
mixed ADC trays	259	FCM LTRS NON BC WKG.
[Add a new category:]		
FCM Letters—Presorted (Nonautomation Processing)		
5-digit trays	267	FCM LTRS 5D MANUAL.
all other required trays	268	FCM LTRS MANUAL ONLY.
STANDARD MAIL (A)		
STD Letters—Presorted (Basic Preparation)		
[Revise the following CIN and human-readable content lines:]		
5-digit trays	550	STD LTRS 5D NON BC.
3-digit trays	553	STD LTRS 3D NON BC.
ADC trays	556	STD LTRS ADC NON BC.
mixed ADC trays	559	STD LTRS NON BC WKG.
[Add a new category:]		
STD Letters—Presorted (Nonautomation Processing)		
5-digit trays	604	STD LTRS 5D MANUAL.
all other required trays	605	STD LTRS MANUAL ONLY.

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M100 First-Class Mail (Nonautomation)

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M130 Presorted First-Class Mail

1.0 BASIC STANDARDS

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1.5 Processing Instructions

[Revise 1.5 to read as follows:]

If a mailer prefers that the USPS not automate letter-size pieces presented at Presorted rates, then the mailer must use the Line 2 tray label information in 2.4. The mailer must prepare all required trays in 2.2.

2.0 REQUIRED PREPARATION—LETTER- AND CARD-SIZED PIECES

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[Revise 2.3 to read as follows:]

2.3 Tray Line 2

Line 2:

- a. 5-digit: "FCM LTRS 5D NON BC."
- b. 3-digit: "FCM LTRS 3D NON BC."
- c. ADC: "FCM LTRS ADC NON BC."
- d. Mixed ADC: "FCM LTRS NON BC WKG."

[Add new 2.4 and 2.5 to read as follows:]

2.4 Optional Tray Line 2

For trays that mailers do not want automated under 1.5:
 a. 5-digit: "FCM LTRS 5D MANUAL."
 b. All other required trays: "FCM LTRS MANUAL ONLY."

2.5 Package Identification

Required 5-digit, 3-digit, ADC, and mixed ADC packages must be identified with facing slips on which "MANUAL ONLY" is printed or with optional endorsement lines under M013.

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M600 Standard Mail (Nonautomation)

M610 Presorted Standard Mail (A)

1.0 BASIC STANDARDS

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1.4 Processing Instructions

[Revise 1.4 to read as follows:]

If a mailer prefers that the USPS not automate letter-size pieces presented at Presorted rates, then the mailer must use the Line 2 tray label information in 2.4. The mailer must prepare all required trays in 2.2.

2.0 REQUIRED PREPARATION—LETTER- AND CARD-SIZED PIECES

* * * * *

[Revise 2.3 to read as follows:]

2.3 Tray Line 2

Line 2:

- a. 5-digit: "STD LTRS 5D NON BC."
- b. 3-digit: "STD LTRS 3D NON BC."
- c. ADC: "STD LTRS ADC NON BC."
- d. Mixed ADC: "STD LTRS NON BC WKG."

[Add new 2.4 and 2.5 to read as follows:]

2.4 Optional Tray Line 2

For trays that mailers do not want automated under 1.5:

- a. 5-digit: "STD LTRS 5D MANUAL."
- b. All other required trays: "STD LTRS MANUAL ONLY."

2.5 Package Identification

Required 5-digit, 3-digit, ADC, and mixed ADC packages must be identified with facing slips on which "MANUAL ONLY" is printed or with optional endorsement lines under M013.

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[An appropriate amendment to 39 CFR 111.3 will be published to reflect these changes.]

Stanley F. Mires,

Chief Counsel, Legislative.

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