

Dated: July 27, 2000.

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[FR Doc. 00-20126 Filed 8-4-00; 3:08 pm]

BILLING CODE 4910-15-U

POSTAL SERVICE

39 CFR Part 111

Preparation Changes for Palletized Standard Mail (A) and Bound Printed Matter and for Standard Mail (A) and Standard Mail (B) Claimed at DBMC Rates

AGENCY: Postal Service.

ACTION: Amended final rule.

SUMMARY: On May 19, 2000, the Postal Service published in the **Federal Register** (65 FR 31815) a final rule setting forth Domestic Mail Manual (DMM) standards adopted by the Postal Service requiring mailers to utilize one Labeling List (L605) for palletized mailings of Standard Mail (A) packages of flats, letter trays, and sacks prepared on pallets, regardless of whether the mail is prepared for entry at destination bulk mail center (DBMC) rates; to require mailers to utilize Labeling List L605 for Standard Mail (A) and Standard Mail (B) machinable parcels prepared in sacks or on pallets for pieces claimed at DBMC rates; to implement package reallocation between auxiliary service facilities (ASFs) and BMCs for Standard Mail (A) packages of flats placed on pallets; and to utilize Labeling List L605 for the preparation of all Standard Mail (B) that is claimed at DBMC rates and for Bound Printed Matter other than machinable parcels prepared on pallets.

This document amends the final rule by requiring mailers to utilize revised Labeling List L602—ASFs and Labeling List L601—Bulk Mail Centers instead of L605 for palletized mailings of Standard Mail (A) and Bound Printed Matter packages of flats, letter trays (Standard Mail (A) only), and sacks prepared on pallets, regardless of whether the mail is prepared for entry at DBMC rates. Labeling Lists L601 and L602 will be used together for Standard Mail (A) and Standard Mail (B) machinable parcels prepared in sacks or on pallets when DBMC rates are claimed for mail deposited at both ASFs and BMCs. Only Labeling List L601 will be used to prepare machinable parcels when no mail for ASFs is claimed at DBMC rates.

DATES: *Effective Date:* December 15, 2000.

Implementation Date: It is anticipated that the implementation of the rates resulting from the R2000-1 rate case will be sometime in early January 2001. Compliance with this rule will be required on the date that coincides with implementation of the rates resulting from the R2000-1 rate case, and notice of that implementation date will be published in the **Federal Register**. Until such notice is published, compliance with this rule is optional beginning on December 15, 2000.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION: On May 19, 2000, the Postal Service published a final rule (65 FR 31815) that required mailers to use Labeling List L605 for all Standard Mail (A) flats, letter trays, and sacks prepared on pallets regardless of whether DBMC rates are claimed. This amended final rule will instead require mailers to use revised Labeling List L602—ASFs when there is sufficient volume to create an ASF pallet, and Labeling List L601—Bulk Mail Centers when there is not sufficient volume for an ASF pallet to be prepared.

This will ensure that the eight ASFs always are included in presort logic hierarchy and that ASF pallets are prepared when the volume warrants and will also prevent mail for an ASF and/or its parent BMC service area from falling to sacks. For trays and sacks on pallets it will also prevent mail from falling to a mixed BMC pallet when there is sufficient volume to prepare a DBMC pallet using Labeling List L601 although the volume does not warrant a separate ASF pallet.

Using L601 and L602 together will benefit the Postal Service and mailers by reducing the volume of sacked mail likely to be deposited at origin. It will also provide more opportunities for mailers to create ASF and BMC pallets that can be drop shipped or cross-docked to destination entry facilities, including BMC pallets that contain mail for offshore ZIP Codes, because L601 includes those ZIP Codes within their respective BMC service areas.

As noted in 65 FR 31815 (May 19, 2000), mail for offshore ZIP Codes and for ASF ZIP Codes prepared on destination BMC pallets using L601 will continue to be ineligible for DBMC rates.

Utilization of Labeling Lists L601 and Revised L602 for Preparation of Standard Mail (A)

If mailers were to use Labeling List L605, as provided in the original final rule, when there is not sufficient

volume to warrant creation of an ASF pallet, then packages of Standard Mail (A) flats for the ASF would be required to be prepared in sacks, and trays and sacks would fall to mixed BMC pallets. In addition, if mailers were to use L605 when there is insufficient volume to prepare an ASF pallet or a separate pallet for the parent BMC, then packages of flats will fall to sacks, and trays and sacks will fall to mixed BMC pallets, even if there is sufficient volume to create a DBMC pallet by combining the mail for the ASF and the parent BMC. This would occur because the ASF service area ZIP Codes are not included with the parent BMC service areas on Labeling List L605 as they are on Labeling List L601.

Upon further review of the standards prescribed in the original final rule, the Postal Service, presort software vendors, and mailers who are members of the MTAC Presort Optimization Work Group that originally proposed these changes agreed that the standards would not be optimal. It was agreed that the original intent was to create ASF pallets when volume warranted and to allow mailers to place offshore mail with mail for the parent BMC. Using revised Labeling List L602, which includes only the ASFs, in conjunction with Labeling List L601 will ensure that this outcome is fully realized and will have the added benefit of keeping packages of flats from falling to sacks and trays from falling to mixed BMC pallets when volume warrants.

The following are examples of outcomes that would result from using Labeling List L605, as prescribed in the original final rule:

(1) A mailing contains 220 pounds of mail for the Buffalo ASF service area and 300 pounds for the Pittsburgh BMC service area. All mail would fall to sacks if presort software parameters are set at the required minimum pallet weight of 500 pounds.

(2) A mailing includes 50 pounds of mail for the Buffalo ASF service area and 600 pounds for the Pittsburgh BMC service area. A Pittsburgh BMC pallet would be prepared, but the Buffalo mail would fall to sacks.

(3) A mailing contains 700 pounds of mail for Buffalo ASF and 200 pounds for Pittsburgh BMC. A Buffalo ASF pallet would be prepared and the Pittsburgh mail would fall to sacks.

In lieu of using Labeling List L605, and instead using Labeling Lists L602 (revised) and L601 together, as set forth in this amended final rule, all mail in examples (1) and (2) above will be prepared on a destination BMC Pittsburgh pallet and no mail will be prepared in sacks. This will provide

mailers with greater opportunities to drop ship pallets to destination BMCs and move mail for ASF service areas closer to its destination, even though the mail for the ASF service area would not be entitled to the DBMC rates. Mailers would be unlikely to drop ship this mail if it were sacked. This will also allow the Postal Service to cross-dock pallets that are not drop shipped and avoid additional sack handlings. In example (3) above, when using L602 and L601, the ASF pallet will still be prepared and the mail for the BMC will fall to sacks unless the mailer chose to use package reallocation to protect the BMC pallet. Using package reallocation with the pallet minimum set at 500 pounds, the ASF pallet would be eliminated and the ASF mail would be placed on a destination BMC pallet with other mail for the BMC service area (mail for the ASF ZIP Codes would be ineligible for DBMC rates).

Labeling List L601 will continue to be applicable for Standard Mail (A) machinable parcels, except that revised Labeling List L602 will be used when DBMC rates are claimed for machinable parcels deposited at ASFs.

The ZIP Code ranges for DBMC rate eligibility, currently in Labeling List L602, will appear instead in DMM Module E as prescribed in the original final rule.

Standard Mail (A) Package Reallocation To Protect the BMC Pallet

This amended final rule does not change the standards in 65 FR 31815 (May 19, 2000) that allow mailers to choose to reallocate packages from the ASF pallet to protect mail for the parent BMC service area using the parent-child table in DMM M045, Exhibit 6.1 and PAVE-certified presort software.

Preparation of Standard Mail (B)

This amended final rule also changes the standards contained in 65 FR 31815

(May 19, 2000) for palletized Bound Printed Matter. Bound Printed Matter will be prepared using L601 and revised L602 together instead of L605 for sortation of packages of flats and sacks to both BMC and ASF pallets. L601 will continue to be used for sortation of Bound Printed Matter machinable parcels both in sacks and on pallets.

For Parcel Post (Parcel Select) machinable parcels, mailers claiming the DBMC rates may continue the current practice of opting to sort mail using L601 (BMC sortation only) under the condition that mail for 3-digit ZIP Codes served by an ASF in Exhibit E652.1.3d is not eligible for DBMC rates, nor is mail for 3-digit ZIP Codes that do not appear on Exhibit E652.1.3d. Revised L602 must be used when Parcel Select mail for an ASF is claimed at the DBMC rates.

L605 will continue to be used for BMC Presort and OBMC Presort mailings of nonmachinable Parcel Post as stated in the original final rule. L605 delineates the ASF service areas and also includes the ZIP Codes for the offshore destinations within their respective BMC service areas. L601 will continue to be required for machinable parcels claiming BMC Presort and OBMC Presort rates.

This amended final rule, published below in its entirety for ease of use, affects only the following DMM sections published in 65 FR 31815 (May 22, 2000): E651.5.5a; E652.1.1a; E652.1.3a; L601 (heading and introductory paragraph revised); current L602 (this list was deleted in 65 FR 31815 (May 22, 2000)) (heading, introductory paragraph, and contents revised); L605 (heading revised, introductory paragraph deleted); M011.1.2n; M045.4.1e; M045.4.2b and c; M073.1.6a (2) and (3); M610.5.2b and c; and M630.6.2b and c.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Although 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(c), the Postal Service hereby adopts the following amendments to the Domestic Mail Manual (DMM), which is incorporated by reference in the Code of Federal Regulations (see 39 CFR part 111).

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, 3001-3011, 3201-3219, 3403-3406, 3621, 3626, 5001.

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

Domestic Mail Manual (DMM)

E ELIGIBILITY

* * * * *

E650 Destination Entry

E651 Regular, Nonprofit, and Enhanced Carrier Route Standard Mail

* * * * *

5.0 DBMC DISCOUNT

(Amend 5.1 by replacing “L602” with “E651.5.0 Exhibit 5.1” to read as follows:)

5.1 Definition

For this standard, destination bulk mail center (DBMC) includes all bulk mail centers (BMCs) and auxiliary service facilities (ASFs) as shown in Exhibit 5.1.

(Add new Exhibit 5.1.)

Exhibit 5.1 BMC/ASF—DBMC RATES

Eligible destination ZIP Codes	Entry facility
005, 068-079, 085-098, 100-119, 124-127, 340	BMC NEW JERSEY NJ 00102
010-067, 120-123, 128, 129	BMC SPRINGFIELD MA 05500
130-136, 140-149	ASF BUFFALO NY 140
150-168, 260-266, 439-447	BMC PITTSBURGH PA 15195
080-084, 137-139, 169-199	BMC PHILADELPHIA PA 19205
200-212, 214-239, 244, 254, 267, 268	BMC WASHINGTON DC 20499
240-243, 245-249, 270-297, 376	BMC GREENSBORO NC 27075
298, 300-312, 317-319, 350-352, 354-368, 373, 374, 377-379, 399	BMC ATLANTA GA 31195
299, 313-316, 320-339, 341, 342, 344, 346, 347, 349	BMC JACKSONVILLE FL 32099
369-372, 375, 380-397, 700, 701, 703-705, 707, 708, 713, 714, 716, 717, 719-729	BMC MEMPHIS TN 38999
250-253, 255-259, 400-418, 421, 422, 425-427, 430-433, 437, 438, 448-462, 469-474	BMC CINCINNATI OH 45900
434-436, 465-468, 480-497	BMC DETROIT MI 48399
500-516, 520-528, 612, 680, 681, 683-689	BMC DES MOINES IA 50999
498, 499, 540-551, 553-564, 566	BMC MPLS/ST PAUL MN 55202
570-577	ASF SIOUX FALLS SD 570
565, 567, 580-588	ASF FARGO ND 580
590-599, 821	ASF BILLINGS MT 590
463, 464, 530-532, 534, 535, 537-539, 600-611, 613	BMC CHICAGO IL 60808

Eligible destination ZIP Codes	Entry facility
420, 423, 424, 475-479, 614-620, 622-631, 633-639	BMC ST LOUIS MO 63299
640, 641, 644-658, 660-662, 664-679, 739	BMC KANSAS CITY KS 64399
730, 731, 734-738, 740, 741, 743-746, 748, 749	ASF OKLAHOMA CITY OK 730
706, 710-712, 718, 733, 747, 750-799, 885	BMC DALLAS TX 75199
690-693, 800-816, 820, 822-831	BMC DENVER CO 80088
832-834, 836, 837, 840-847, 898, 979	ASF SALT LAKE CTY UT 840
850, 852, 853, 855-857, 859, 860, 863, 864	ASF PHOENIX AZ 852
865, 870-875, 877-884	ASF ALBUQUERQUE NM 870
889-891, 893, 900-908, 910-928, 930-935	BMC LOS ANGELES CA 90901
894, 895, 897, 936-966	BMC SAN FRANCISCO CA 94850
835, 838, 970-978, 980-986, 988-994	BMC SEATTLE WA 98000

(Delete current 5.2 and 5.3 and replace with new 5.2 through 5.5. Redesignate current 5.4 and 5.5 as 5.6 and 5.7.)

5.2 General Eligibility

Pieces in a mailing that meet the standards in 1.0 through 5.0 are eligible for the DBMC rate when they meet all of the following conditions: (1) Are deposited at a BMC or ASF; (2) are addressed for delivery to one of the 3-digit ZIP Codes served by the BMC or ASF where deposited that are listed in Exhibit 5.1; and (3) are placed in a tray, sack, or pallet (subject to the standards for the rate claimed) that is labeled to the BMC or ASF where deposited, or labeled to a postal facility within that BMC's or ASF's service area (see Exhibit 5.1). If packages of flats on pallets are reallocated from an ASF pallet to a BMC pallet under M045.6.0, mail for the ASF ZIP Codes placed on the BMC pallet is not eligible for the DBMC rates. DBMC rate mail must also be eligible for Presorted, automation, or Enhanced Carrier Route rates, subject to the corresponding standards for those rates.

5.3 Eligibility for ADC or AADC Sortation

All pieces in an ADC sack or tray or AADC tray are eligible for the DBMC discount if the ADC or AADC facility ZIP Code (as shown on Line 1 of the corresponding container label) is within the service area of the BMC or ASF as shown in Exhibit 5.1 at which the sack or tray is deposited. All pieces in a palletized ADC package or bundle are eligible for the DBMC discount if the ADC facility that is the destination of the package or bundle (determined by using the label to ZIP Code in Column B of L004) is within the service area of the BMC or ASF as shown in Exhibit 5.1 at which it is deposited.

5.4 Eligibility in Mixed ADC Sacks or Trays or Mixed AADC Trays

Mail in mixed ADC or mixed AADC sacks or trays qualify for the DBMC rates only if all the pieces in the sack or tray are for the service area of the DBMC or

DASF as shown in Exhibit 5.1. Mailers who opt to claim the DBMC rates for mail in mixed ADC Sacks or trays or mixed AADC trays must prepare separate Mixed ADC sacks or trays or Mixed AADC trays for pieces eligible for and claimed at the DBMC rate and for pieces not claimed at the DBMC rate. Otherwise applicable restrictions (e.g., minimum volume, number of less-than-full trays) are excepted when necessary to comply with this standard.

5.5 Additional Standards for Machinable Parcels

a. *Destination BMC/ASF Containers.* Machinable parcels palletized under M045 or sacked under M610 may be sorted to destination BMCs under L601 or to destination BMCs and ASFs under L601 and L602. When machinable parcels are sorted to both destination BMCs and ASFs under L601 and L602, they qualify for DBMC rates under 5.2. Sortation of machinable parcels to ASFs is optional but is required for the ASF mail to be eligible for DBMC rates. Mailers may opt to sort some or all machinable parcels for ASF service area ZIP Codes to ASFs only when the mail will be deposited at the respective ASFs where the DBMC rate is claimed, under applicable volume standards, using L602, otherwise mailers must sort machinable parcels only to destination BMCs under L601. If machinable parcels are sorted under L601, only mail for 3-digit ZIP Codes served by a BMC as listed in Exhibit E651.5.1 are eligible for DBMC rates (i.e., mail for 3-digit ZIP Codes served by an ASF in Exhibit 5.1 is not eligible for DBMC rates, nor is mail for 3-digit ZIP Codes that do not appear on Exhibit 5.1).

b. *Mixed BMC Containers.* Pieces in mixed BMC sacks or on mixed BMC pallets that are sorted to the origin BMC under M045 or M610 are eligible for the DBMC rates if both of the following conditions are met: (1) The mixed BMC sack or pallet is entered at the origin BMC facility to which it is labeled; and (2) the pieces are for 3-digit ZIP Codes

listed as eligible destination ZIP Codes for that BMC in Exhibit 5.1.

* * * * *

E652 Parcel Post

1.0 BASIC STANDARDS

1.1 Definitions

* * * * *

(Amend 1.1a to include a reference to L601 to read as follows:)

a. A destination bulk mail center (DBMC) includes all bulk mail centers (BMCs) and auxiliary service facilities (ASFs) under L601 and L602, and designated sectional center facilities (SCFs) under 5.0.

* * * * *

1.2 General

(Revise 1.2 to read as follows:)

For Parcel Post mailings claimed at DBMC, DSCF, or DDU rates, pieces must meet the applicable standards in 1.0 through 6.0 and the following criteria:

a. May be bedloaded, on pallets, in pallet boxes on pallets, in sacks, or in other authorized containers as specified in 2.0 through 6.0, depending on the facility at which the pieces are deposited.

b. Is not plant-loaded.

c. Be part of a single mailing of 50 or more pieces that are eligible for and claimed at any Parcel Post rate or rates.

d. Be deposited at a destination BMC (DBMC) or destination auxiliary service facility (DASF) or other equivalent facility; destination sectional center (DSCF); or destination delivery unit (DDU) as applicable for the rate claimed and as specified by the USPS.

e. Be addressed for delivery within the ZIP Code ranges that the applicable entry facility serves.

(Revise 1.3 to read as follows:)

1.3 DBMC Rates

For DBMC rates, pieces must meet the applicable standards in 1.0 through 6.0 and the following:

a. Pieces must be part of a Parcel Post mailing that is deposited at a BMC or ASF under L601 or L602.

b. Pieces deposited at each BMC or ASF must be addressed for delivery within the ZIP Code range of that facility.

c. Pieces must be within a ZIP Code eligible for DBMC rates under Exhibit 1.3, and if sacked or palletized must be

prepared in accordance with M041 and M045 or M630. Mail meeting the additional criteria in 4.0 may be deposited at a designated facility other than the BMC or ASF where the DBMC parcels would otherwise be deposited. (Add new Exhibit 1.3.)

(Redesignate 1.3 (e) and (f) as 1.4 (a) and (b).)

Exhibit 1.3 BMC/ASF—DBMC RATE ELIGIBILITY

Eligible destination ZIP Codes	Entry facility
005, 068–079, 085–098, 100–119, 124–127, 340	BMC NEW JERSEY NJ 00102
010–067, 120–123, 128, 129	BMC SPRINGFIELD MA 05500
130–136, 140–149	ASF BUFFALO NY 140
150–168, 260–266, 439–447	BMC PITTSBURGH PA 15195
080–084, 137–139, 169–199	BMC PHILADELPHIA PA 19205
200–212, 214–239, 244, 254, 267, 268	BMC WASHINGTON DC 20499
240–243, 245–249, 270–297, 376	BMC GREENSBORO NC 27075
298, 300–312, 317–319, 350–352, 354–368, 373, 374, 377–379, 399	BMC ATLANTA GA 31195
299, 313–316, 320–339, 341, 342, 344, 346, 347, 349	BMC JACKSONVILLE FL 32099
369–372, 375, 380–397, 700, 701, 703–705, 707, 708, 713, 714, 716, 717, 719–729	BMC MEMPHIS TN 38999
250–253, 255–259, 400–418, 421, 422, 425–427, 430–433, 437, 438, 448–462, 469–474	BMC CINCINNATI OH 45900
434–436, 465–468, 480–497	BMC DETROIT MI 48399
500–516, 520–528, 612, 680, 681, 683–689	BMC DES MOINES IA 50999
498, 499, 540–551, 553–564, 566	BMC MPLS/ST PAUL MN 55202
570–577	ASF SIOUX FALLS SD 570
565, 567, 580–588	ASF FARGO ND 580
590–599, 821	ASF BILLINGS MT 590
463, 464, 530–532, 534, 535, 537–539, 600–611, 613	BMC CHICAGO IL 60808
420, 423, 424, 475–479, 614–620, 622–631, 633–639	BMC ST LOUIS MO 63299
640, 641, 644–658, 660–662, 664–679, 739	BMC KANSAS CITY KS 64399
730, 731, 734–738, 740, 741, 743–746, 748, 749	ASF OKLAHOMA CITY OK 730
706, 710–712, 718, 733, 747, 750–799, 885	BMC DALLAS TX 75199
690–693, 800–816, 820, 822–831	BMC DENVER CO 80088
832–834, 836, 837, 840–847, 898, 979	ASF SALT LAKE CTY UT 840
850, 852, 853, 855–857, 859, 860, 863, 864	ASF PHOENIX AZ 852
865, 870–875, 877–884	ASF ALBUQUERQUE NM 870
889–891, 893, 900–908, 910–928, 930–935	BMC LOS ANGELES CA 90901
894, 895, 897, 936–966	BMC SAN FRANCISCO CA 94850
835, 838, 970–978, 980–986, 988–994	BMC SEATTLE WA 98000

(Redesignate 1.4 through 1.5 as 1.5 through 1.6 and insert new number 1.4 to read as follows:)

1.4 DSCF and DDU Rates

For DSCF and DDU rates, pieces must meet the applicable standards in 1.0 through 1.6 and the following criteria:

* * * * *

L LABELING LISTS

L000 General Use

* * * * *

L600 Standard Mail

(Amend the heading of Labeling List 601 by removing “Machinable Parcels” to read as follows:)

L601 BMCs

(Revise introductory paragraph to read as follows:)

Use this list for:

- (1) Standard Mail (A) machinable parcels except ASF mail prepared and claimed at DBMC rates.
- (2) Standard Mail (A) packages, bundles, letter trays, or sacks on pallets.
- (3) Bound Printed Matter machinable parcels.
- (4) Bound Printed Matter packages of flats or sacks on pallets.
- (5) Parcel Post except for ASF mail prepared and claimed at DBMC rates and non-machinable BMC or OBMC presort rate mail.
- (6) Presorted Special Standard Mail and Presorted Library Mail to BMC destinations.

* * * * *

(Amend the heading of Labeling List 602 by removing “BMCs/” and “-DBMC Rates”; revise the introductory paragraph; remove BMC Destination ZIP Codes from Column A and BMC “Label to” information from Column B, to read as follows:)

L602 ASFs

Use this list for:

- (1) Standard Mail (A) machinable parcels if ASF mail is entered at the ASF and claimed at DBMC rates.
- (2) Standard Mail (A) packages, bundles, letter trays, or sacks on pallets.
- (3) Bound Printed Matter packages or sacks on pallets.
- (4) Parcel Post machinable parcels if ASF mail is entered at the ASF and claimed at DBMC rates.

Column A—destination ZIP Codes	Column B—label to
130–136, 140–149	ASF BUFFALO NY 140
570–577	ASF SIOUX FALLS SD 570
565, 567, 580–588	ASF FARGO ND 580
590–599, 821	ASF BILLINGS MT 590
730, 731, 734–738, 740, 741, 743–746, 748, 749	ASF OKLAHOMA CITY OK 730
832–834, 836, 837, 840–847, 898, 979	ASF SALT LAKE CTY UT 840
850, 852, 853, 855–857, 859, 860, 863, 864	ASF PHOENIX AZ 852

Column A—destination ZIP Codes	Column B—label to
865, 870–875, 877–884	ASF ALBUQUERQUE NM 870

* * * * *

(Revise the heading of Labeling List 605 to read as follows:)

L605 BMCs/ASFs—Nonmachinable Parcel Post BMC/OBMC Presort

(Remove the introductory paragraph.)

* * * * *

M MAIL PREPARATION AND SORTATION

M000 General Preparation Standards

M010 Mailpieces

M011 Basic Standards

1.0 TERMS AND CONDITIONS

* * * * *

1.2 Presort Levels

(Amend 1.2 by revising 1.2n to read as follows:)

Terms used for presort levels are defined as follows:

* * * * *

n. ASF/BMC: all pieces are addressed for delivery in the service area of the same auxiliary service facility (ASF) or bulk mail center (BMC) (see L601, L602, or L605, as applicable).

* * * * *

M040 Pallets

M041 General Standards

* * * * *

5.0 PREPARATION

5.1 Presort

(Amend 5.1 by revising the last two sentences of 5.1 to read as follows:)

* * * The standards for package reallocation to protect the SCF or BMC pallet (M045.5.0 and 6.0) are optional methods of pallet preparation designed to retain as much mail as possible at the SCF or BMC level. These standards may result in some packages of Periodical flats and irregular parcels and Standard Mail (A) flats that are part of a mailing job prepared in part as palletized flats at automation rates not being placed on the finest level of pallet possible. Mailers must use PAVE-certified presort software to prepare mailings using package reallocation (package reallocation is optional, but if performed, it must be done for the complete mailing job).

5.2 Required Preparation

(Amend 5.2a by revising 5.2a to read as follows:)

These standards apply to:

a. Periodicals, Standard Mail (A), and Parcel Post (other than BMC Presort, OBMC Presort, DSCF, and DDU rate mail). A pallet must be prepared to a required sortation level when there are 500 pounds of Periodicals or Standard Mail packages, sacks, or parcels or six layers of Periodicals or Standard Mail (A) letter trays. For packages of Periodicals flats and irregular parcels on pallets prepared under the standards for package reallocation to protect the SCF pallet (M045.5), not all mail for a required 5-digit scheme or 5-digit destination is required to be on a 5-digit scheme or 5-digit destination pallet. For packages of Standard mail (A) flats on pallets, not all mail for a required 5-digit destination is required to be on a 5-digit pallet or optional 5-digit/scheme pallet. For packages of Standard Mail (A) flats on pallets prepared under the standards for package reallocation to protect the BMC pallet (M045.6.0), not all mail for a required ASF pallet is required to be on an ASF pallet. Mixed pallets of sacks, trays, or machinable parcels must be labeled to the BMC or ADC (as appropriate) serving the post office where mailings are entered into the mailstream. The processing and distribution manager of that facility may issue a written authorization to the mailer to label mixed BMC or mixed ADC pallets to the post office or processing and distribution center serving the post office where mailings are entered. These pallets contain all mail remaining after required and optional pallets are prepared to finer sortation levels under M045, as appropriate.

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6.0 COPALLETIZED, COMBINED, OR MIXED-RATE LEVEL MAILINGS OF FLAT-SIZE MAILPIECES

* * * * *

6.4 Standard Mail (A)

(Amend 6.4 by revising the first sentence to read as follows:)

To copalletize different Standard Mail (A) flat-size mailings, the mailer must consolidate on pallets all independently sorted packages from each mailing to achieve the finest presort level for the mailing, except that a copalletized mailing prepared under M045.5.0 or 6.0, using the package reallocation option, may not always result in all packages

being placed on the finest pallet level possible. * * *

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M045 Palletized Mailings

* * * * *

4.0 PALLET PRESORT AND LABELING

4.1 Packages, Bundles, Sacks, or Trays on Pallets

(Amend 4.1 by revising 4.1e to read as follows:)

Preparation sequence and Line 1 labeling:

* * * * *

e. As appropriate:

(1) Periodicals: ADC: required; for Line 1, use L004.

(2) Standard Mail:

(i) Destination ASF: required, except that an ASF may not be required if using package reallocation used under 6.0. For Line 1 use L602. Exhibit E651.5.1 determines DBMC rate eligibility.

(ii) Destination BMC: required; for Line 1 use L601. Exhibit E651.5.1 determines DBMC rate eligibility.

* * * * *

4.2 Machinable Parcels—Standard Mail

(Amend 4.2 by revising 4.2b and 4.2c to read as follows:)

Preparation sequence and Line 1 labeling:

* * * * *

b. Destination ASF: optional; allowed only for mail deposited at an ASF to claim the DBMC rate; for Line 1, use L602. Exhibit E651 5.1 or Exhibit E652.1.3 determines DBMC rate eligibility.

c. Destination BMC: required; for Line 1, use L601. Exhibit E651 5.1 or Exhibit E652.1.3 determines DBMC rate eligibility.

* * * * *

(Amend heading of 5.0 by adding “TO PROTECT SCF PALLET” to read as follows:)

5.0 PACKAGE REALLOCATION TO PROTECT SCF PALLET FOR PERIODICALS FLATS AND IRREGULAR PARCELS AND STANDARD MAIL (A) FLATS ON PALLETS

5.1 Basic Standards

(Amend 5.1 by revising the first sentence to read as follows:)

Package reallocation to protect the SCF pallet is an optional preparation

method (if performed, package reallocation must be done for the complete mailing job); only PAVE-certified presort software may be used to create pallets under the standards in 5.2 through 5.4.* * *

* * * * *

(Redesignate 6.0 through 14.0 as 7.0 through 15.0, respectively; insert new 6.0 to read as follows:)

6.0 PACKAGE REALLOCATION TO PROTECT BMC PALLET FOR STANDARD MAIL (A) FLATS ON PALLETS

6.1 Basic Standards

Package reallocation to protect the BMC pallet level is an optional preparation method (if performed, package reallocation to protect the BMC pallet must be done for the complete mailing job); only PAVE-certified presort software may be used to create pallets under the standards in 6.2 through 6.4. The software will determine if mail for a BMC service area would fall beyond the BMC level when

ASF pallets are prepared. Reallocation is performed only when there is mail for the BMC service area that would fall beyond the BMC pallet level as a result of an ASF pallet being prepared. The amount of mail required bringing the mail that would fall beyond the BMC pallet level back to a BMC level is the minimum volume that would be reallocated from an ASF pallet, when possible. The following "parent" BMCs can be protected with package reallocation by using mail from the ASF "child" pallets indicated in Exhibit 6.1

"PARENT" BMC/"CHILD" ASF

Exhibit 6.1, "Parent" BMC/"Child" ASF

"Parent" BMC Service Areas	"Child" ASF ZIP Code Areas Served
Pittsburgh BMC	Buffalo ASF: 130-136; 140-149.
Denver BMC	Albuquerque ASF: 865, 870-875, 877-884.
	Phoenix ASF: 850, 852, 853, 855-857, 859, 860, 863, 864.
	Salt Lake City ASF: 832-834, 836, 837, 840-847, 898, 979.
	Billings ASF: 590-599, 821.
Dallas BMC	Oklahoma City ASF: 730, 731, 734-738, 740, 741, 743-746, 748, 749.
Des Moines BMC	Sioux Falls ASF: 570-577.
Minneapolis BMC	Fargo ASF: 565, 567, 580-588.

6.2 General Reallocation Rules

In general, when reallocating:

a. The reallocation process does not affect package preparation. Reallocate only complete packages and only the minimum number of packages necessary to create a BMC pallet that meets the 250-pound minimum pallet weight. Based on the weight of individual pieces within a package and packaging parameters, the weight of mail that is reallocated may be slightly more than the minimum volume required creating a BMC pallet.

b. Use Exhibit 6.1 to reallocate packages from the ASF pallet to create a BMC pallet. The ASF pallet may be eliminated to protect the BMC pallet.

c. Reallocate mail only from one ASF pallet. Package reallocation is only to be used between the "parent" BMC and the "child" ASF. Mail from finer levels of pallets (e.g., SCF pallets) may not be reallocated.

d. Mailers may use any minimum pallet weight(s) permitted by standard and may use different minimum weights for different pallet levels in conjunction with package reallocation.

6.3 Reallocation of Packages from ASF pallets

When reallocating packages from ASF pallets:

a. Use Exhibit 6.1, to identify an ASF pallet of adequate weight that can support reallocation of one or more packages to bring the mail that has

fallen through the BMC level back to the BMC level without eliminating the ASF pallet. A sufficient amount of mail must remain on the ASF pallet after reallocation to meet the ASF pallet weight minimum of 250-pounds. If an ASF pallet of adequate weight is available, then create a BMC pallet by combining the reallocated mail from the ASF pallet with the mail that would fall beyond the BMC pallet level.

b. If no single ASF pallet within the BMC service area contains an adequate volume of mail to allow reallocation of the portion of the mail on a pallet as described in 6.3a, then eliminate one ASF pallet and reallocate all of the mail to create a BMC pallet.

6.4 Documentation

Mailings must be supported by documentation produced by PAVE-certified software meeting the standards in P012.

* * * * *

10.0 PALLETS OF MACHINABLE PARCELS

* * * * *

(Amend redesignated 10.3, by removing the second sentence to read as follows:)

10.3 DBMC Rate

If applicable, a BMC pallet may include pieces that are eligible for the

DBMC rate and pieces that are ineligible.

* * * * *

M073 Combined Mailings Of Standard Mail (A) And Standard Mail (B) Parcels

1.0 COMBINED MACHINABLE PARCELS—RATES OTHER THAN PARCEL POST OBMC PRESORT, BMC PRESORT, DSCF, AND DDU

* * * * *

1.6 Sack Preparation

(Amend 1.6 by adding an introductory sentence and by revising 1.6a(2) and 1.6a(3) to read as follows:)

The requirements for sack preparation are as follows:

a. Sack size, preparation sequence, and Line 1 labeling:

* * * * *

(2) Destination ASF: optional; allowed only for mail deposited at an ASF to claim the DBMC rate (minimum of 10 pounds, smaller volume not permitted); for Line 1 use L602. DBMC rate eligibility is determined by Exhibit E651.1.3.

(3) Destination BMC: required (minimum of 10 pounds, smaller volume not permitted); for Line 1, use L602 if DBMC rate is claimed for mail deposited at ASF under 4.2b; otherwise, use L601. DBMC rate eligibility is determined by Exhibit E651.5.1.

* * * * *

M610 Presorted Standard Mail (A)

* * * * *

5.0 MACHINABLE PARCELS

* * * * *

5.2 Sack Preparation

(Amend 5.2 by revising 5.2(b) and 5.2(c) to read as follows:)

Sack size, preparation sequence, and Line 1 labeling:

* * * * *

b. Destination ASF: optional; allowed only for mail deposited at an ASF to claim the DBMC rate (minimum of 10 pounds, smaller volume not permitted); for Line 1 use L602. DBMC rate eligibility is determined by Exhibit E651.1.3.

c. Destination BMC: required (minimum of 10 pounds, smaller volume not permitted); for Line 1, use L601. DBMC rate eligibility is determined by Exhibit E651.5.1.

* * * * *

M630 Standard Mail (B)

* * * * *

6.0 MACHINABLE PARCELS

* * * * *

6.2 Sack Preparation

(Amend 6.2 by revising 6.2b and 6.2c to read as follows:)

Sack size, preparation sequence, and Line 1 labeling:

* * * * *

b. Destination ASF: optional; allowed only for mail deposited at an ASF to claim the DBMC rate (minimum of 10 pieces/20 pounds/1,000 cubic inches, smaller volume not permitted); for Line 1, use L602. Exhibit E652.1.3d determines DBMC rate eligibility.

c. Destination BMC: required (minimum of 10 pieces/20 pounds/1,000 cubic inches, smaller volume not permitted); for Line 1, use L601. Exhibit E652.1.3d determines DBMC rate eligibility.

* * * * *

P POSTAGE AND PAYMENT METHODS

P000 Basic Information

P010 General Standards

* * * * *

P012 Documentation

* * * * *

2.0 STANDARDIZED DOCUMENTATION—FIRST-CLASS MAIL, PERIODICALS, AND STANDARD MAIL (A)

* * * * *

2.2 Format and Content

(Amend 2.2 by replacing last two sentences of 2.2d(4) to read as follows:)

For First-Class Mail, Periodicals, and Standard Mail (A), standardized documentation includes:

* * * * *

d. For packages on pallets, the body of the listing reporting these required elements:

* * * * *

(4) * * * Document SCF or BMC pallets created as a result of package reallocation under M045.5.0 or 6.0 on the USPS Qualification Report by designating the protected pallet with an identifier of "PSCF" (for a SCF pallet) or "PBMC" (for a BMC pallet). These identifiers are required to appear only on the USPS Qualification Report; they are not required to appear on pallet labels or in any other mailing documentation.

* * * * *

2.4 Sortation Level

(Amend 2.4 by inserting new sortation level and abbreviation immediately below SCF pallets created from package reallocation to read as follows:)

The actual sortation level (or corresponding abbreviation) is used for the package, tray, sack, or pallet levels required by 2.2 and shown below.

Sortation level	Abbreviation
* * * * *	*
BMC [pallets created from package reallocation]	PBMC
* * * * *	*

An appropriate amendment to 39 CFR 111.3 will be made to reflect these changes.

Stanley F. Mires,
Chief Counsel, Legislative.

[FR Doc. 00-19579 Filed 8-7-00; 8:45 am]

BILLING CODE 7710-12-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 70

[MT-001; FRL-6847-9]

Withdrawal of Direct Final Rule on Operating Permit Program; State of Montana

AGENCY: Environmental Protection Agency (EPA).

ACTION: Withdrawal of Direct Final Rule.

SUMMARY: Due to adverse comments, EPA is withdrawing the direct final rule published in the **Federal Register** on June 13, 2000 (65 FR 37049)

promulgating full approval of the operating permit program submitted by the State of Montana for the purpose of complying with federal requirements which mandate that states develop, and submit to EPA, programs for issuing operating permits to all major stationary sources, and to certain other sources. As stated in the **Federal Register** document if EPA receives adverse comment by July 13, 2000, EPA will publish a timely withdrawal of the direct final rule and inform the public that the rule will not take effect on August 14, 2000.

Therefore, due to receiving the final rule (which will delay the effective date of the Montana operating permit program) and will address all public comments received in a subsequent final rule based on the proposed rule also published on June 13, 2000 (65 FR 37091). EPA will not institute a second comment period on this document.

DATES: The direct final rule, published on June 13, 2000 (65 FR 37049), is withdrawn as of August 8, 2000.

FOR FURTHER INFORMATION CONTACT: Patricia Reisbeck, Air and Radiation Program 8P-AR, Environmental Protection Agency, Region 8, 999 18th Street, Suite 500, Denver, Colorado 80202, (303) 312-6435.

SUPPLEMENTARY INFORMATION: On June 13, 2000, EPA published a direct final rule (65 FR 37049) and a parallel proposal (65 FR 37091) to grant full approval of 40 CFR part 70 Montana operating permit program. The purpose of this action was to grant full authority to the State of Montana to meet the federal Clean Air Act directive that states develop, and submit to EPA, programs for issuing operating permits to all major stationary sources and to certain other sources within the states' jurisdiction.

The EPA stated in the direct final rule (65 FR 37049) that if adverse comments were received by July 13, 2000, EPA would publish a notice to withdraw the direct final rule before its effective date of August 14, 2000. The EPA received an adverse comment on the direct final rule and, therefore, is withdrawing the direct final rulemaking action. The adverse commenter stated concern that the program would not adequately protect public health and the environment. The EPA will address the specific comments in a subsequent final action.