

POSTAL SERVICE**39 CFR Part 111****Domestic Mail Manual Changes for Sacking and Palletizing Periodicals Nonletters and Standard Mail (A) Flats, for Traying First-Class Flats, and for Labeling Pallets****AGENCY:** Postal Service.**ACTION:** Final rule.

SUMMARY: This final rule sets forth revised Domestic Mail Manual (DMM) standards adopted by the Postal Service for First-Class Mail (flat-size only), Standard Mail (A), and Periodicals. This final rule: requires for Periodicals and Standard Mail (A) that is prepared as trays, sacks, or packages on pallets, that carrier route sorted mail be placed on separate 5-digit pallets from 5-digit packages of automation rate and Presorted rate mail except as provided in added DMM M920, M930, or M940; revises pallet label standards and clarifies pallet preparation standards in DMM M045 for Periodicals, Standard Mail (A), and Standard Mail (B); adds DMM M910 which allows mailers of flat-size First-Class Mail, nonletter-size Periodicals, and flat-size Standard Mail (A) to combine packages of automation rate mail and packages of Presorted rate mail in the same sack or tray under certain conditions; adds DMM M920 that allows mailers of nonletter-size Periodicals and flat-size Standard Mail (A) to combine carrier route packages, 5-digit automation rate packages, and 5-digit Presorted rate packages in the same sack (merged 5-digit scheme sack or merged 5-digit sack) or on the same pallet (merged 5-digit scheme pallet or merged 5-digit pallet) under certain conditions using the Carrier Route Indicators field in the City State Product, and adds DMM M930 and M940 that allows mailers of nonletter-size Periodicals and flat-size Standard Mail (A) to combine carrier route packages, 5-digit automation rate packages, and 5-digit Presorted rate packages on the same pallet (merged 5-digit scheme pallet or merged 5-digit pallet) under certain conditions using either a 5% threshold for 5-digit sorted mail (M930) or a combination of a 5% threshold for 5-digit sorted mail and the Carrier Route Indicators field in the City State Product (M940).

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

Implementation Date: It is anticipated that 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.

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SUPPLEMENTARY INFORMATION:

On February 29, 2000, the Postal Service published in the **Federal Register** (65 FR 10735) a proposal to (1) Require for Periodicals and Standard Mail (A) that carrier route sorted mail be placed on separate 5-digit pallets from 5-digit automation rate and Presorted rate mail, except as provided in new DMM M720; (2) revise pallet label standards and clarify pallet preparation standards in DMM M045 for Periodicals, Standard Mail (A), and Standard Mail (B); (3) add DMM M710 to allow mailers of First-Class Mail, Periodicals, and Standard Mail (A) to combine packages of automation rate mail and packages of Presorted rate mail in the same sack or tray if mailers can provide appropriate presort and rate documentation; (4) add DMM M720 to allow mailers of nonletter-size Periodicals and flat-size Standard Mail (A) to combine carrier route, automation rate, and Presorted rate packages that are part of the same mailing job in the same 5-digit carrier routes sack (a "merged 5-digit" sack) or on the same 5-digit pallet (a "merged 5-digit" pallet) for those 5-digit ZIP Codes where the Postal Service has identified that it performs carrier route incoming secondary sortation at the delivery unit; and (5) add in DMM M720 a provision for mailers of nonletter-size Periodicals and flat-size Standard Mail (A) to prepare 5-digit sacks and pallets using both the "merged" sortation and labeling list L001 for scheme sortation. This proposal was amended on March 30, 2000 (65 FR 16859) to add a 5-digit scheme carrier routes sack and pallet sortation level to the initial proposal. The deadline for submitting comments on the original proposal and the amendment was April 14, 2000.

Part A below summarizes the major revisions made to the proposal in this final rule. Part B sets forth the evaluation of the comments received.

A. Summary of Revisions to the Proposed Rule

Based on comments received in response to the proposed rule, the Postal Service is adopting the standards set forth in the proposed rule and the

amendment to the proposed rule with the following changes.

(1) DMM sections M700, M710 and M720 contained in the proposed rule have been renumbered as M900, M910 and M920 in this final rule for administrative reasons.

(2) The requirement to use Presort Accuracy Validation and Evaluation (PAVE)-certified software when sorting under DMM M910 (formerly M710) is revised to allow mailers to use either PAVE-certified software or standardized documentation under DMM P012. (DMM M910 allows, under certain conditions, mailers of First-Class Mail, Periodicals, and Standard Mail (A) to co-tray or co-sack packages from automation rate mailings with packages from Presorted rate mailings.)

(3) The Line 1 sack label instructions for Periodicals mixed ADC sacks under DMM M910 (proposed as M710) have been corrected to show that the sack must be labeled using DMM L803, or if entered at an ASF or BMC must be labeled using DMM L802 (the proposed rule erroneously showed this sack was labeled to the origin SCF).

(4) The pallet sortation standards in DMM M045 and DMM M920 (formerly M720) have been revised to encompass the sortation and labeling list changes published as a final rule in the May 19, 2000 **Federal Register** (65 FR 31815), "Preparation Changes for Palletized Standard Mail (A) and Bound Printed Matter and for Standard Mail (A) and Standard Mail (B) claimed at DBMC Rates," and according to the amendment to that final rule published in the **Federal Register** on August 8, 2000.

(5) The pallet sortation standards for Periodicals in DMM M045 and the sacking and pallet provisions for Periodicals in DMM M920 (formerly M720) are revised to show that scheme sort using L001 will be required for Periodicals as set forth in the **Federal Register** final rule "Sack Preparation Changes for Periodicals Nonletter-Size Pieces and Periodicals Prepared on Pallets" that was published July 28, 2000 (65 FR 46361).

(6) A new provision for copalletizing carrier route packages, 5-digit automation rate packages, and 5-digit Presorted rate packages on the same merged 5-digit or merged 5-digit scheme pallet is added as DMM M930. This new option will allow mailers to merge such packages on the same pallet using a 5% threshold per 5-digit ZIP Code area instead of the Carrier Route Indicators field in the City State Product. DMM M930 also reflects the sortation and labeling list changes published as a final rule on May 19, 2000 (65 FR 31815), "Preparation Changes for Palletized

Standard Mail (A) and Bound Printed Matter and for Standard Mail (A) and Standard Mail (B) claimed at DBMC Rates," and according to the amendment to that final rule published in the **Federal Register** on August 8, 2000. DMM M930 also reflects the final rule "Sack Preparation Changes for Periodicals Nonletter-Size Pieces and Periodicals Prepared on Pallets" that was published July 28, 2000 (65 FR 46361) that requires use of scheme sort (L001) for Periodicals.

(7) A new provision for copalletizing carrier route packages, 5-digit automation rate packages, and 5-digit Presorted rate packages on the same merged 5-digit or merged 5-digit scheme pallet is added as DMM M940. This new option will allow mailers to merge 5-digit packages with carrier route packages on the same merged 5-digit or merged 5-digit scheme pallet with no limit on the number of pieces in 5-digit packages for those 5-digit ZIP Codes that have an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product. It will also allow mailers to merge 5-digit packages with carrier route packages on those two levels of pallet under the 5% threshold for pieces in 5-digit packages for those 5-digit ZIP Codes that have a "B" or "D" indicator in the Carrier Route Indicators field in the City State Product. DMM M940 also reflects the sortation and labeling list changes published as a final rule on May 19, 2000 (65 FR 31815), "Preparation Changes for Palletized Standard Mail (A) and Bound Printed Matter and for Standard Mail (A) and Standard Mail (B) claimed at DBMC Rates," and according to the amendment to that final rule published in the **Federal Register** on August 8, 2000. DMM M940 also reflects the final rule "Sack Preparation Changes for Periodicals Nonletter-Size Pieces and Periodicals Prepared on Pallets" that was published July 28, 2000 (65 FR 46361) that requires use of scheme sort (L001) for Periodicals.

(8) The requirement to show on 3-digit and SCF pallet labels the destination entry rate levels contained on those pallets is removed.

(9) DMM E140.1.4 and E640.2.3 are amended to show the new location in the City State Product where information on the 5-digit ZIP Codes that are eligible for preparation at letter-size automation carrier route rates resides.

(10) The first sentence of M041.5.2 is amended to clarify that the pallet sortation requirements apply to all palletized Standard Mail (B) and not only to Parcel Post mail.

(11) The implementation date is revised. Based on mailer comments, the Postal Service has determined to implement both the required and optional provisions of this final rule on the same date that rates resulting from the R2000-1 rate case will be implemented. It is anticipated this will be a day in early January 2001. In order to provide a brief transition period for mailings prepared using these new preparation standards, mailers may prepare and enter mailings under the provisions of this final rule on an optional basis beginning December 15, 2000. Mailers will not need to obtain an exception to the implementation date from the Rates and Classification Service Centers to enter mail prepared under the provisions of this final rule when entered into the mail on or after December 15, 2000.

B. Evaluation of Comments Received

a. General

Fifteen comments were received. Five commenters indicated that they supported the proposed option to co-sack automation rate and Presorted rate packages. Two commenters indicated support for all of the changes in the proposed rule.

b. Required vs. Optional Use of Proposed DMM M910 and M920 Preparation

Three commenters requested that the rules in DMM M910 permitting co-sacking of automation and Presorted rate packages be made mandatory and that the provisions in DMM M920 for preparing merged 5-digit sacks and pallets that contain carrier route, automation, and Presorted rate mail also be made mandatory.

One commenter indicated that some software vendors will not support optional sortation methods. This commenter further stated that, if the software did incorporate the preparation methods as an option, there would be too many optional parameter settings for the software and it would become confusing and difficult to predict optimal mailing job parameters. Another commenter indicated that he believes major vendors eventually will provide the options, but will do so in a manner that requires the user to "opt in" to get the benefits.

Two commenters requested that if it is not feasible to require these proposed preparation methods for all mailers, then mailers using PAVE-certified software should be required to use these options. One of these commenters requested that if the Postal Service cannot require users of PAVE-certified

software to prepare mail under these new sortation methods now, that they be required to do so in the future.

One commenter stated that at a minimum, PAVE-certified software vendors should make the use of these presort options the default method of preparation for its users.

One commenter applauded the Postal Service for the concept of keeping the provisions of proposed DMM M910 and M920 optional for all mailers.

This final rule provides that co-sacking or co-traying automation rate and Presorted rate packages under DMM M910 will become an optional sortation method on the date the rates resulting from the R2000-1 rate case are implemented (anticipated to be early January 2001). However, in view of the comments, the Postal Service plans to issue a separate **Federal Register** notice to propose that this method of sortation become required, rather than optional, for only Periodicals mail, on the date that the rates resulting from the R2000 rate case are implemented. The commenters proposing required use of these options were primarily from the Periodicals mailing industry. Furthermore, Periodicals mailers currently have available to them a similar option of co-sacking automation rate and Presorted rate packages within 3-digit, SCF, ADC, and mixed ADC sacks (DMM M820.1.9). The M910 option set forth in this final rule will replace the current provision in DMM M820.1.9 and is different from the current option for Periodicals in that the final rule allows co-sacking of automation rate and Presorted rate packages in 5-digit sacks as well as in 3-digit, SCF, ADC, and mixed ADC sacks. If the anticipated future proposal to require sortation under DMM M910 for Periodicals nonletter-size mail is adopted, the Postal Service plans to study the impact of doing so. After such study, the Postal Service may in the future also propose to require use of the DMM M910 preparation method with First-Class and Standard Mail (A) mailings.

Because the standards for preparation of merged containers at the 5-digit level set forth in DMM M920 are complex, use of PAVE-certified software will continue to be required for use of this option under this final rule. Because not all of our customers use PAVE-certified software, this method of preparation will remain optional for both Periodicals and Standard Mail (A).

The Postal Service has determined, however, to require that the preparation options in DMM M910 and M920 be set as the default preparation methods for PAVE-certified software that supports

these options. The next PAVE testing cycle will test whether software that supports the preparation options set forth in this final rule in DMM M910 and M920 are the default preparation settings for preparation of flat-size First-Class Mail (DMM M910 preparation only), nonletter-size Periodicals mail, and flat-size Standard Mail (A).

c. Require Scheme Sortation Using DMM L001

Three commenters believed that mailers should be required to use scheme sortation using DMM labeling list L001 because it makes operational sense. Two of these commenters believed that all mailers should be required to use this sortation option. One commenter stated that this is not an onerous requirement and that smaller or local mailers could perform this sort manually. One commenter stated that software should be used by all mailers.

One commenter indicated that scheme sortation using DMM L001 should initially be required as a default setting for PAVE-certified software, and subsequently be required for all mailers that use PAVE-certified software.

All of the commenters on this issue were from the Periodicals industry. The Postal Service published a separate proposed rule on May 16, 2000 (65 FR 31118) to require scheme sortation using labeling list DMM L001 for all applicable Periodicals mailings. On July 28, 2000 the final rule "Sack Preparation Changes for Periodicals Nonletter-Size Pieces and Periodicals Prepared on Pallets" (65 FR 46361) was published in the **Federal Register** which requires using scheme sortation for nonletter-size Periodicals on the date the rates resulting from the R2000-1 rate case will be implemented. In addition, for Standard Mail (A) the Postal Service has determined that it will require scheme sortation (using DMM L001) to be a default setting for PAVE-certified software that supports the L001 scheme sortation option. The next PAVE testing cycle, will test to determine whether DMM L001 scheme sortation is a default preparation setting, where applicable, for preparation of Standard Mail (A) flats and, will test for Periodicals flats and irregular parcels that scheme sortation is a required preparation level.

d. Remove Requirement for PAVE-Certified Software for Proposed DMM M910 and M920 Preparation

Three commenters indicated they would like the requirement for PAVE-certified software removed from proposed DMM M910, which allows mailers to co-sack automation and Presort rate packages. These

commenters pointed out that PAVE-certified software is not required for Periodicals mailers who currently may co-sack automation and Presorted rate packages at the 3-digit, SCF, ADC, and mixed ADC levels under current DMM M820.1.9. Only use of standardized documentation is required for use of this current option for Periodicals. Two commenters indicated that they believe use of standardized documentation should be sufficient. One commenter requested that, at a minimum, those preparing mail under current DMM M820.1.9 be allowed to add the ability to co-sack automation and Presorted rate packages at the 5-digit sack level without using PAVE-certified software. Two commenters indicated that the Postal Service's plans to retrofit FSM 1000s with optical character readers (OCRs) make this change very feasible without a need for mandatory PAVE. One commenter pointed out that PAVE-certified software is not required for co-palletized mailings in which carrier route, automation, and Presorted rate packages may be placed on the same pallet. This commenter requested that sacks prepared under new DMM M910 that are part of a co-palletized mailing job should not be required to be prepared with PAVE-certified software. One commenter was concerned that there will not be enough time for mailer-produced software to obtain PAVE-certification prior to the proposed implementation date for these rules, which means that some customers won't be able to use this option when it is implemented.

One commenter requested that use of PAVE-certified software be removed as a requirement for both proposed DMM M910 and DMM M920. Another commenter believed the PAVE-certified software requirement should be removed for DMM M910 preparation, but should be retained for the "merged" sortation methods set forth in DMM M920.

The Postal Service has determined to allow mailers the choice of using either PAVE-certified software or standardized documentation under DMM P012 to meet the requirements for sorting under the DMM M910 co-traying or co-sacking options. However, because the standards for preparation of merged containers at the 5-digit level set forth in DMM M920 are complex, use of PAVE-certified software will continue to be required for use of this option, as well as for the two new options for this type of sorting in DMM M930 and M940, under this final rule.

e. Provide a "Threshold" Alternative To DMM M920 To Allow a Small Portion of 5-Digit Sorted Mail on Merged 5-Digit Pallets for All 5-Digit ZIP Codes Without Regard to the Carrier Route Indicators Field

Three commenters requested that the Postal Service allow a small portion of 5-digit automation rate and 5-digit Presorted rate packages to be combined with carrier route sorted mail on the same 5-digit pallet regardless of whether the Carrier Route Indicators field permits merging of such packages. All three commenters indicated that currently they suppress printing barcodes or otherwise do not claim automation rates for 5-digit packages that would otherwise be eligible for automation rates in order to be able to combine those 5-digit packages on the same 5-digit pallet as carrier route packages. (Currently, automation rate 5-digit packages must be placed on separate 5-digit pallets than carrier route rate and Presorted rate 5-digit packages.) These commenters indicated that there must be some point where it is more economical to allow some non-carrier route sorted mail on 5-digit pallets for manual distribution at delivery units as opposed to having those 5-digit packages processed on Small Parcel and Bundle Sorters (SPBSs) and FSMs at the plants.

One commenter pointed out that by requiring 5-digit packages to be placed on 5-digit pallets that are separate from 5-digit pallets containing carrier route packages most likely will result in the 5-digit packages being placed on a 3-digit or higher level pallet or in sacks. This commenter also questioned whether any cost savings realized by the Postal Service were adequate to override the risk to service for those 5-digit packages. When this commenter compared the 5-digit pallet destinations of his company's mailings against the preliminary information available for the new Carrier Route Indicators field in the City State Product, he determined that only a very small percentage of the 5-digit pallets currently prepared would be able to be prepared using merged sortation under DMM M920 (for six mailings that he analyzed, only 45 of 844 5-digit pallet destinations would have been eligible for the merged pallet sortation). This commenter suggested that the Postal Service establish a policy that would allow 5-digit packages to be combined with carrier route packages on 5-digit pallets whenever carrier route packages constitute 75% or more of a mailing job. An analysis performed by this commenter on his mailings showed that such a 75% carrier route per

mailing threshold would in most cases result in 5-digit pallets that contain from 97% to 99.5% carrier route packages. This commenter indicates that a per-mailing threshold will be easier to administer than a per-pallet threshold.

This commenter further indicated that most FSM 1000-size mail is not sorted to carrier route on the FSM 1000. Therefore, it would make sense for the Postal Service to always allow carrier route and 5-digit packages to be merged on 5-digit pallets when the pieces are FSM 1000-sized.

The Postal Service has determined to allow copalletization of carrier route packages and 5-digit packages on the same merged 5-digit or merged 5-digit scheme pallet using a threshold for the number of pieces in 5-digit packages that may be placed on such pallets. Two new sections have been added to the DMM to provide for such preparation.

New DMM M930 has been added to the final rule to allow mailers to place 5-digit packages with carrier route packages on the same merged 5-digit pallet or on the same merged 5-digit scheme pallet provided the number of pieces in 5-digit packages for any single 5-digit ZIP Code on any of the aforementioned pallets does not exceed 5% of the total number of pieces for the 5-digit ZIP Code on the pallet(s) for the presort destination. For example, if 3,500 pieces weighing 2,800 pounds are on two 5-digit pallets for ZIP Code 22033, up to 175 pieces (5% of 3,500 pieces) prepared in 5-digit packages may be placed on either of the pallets. There are additional rules concerning the 5% threshold that are set forth in DMM M930.1.4 and M930.2.3, and additional documentation requirements in M930.1.1j and M930.2.1l. In a meeting of the Mailer's Technical Advisory Committee (MTAC) Presort Optimization subgroup, software vendors and mailers indicated that a threshold based upon individual 5-digit ZIP Codes was preferable to implementing a threshold based on the total number of pieces in a mailing job. This is because smaller mailers or newer publications may be able to qualify some pallets under a threshold based upon total mail to individual 5-digit ZIP Codes, whereas they may not be able to qualify any pallets for such preparation under a threshold based on the total number of pieces in a mailing job.

New DMM M940 also has been added to allow mailers to prepare merged 5-digit and merged 5-digit scheme pallets using both the City State Product and the 5% threshold provisions. Under this new preparation method, mailers will be permitted to merge an unlimited number of pieces prepared in 5-digit

packages with carrier route packages on merged 5-digit and merged 5-digit scheme pallets for those 5-digit ZIP Codes that have an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product. For 5-digit ZIP Codes with "B" or "D" indicators in the City State Product, mailers may place 5-digit packages with carrier route packages on the same merged 5-digit pallet or on the same merged 5-digit scheme pallet when the number of pieces in 5-digit packages for any single 5-digit ZIP Code on any of the aforementioned pallets does not exceed 5% of the total number of pieces for the 5-digit ZIP Code on the pallet(s) for the presort destination (referred to as a "logical" pallet). There are additional rules concerning the 5% threshold in M940.1.4 and M940.2.3. There are also additional documentation requirements in M940.1.1k and M940.2.1k.

FSM 1000 mail will be subject to the requirements of either proposed DMM M920 or of the new threshold options described above in DMM M930 or M940. At this time the Postal Service will not allow carrier route sorted packages and an unlimited number of pieces in 5-digit sorted packages of FSM 1000-size mail to be placed on the same merged 5-digit or merged 5-digit scheme pallet. The Postal Service does not know at this time what the final machinability requirements will be for the new AFSM 100s. The Postal Service wants to reserve the decision as to where to process what is currently identified as FSM 1000-size mail. The AFSM 100 is expected to be able to process a portion of current FSM 1000-compatible pieces. An Engineering study is planned with results expected some time in early 2001. There are also concerns that mailers may be encouraged to prepare heavier pieces or pieces that otherwise require FSM 1000 processing if a rule allowing unlimited copalletization of carrier route and 5-digit sorted pieces were allowed for FSM 1000-sized pieces. The Postal Service plans to re-evaluate this decision concerning FSM 1000-sized pieces after the AFSM 100s are further deployed and their machinability requirements are determined.

f. The List of ZIP Codes Eligible for Merged Sortation Should Be a Separate Table in Electronic Form Rather Than Part of the City State Product

One commenter indicated that all geographic information used for sortation should be in one place—in an electronic list. This commenter indicated that the National Customer Support Center (NCSC) in Memphis already distributes labeling list changes

to customers and therefore keeping the labeling list information up-to-date in this manner should not be a problem. This commenter also indicated that there are quite a few mailing-related software programs that do not require use of the City State Product and that requiring mailers to use the City State Product for sortation is unnecessarily burdensome.

Many PAVE-certified software vendors do incorporate a link to the City State Product in their presort software. Such a link is currently required to perform 5-digit scheme sorts for automation rate letters and to perform automation carrier route sortation for automation rate letters. Use of PAVE-certified software is a requirement for use of the options permitting merged sortation of carrier route and 5-digit sorted mail on 5-digit pallet levels. Also, in order to be able to use the options for merged sortation, mailers must present mailings using the information in the City State Product within 90 days of the release date of the City State Product they used for the presort. This is necessary to ensure use of up-to-date preparation information. Although DMM L module labeling lists are revised and distributed electronically on a bimonthly basis that corresponds roughly to the bimonthly release of the City State Product and other Address Information Products, they do not have a "release date". Rather, they are distributed with a mandatory effective date. The Postal Service has limited resources for developing such new products and none of the vendors that are currently PAVE-certified submitted any comments to request that this information be provided in the format of a separate electronic list. Therefore, the Postal Service will not pursue creation of a separate electronic file containing the Carrier Route Indicators field information in the City State File at this time. Mailers wishing to sort using the new options in M920 and M940 that require use of the City State Product will be required to use PAVE-certified presort software that incorporates a link to the City State Product.

g. Revise Requirements for Scheme Sortation Used in Conjunction With Merged Sortation Under DMM M920

One commenter indicated that the overlay of merged sortation using the "Yes" and "No" indicators in the City State Product with scheme sortation using DMM labeling list L001 is difficult to use. This commenter questioned the need for such complexity in view of his belief that this is a transitional requirement dependent on installation of new hardware (AFSM 100s). He

suggested that we simplify the proposed rules by using a single ZIP Code for the L001 scheme (the "label to" ZIP Code for the scheme) to look up the "Yes" or "No" indicator in the City State Product, and apply this indicator to all ZIP Codes for the scheme. Alternatively, this commenter suggested that we modify the scheme sortation L001 lists so that each scheme has either all "Yes" indicators or all "No" indicators.

The Postal Service has reviewed the preliminary information in the Carrier Route Indicators field in the City State Product and matched it against the DMM L001 scheme sortation labeling list. Over one-half of the schemes on the L001 list consist of 5-digit ZIP Codes that are a mix of "A" or "C" indicators and "B" or "D" indicators. Therefore, use of the indicator listed for the "label to" ZIP Code of the scheme for all of the ZIP Codes in the scheme would result in sortation that does not mirror Postal Service processing in about one-half of the scheme sorts. Furthermore, the one commenter on this issue does not currently use PAVE-certified software, the use of which will be required for the merged sortation option in M920 (and also for the new M940 option). Also, separating an existing scheme sort into two schemes so that all ZIP Codes in a scheme will have either an "A" or "C" indicator or a "B" or "D" indicator will dilute the value of scheme sortation in terms of the number of 5-digit ZIP Codes that can be combined to create a scheme pallet. Accordingly, the Postal Service has determined not to pursue implementing this suggested revision to the proposed rule.

h. For All Types of Sortation (Current and New) a Minimum 24-Piece Carrier Route Sack Should Be Implemented

One commenter indicated that the minimum 24-piece carrier route sack requirement that was proposed when sacking mail under the "merged" sortation options in DMM M920 should be applied to all methods of sortation for Periodicals carrier route sacks. This commenter indicated that this requirement should have no impact on service since carrier route packages that could not be placed in a direct carrier route sack would still be placed in 5-digit carrier routes or 5-digit scheme carrier routes sacks that would be cross-docked to the delivery unit for distribution to the appropriate carrier.

The Postal Service published a separate **Federal Register** notice on May 16, 2000 (65 FR 3118) proposing that all Periodicals carrier route sacks contain a minimum of 24 pieces. This proposal was adopted as a final rule on July 28, 2000 (65 FR 46361) and will also be

effective on the date that coincides with implementation of the rates resulting from the R2000-1 rate case.

i. Allow Commingling of Automation Rate and Presorted Rate Pieces in the Same Package

One commenter indicated that the proposal to allow mailers to co-sack or co-tray packages of automation rate and Presorted rate mail does not go far enough. This commenter indicated that allowing mail to be merged within the same package would result in more finely presorted mail, fewer packages, and heavier packages.

FSM 881s and AFSM 100s have OCRs. Accordingly, it would be feasible to allow merging at the package level for mail that is FSM 881- or FSM 100-compatible. There are also plans to retrofit FSM 1000s with OCRs. The Postal Service will pursue this suggestion at a later date. The Postal Service wants to first evaluate what mail is machinable on AFSM 100s, have a deployment schedule for retrofitting FSM 1000s with OCRs, and determine a method to distinguish between pieces that are non-barcoded because mailers made no attempt to barcode the pieces versus pieces that do not bear a barcode because mailer attempts to barcode were unsuccessful, before making a decision on this suggestion.

j. Implementation Date

Eight commenters indicated that the proposed early September implementation date does not give the software industry or mailers enough time to implement these changes. These commenters suggested that the implementation date be set as the same date that the rates resulting from the R2000-1 rate case will be implemented. This would reduce the number of software installations that mailers must make this year. One commenter pointed out that the September implementation date would result in three software updates this year. The majority of these commenters indicated concern that the September date is not feasible because software vendors must build the software, test it, document it, PAVE-certify it, Beta test it, revise it, and cut and ship the software by July in order to give their customers time to implement and test the software by September. One commenter stated that such aggressive implementation schedules are a formula for disaster in terms of the quality of the presort products. Another commenter indicated that processing of their mail begins 6 to 8 weeks prior to mailing and that they will be in the midst of production at the

same time they must test new software releases.

One commenter pointed out that, because there are some required changes in the proposed rule, mailers would be required to update software even if they opt not to perform the other options provided in the notice. Another commenter suggested that if the Postal Service does not find it feasible to delay implementation until the date that the rates resulting from the R2000-1 rate case will be implemented, these rule changes should be delayed until at least October 7, 2000. Another commenter suggested that there should be a phased-in implementation where the rule changes would be optional on "Day X" and required on "Day X plus 90 or 120 days."

One commenter was concerned about the feasibility of training acceptance clerks on these new presort options and asked whether Quick Service Guides and "new books" would be published prior to the proposed September implementation date. This commenter also pointed out that the rule would already be in effect prior to the next National Postal Forum, which would prevent some mailers from obtaining more information on the changes before having to implement them.

Based on the comments received, the Postal Service has determined to place all the provisions of this final rule (both required and optional sortation changes) into effect on the date the rates resulting from the R2000-1 rate case are implemented. It is anticipated that this date will be some time in early January 2001. Notice of this exact date will be published in a later issue of the **Federal Register**. In order to provide a brief transition period for mailings prepared using these new preparation standards, mailers may prepare and enter mailings under the provisions of this final rule on an optional basis beginning December 15, 2000. Mailers will not need to obtain an exception to the implementation date from the Rates and Classification Service Centers to enter mail prepared under the provisions of this final rule when entered into the mail on or after December 15, 2000.

k. Issues Outside the Scope of the Federal Register

Two commenters indicated that they could not support a redefinition of widely used "skin sacks" as fewer than 24 pieces rather than 6 pieces, or the prohibition of sacks containing fewer than 6 pieces where it is necessary for service. One commenter indicated that the Postal Service needs to develop accurate cost data by package and container level to aid in developing

similar regulations that will drive costs out of the mail stream. One commenter indicated that the Postal Service needs to develop a new container or "mini-pallet" that would address issues with sacks.

These comments are outside the scope of this rulemaking.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

For the reasons discussed above, the Postal Service hereby adopts the following amendments to the Domestic Mail Manual, 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

* * * * *

E100 First-Class Mail

* * * * *

E130 Nonautomation Rates

* * * * *

3.0 PRESORTED RATE

[Revise the heading of 3.1 to read as follows:]

3.1 All Pieces

[Amend 3.1d to provide for preparation under M910 to read as follows:]

In addition to the standards in 1.0, all pieces in a Presorted First-Class rate mailing must:

* * * * *

d. Be marked, sorted, and documented as specified in M130 or, alternatively for flat-size mail, under M910.

* * * * *

E140 Automation Rates

1.0 BASIC STANDARDS

1.1 All Pieces

[Amend 1.1g to provide for preparation under M910 to read as follows:]

All pieces in a First-Class Mail automation rate mailing must:

* * * * *

g. Be marked, sorted, and documented as specified in M810 for letters and cards, or as specified in M820 or M910 for flats.

* * * * *

[Amend the first sentence of 1.4 to show new location of information pertaining to ZIP Codes eligible for automation carrier route rates to read as follows:]

1.4 Carrier Route Presort

Carrier route rates are available only for letter-size mail and only for those 5-digit ZIP Code areas identified with an "A" or "B" in the Carrier Route Indicators field of the USPS City State Product used for address coding. * * *

* * * * *

2.0 RATE APPLICATION

* * * * *

2.2 Flats

[Amend the first sentence of 2.2 to provide for sortation under M910 to read as follows:]

First-Class Mail automation rates apply to each piece that is sorted under M820 or under M910 into the corresponding qualifying groups: * * *

* * * * *

E200 Periodicals

* * * * *

E230 Nonautomation Rates

1.0 BASIC INFORMATION

1.1 Standards

[Amend 1.1 to provide for preparation under M045, M910, M920, M930, and M940 to read as follows:]

The standards for Presorted rates are in addition to the basic standards for Periodicals in E210, the standards for other rates or discounts claimed, and the applicable preparation standards in M045, M200, M910, M920, M930, or M940.

Not all combinations of presort level, automation, and destination entry discounts are permitted.

* * * * *

2.0 CARRIER ROUTE RATES

* * * * *

2.2 Sequencing

[Amend 2.2a to provide for preparation under M045, M920, M930, and M940 to read as follows:]

Preparation to qualify eligible pieces for carrier route rates is optional and is subject to M045, M200, or (nonletter-size mail only) M920, M930, or M940. Carrier route sort need not be done for all carrier routes in a 5-digit area.

Specific rate eligibility is subject to these standards:

a. The carrier route rates for letter-size mail apply to copies that are prepared in carrier route packages of six or more pieces each that are sorted to carrier route, 5-digit carrier routes, or 3-digit carrier routes trays. The carrier route rates for flat-size mail apply to copies of flat-size or irregular parcel-size pieces prepared in carrier route packages of six or more pieces each and that are sorted to pallets under M045 or M920, M930, or M940, or sorted to carrier route, 5-digit scheme carrier routes, 5-digit carrier routes, or, under M920, merged 5-digit scheme or merged 5-digit sacks. Preparation of 5-digit scheme carrier routes sacks or pallets is required and must be done for all 5-digit scheme destinations. Preparation of merged 5-digit sacks and merged 5-digit scheme sacks is optional but if performed must be done for all 5-digit ZIP Codes for which there is an "A" or "C" indicator in the City State Product that permits co-containerization of carrier route and 5-digit packages. Preparation of merged 5-digit pallets and merged 5-digit scheme pallets is optional but if performed must be done for all 5-digit ZIP Codes or 5-digit schemes for which those pallet levels are possible (under M920 if there is an "A" or "C" indicator in the City State Product, under M930 if the 5% threshold standard is met, and under M940 if ZIP Codes have an "A" or "C" indicator in the City State Product and if ZIP Codes with a "B" or "D" indicator in the City State Product meet the 5% threshold standards). For merged 5-digit scheme sacks or pallets, preparation also must be done for all 5-digit scheme destinations. The applicable sequencing requirements in M050 and in 2.2b or 2.2c also must be met.

b. Basic carrier route rate mail must be prepared either in carrier walk sequence or in line-of-travel (LOT) sequence according to LOT schemes prescribed by the USPS (M050).

c. The high density and saturation rates apply to pieces that are eligible for the carrier route rates under 2.2a, are prepared in carrier walk sequence, and meet the applicable density standards in 6.0 for the rate claimed.

3.0 5-DIGIT RATES

[Amend the first sentence of 3.0 and 3.0b to provide for preparation of mail under M045, M910, M920, M930, or M940 as follows:]

Subject to M045, M200, or (nonletter-size mail only) M910, M920, M930, or M940, 5-digit rates apply to: * * *

* * * * *

b. Flat-size pieces in 5-digit packages of six or more pieces each, placed in 5-digit sacks, merged 5-digit sacks, or merged 5-digit scheme sacks or palletized under M045 or M920, M930, or M940.

4.0 3-DIGIT RATES

[Amend the first sentence of 4.0 and 4.0b to provide for preparation under M045, M910, M920, M930, or M940 to read as follows:]

Subject to M045, M200, or (nonletter-size mail only) M910 or M920, M930, or M940, 3-digit rates apply to:

* * * * *

b. Flat-size pieces in 5-digit and 3-digit packages of six or more pieces each, placed in 3-digit sacks or palletized under M045 or M920, M930, or M940.

5.0 BASIC RATES

[Amend 5.0 to provide for preparation of mail under M045, M910, M920, M930, or M940 to read as follows:]

Basic rates apply to pieces prepared under M045, M200, or (nonletter-size mail only) M910, M920, M930, or M940, that are not eligible for and claimed at carrier route, 5-digit, or 3-digit rates.

6.0 WALK-SEQUENCE DISCOUNTS

6.1 Eligibility

[Amend 6.1 to provide for preparation under M045, M920, M930, or M940 as follows:]

The high density or saturation rates apply to each walk-sequenced piece in a carrier route mailing, eligible under 2.2 and prepared under M045, M200, or (nonletter-size mail only) M920, M930, or M940, that also meets the corresponding addressing and density standards in 6.4. High density and saturation rate mailings must be prepared in carrier walk sequence according to schemes prescribed by the USPS (see M050).

* * * * *

E240 Automation Rates

1.0 BASIC STANDARDS

1.1 All Pieces

[Amend 1.1f to provide for preparation under M045, M910, M920, M930, or M940 as follows:]

All pieces in an automation Periodicals mailing must:

* * * * *

f. Be marked, sorted, and documented as specified in M045, or M810 (letters) or M820 (flats) or, for nonletter-size mail, M910, M920, M930 or M940.

* * * * *

2.0 RATE APPLICATION

2.1 5-Digit Rates

[Amend the first sentence of 2.1 and 2.1b to provide for preparation of flats under M910, M920, M930, or M940 to read as follows:]

Subject to M045, M810, M820, M910, M920, M930, or M940, 5-digit automation rates apply to:

* * * * *

b. Flats. 5-digit rates apply to pieces in 5-digit packages of six or more pieces each, prepared under M045, M820, M910, M920, M930, or M940.

2.2 3-Digit Rates

[Amend the first sentence of 2.2 and 2.2b to provide for preparation of flats under M910, M920, M930, or M940 to read as follows:]

Subject to M045, M810, M820, M910, M920, M930, or M940 3-digit automation rates apply to:

* * * * *

b. Flats. 3-digit rates apply to pieces in 3-digit packages of six or more pieces each, prepared under M045, M820, M910, M920, M930, M940.

2.3 Basic Rates

[Amend the first sentence of 2.3 and 2.3b to provide for preparation of flats under M910, M920, M930, or M940, and to delete the reference to M200 to read as follows:]

Subject to M045, M810, M820, M910, M920, M930, or M940, basic automation rates apply to:

* * * * *

b. Flats. Basic rates apply to pieces prepared under M045, M820, M910, M920, M930, or M940 that are not claimed at 5-digit or 3-digit rates.

E250 Destination Entry

* * * * *

2.0 DDU RATE

2.1 Eligibility

[Amend 2.1 to provide for preparation under M920, M930, or M940 to read as follows:]

The destination delivery unit (DDU) rate applies to pieces entered at the facility where the carrier cases mail for the carrier route serving the delivery address on the mailpiece. Letter-size copies claimed at DDU rates must be part of a carrier route package placed in a carrier route tray or a 5-digit carrier routes tray, prepared under M200, and otherwise eligible for and claimed at a carrier route rate. Flat-size or irregular parcel-size copies claimed at DDU rates must be part of a carrier route package placed in a carrier route sack; a 5-digit carrier routes sack, a 5-digit scheme

carrier routes sack, a merged 5-digit sack, or a merged 5-digit scheme sack prepared under M200 or M920, or palletized under M045, M920, M930, or M940, and otherwise eligible for and claimed at a carrier route rate. Except for the standards for preparing basic carrier route or walk-sequence carrier route rate mail, there is no additional minimum volume required for a DDU rate mailing.

* * * * *

E600 Standard Mail

* * * * *

E620 Nonautomation Standard Mail (A) Rates

1.0 PRESORTED REGULAR AND NONPROFIT RATES

1.1 Basic Standards

[Amend 1.1d to provide for preparation of flat-size mail under M045, M910, M920, M930, or M940 as follows:]

All pieces in a Presorted Regular or Presorted Nonprofit Standard Mail (A) mailing must:

* * * * *

d. Be marked, sorted, and documented as specified in M045, M610, or, (flat-size mail only) under M910, M920, M930, or M940.

* * * * *

1.5 Presorted Rates

[Amend the first sentence of 1.5 to provide for preparation of flat-size mail under M910, M920, M930, or M940. Redesignate 1.5g as 1.5e through 1.5h, respectively. Add new 1.5d and revise redesignated 1.5e to read as follows:]

Presorted Regular or Nonprofit Standard Mail (A) rates apply to Regular or Nonprofit Standard Mail letters, flats, and machinable and irregular parcels weighing less than 16 ounces that are prepared under M045, M610, or (flat-size mail only) under M910, M920, M930, or M940. Basic Presorted rates apply to pieces that do not meet the standards for the $\frac{3}{5}$ Presorted rates described below. Basic rate and $\frac{3}{5}$ rate pieces prepared as part of the same mailing are subject to a single minimum volume standard. Pieces that do not qualify for the $\frac{3}{5}$ rate must be paid at the basic rate and prepared accordingly. Pieces may qualify for the $\frac{3}{5}$ rate if they are presented:

* * * * *

d. In a 5-digit package of 10 or more flat-size pieces that is part of a group of packages sorted to a merged 5-digit sack(s) or merged 5-digit scheme sack(s) destination that contains either at least one qualifying carrier route package of

10 or more pieces, or contains at least 125 pieces or 15 pounds of pieces prepared in 5-digit packages (both automation and Presorted rate 5-digit packages count toward the 125-piece or 15-pound sack minimum).

e. In a 5-digit or 3-digit package of 10 or more flat-size pieces palletized under M045, M920, M930, or M940.

* * * * *

2.0 ENHANCED CARRIER ROUTE RATES

2.1 General

[Amend 2.1c to provide for preparation of carrier route packages under M920, M930, or M940 to read as follows:]

All pieces in an Enhanced Carrier Route Standard Mail mailing (letters, flats, or, if merchandise samples distributed with detached address labels, irregular parcels) must:

* * * * *

c. Be sorted to carrier routes, marked, and documented under M045 (if palletized), M620 or, for flats only, M920, M930, or M940.

* * * * *

2.8 Basic Rates

[Amend the first sentence of 2.8 and 2.8b to provide for preparation of flat-size mail under M045, M920, M930 or M940 to read as follows:]

Basic (nonautomation) carrier route rates apply to each piece that is sorted under M045 (pallets), M620 or, for flats only, M920, M930, or M940 into the corresponding qualifying groups:

* * * * *

b. Flat-size pieces in a carrier route package of 10 or more pieces palletized under M045, M920, M930, or M940, or placed in a carrier route sack containing at least 125 pieces or 15 pounds of pieces, or placed in a 5-digit carrier routes, 5-digit scheme carrier routes, merged 5-digit, or merged 5-digit scheme sack. Preparation of 5-digit scheme carrier routes sacks or pallets is optional but if performed must be done for all 5-digit scheme destinations. Preparation of merged 5-digit sacks and merged 5-digit scheme sacks is optional but if performed must be done for all 5-digit ZIP Codes for which there is an "A" or "C" indicator in the City State Product that permits co-sacking of carrier route and 5-digit packages. Preparation of merged 5-digit pallets and merged 5-digit scheme pallets is optional, but if performed must be done for all 5-digit ZIP Codes or 5-digit schemes for which those pallet levels are possible (under M920 if there is an "A" or "C" indicator in the City State Product, under M930 if the 5%

threshold standard is met, and under M940 if ZIP Codes have an "A" or "C" indicator in the City State Product and if ZIP Codes with a "B" or "D" indicator in the City State Product meet the 5% threshold standards). For merged 5-digit scheme sacks or pallets, preparation also must be done for all 5-digit scheme destinations.

* * * * *

E640 Automation Standard Mail (A) Rates

1.0 REGULAR AND NONPROFIT RATES

1.1 All Pieces

[Amend 1.1g to provide for preparation under M045, M910, M920, M930, or M940 to read as follows:]

All pieces in an automation rate Regular or Nonprofit Standard Mail (A) mailing must:

* * * * *

g. Be marked, sorted, and documented as specified in M045, M810 (letter-size), M820 (flat-size), or (flat-size only) M910, M920, M930, or M940.

* * * * *

1.4 Rate Application—Flats

[Amend the first sentence of 1.4 to provide for preparation under M045, M910, M920, M930, and M940 to read as follows:]

Automation rates apply to each piece that is sorted under M045, M820, M910, M920, M930, or M940, into the corresponding qualifying groups: * * *

* * * * *

2.0 ENHANCED CARRIER ROUTE RATES

* * * * *

[Amend the first sentence of 2.3 to show new location of information pertaining to ZIP Codes eligible for letter-size automation basic carrier route rates to read as follows:]

2.3 Carrier Route Information

The automation basic carrier route rate is available only for letter-size mail and only for those 5-digit ZIP Code areas identified with an "A" or "B" in the Carrier Route Indicators field in the USPS City State Product used for address coding. * * *

* * * * *

E650 Destination Entry

E651 Regular, Nonprofit, and Enhanced Carrier Route Standard Mail

* * * * *

6.0 DSCF DISCOUNT

* * * * *

6.2 Eligibility

[Amend 6.2 by adding the following as the second sentence of 6.2 to allow DSCF rates for 5-digit packages in merged 5-digit or merged 5-digit scheme sacks or pallets that are deposited at the destination delivery unit to read as follows:]

* * * Pieces prepared under 1.0 through 4.0 and 6.0 and that are prepared in 5-digit packages placed in a merged 5-digit sack or pallet or in a merged 5-digit scheme sack or pallet that is deposited at the destination delivery unit as defined in 7.1, are eligible for the DSCF rate. * * *

7.0 DDU DISCOUNT

* * * * *

7.2 Eligibility

[Amend the first sentence of 7.2 to provide for preparation under M910, M920, M930, or M940 to read as follows:]

Pieces in a mailing that meet the standards in 1.0 through 4.0 and 7.0 are eligible for the DDU rate when deposited at a DDU, addressed for delivery within that facility's service area (carrier routes), and placed in properly prepared and labeled carrier route packages sorted to carrier route trays (letters) or sacks (flats and irregular parcels), 5-digit carrier routes trays (letters) or sacks (flats and irregular parcels), 5-digit scheme carrier routes sacks (flats) under M600 or M920, merged 5-digit sacks (flats), merged 5-digit scheme sacks (flats) under M920, or palletized under M045 or M920, M930, or M940 and otherwise eligible for and claimed at a carrier route rate. * * *

* * * * *

L Labeling Lists

L000 General Use

L001 5-Digit Scheme—Periodicals Flats and Irregular Parcels and Standard Mail (A) Flats

[Amend the first sentence of L001 to read as follows:]

When 5-digit scheme sort is used for Periodicals flats and irregular parcels packages and Standard Mail (A) flats packages, the applicable mail for the ZIP Codes shown in Column A must be combined on merged 5-digit scheme, 5-digit scheme carrier routes, or 5-digit scheme pallets, or in merged 5-digit scheme or 5-digit scheme carrier routes sacks labeled to the corresponding destination shown in Column B.

* * * * *

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 redesignating 1.2g through 1.2p as 1.2k through 1.2t, respectively, and adding new 1.2g through 1.2j to read as follows:]

Terms used for presort levels are defined as follows:

* * * * *

g. *Merged 5-digit sacks*: the carrier route packages and/or automation rate 5-digit packages and/or Presorted rate 5-digit packages in a sack are all for a 5-digit ZIP Code that has an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product that allows combining carrier route rate packages with automation rate 5-digit packages and Presorted rate 5-digit packages in the same 5-digit container.

h. *Merged 5-digit pallets*: the carrier route packages and/or automation rate 5-digit packages and/or Presorted rate 5-digit packages on a pallet are: (1) Prepared under M920, and are all for a 5-digit ZIP Code that has an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product, or (2) prepared under M930, and pieces in 5-digit packages meet the 5% threshold requirement, or (3) prepared under M940, and pieces are either all for a 5-digit ZIP Code that has an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product, or are all for a ZIP Code with a "B" or "D" indicator in the City State Product and the pieces in 5-digit packages meet the 5% threshold requirement.

i. *Merged 5-digit scheme sack*: the 5-digit ZIP Codes on pieces in carrier route packages and/or automation rate 5-digit packages and/or Presorted rate 5-digit packages in a sack are all for 5-digit ZIP Codes that are part of a single scheme as shown in L001, and the automation rate 5-digit packages and/or the Presorted rate 5-digit packages are also for 5-digit ZIP Codes that have an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product that allows combining carrier route packages with automation rate 5-digit packages and Presorted rate 5-digit packages within the same 5-digit container.

j. *Merged 5-digit scheme pallet*: the 5-digit ZIP Codes on pieces in carrier route packages and/or automation rate 5-digit packages and/or Presorted rate 5-

digit packages on a pallet are all for 5-digit ZIP Codes that are part of a single scheme as shown in L001, and the pieces in automation rate 5-digit packages and/or the Presorted rate 5-digit packages are: (1) All for 5-digit ZIP Codes that have an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product when prepared under M920, or (2) within the 5% threshold requirement for each 5-digit in the scheme when prepared under M930, or (3) are all either for 5-digit ZIP Codes that have an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product, or are for ZIP Codes with a "B" or "D" indicator in the City State Product and the pieces in 5-digit packages meet the 5% threshold requirement for such a 5-digit ZIP Code in the scheme when prepared under M940.

* * * * *

1.3 Preparation Instructions

[Amend 1.3h to reflect the requirement for 5-digit scheme pallets to be prepared as either pure 5-digit scheme carrier routes pallets or as 5-digit scheme pallets that do not contain carrier route mail; amend 1.3i to show that 5-digit and 5-digit scheme sorts may contain only 5-digit packages; redesignate 1.3j through 1.3v as 1.3n through 1.3z, respectively; add new 1.3j and 1.3k to contain information on new merged 5-digit sortations; and add new 1.3l and 1.3m to contain information on new merged 5-digit scheme sortations to read as follows:]

For purposes of preparing mail:

* * * * *

h. A 5-digit/scheme carrier routes sort for carrier route rate Periodicals flats and irregular parcels and Enhanced Carrier Route rate Standard Mail (A) flats prepared in sacks or as packages on pallets yields a 5-digit scheme carrier routes sack or pallet for those 5-digit ZIP Codes listed in L001 and 5-digit carrier routes sacks or pallets for other areas. The 5-digit ZIP Codes in each scheme are treated as a single presort destination subject to a single minimum sack or pallet volume, with no further separation by 5-digit ZIP Code required. Sacks or pallets prepared for a 5-digit scheme carrier routes destination that contain carrier route packages for only one of the schemed 5-digit areas are still considered 5-digit scheme carrier routes sorted and are labeled accordingly. The 5-digit/scheme sort is required for carrier route packages of flat-size and irregular parcel Periodicals and optional for carrier route packages of flat-size Enhanced Carrier Route rate Standard Mail (A) prepared in sacks or as

packages on pallets. When preparation of 5-digit scheme carrier routes sacks or pallets is performed, it must be done for all 5-digit scheme destinations. A 5-digit/scheme carrier routes sort may contain only carrier route packages prepared in sacks or as packages on pallets.

i. A 5-digit/scheme sort for Periodicals flats and irregular parcels and Standard Mail (A) flats prepared as packages on pallets yields 5-digit scheme pallets containing automation rate and Presorted rate 5-digit packages for those 5-digit ZIP Codes listed in L001 and 5-digit pallets containing automation rate and Presorted rate 5-digit packages for other areas. The 5-digit ZIP Codes in each scheme are treated as a single presort destination subject to a single minimum pallet volume, with no further separation by 5-digit ZIP Code required. Pallets prepared for a 5-digit scheme destination that contain 5-digit packages for only one of the schemed 5-digit areas are still considered 5-digit scheme sorted and are labeled accordingly. The 5-digit/scheme sort is required for flat-size and irregular parcel-size Periodicals and optional for flat-size Standard Mail (A) prepared as packages on pallets and may not be used for other mail prepared on pallets, except for 5-digit packages of Standard Mail (A) irregular parcels that are part of a mailing job that is prepared in part as palletized flats at automation rates. If preparation of 5-digit scheme pallets is performed, it must be done for all 5-digit scheme destinations.

j. A merged 5-digit sort for Periodicals flats and irregular parcels and Standard Mail (A) flats prepared in sacks yields merged 5-digit sacks that contain carrier route packages and/or automation rate 5-digit packages, and/or Presorted rate 5-digit packages that are all for a 5-digit ZIP Code that has an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product that allows combining carrier route packages, automation rate 5-digit packages, and Presorted rate 5-digit packages in the same 5-digit sack or pallet. The merged 5-digit sort is optional for Periodicals flats and irregular parcels and Standard Mail (A) flats prepared in sacks. Sacks prepared for a merged 5-digit destination that contain only a single rate level of package(s) (only carrier route packages(s) or only automation rate 5-digit package(s) or only Presorted rate 5-digit packages) or that contain only two rate levels of package(s) are still considered to be merged 5-digit sorted and are labeled accordingly. If preparation of merged 5-digit sacks is performed, it must be done for all 5-

digit ZIP Code destinations with an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product that allows combining carrier route packages, automation rate 5-digit packages, and Presorted rate 5-digit packages in the same 5-digit container.

k. A merged 5-digit sort for Periodicals flats and irregular parcels and Standard Mail (A) flats prepared as packages on pallets yields merged 5-digit pallets that contain carrier route packages and/or automation rate 5-digit packages, and/or Presorted rate 5-digit packages that are: (1) Prepared under M920 and are all for a 5-digit ZIP Code that has an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product that allows combining carrier route packages, automation rate 5-digit packages, and Presorted rate 5-digit packages in the same 5-digit sack or pallet, or (2) prepared under M930, and pieces in 5-digit packages meet the 5% threshold requirement, or (3) prepared under M940, and pieces are either all for a 5-digit ZIP Code that has an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product, or are all for a ZIP Code with a "B" or "D" indicator in the City State Product and the pieces in 5-digit packages for such ZIP Codes meet the 5% threshold requirement. The merged 5-digit sort is optional for Periodicals flats and irregular parcels and Standard Mail (A) flats prepared in sacks or as packages on pallets. Sacks or pallets prepared for a merged 5-digit destination that contain only a single rate level of package(s) (only carrier route packages(s) or only automation rate 5-digit package(s) or only Presorted rate 5-digit packages) or that contain only two rate levels of package(s) are still considered to be merged 5-digit sorted and are labeled accordingly. If preparation of merged 5-digit pallets is performed, it must be done for all 5-digit ZIP Code destinations for which it is possible under M920, M930, or M940.

l. A merged 5-digit scheme sort for Periodicals flats and irregular parcels and Standard Mail (A) flats prepared in sacks yields merged 5-digit scheme sacks that contain carrier route packages for those 5-digit ZIP Codes that are part of a single scheme as shown in L001, and/or automation rate 5-digit packages and/or Presorted rate 5-digit packages for 5-digit ZIP Codes in the scheme that have an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product that allows combining carrier route packages, automation rate 5-digit packages, and Presorted rate 5-digit packages in the same 5-digit container under M920. Sacks prepared

for a merged 5-digit scheme destination that contain only a single rate level of package(s) (only carrier route packages(s) or only automation rate 5-digit package(s) or only Presorted rate 5-digit packages) or that contain only two rate levels of package(s), or that contain packages for only one of the schemed 5-digit areas are still considered to be merged 5-digit scheme sorted and are labeled accordingly. If preparation of merged 5-digit scheme sacks is performed, it must be done for all 5-digit scheme destinations in L001, and it must be done for all 5-digit destinations with an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product, under the provisions of M920.

m. A merged 5-digit scheme sort for Periodicals flats and irregular parcels and Standard Mail (A) flats prepared as packages on pallets yields merged 5-digit scheme pallets that contain carrier route packages for those 5-digit ZIP Codes that are part of a single scheme as shown in L001, and/or automation rate 5-digit packages and/or Presorted rate 5-digit packages for 5-digit ZIP Codes in the scheme that: (1) Have an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product, when prepared under M920, that allows combining carrier route packages, automation rate 5-digit packages, and Presorted rate 5-digit packages in the same 5-digit container, or (2) are within the 5% threshold requirement for each 5-digit in the scheme when prepared under M930, or (3) are all either for 5-digit ZIP Codes that have an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product, or are for ZIP Codes with a "B" or "D" indicator in the City State Product and the pieces in 5-digit packages meet the 5% threshold requirement for such a 5-digit ZIP Code in the scheme when prepared under M940. Pallets prepared for a merged 5-digit scheme destination that contain only a single rate level of package(s) (only carrier route packages(s) or only automation rate 5-digit package(s) or only Presorted rate 5-digit packages) or that contain only two rate levels of package(s), or that contain packages for only one of the schemed 5-digit areas are still considered to be merged 5-digit scheme sorted and are labeled accordingly. If preparation of merged 5-digit scheme pallets is performed, it must be done for all 5-digit scheme destinations in L001, and it must be done for all 5-digit destinations possible under M920, M930, or M940.

* * * * *

M031 Labels

* * * * *

4.0 PALLET LABELS

* * * * *

[Revise the heading and amend the contents of 4.4 to remove the requirement for pallet labels to contain the information required by the sack labeling standard for the class and rate claimed to read as follows:]

4.4 Required Information

Labels must contain the information required under 4.0 and under M045, M920, M930 or M940 for the preparation method and class and rate claimed.

* * * * *

[Amend the heading and contents of 4.7 to permit and require a "CARRIER ROUTES" or "CR-RTS" designation only on 5-digit carrier routes or 5-digit carrier routes scheme pallets to read as follows:]

4.7 5-Digit, 5-Digit Carrier Routes, and 5-Digit Scheme Carrier Routes Pallets

All 5-digit carrier routes or 5-digit scheme carrier routes pallets must show the words "CARRIER ROUTES" (or "CR-RTS") after the processing category description on the content line under M045, M920, M930, and M940. Five-digit pallets of Bound Printed Matter that contain only carrier route rate mail must also show the words "CARRIER ROUTES" (or "CR-RTS") after the processing category description on the content line under M045.

[Remove 4.8. Designations pertaining to destination entry levels on pallets will no longer be required. Redesignate 4.9 through 4.13 as 4.8 through 4.12.]

[Revise the heading of and contents of redesignated 4.8 to read as follows:]

4.8 Automation Status

All Periodicals and Standard Mail (A) 5-digit, 5-digit scheme, 3-digit, SCF, ADC, ASF, and BMC pallets must show "BARCODED" or "BC" on the contents line if the pallet contains automation rate mail as provided in M045, M920, M930, and M940. Except for machinable parcels, all Periodicals and Standard Mail (A) 5-digit, 5-digit scheme, 3-digit, SCF, ADC, ASF, and BMC pallets must show "NONBARCODED" or "NBC" on the contents line if the pallet contains Presorted rate mail under M045, M920, M930, and M940. If a pallet contains copalletized automation rate and Presorted rate mail, the separate "BARCODED" and "NONBARCODED" designations may be abbreviated "BC/NBC."

* * * * *

[Add 4.13 to provide for additional pallet label information to read as follows:]

4.13 Pallet Package or Bundle Information

It is recommended that mailers preparing packages on pallets add to the pallet label, below the office of mailing or mailer information line and according to the provisions of M032.4.11, additional information listing the number of packages for each package sortation and rate level on the pallet (i.e., the number of carrier route packages, the number of 5-digit, 3-digit, and ADC automation rate packages, and the number of 5-digit, 3-digit, and ADC Presorted rate packages on each pallet).

* * * * *

5.0 SECOND LINE CODES

[Amend 5.0 to add the pallet abbreviation for CARRIER ROUTES and to add the abbreviation for NONBARCODED to read as follows:]

The codes shown below must be used as appropriate on Line 2 of sack, tray, and pallet labels.

Content type	Code
* * * * *	
Barcoded and Nonbarcoded.	BC/NBC
Carrier Route	C (type of route)
Carrier Routes	CR—RTS (5-digit sack and pallet designation)
* * * * *	
Nonbarcoded	Non BC (sacks) NBC (pallets, and co-trayed or co-sacked mail under M910)

Content type	Code
* * * * *	

M032 Barcoded Labels

1.0 BASIC STANDARDS—TRAY AND SACK LABELS

1.1 Use

[Amend the second and third sentences of 1.1 to require use of barcoded tray and sack labels for mailings prepared under M910 and M920 to read as follows:]

* * * * *

* * * Barcoded tray labels are required for all mailings of automation rate First-Class Mail flat-size pieces, for co-trayed automation rate and Presorted rate First-Class Mail flat-size pieces under M910, and for automation rate First-Class Mail, Periodicals, and Standard Mail (A) letter-size pieces. Barcoded sack labels are required for all mailings of automation rate Periodicals and Standard Mail (A) flat-size pieces prepared in sacks and, under M910 and M920, for co-sacked automation rate and Presorted rate mailings and co-sacked carrier route, automation rate, and Presorted rate mailings. * * *

1.2 Destination Line (Line 1)

[Amend 1.2b and 1.2c to include information on “merged 5-digit” sack labels to read as follows:]

The destination line must meet these standards:

* * * * *

b. *Information.* The destination line must contain only the information required by the applicable standards for

the class, processing category, sortation level of the tray or sack, and the rates claimed. This information is contained in module L labeling lists for all sortation and rate levels except trays and sacks to carrier route, 5-digit carrier routes, merged 5-digit, and 5-digit destinations, and except for automation letter trays to 5-digit scheme destinations. For the destination line of carrier route, 5-digit carrier routes, merged 5-digit, and 5-digit trays and sacks, the city, two-letter state abbreviation, and 5-digit ZIP Code of the destination 5-digit ZIP Code area must be shown. For 5-digit scheme trays, the city, two-letter state abbreviation, and ZIP Code for the destination scheme must be obtained from the City State Product. The destination line may contain abbreviated city and state information if such abbreviations are those in the City State Product or in Publication 65, National Five-Digit ZIP Code and Post Office Directory.

c. *Military Destinations:* On carrier route, 5-digit carrier routes, and 5-digit trays and sacks and on merged 5-digit sacks, the destination 5-digit ZIP Code of the mail contained in the tray or sack must be preceded by “APO” or “FPO,” as applicable, and “AE” (for 090–098 ZIP Codes), “AA” (for 340 ZIP Codes), or “AP” (for 962–966 ZIP Codes), as applicable.

1.3 Content Line (Line 2)

* * * * *

Exhibit 1.3a 3-Digit Content Identifier Numbers

* * * * *

Class and mailing	CIN	Human-readable content line
* * * * *		
FIRST-CLASS MAIL		
* * * * *		
[Amend Exhibit 1.3a by adding the following after “FCM Flats—Presorted” to read as follows:]		
FCM Flats—Co-Trayed Automation and Presorted		
5-digit trays	221	FCM FLTS 5D BC/NBC
3-digit trays	222	FCM FLTS 3D BC/NBC
ADC trays	231	FCM FLTS ADC BC/NBC
Mixed ADC trays	232	FCM FLTS BC/NBC WKG
* * * * *		
PERIODICALS (PER)		
* * * * *		
[Amend Exhibit 1.3a by adding the following after “PER Flats—5-Digit, 3-Digit, and Basic” to read as follows:]		
PER Flats—Co-Sacked Automation and Presorted		
5-digit sacks	321	PER FLTS 5D BC/NBC

Class and mailing	CIN	Human-readable content line
3-digit sacks	322	PER FLTS 3D BC/NBC
SCF and origin/entry SCF sacks	329	PER FLTS SCF BC/NBC
ADC sacks	331	PER FLTS ADC BC/NBC
Mixed ADC sacks	332	PER FLTS BC/NBC WKG
PER Flats—Merged Carrier Route, Automation, and Presorted		
Merged 5-digit	339	PER FLTS CR/5D
Merged 5-digit scheme	349	PER FLTS CR/5D SCH
PER Irregular Parcels—Merged Carrier Route, Automation, and Presorted		
Merged 5-digit	340	PER IRREG CR/5D
Merged 5-digit scheme	365	PER IRREG CR/5D SCH
* * * * *		
PERIODICALS (NEWS)		
* * * * *		
[Amend Exhibit 1.3a by adding the following after “NEWS FLATS—5-digit, 3-Digit, and Basic” to read as follows:]		
NEWS Flats—Co-Sacked Automation and Presorted		
5-digit sacks	421	NEWS FLTS 5D BC/NBC
3-digit sacks	422	NEWS FLTS 3D BC/NBC
SCF and origin/entry SCF sacks	429	NEWS FLTS SCF BC/NBC
ADC sacks	431	NEWS FLTS ADC BC/NBC
Mixed ADC sacks	432	NEWS FLTS BC/NBC WKG
NEWS Flats—Merged Carrier Route, Automation, and Presorted		
Merged 5-digit	439	NEWS FLTS CR/5D
Merged 5-digit scheme	449	NEWS FLTS CR/5D SCH
NEWS Irregular Parcels—Merged Carrier Route, Automation, and Presorted		
Merged 5-digit	440	NEWS IRREG CR/5D
Merged 5-digit scheme	465	NEWS IRREG CR/5D SCH
* * * * *		
STANDARD MAIL (A)		
* * * * *		
[Amend Exhibit 1.3a by adding the following after “Enhanced Carrier Route Flats—Nonautomation” to read as follows:]		
STD Flats—Co-Sacked Automation and Presorted		
5-digit sacks	521	STD FLTS 5D BC/NBC
3-digit and origin/entry 3-digit sacks	522	STD FLTS 3D BC/NBC
ADC sacks	531	STD FLTS ADC BC/NBC
Mixed ADC sacks	532	STD FLTS BC/NBC WKG
STD Flats—Merged Carrier Route, Automation, and Presorted		
Merged 5-digit	539	STD FLTS CR/5D
Merged 5-digit scheme	549	STD FLTS CR/5D SCH
* * * * *		

M033 Sacks and Trays**1.0 BASIC STANDARDS**

* * * * *

1.7 Origin/Entry 3-Digit/Scheme Trays and Sacks

[Amend 1.7 to refer to the preparation of merged 5-digit sacks and merged 5-digit scheme sacks to read as follows:]

Except for flat-size and irregular parcel-size Periodicals under 1.8, after

all carrier route, 5-digit carrier routes (and where permitted for flats in sacks, merged 5-digit scheme, 5-digit scheme carrier routes, merged 5-digit, and where permitted for letters in trays, 3-digit carrier routes), 5-digit (and where permitted for automation letters in trays,

5-digit scheme), 3-digit (and where permitted for automation letters in trays, 3-digit scheme) sacks/trays are prepared, an origin/entry 3-digit sack or tray (or, if applicable, origin/entry 3-digit scheme tray) must be prepared to contain any remaining mail for each 3-digit (or 3-digit scheme) area serviced by the SCF (mail processing office) serving the post office where the mail is verified (origin), and may be prepared for each 3-digit (or 3-digit scheme) area served by the SCF/plant where mail is entered (if that is different from the SCF/plant serving the post office where the mail is verified—e.g., a PVDS deposit site). In all cases, only one less-than-full sack or tray may be prepared for each 3-digit (or 3-digit scheme) area.

1.8 Periodicals Flats and Irregular Parcels Origin/Entry SCF Sacks

[Amend 1.8 to refer to the preparation of merged 5-digit sacks and merged 5-digit scheme sacks to read as follows:]

For flat-size and irregular parcel-size Periodicals, after all carrier route, 5-digit carrier routes (and where permitted merged 5-digit scheme, 5-digit scheme carrier routes, and merged 5-digit), 5-digit, 3-digit, and required SCF sacks are prepared, an origin/entry SCF sack must be prepared to contain any remaining 5-digit and 3-digit packages for the 3-digit ZIP Code area(s) served by the SCF serving the post office where the mail is verified (origin), and may be prepared for the area served by the SCF/plant where mail is entered (if that is different from the SCF/plant serving the post office where the mail is verified—e.g., a PVDS deposit site). In all cases, only one less-than-full sack may be prepared for each SCF area.

* * * * *

M040 Pallets

M041 General Standards

* * * * *

5.0 PREPARATION

5.1 Presort

[Amend 5.1 by replacing the first five sentences with the following six sentences to provide for advanced pallet preparation options in M920, M930, and M940 to read as follows:]

Pallet preparation and pallet sortation are subject to the specific standards in M045, M920, M930, and M940. Pallet sortation is generally intended to presort the palletized portion of a mailing to at least the finest extent required for the corresponding class of mail and method of preparation. Pallet sortation is sequential from the lowest (finest) level to the highest and must be completed at each required level before the next

optional or required level is prepared. Standard preparation terms for pallets are defined in M011, standard presort levels are defined in M045, and advanced presort levels are defined in M920, M930, and M940. For sacks, trays, or machinable parcels on pallets, the mailer must prepare all required pallet levels before any mixed ADC or mixed BMC pallets are prepared for a mailing or job. Packages prepared under M045 or M920, M930, or M940 must not be placed on mixed ADC or mixed BMC pallets.* * *

5.2 Required Preparation

[Amend 5.2 to clarify that the pallet sortation requirement applies all Standard Mail (B) rather than just Parcel Post and to provide for advanced pallet preparation options in M920, M930, and M940 to read as follows:]

These standards apply to:

a. Periodicals, Standard Mail (A), and Standard Mail (B) (other than Parcel Post 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 that are prepared under the standards for package reallocation to protect the SCF pallet (M045.5.0), not all mail for a required 5-digit scheme carrier routes, 5-digit scheme, 5-digit carrier routes, or 5-digit pallet or for an optional merged 5-digit scheme, optional merged 5-digit, or optional 3-digit pallet is required to be on that corresponding pallet level. For packages of Standard Mail (A) flats on pallets that are prepared under the standards for package reallocation to protect the SCF pallet (M045.5.0), not all mail for a required 5-digit carrier routes or 5-digit pallet or for an optional 5-digit scheme carrier routes, merged 5-digit scheme, 5-digit scheme, merged 5-digit pallet, or 3-digit pallet is required to be on that corresponding pallet level. 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 ADC or mixed BMC pallets of sacks, trays, or machinable parcels, as appropriate, 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.

* * * * *

5.6 Mail on Pallets

[Amend 5.6 by removing current 5.6c and 5.6d; redesignating current 5.6e as 5.6f, and by adding new 5.6c through 5.6e to reflect new requirements for separating carrier route rate mail from non-carrier route rate mail on 5-digit and 5-digit scheme pallets to read as follows:]

These standards apply to mail on pallets:

* * * * *

c. For Bound Printed Matter (other than machinable parcels), carrier route rate mail and Presorted rate mail in the same mailing job may be combined on all levels of pallets.

d. For Standard Mail (A) and Periodicals letter-size mail prepared in trays on pallets, and for nonletter-size Periodicals and Standard Mail (A) prepared either as sacks on pallets or as packages on pallets, carrier route mail must be prepared on separate 5-digit pallets (5-digit carrier routes or 5-digit scheme carrier routes pallets) from automation rate or Presorted rate mail (that must be prepared on 5-digit pallets or 5-digit scheme pallets). *Exception:* When nonletter-size Periodicals and flat-size Standard Mail (A) is prepared under 5.6e, carrier route mail, automation rate mail, and Presorted rate mail may be copalletized on the same merged 5-digit pallet or on the same merged 5-digit scheme pallet for applicable 5-digit ZIP Codes.

e. Mailers of nonletter-size Periodicals and flat-size Standard Mail (A) that prepare packages on pallets may copalletize carrier route mail, automation rate mail, and Presorted rate mail on the same merged 5-digit pallet or on the same merged 5-digit scheme pallet when they meet the conditions and preparation standards in M920, M930, or M940.

* * * * *

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

* * * * *

6.2 Application

[Amend 6.2 by replacing "M045" with "M045 or M920, M930, or M940."]

6.3 Periodicals Publications

[Amend 6.3 by replacing "M045" in the next to last sentence with "M045 or M920, M930, or M940."]

6.4 Standard Mail (A)

[Amend the last sentence of 6.4 by replacing "M045" with "M045 or M920, M930, or M940."]

* * * * *

M045 Palletized Mailings

* * * * *

4.0 PALLET PRESORT AND LABELING

[Amend 4.0 by removing current 4.4; redesignating current 4.2 and 4.3 as 4.4 and 4.5, respectively; amending 4.1 to make it applicable to only Periodicals mail, to reflect new 5-digit pallet preparation procedures, and to clarify and amend the standards for line 2 of pallet labels; adding new 4.2 that separately specifies sortation of Standard Mail (A) pallets, reflects new 5-digit pallet preparation procedures, and clarifies and amends the standards for line 2 of pallet labels; adding new 4.3 that separately specifies sortation of Bound Printed Matter pallets, amending redesignated 4.4 for clarity, and clarifying and amending the standards for line 2 of pallet labels in all the aforementioned sections to read as follows:]

4.1 Periodicals Packages, Sacks, or Trays on Pallets

Mailers must prepare pallets in the sequence listed below except that for mailings of sacks or trays on pallets that are not permitted to be prepared using scheme sortation (L001) under 4.1a and 4.1b, mailers must begin preparing pallets under 4.1c. Pallets must be labeled according to the Line 1 and Line 2 information listed below and under M031. Alternatively, at the mailer's option, Periodicals nonletter mail prepared as packages on pallets may be palletized in accordance with one of the advanced presort options under M920, M930, or M940.

a. *5-Digit Scheme Carrier Routes.* Required for nonletter-size packages on pallets. Not permitted for sacks or trays on pallets. May contain only carrier route packages for the same 5-digit scheme under L001. Scheme sort must be done for all possible 5-digit scheme destinations. For all 5-digit destinations that are not part of a scheme, prepare 5-digit carrier routes pallets under 4.1c where possible.

(1) Line 1: use L001, Column B.

(2) Line 2: "PER" or "NEWS" as applicable, followed by "FLTS" or

"IRREG" as applicable; followed by "CARRIER ROUTES" or "CR-TS" and "SCHEME" or "SCH."

b. *5-Digit Scheme.* Required for nonletter-size packages on pallets. Not permitted for sacks or trays on pallets. May contain only automation rate and/or Presorted rate packages for the same 5-digit scheme under L001. Scheme sort must be done for all possible 5-digit scheme destinations. For all 5-digit destinations that are not part of a scheme, prepare 5-digit pallets under 4.1d where possible.

(1) Line 1: use L001, Column B.

(2) Line 2: "PER" or "NEWS" as applicable, followed by "FLTS" or "IRREG" as applicable; followed by "5D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail; followed by "SCHEME" or "SCH."

c. *5-Digit Carrier Routes.* Required for sacks; required for packages (except for packages prepared to 5-digit scheme carrier routes pallets under 4.1a); optional for trays. May contain only carrier route mail for the same 5-digit ZIP Code.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" or, for trays on pallets only, "LTRS" as applicable; followed by "CARRIER ROUTES" or "CR-TS."

d. *5-Digit.* Required for sacks; required for packages (except for packages prepared to 5-digit scheme pallets under 4.1b); optional for trays. May contain only automation rate and/or Presorted rate mail for the same 5-digit ZIP Code.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" or, for trays on pallets only, "LTRS" as applicable; followed by "5D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

e. *3-Digit.* Optional. May contain carrier route rate, automation rate, and/or Presorted rate mail.

(1) Line 1: use L002, Column A.

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" or, for trays on pallets only "LTRS" as applicable; followed by "3D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by

"NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

f. *SCF.* Required. May contain carrier route rate, automation rate, and/or Presorted rate mail.

(1) Line 1: use L002, Column C.

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" or, for trays on pallets only, "LTRS" as applicable; followed by "SCF"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

g. *ADC.* Required. May contain carrier route rate, automation rate, and/or Presorted rate mail.

(1) Line 1 labeling: use L004.

(2) Line 2 labeling: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" or, for trays on pallets only, "LTRS" as applicable; followed by "ADC"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

h. *For sacks and trays on pallets only, mixed ADC.* Optional. May contain carrier route rate, automation rate, and/or Presorted rate mail.

(1) Line 1: use "MXD" followed by the city/state/ZIP Code of the ADC serving the 3-digit ZIP Code prefix of the entry post office as shown in L004, Column A (label to plant serving entry post office if authorized by the processing and distribution manager).

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" or, for trays on pallets only, "LTRS" as applicable; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail; and followed by "WKG."

4.2 Standard Mail (A) Packages, Sacks, or Trays on Pallets

Mailers must prepare pallets in the sequence listed below. Mailers not opting to perform or not permitted to perform scheme sortation under 4.2a and 4.2b using L001 must begin preparing pallets under 4.2c. Pallets must be labeled according to the Line 1 and Line 2 information listed below and under M031. At the mailer's option, flat-size Standard Mail (A) prepared as packages on pallets may be palletized in accordance with the advanced presort option under M920.

a. *5-Digit Scheme Carrier Routes.* Optional. Permitted only for flat-size packages on pallets. May contain only carrier route rate packages for the same 5-digit scheme under L001. If scheme

sort is performed, it must be done for all 5-digit scheme destinations. For all 5-digit destinations that are not part of a scheme, prepare 5-digit carrier routes pallets under 4.2c.

(1) Line 1: use L001, Column B.

(2) Line 2: "STD FLTS"; followed by "CARRIER ROUTES" or "CR-RTS"; and "SCHEME" or "SCH".

b. *5-Digit Scheme*. Optional.

Permitted only for flat-size packages on pallets. May contain only automation rate and/or Presorted rate packages for the same 5-digit scheme under L001. If scheme sort is performed, it must be done for all 5-digit scheme destinations. For all 5-digit destinations that are not part of a scheme, prepare 5-digit pallets under 4.2d.

(1) Line 1: use L001, Column B.

(2) Line 2: "STD FLTS 5D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail, and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail; and followed by "SCHEME" or "SCH".

c. *5-Digit Carrier Routes*. Required for sacks; required for packages (except for packages prepared to 5-digit carrier route scheme pallets under 4.2a); optional for trays. May contain only carrier route rate mail for the same 5-digit ZIP Code.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS" or "STD A IRREG" or, for trays on pallets only, "STD LTRS" as applicable; followed by "CARRIER ROUTES" or "CR-RTS".

d. *5-Digit*. Required for sacks; required for packages (except for packages prepared to 5-digit scheme pallets under 4.2b); optional for trays. May contain only automation rate and/or Presorted rate mail for the same 5-digit ZIP Code.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS 5D" or "STD A IRREG 5D" or, for trays on pallets only, "STD LTRS 5D" as applicable; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

e. *3-digit*: optional. May contain carrier route rate, automation rate, and/or Presorted rate mail.

(1) Line 1: use L002, Column A.

(2) Line 2: "STD FLTS 3D" or "STD A IRREG 3D" or, for trays on pallets only, "STD LTRS 3D" as applicable; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or

"NBC" if the pallet contains Presorted rate mail.

f. *SCF*. Required. May contain carrier route rate, automation rate, and/or Presorted rate mail.

(1) Line 1: use L002, Column C.

(2) Line 2: "STD FLTS SCF" or "STD A IRREG SCF" or, for trays on pallets only, "STD LTRS SCF" as applicable; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

g. *ASF*. Required, except that an ASF sort may not be required if using package reallocation for flats to protect the BMC pallet under 6.0. May contain carrier route rate, automation rate, and/or Presorted rate mail. Sort ADC packages, trays or sacks to ASF pallets based on the "label to" ZIP Code for the ADC destination of the package, tray, or sack in L004 (letters or flats) or L603 (irregular parcels). Sort AADC trays to ASF pallets based on the "label to" ZIP Code for the AADC destination of the tray in L801. See E651 for additional requirements for DBMC rate eligibility.

(1) Line 1: use L602.

(2) Line 2: "STD FLTS ASF" or "STD A IRREG ASF" or, for trays on pallets only, "STD LTRS ASF" as applicable; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

h. *Destination BMC*: Required. May contain carrier route rate, automation rate, and/or Presorted rate mail. Sort ADC packages, trays or sacks to BMC pallets based on the "label to" ZIP Code for the ADC destination of the package, tray, or sack in L004 (letters or flats) or L603 (irregular parcels). Sort AADC trays to BMC pallets based on the "label to" ZIP Code for the AADC destination of the tray in L801. See E651 for additional requirements for DBMC rate eligibility.

(1) Line 1: use L601.

(2) Line 2: "STD FLTS BMC" or "STD A IRREG BMC" or, for trays on pallets only, "STD LTRS BMC" as applicable; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

i. *For sacks and trays on pallets only, mixed BMC*. Optional. May contain carrier route rate, automation rate, and/or Presorted rate mail.

(1) Line 1: use "MXD" followed by the information in L601, Column B, for the BMC serving the 3-digit ZIP Code prefix of the entry post office (label to plant serving entry post office if

authorized by the processing and distribution manager).

(2) Line 2: "STD FLTS" or "STD A IRREG" or, for trays on pallets only, "STD LTRS" as applicable; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail; and followed by "WKG."

4.3 Bound Printed Matter Packages or Sacks on Pallets

Prepare pallets in the sequence listed below. Label pallets according to the Line 1 and Line 2 information listed below and under M031.

a. *5-digit*. Required for sacks and for packages. May contain Carrier Route and/or Presorted rate mail.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS 5D" or "STD B IRREG 5D" as applicable, and, if the pallet contains only Carrier Route mail, followed by "CARRIER ROUTES" (OR "CR-RTS").

b. *3-digit*. Optional. May contain carrier route rate and/or Presorted rate mail.

(1) Line 1: use L002, Column A.

(2) Line 2: "STD FLTS 3D" or "STD B IRREG 3D" as applicable.

c. *SCF*. Required. May contain carrier route rate and/or Presorted rate mail.

(1) Line 1: use L002, Column C.

(2) Line 2: "STD FLTS SCF" or "STD B IRREG SCF" as applicable.

d. *Destination ASF*. Required. May contain carrier route rate and/or Presorted rate mail. Sort ADC packages or sacks to ASF pallets based on the "label to" ZIP Code for the ADC destination of the package or sack in L004 (flats) or L603 (irregular parcels).

(1) Line 1: use L602.

(2) Line 2: "STD FLTS ASF" or "STD B IRREG ASF" as applicable.

e. *Destination BMC*. Required. May contain carrier route rate and/or Presorted rate mail. Sort ADC packages or sacks to ASF pallets based on the "label to" ZIP Code for the ADC destination of the package or sack in L004 (flats) or L603 (irregular parcels).

(1) Line 1: use L601.

(2) Line 2: "STD FLTS BMC" or "STD B IRREG BMC" as applicable.

f. *For sacks on pallets only, mixed BMC*. Optional. May contain Carrier Route and/or Presorted rate mail.

(1) Line 1: use "MXD" followed by the information in L601, Column B, for the BMC serving the 3-digit ZIP Code prefix of the entry post office (label to plant serving entry post office if authorized by the processing and distribution manager).

(2) Line 2: "STD FLTS" or "STD B IRREG" as applicable, followed by "WKG."

4.4 Machinable Parcels—Standard Mail (A), Bound Printed Matter, and Parcel Post (Except BMC Presort, OBMC Presort, and Parcel Select DDU and DSCF)

Mailers must prepare pallets in the sequence listed below. Mailers may prepare Parcel Post other than BMC Presort, OBMC Presort, and Parcel Select DDU and DSCF on pallets under this section as an option. If Parcel Post is optionally sorted under this section it must meet all the requirements of this section. Pallets must be labeled according to the Line 1 and Line 2 information listed below and under M031.

a. *5-digit*. Required, except optional for Standard Mail (A) if 3/5 rates are not claimed.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD A MACH 5D" or "STD B MACH 5D" as applicable.

b. *For Standard Mail (A) and Parcel Post if DBMC rates are not claimed and for all Bound Printed Matter: Destination BMC*. Required.

(1) Line 1: use L601.

(2) Line 2: "STD A MACH BMC" or "STD B MACH BMC," as applicable.

c. *For Standard Mail (A) and Parcel Post if DBMC rates are claimed: Destination ASF/BMC*. Option 1:

Mailers may opt to sort mail to ASFs using L602 only when the mail on the ASF pallet will be deposited at the ASF to claim the DBMC rate. After ASF pallets are prepared (mail need not be sorted to all ASFs) remaining mail must be sorted to BMCs using L601. Mail on BMC pallets deposited at the applicable BMC facility will be eligible for DBMC rates only if its 3-digit ZIP Code prefix is listed in Exhibit E651.5.1 (Standard Mail (A)) or Exhibit E652.1.3 (Parcel Post) for that entry BMC. *Option 2*: Mailers may sort mail only to BMCs using L601. Under option 2, only mail for 3-digit ZIP Codes served by a BMC listed in Exhibit E651.5.1 or Exhibit E652.1.3 are eligible for DBMC rates (i.e., mail for 3-digit ZIP Codes served by an ASF in Exhibit E651.5.1 or Exhibit E652.1.3 are not eligible for DBMC rates, nor are 3-digit ZIP Codes that do not appear on Exhibit E651.5.1 or Exhibit E652.1.3).

(1) Line 1: *Option 1*: use L602 for ASF pallets; use L601 for BMC pallets.

Option 2: use L601.

(2) Line 2: "STD A MACH" or "STD B MACH" as applicable; followed by "ASF" or "BMC" as applicable.

d. *Mixed BMC*. Optional.

(1) Line 1: use "MXD" followed by the information in L601, Column B, for the BMC serving the 3-digit ZIP Code prefix of the entry post office (label to plant serving entry post office if authorized by the processing and distribution manager).

(2) Line 2: "STD A MACH" or "STD B MACH" as applicable, followed by "WKG."

4.5 Presorted Special Standard and Library Mail

Mailers must prepare 5-digit pallets for Presorted 5-digit rate mailings and must prepare BMC pallets for Presorted BMC rate mailings as described below. Label pallets according to the Line 1 and Line 2 information listed below and under M031.

a. *5-digit (5-digit rate only)*. Required.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS 5D" or "STD B IRREG 5D" or "STD B MACH 5D" as applicable.

b. *Destination BMC (BMC rate only)*. Required.

(1) Line 1: use L601.

(2) Line 2: "STD FLTS BMC" or "STD B IRREG BMC" or "STD B MACH BMC" as applicable.

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

5.1 Basic Standards

[Amend the second sentence of 5.1 to provide for new pallet levels to read as follows:]

* * * The software will determine if mail for an SCF service area would fall beyond the SCF level if all optional merged 5-digit scheme, optional 5-digit scheme carrier routes, optional 5-digit scheme, merged 5-digit, required 5-digit carrier routes, required 5-digit, or optional 3-digit pallets are prepared.

* * *

5.2 General Reallocation Rules

[Amend 5.2b, 5.2c, and 5.2d to provide for new pallet levels to read as follows:]

Reallocation rules:

* * * * *

b. Reallocate packages from the highest available pallet level possible. If it is not possible to reallocate some mail from a 3-digit pallet first, then attempt to eliminate a 3-digit pallet and reallocate all mail from that pallet to create an SCF pallet; if mail cannot be reallocated from a 3-digit pallet, then

attempt to reallocate some mail from a 5-digit, 5-digit carrier routes, merged 5-digit, 5-digit scheme, 5-digit scheme carrier routes, or merged 5-digit scheme pallet.

c. The reallocation process may result in the elimination of a 3-digit pallet to create an SCF pallet, but a 5-digit, 5-digit carrier routes, merged 5-digit, 5-digit scheme, 5-digit scheme carrier routes, or merged 5-digit scheme pallet may not be eliminated in order to create an SCF pallet.

d. When reallocating mail to create an SCF pallet, reallocate mail from only one more finely sorted pallet. This may be accomplished by reallocating a portion of a 3-digit pallet, reallocating all mail from a 3-digit pallet, or reallocating a portion of one of the following pallets: 5-digit, 5-digit carrier routes, merged 5-digit, 5-digit scheme, 5-digit scheme carrier routes, or merged 5-digit scheme.

* * * * *

5.3 Reallocation of Packages if Optional 3-Digit Pallets are Prepared

[Amend 5.3c and 5.3d to provide for new pallet levels to read as follows:]

Reallocation rules:

* * * * *

c. If preparation is under M045 and there are no 3-digit pallets, attempt to identify a 5-digit, 5-digit carrier routes, 5-digit scheme, or 5-digit scheme carrier routes pallet of adequate weight to support reallocation of one or more packages to bring the mail that would fall beyond the SCF pallet level back to the SCF level. If preparation is under M920, M930, or M940 and there are no 3-digit pallets, attempt to identify a 5-digit, 5-digit carrier routes, merged 5-digit, 5-digit scheme, 5-digit scheme carrier routes, or merged 5-digit scheme pallet of adequate weight to support reallocation of one or more packages to bring the mail that would fall beyond the SCF pallet level back to the SCF level. A sufficient volume of mail must remain on the applicable pallet after reallocation to meet the pallet weight minimum established by the mailer in compliance with applicable DMM standards. If a 5-digit, 5-digit carrier routes, merged 5-digit, 5-digit scheme, 5-digit scheme carrier routes, or merged 5-digit scheme pallet, as applicable, of adequate weight is available, create an SCF pallet by combining the reallocated packages with the mail that would fall beyond the SCF pallet level.

d. If no single 5-digit, 5-digit carrier routes, merged 5-digit, 5-digit scheme, 5-digit scheme carrier routes, or merged 5-digit scheme pallet, as applicable, within the SCF service area contains an

adequate volume of mail to allow reallocation of a portion of the mail on a pallet as described in 5.3c, then no packages will be reallocated and an SCF pallet will not be prepared; the mail that falls beyond the SCF pallet level must be placed on the appropriate level pallet (ADC, ASF, or BMC) or in the appropriate level sack.

5.4 Reallocation of Packages if Optional 3-digit Pallets are Not Prepared

[Amend 5.4a and 5.4b to provide for new pallet levels to read as follows:]
Reallocation rules:

a. Attempt to identify a 5-digit, 5-digit carrier routes, merged 5-digit, 5-digit scheme, 5-digit scheme carrier routes, or merged 5-digit scheme pallet of adequate weight to support reallocation of one or more packages to bring the mail that would fall beyond the SCF pallet level back to the SCF level. A sufficient volume of mail must remain on the 5-digit, 5-digit carrier routes, merged 5-digit, 5-digit scheme, 5-digit scheme carrier routes, or merged 5-digit scheme pallet after reallocation to meet the pallet weight minimum established by the mailer in compliance with applicable DMM standards. If a 5-digit, 5-digit carrier routes, merged 5-digit, 5-digit scheme, 5-digit scheme carrier routes, or merged 5-digit scheme pallet of adequate weight is available, create an SCF pallet by combining the reallocated packages with the mail that would fall beyond the SCF pallet level.

b. If no single 5-digit, 5-digit carrier routes, merged 5-digit, 5-digit scheme, 5-digit scheme carrier routes, or merged 5-digit scheme pallet within the SCF service area contains an adequate volume of mail to allow reallocation of a portion of the mail on a pallet as described in 5.4a, then no packages will be reallocated and an SCF pallet will not be prepared; the mail that falls beyond the SCF pallet level must be placed on the appropriate level pallet (ADC, ASF, or BMC) or in the appropriate level sack.

* * * * *

[Amend the title of 7.0 to read as follows:]

7.0 PALLETS OF PACKAGES AND TRAYS

7.1 Periodicals

[Amend 7.1 by adding a new first sentence; by redesignating the current first sentence as 7.1a and removing the phrase "letter-size"; by redesignating the current last sentence as 7.1b; and by replacing the current second sentence with 7.1c to require placement of carrier route sorted mail on separate pallets

from automation rate and Presorted rate mail at the 5-digit presort level to read as follows:]

Additional pallet preparation:

a. Combined Mailings. When two or more publications are part of a combined mailing, the mailer must keep records for each mailing (publication) as required by standard.

b. Destination Delivery Unit Rates. Pieces claimed at destination delivery unit rates do not require separation from pieces claimed at other rates on the same pallet.

c. Carrier Route Mail on Separate 5-Digit Level Pallets. Carrier route sorted pieces must be prepared on separate 5-digit pallets (5-digit carrier routes or 5-digit scheme carrier routes pallets) from automation rate or Presorted rate pieces (prepared on 5-digit pallets or 5-digit scheme pallets). *Exception:* When non-letter-size Periodicals are prepared as packages on pallets under M920, M930, or M940, then carrier route sorted mail, 5-digit sorted automation rate mail, and 5-digit sorted Presorted rate mail may be placed on the same merged 5-digit pallet or on the same merged 5-digit scheme pallet for those 5-digit ZIP Codes for which (1) there are "A" or "C" indicators in the City State Product under M920, or (2) the 5-digit packages are within the 5% threshold requirement under M930, or (3) the 5-digit packages are either all for 5-digit ZIP Codes that have an "A" or "C" indicator in the City State Product, or are for 5-digit ZIP Codes with a "B" or "D" indicator in the City State Product and the pieces in such 5-digit packages meet the 5% threshold under M940.

7.2 Standard Mail (A)

[Amend 7.2 by adding a new first sentence; by redesignating the current first sentence as 7.2a; by redesignating the current last sentence as 7.2b; and by replacing the current second sentence with 7.2c to require placement of carrier route sorted mail on separate pallets from automation rate and Presorted rate mail at the 5-digit presort level to read as follows:]

Additional pallet preparation:

a. Combined Mailings. Nonprofit mail may be included in the same mailing or palletized on the same pallet as other Standard Mail (A) only as permitted by standard.

b. Destination Delivery Unit Rates. Pieces claimed at destination delivery unit rates do not require separation from pieces claimed at other rates on the same pallet.

c. Carrier Route Mail on Separate 5-Digit Level Pallets. Carrier route rate pieces must be prepared on separate 5-digit pallets (5-digit carrier routes or 5-

digit scheme carrier routes pallets) from automation rate and/or Presorted rate pieces (prepared on 5-digit pallets or 5-digit scheme pallets). *Exception:* When flat-size pieces are prepared as packages on pallets under M920, M930, or M940, then carrier route sorted mail, 5-digit sorted automation rate mail, and 5-digit sorted Presorted rate mail may be placed on the same merged 5-digit pallet or on the same merged 5-digit scheme pallet for those 5-digit ZIP Codes for which (1) there are "A" or "C" indicators in the City State Product under M920, or (2) the 5-digit packages are within the 5% threshold requirement under M930, or (3) the 5-digit packages are either all for 5-digit ZIP Codes that have an "A" or "C" indicator in the City State Product, or are for 5-digit ZIP Codes with a "B" or "D" indicator in the City State Product and the pieces in such 5-digit packages meet the 5% threshold under M940.

* * * * *

9.0 PALLETS OF COPALLETIZED PERIODICALS OR STANDARD MAIL (A) FLAT-SIZE PIECES

9.1 Basic Standards

[Amend 9.1 by adding the following after the first sentence to provide for preparation under M920, M930, and M940 to read as follows:]

* * * In addition, if copalletized under M920, M930, or M940, the provisions of one of those preparation options must also be met. * * *

* * * * *

[Amend the heading and the contents of 9.4 to read as follows:]

9.4 Pallet Labels

Pallet labels for copalletized mailings must meet the provisions of M031 and M045.4.0, or if applicable, M031 and M920, M930, or M940.

* * * * *

M100 First-Class Mail (Nonautomation)

* * * * *

M130 Presorted First-Class

1.0 BASIC STANDARDS

1.1 All Pieces

[Amend 1.1 to provide for preparation under M920 to read as follows:]

Each Presorted First-Class mailing must meet the applicable standards in E130 and in M010, M020, and M030; flat-size mail co-trayed with automation rate mail must be prepared under 1.6 and M910. All pieces must be in the same processing category, subject to 1.4, and must be sorted together and prepared under 2.0, 3.0, 4.0, or 5.0 as

appropriate; automation rate First-Class Mail must be prepared under M810, M820, or M910 as applicable. Letter-size pieces (including card-size pieces) must be prepared in letter trays; flat-size pieces must be prepared in flat trays; parcels must be prepared in sacks. Subject to M012, all pieces must be marked "Presorted" and "First-Class."

* * * * *

[Add new 1.6 to read as follows:]

1.6 Co-Traying with Automation Rate Mail

Packages of flat-size mail prepared under 4.1 may be co-trayed with automation rate mail that is part of the same mailing job at all levels of trays if prepared under M910.

* * * * *

M200 Periodicals (Nonautomation)

1.0 BASIC STANDARDS

1.1 General Preparation

[Amend 1.1 to provide for preparation under M910, M920, M930, and M940 to read as follows:]

All pieces in each nonautomation rate Periodicals mailing must be in the same processing category and sorted together to the finest extent required under 2.0 and either 3.0 or 4.0 as appropriate; automation rate Periodicals must be prepared under M810 or M820 as applicable; nonletter-size mail co-sacked with automation rate mail must be prepared under 1.6 and M910, or under 1.7 and M920. Letter-size pieces must be prepared in trays; nonletter-size pieces must be prepared in sacks. Palletization of trays, sacks, or packages is permitted by M041 and M045. Nonletter-size packages may also be palletized under M041 and M920, M930, or M940. Postmasters may authorize preparation of small mailings in non-postal containers if they consist primarily of packages for local ZIP Codes, do not exceed 20 pounds, and do not require postal transportation for processing.

* * * * *

[Add new 1.6 and 1.7 to provide for preparation under M910 and M920 to read as follows:]

1.6 Co-Sacking with Automation Rate Mail

Packages of nonletter-size mail prepared under 2.4a and 2.4c through 2.4f may be co-sacked with automation rate mail that is part of the same mailing job under the standards in M910.

1.7 Merged Containerization of Nonletter-Size Carrier Route, Automation Rate, and Presorted Rate Mail

Under the standards in M920, nonletter-size firm and 5-digit packages at Presorted rates that are prepared under 1.0 and 2.4a and 2.4c may be co-sacked with nonletter-size carrier route packages prepared under 1.0 and 2.4b and with nonletter-size 5-digit packages at automation rates prepared under M820 in merged 5-digit sacks and in merged 5-digit scheme sacks or pallets. Under the standards in M920, M930, or M940, nonletter-size firm and 5-digit packages at Presorted rates that are prepared under 1.0 and 2.4a and 2.4c may be copalletized with nonletter-size carrier route packages prepared under 1.0 and 2.4b and with nonletter-size 5-digit packages at automation rates prepared under M820 on merged 5-digit pallets and in merged 5-digit scheme sacks or pallets.

* * * * *

M600 Standard Mail (Nonautomation)

M610 Presorted Standard Mail (A)

1.0 BASIC STANDARDS

1.1 All Mailings

[Amend the first sentence of 1.1 and 1.1c to provide for preparation under M910, M920, M930 and M940 to read as follows:]

All mailings at Presorted Standard rates are subject to specific preparation standards in 2.0 through 6.0 and to these general standards (automation rate mail must be prepared under M810, M820, M910, M920, M930, or M940, as applicable):

* * * * *

c. All pieces must be sorted together and prepared under M045 or under M610 or, if flat-size under M910, 920, M930, or M940.

* * * * *

[Add new 1.5 and 1.6 to provide for preparation under M910, M920, M930, and M940 to read as follows:]

1.5 Co-Sacking with Automation Rate Mail

Packages of flat-size mail prepared under 4.3 may be co-sacked with automation rate mail that is part of the same mailing job under the standards in M910.

1.6 Merged Containerization With Carrier Route and Automation Rate Mail

When the conditions and preparation standards in M920 are met, flat-size 5-digit packages at Presorted rates prepared under 4.3a may be co-sacked

with flat-size carrier route rate packages prepared under M620 and with flat-size 5-digit packages at automation rates prepared under M820 in merged 5-digit sacks or in merged 5-digit scheme sacks. When the conditions and preparation standards in M920, M930, or M940 are met, flat-size 5-digit packages at Presorted rates prepared under 4.3a may be copalletized with flat-size carrier route rate packages prepared under M620 and with flat-size 5-digit packages at automation rates prepared under M820 in merged 5-digit pallets, or in merged 5-digit scheme pallets.

* * * * *

M620 Enhanced Carrier Route Standard Mail

1.0 BASIC STANDARDS

1.1 All Mailings

[Amend 1.1c to provide for preparation under M920, M930, and M940 to read as follows:]

All nonautomation rate Enhanced Carrier Route mailings are subject to these general standards (automation rate Enhanced Carrier Route mailings must be prepared under M810):

* * * * *

c. All pieces must be sorted together and prepared under M045, M920, M930, or M940 (if palletized), or under M620 or M920 if sacked.

* * * * *

[Add new 1.6 to provide for preparation under M920, M930, and M940 to read as follows:]

1.6 Merged Containerization with Automation Rate and Presorted Rate Mail

When the conditions and preparation standards in M920 are met, flat-size carrier route rate packages prepared under 2.0 may be co-sacked with flat-size 5-digit packages at Presorted rates prepared under M610 and with flat-size 5-digit packages at automation rates prepared under M820 in merged 5-digit sacks or in merged 5-digit scheme sacks. When the conditions and preparation standards in M920, M930, or M940 are met, flat-size carrier route rate packages prepared under 2.0 may be copalletized with flat-size 5-digit packages at Presorted rates prepared under M610 and with flat-size 5-digit packages at automation rates prepared under M820 in merged 5-digit pallets or in merged 5-digit scheme pallets.

* * * * *

M800 All Automation Mail

* * * * *

M820 Flat-Size Mail**1.0 BASIC STANDARDS**

* * * * *

[Revise the heading and contents of 1.9 to provide for preparation under M910 to read as follows:]

1.9 Co-Traying, Co-Sacking, or Copalletizing with Presorted Rate Mail

Packages prepared under M820 1.0 through 4.0 may be co-trayed or co-sacked with Presorted rate mail that is part of the same mailing job and mail class at all levels of tray or sack under the provisions of M910.

[Add new 1.10 to provide for preparation under M920 to read as follows:]

1.10 Merged Containerization with Carrier Route and Presorted Rate Mail

Under M920, 5-digit automation rate packages prepared under M820.1.0, M820.3.0, and M820.4.0 may be co-sacked with both carrier route rate packages and 5-digit Presorted rate packages in merged 5-digit sacks or pallets, or in merged 5-digit scheme sacks or pallets, for those 5-digit ZIP Codes with an "A" or "C" indicator in the Carrier Route Indicators field of the City State Product that shows such combination is permissible. In addition, 5-digit automation rate packages prepared under M820.1.0, M820.3.0, and M820.4.0 may be copalletized with both carrier route rate packages and 5-digit Presorted rate packages on merged 5-digit pallets, or on merged 5-digit scheme pallets, under the conditions in M920, M930, or M940. Packages co-sacked or copalletized under M920, M930, or M940 must be part of the same mailing job and mail class.

* * * * *

[Add new section M900 to provide for co-traying and co-sacking of automation rate and Presorted rate packages and co-sacking and copalletization of carrier route packages, 5-digit automation packages, and 5-digit Presorted rate packages to read as follows:]

M900 Advanced Preparation Options**M910 Co-Traying and Co-Sacking of Automation Rate and Presorted Rate Mailings of Flat-Size Mail****1.0 FIRST-CLASS MAIL****1.1 Basic Standards**

Packages of flat-size pieces in an automation rate mailing may be co-trayed with packages of flat-size pieces in a Presorted rate mailing under the following conditions:

a. The pieces in the automation rate mailing and in the Presorted rate

mailing must be part of the same mailing job and reported on the same postage statement.

b. Pieces in the automation rate mailing must meet the criteria for a flat under C050.3.2 and C820. Pieces in the Presorted rate mailing must meet the criteria for a flat under C050.3.1.

c. The automation rate mailing must meet the eligibility criteria in E140, except that the traying criteria in 1.3 must be met rather than the traying criteria in M820.

d. The Presorted rate mailing must meet the eligibility criteria in E130, except that the traying and documentation criteria in 1.1 and 1.3 must be met rather than the traying and documentation criteria in M820.

e. The rates for pieces in the automation rate mailing are applied based on the level of package to which they are sorted under E140.2.0.

f. The automation rate pieces must be marked under M012. Pieces claimed at an automation rate must bear the "First-Class" marking or "Presorted" and "First-Class" markings and, except as provided in M012, "AUTO." The Presorted rate pieces must be marked "First-Class" and "Presorted." Presorted rate pieces must not bear the "AUTO" marking.

g. The packages prepared from the automation rate mailing and the packages prepared from the Presorted rate mailing must be sorted into the same trays as described in 1.3.

h. A complete, signed, appropriate postage statement, using the correct USPS form or an approved facsimile, must accompany each mailing job prepared under these procedures. In addition to the applicable postage statement, documentation produced by PAVE-certified or MAC-certified software, or standardized documentation under P012, must be submitted with each co-trayed mailing job that describes for each tray sortation level the number of pieces qualifying for each applicable automation rate and the number of pieces that qualify for the Presorted rate under P012.

i. Barcoded tray labels under M032 must be used to label the trays.

1.2 Package Preparation

The automation rate mailing must be packaged and labeled under M820. The Presorted rate mailing must be packaged and labeled under M130.

1.3 Tray Preparation and Labeling

Presorted rate and automation rate packages prepared under 1.2 must be presorted together into trays (co-trayed) in the sequence listed below. Trays must be labeled using the following

information for Lines 1 and 2 and M032 for other sack label criteria.

a. *5-digit*: required, full trays only (no overflow trays).

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M032 for military mail).

(2) Line 2: "FCM FLTS 5D BC/NBC."

b. *3-digit*: required, full trays only (no overflow trays).

(1) Line 1: Use L002, Column A.

(2) Line 2: "FCM FLTS 3D BC/NBC."

c. *Origin/entry 3-digit*: required for each 3-digit ZIP Code served by the SCF of the origin (verification) office, optional for each 3-digit ZIP Code served by the SCF of an entry office other than the origin office, no minimum.

(1) Line 1: Use L002, Column A.

(2) Line 2: "FCM FLTS 3D BC/NBC."

d. *ADC*: required, full trays only (no overflow trays), use L004 to determine ZIP Codes served by each ADC.

(1) Line 1: Use L004.

(2) Line 2: "FCM FLTS ADC BC/NBC."

e. *Mixed ADC*: required, no minimum.

(1) Line 1: Use "MXD" followed by the city, state, and ZIP Code of the facility serving the 3-digit ZIP Code of the entry post office, as shown in L002, Column C.

(2) Line 2: "FCM FLTS BC/NBC WKG."

2.0 PERIODICALS**2.1 Basic Standards**

Packages of nonletter-size pieces in an automation rate mailing may be co-sacked with packages of nonletter-size pieces in a Presorted rate mailing under the following conditions:

a. The pieces in the automation rate mailing and in the Presorted rate mailing must be part of the same mailing job and must be reported on the appropriate postage statement(s).

b. The pieces in the mailing job must all be nonletter-size and meet any other size and mailpiece design requirements applicable to the rate category for which they are prepared.

c. The automation rate mailing must meet the eligibility criteria in E240, except that the sacking and documentation criteria in 2.1, 2.3, and 2.4 must be met rather than the sacking and documentation criteria in M820.

d. The Presorted rate mailing must meet the eligibility criteria in E230, except that the sacking and documentation criteria in 2.1, 2.3, and 2.4 must be met rather than the sacking and documentation criteria in M820.

e. The rates for pieces in the automation rate mailing are applied based on the number of pieces in the

package and the level of package to which they are sorted under E240. The rates for pieces in the Presorted rate mailing are based on the number of pieces in the package and the level of sack in which they are placed under E230.

f. The packages prepared from the automation rate mailing and the packages prepared from the Presorted rate mailing must be sorted into the same sacks as described in 2.3 and 2.4.

g. A complete, signed, appropriate postage statement(s), using the correct USPS form or an approved facsimile, must accompany each mailing job prepared under these procedures. In addition to the applicable postage statement, documentation produced by PAVE-certified or MAC-certified software, or standardized documentation under P012, must be submitted with each co-sacked mailing job that describes for each sack sortation level the number of pieces qualifying for each applicable automation rate and the number of pieces that qualify for each applicable Presorted rate under P012.

h. Barcoded sack labels under M032 must be used to label sacks.

2.2 Package Preparation

The automation rate mailing must be packaged and labeled under M820 (all package levels). The Presorted rate mailing must be packaged and labeled under M200 (excluding carrier route packages).

2.3 Low-Volume Packages in Sacks or on Pallets

Five-digit and 3-digit packages prepared under M200 and M820 that contain fewer than six pieces may be placed in 5-digit, 3-digit and SCF sacks when the publisher determines that such preparation improves service. Pieces in such low volume packages must claim the applicable basic Presorted rate, except for firm packages at Presorted rates as applicable under M200.1.4.

2.4 Sack Preparation and Labeling

Presorted rate and automation rate packages prepared under 2.2 and 2.3 must be presorted together into sacks (co-sacked) in the sequence listed below. Sacks must be labeled using the following information for Lines 1 and 2 and M032 for other sack label criteria. If, due to the physical size of the mailpieces, the automation rate pieces are considered flat-size under C820 and the Presorted rate pieces are considered irregular parcels under C050, the processing category shown on the sack label must show "FLTS."

a. *5-digit*: required at 24 pieces to same 5-digit, optional with one six-piece package, or under 2.3 with at least one package of fewer pieces.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M032 for military mail).

(2) Line 2: "PER" or "NEWS" as applicable and "FLTS 5D BC/NBC."

b. *3-digit*: required at 24 pieces to same 3-digit, optional with one six-piece package, or under 2.3 with at least one package of fewer pieces.

(1) Line 1: use L002, Column A.

(2) Line 2: "PER" or "NEWS" as applicable and "FLTS 3D BC/NBC."

c. *SCF*: required at 24 pieces, optional with one six-piece package, or under 2.3 with at least one package of fewer pieces.

(1) Line 1: use L002, Column C.

(2) Line 2: "PER" or "NEWS" as applicable and "FLTS SCF BC/NBC."

d. *Origin/entry SCF*: required for the SCF of the origin (verification) office, optional for the SCF of an entry office other than the origin office, no minimum.

(1) Line 1: use L002, Column C.

(2) Line 2: "PER" or "NEWS" as applicable and "FLTS SCF BC/NBC."

e. *ADC*: required at 24 pieces, optional with one six-piece package (packages of fewer than 6 pieces are not permitted).

(1) Line 1: use L004.

(2) Line 2: "PER" or "NEWS" as applicable and "FLTS ADC BC/NBC."

f. *Mixed ADC*: required, no minimum, except that packages of fewer than 6 pieces at 5-digit, 3-digit, and ADC package levels are not permitted.

(1) Line 1: Use L802 (mail entered by the mailer at an ASF or BMC) or L803, as appropriate.

(2) Line 2: "PER" or "NEWS" as applicable and "FLTS BC/NBC WKG."

3.0 STANDARD MAIL (A)

3.1 Basic Standards

Packages of flat-size pieces in an automation rate mailing may be co-sacked with packages of flat-size pieces in a Presorted rate mailing under the following conditions:

a. The pieces in the automation rate mailing and in the Presorted rate mailing must be part of the same mailing job and reported on the same postage statement or consolidated postage statement.

b. Pieces in the automation rate mailing must meet the criteria for a flat under C050.3.2 and C820. Pieces in the Presorted rate mailing must meet the criteria for a flat under C050.3.1.

c. The automation rate mailing must meet the eligibility criteria in E640,

except that the sacking and documentation criteria in 3.1, 3.3, and 3.4 must be met rather than the sacking and documentation criteria in M820.

d. The Presorted rate mailing must meet the eligibility criteria in E620, except that the sacking and documentation criteria in 3.1, 3.3, and 3.4 must be met rather than the sacking and documentation criteria in M610.

e. The rates for pieces in the automation rate mailing are applied based on the number of pieces in the package and the level of package to which they are sorted under E640.1.0. The rates for pieces in the Presorted rate mailing are based on the number of pieces in the package and the level of sack in which they are placed under E620.1.0.

f. The automation rate pieces must be marked under M012. Pieces claimed at an automation rate must be marked "Presorted Standard" (or "PRSRT STD") or "Nonprofit Organization" (or "Nonprofit Org." or "Nonprofit") and, except as provided in M012, "AUTO." The Presorted rate pieces must be marked "Presorted Standard" (or "PRSRT STD") or "Nonprofit Organization" (or "Nonprofit Org." or "Nonprofit"). Presorted rate pieces must not bear the "AUTO" marking.

g. The packages prepared from the automation rate mailing and the packages prepared from the Presorted rate mailing must be sorted into the same sacks as described in 3.3 and 3.4.

h. A complete, signed, appropriate postage statement(s), using the correct USPS form or an approved facsimile, must accompany each mailing job prepared under these procedures. In addition to the applicable mailing statement, documentation produced by PAVE-certified or MAC-certified software, or standardized documentation under P012, must be submitted with each co-sacked mailing job that describes for each sack sortation level the number of pieces qualifying for each applicable automation rate and the number of pieces that qualify for each applicable Presorted rate under P012.

i. Barcoded sack labels under M032 must be used to label the sacks.

3.2 Package Preparation

The automation rate mailing must be packaged and labeled under M820. The Presorted rate mailing must be packaged and labeled under M610. Loose packing under M610 is not permitted.

3.3 Sacking under 125-piece or 15-pound rules

When the minimum quantity of 125-pieces or 15-pounds of mail is specified

for a sack sortation level in 3.4, the provisions of M820.4.2 apply.

3.4 Sack Preparation and Labeling

Presorted rate and automation rate packages prepared under 3.2 must be presorted together into sacks (co-sacked) in the sequence listed below. Sacks must be labeled using the following information for Lines 1 and 2, and M032 for other sack label criteria.

a. *5-digit*: required, 125-piece/15-pound minimum, smaller volume not permitted.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M032 for military mail).

(2) Line 2: "STD FLTS 5D BC/NBC."
b. *3-digit*: required, 125-piece/15-pound minimum, smaller volume not permitted.

(1) Line 1: use L002, Column A.

(2) Line 2: "STD FLTS 3D BC/NBC."

c. *Origin/entry 3-digit*: required for each 3-digit ZIP Code served by the SCF of the origin (verification) office, optional for each 3-digit ZIP Code served by the SCF of an entry office other than the origin office, no minimum.

(1) Line 1: use L002, Column A.

(2) Line 2: "STD FLTS 3D BC/NBC."

d. *ADC*: required, 125-piece/15-pound minimum, smaller volume not permitted, use L004 to determine ZIP Codes served by each ADC.

(1) Line 1: use L004.

(2) Line 2: "STD FLTS ADC BC/NBC."

e. *Mixed ADC*: required, no minimum.
(1) Line 1: use L802 for mail entered by the mailer at an ASF or BMC, otherwise use L803.

(2) Line 2: "STD FLTS BC/NBC WKG."

M920 Merged Containerization of Periodicals and Standard Mail (A) Carrier Route, Automation, and Presorted Rate Mail Packages for the Same 5-Digit ZIP Code or 5-Digit Scheme Using the City State Product

1.0 PERIODICALS MAIL

1.1 Basic Standards

Carrier route packages of nonletter-size pieces in a carrier route rate mailing may be placed in the same sack or on the same pallet (a merged 5-digit sack or pallet, or a merged 5-digit scheme sack or pallet) as nonletter-size 5-digit packages from an automation rate mailing and nonletter-size 5-digit packages from a Presorted rate mailing under the following conditions:

a. A carrier route mailing must be part of the mailing job.

b. The pieces in the carrier route mailing, the automation rate mailing and the Presorted rate mailing must be part of the same mailing job.

c. Pieces in the automation rate mailing must meet the criteria for a flat under C050.3.2 and C820. Pieces in the Presorted rate mailing and the carrier route mailing must be nonletter-size.

d. Mailers must use the Carrier Route Indicators field in the City State Product to prepare the mailing and enter the mailing no later than 90 days after the release date of the City State Product used.

e. Carrier route packages may be co-sacked or copalletized with automation rate 5-digit packages and Presorted rate 5-digit packages only for those 5-digit ZIP Codes that have an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product indicating they are eligible for such co-sacking or copalletization. Containers of mail sorted in this manner are called "merged 5-digit" sacks or pallets. Containers of mail sorted in this manner for which scheme sortation is also performed are called "merged 5-digit scheme" sacks or pallets.

f. If sortation under this section is performed, merged 5-digit sacks or pallets must be prepared for all 5-digit ZIP Codes with an "A" or "C" indicator in the City State Product that permits such preparation when there is enough volume for the 5-digit ZIP Code to prepare such a sack under 1.4 or such a pallet under 1.5. In addition, all possible merged 5-digit scheme sacks must be prepared under 1.4, or all possible merged 5-digit scheme and 5-digit scheme pallets must be prepared under 1.5.

g. The carrier route mailing must meet the eligibility criteria in E230, the automation rate mailing must meet the eligibility criteria in E240, and the Presorted rate mailing must meet the eligibility criteria in E230.

h. For sacked mailings, the rates for pieces in the carrier route mailing are based on the criteria in E230, the rates for pieces in the automation rate mailing are applied based on the number of pieces in the package and the level of package to which they are sorted under E240, and the rates for pieces in the Presorted rate mailing are based on the number of pieces in the package and the level of sack to which they are sorted under E230.

i. For palletized mailings, the rates are based on the level of package and the number of pieces in the package under E230 and E240.

j. The packages from each separate mailing must be sorted together into sacks (co-sacked) under 1.4 or on pallets (copalletized) under 1.5 using presort software that is PAVE-certified.

k. A complete, signed, appropriate postage statement(s), using the correct

USPS form or an approved facsimile, must accompany each mailing job prepared under these procedures.

l. In addition to the applicable postage statement(s), documentation prepared by PAVE-certified software must be submitted with each co-sacked or copalletized mailing job that describes for each sack sortation level and sack, or each pallet sortation level and pallet, the number of pieces qualifying for each applicable carrier route rate, each applicable automation rate, and each applicable Presorted rate under P012.

m. Barcoded sack labels under M032 must be used to label sacks.

1.2 Package Preparation

Packages must be prepared as follows:

a. *Sacked Mailings*. The carrier route mailing must be packaged and labeled under M200. The automation rate mailing must be packaged and labeled under M820. The Presorted rate mailing must be packaged and labeled under M200.

b. *Palletized Mailings*. Packages placed on pallets must be prepared under the standards in M045.

1.3 Low-Volume Packages in Sacks or on Pallets

Carrier route and 5-digit packages prepared under M200 and M820 that contain fewer than six pieces must be placed in sacks under 1.4a through 1.4f or in 3-digit and SCF sacks, or on pallets under 1.5a through 1.5h, when the publisher determines that such preparation improves service. Pieces in such low-volume packages must claim the applicable basic rate, except that, as provided under M200.1.4, some firm packages may be eligible for carrier route rates and for 5-digit and 3-digit Presorted rates.

1.4 Sack Preparation and Labeling With Scheme Sort

Mailers must prepare sacks containing the individual carrier route and 5-digit packages from the carrier route, automation rate, and Presorted rate mailings in the mailing job in the following manner and sequence. All carrier route packages must be placed in sacks under 1.4a through 1.4e as described below. When sortation under this section is performed, merged 5-digit scheme sacks, 5-digit scheme carrier routes sacks, and merged 5-digit sacks must be prepared for all possible 5-digit schemes or 5-digit ZIP Codes as applicable, using L001 (merged 5-digit scheme and 5-digit scheme carrier routes sort only) and the Carrier Route Indicators field in the City State Product when there is enough volume for the 5-digit scheme or 5-digit ZIP Code to

prepare such sacks under 1.4. Mailers must label sacks according to the Line 1 and Line 2 information listed below and under M032. If, due to the physical size of the mailpieces, the automation rate pieces are considered flat-size under C820 and the carrier route sorted pieces and Presorted rate pieces are considered irregular parcels under C050, "FLTS" must be shown as the processing category shown on the sack label. If a mailing job does not contain an automation rate mailing and the carrier route mailing and the Presorted rate mailing are irregular parcel shaped, use "IRREG" for the processing category on the contents line of the label.

a. *Carrier Route*. Required. May contain only carrier route packages. Must be prepared when there are 24 or more pieces for the same carrier route. Smaller volume not permitted.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M032 for military mail).

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; followed by "CR" for basic rate, "WSH" for high-density rate, or "WSS" for saturation rate; and followed by the route type and number.

b. *Merged 5-Digit Scheme*. Required. Permitted only when there is at least one 5-digit ZIP Code in the scheme with an "A" or "C" indicator in the City State Product. May contain carrier route packages for any 5-digit ZIP Code(s) in a single scheme listed in L001 as well as automation rate 5-digit packages and Presorted rate 5-digit packages for those 5-digit ZIP Codes in the scheme that have an "A" or "C" indicator in the City State Product. When preparation of this sack level is permitted, a sack must be prepared if there are any carrier route package(s) for the scheme. If there is not at least one carrier route package for any 5-digit destination in the scheme, preparation of this sack is required at 24 pieces in 5-digit packages, and optional with one six-piece package or at least one 5-digit package of fewer pieces for the scheme in L001 under 1.3, for any of the 5-digit ZIP Codes in the scheme that have an "A" or "C" indicator in the City State Product. For a 5-digit ZIP Code(s) in a scheme that has a "B" or "D" indicator in the City State Product, prepare sack(s) for the automation rate and Presorted rate packages under 1.4f through 1.4g. For 5-digit ZIP Codes not included in a scheme, prepare sacks under 1.4d through 1.4g.

(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/5D SCH."

c. *5-Digit Scheme Carrier Routes*. Required. May contain only carrier route packages for 5-digit ZIP Code(s) in a single scheme listed in L001 when all the 5-digits in the scheme have a "B" or "D" indicator in the City State Product. Must be prepared if there are any carrier route package(s) for such a scheme.

(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 SCH."

d. *Merged 5-Digit*. Required. Must be prepared only for those 5-digit ZIP Codes that are not part of a scheme and that have an "A" or "C" indicator in the City State Product. May contain carrier route packages, automation rate 5-digit packages, and Presorted rate 5-digit packages. Must be prepared if there are any carrier route packages for the 5-digit. If there is not at least one carrier route package for the 5-digit destination, preparation of this sack is required at 24 pieces in 5-digit packages for the same 5-digit destination, and is optional with one six piece package or at least one package of fewer pieces under 1.3.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M032 for military mail).

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; and followed by "CR/5D."

e. *5-Digit Carrier Routes*. Required. Sack only carrier route packages for a 5-digit ZIP Code remaining after preparing sacks under 1.4a through 1.4d to this level. May contain only carrier route packages for any 5-digit ZIP Code that is not part of a scheme listed in L001 and that has a "B" or "D" indicator in the City State Product. No sack minimum.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M032 for military mail).

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; and followed by "CR-RTS."

f. *5-Digit*. Required. May contain only automation rate 5-digit packages and Presorted rate 5-digit packages for the same 5-digit ZIP Code for any 5-digit ZIP Code that has a "B" or "D" indicator in the City State Product. Must be prepared at 24 or more pieces, optional with one six-piece package or at least one package of fewer pieces under 1.3.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M032 for military mail).

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS 5D BC/NBC", except if there are no automation

rate packages in the mailing job, label under M200.3.2f.

g. *3-digit Through Mixed ADC Sacks*. Any 5-digit packages remaining after preparing sacks under 1.4a through 1.4f, and all 3-digit, ADC, and Mixed ADC packages, must be sacked and labeled according to the applicable requirements under M910.2.0 for co-sacking of automation rate and Presorted rate packages, except if there are no automation rate packages in the mailing job, sack and label under M200.3.0.

1.5 Pallet Preparation and Labeling With Scheme (L001) Sort

Mailers must prepare pallets of packages in the manner and sequence listed below and under M041. When sortation under this option is performed, mailers must prepare all merged 5-digit scheme, 5-digit scheme carrier routes, 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 and/or the City State Product as applicable. Mailers must label pallets according to the Line 1 and Line 2 information listed below and under M031. If, due to the physical size of the mailpieces, the automation rate pieces are considered flat-size under C820 and the carrier route sorted pieces and Presorted rate pieces are considered irregular parcels under C050, "FLTS" must be shown as the processing category shown on the pallet label. If a mailing contains no automation rate pieces and the carrier route mailing and the Presorted rate mailing are irregular parcel shaped, use "IRREG" for the processing category on the contents line of the label.

a. *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 packages for any 5-digit ZIP Code(s) in a single scheme listed in L001 as well as automation rate 5-digit packages and Presorted rate 5-digit packages for those 5-digit ZIP Codes in the scheme that have an "A" or "C" indicator in the City State Product. For schemes in which all of the 5-digit ZIP Codes have a "B" or "D" indicator in the City State Product, begin preparing pallets under 1.5b (5-digit scheme carrier routes pallet). For 5-digit ZIP Codes not included in a scheme, begin preparing pallets under 1.5d (merged 5-digit pallet).

(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/5D SCHEME."

b. *5-Digit Scheme Carrier Routes*. Required. May contain only carrier route packages 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.

(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."

c. *5-Digit Scheme*. Required. May contain only 5-digit packages of automation rate and Presorted rate mail for the same 5-digit scheme under L001 for ZIP Codes in the scheme that have a "B" or "D" indicator in the City State Product.

(1) Line 1: use L001, Column B.

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; followed by "5D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail; and followed by "SCHEME" or "SCH."

d. *Merged 5-Digit*. Required. May contain carrier route packages, automation rate 5-digit packages, and Presorted rate 5-digit for those 5-digit ZIP Codes that are not part of a scheme and that have an "A" or "C" indicator in the City State Product.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; and followed by "CR/5D."

e. *5-Digit Carrier Routes*. Required. May contain only carrier route rate packages 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.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 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."

f. *5-Digit*. Required. May contain only automation rate 5-digit packages and Presorted rate 5-digit packages 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.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; followed by "5D"; followed by "BARCODED" or

"BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

g. *3-Digit*. Optional. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L002, Column A.

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; followed by "3D," followed by "BARCODED" or "BC" if the pallet contains automation rate mail, and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

h. *SCF*. Required. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L002, Column C.

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; followed by "SCF"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

i. *ADC*. Required. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L004.

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; followed by "ADC"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

2.0 STANDARD MAIL (A)

2.1 Basic Standards

Carrier route packages of flat-size pieces in a carrier route rate mailing may be placed in the same sack or on the same pallet (a merged 5-digit sack or pallet, or a merged 5-digit scheme sack or pallet) as flat-size 5-digit packages from an automation rate mailing and flat-size 5-digit packages from a Presorted rate mailing under the following conditions:

a. A carrier route mailing must be part of the mailing job.

b. The pieces in the carrier route rate mailing, the automation rate mailing, and the Presorted rate mailing must be part of the same mailing job, and all three mailings must be reported on the same postage statement or same consolidated postage statement.

c. Pieces in the automation rate mailing must meet the criteria for a flat under C050.3.2 and C820. Pieces in the Presorted rate mailing and the carrier route mailing must meet the criteria for a flat under C050.3.1.

d. Mailers must use the Carrier Route Indicators field in the City State Product to prepare the mailing and enter the mailing no later than 90 days after the release date of the City State Product used.

e. Carrier route rate packages may be co-sacked or copalletized with automation rate 5-digit packages and Presorted rate 5-digit packages only for those 5-digit ZIP Codes that have an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product indicating they are eligible for such co-sacking or copalletization. Containers of mail sorted in this manner are called "merged 5-digit" sacks or pallets. Containers of mail sorted in this manner for which scheme sortation is also performed are called "merged 5-digit scheme" sacks or pallets.

f. If sortation under this section is performed, merged 5-digit sacks or pallets must be prepared for all 5-digit ZIP Codes with an "A" or "C" indicator in the City State Product that permits such preparation when there is enough volume for the 5-digit ZIP Code to prepare such a sack under 2.3 and 2.4 or 2.5, or such a pallet under 2.6 or 2.7. In addition, if mailers also choose to sort to L001, all possible merged 5-digit scheme sacks must be prepared under 2.5, or all possible merged 5-digit scheme and 5-digit scheme pallets must be prepared under 2.7.

g. The carrier route mailing must meet the eligibility criteria in E620, the automation rate mailing must meet the eligibility criteria in E640, and the Presorted rate mailing must meet the eligibility criteria in E620.

h. For sacked mailings, the rates for pieces in the carrier route mailing are based on the criteria in E620, the rates for pieces in the automation rate mailing are applied based on the number of pieces in the package and the level of package to which they are sorted under E640, and the rates for pieces in the Presorted rate mailing are based on the number of pieces in the package and the level of sack to which they are sorted under E620.

i. The pieces in each separate mailing must bear the applicable markings required under M610, M620, or M820 and under M012.

j. For palletized mailings, the rates are based on the level of package that the pieces are contained in under E620 and E640.

k. The packages from each separate mailing must be sorted together into sacks (co-sacked) under 2.3 and 2.4 or 2.5, or on pallets (copalletized) under 2.6 or 2.7, using presort software that is PAVE-certified or MAC-certified.

l. A complete, signed, appropriate postage statement or consolidated postage statement, using the correct USPS form or an approved facsimile, must accompany each mailing job prepared under these procedures.

m. In addition to the applicable postage statement, documentation prepared by PAVE-certified or MAC-certified software must be submitted with each co-sacked or copalletized mailing job that describes for each sack sortation level and sack, or each pallet sortation level and pallet, the number of pieces qualifying for each applicable carrier route rate, each applicable automation rate, and each applicable Presorted rate under P012.

n. Barcoded sack labels under M032 must be used to label sacks.

2.2 Package Preparation

Packages must be prepared as follows:

a. *Sacked Mailings*. The carrier route mailing must be packaged and labeled under M620. The automation rate mailing must be packaged and labeled under M820. The Presorted rate mailing must be packaged and labeled under M610.

b. *Palletized Mailings*. Packages placed on pallets must be prepared under the standards in M045.

2.3 Sacking under 125-piece or 15-pound rules

When the minimum quantity of 125-pieces or 15-pounds of mail is specified for a sack sortation level in 2.4, the provisions of M820.4.2 apply.

2.4 Sack Preparation and Labeling Without Scheme Sort

Mailers must prepare sacks containing the individual carrier route and 5-digit packages from the carrier route rate, automation rate, and Presorted rate mailings in the mailing job in the following manner and sequence. All carrier route packages must be placed in sacks under 2.4a through 2.4c as described below. When sortation under this section is performed, merged 5-digit sacks must be prepared for all 5-digit ZIP Codes with an "A" or "C" indicator in the City State Product that permits such preparation when there is enough volume for the 5-digit ZIP Code to prepare such a sack under 2.4. Mailers must label sacks according to the Line 1 and Line 2 information listed below and under M032.

a. *Carrier Route*. Required. May contain only carrier route packages. Must be prepared when there are 125 pieces or 15 pounds of pieces for the same carrier route. Smaller volume not permitted.

(1) Line 1 labeling: use city, state abbreviation, and 5-digit ZIP Code destination (see M032 for military mail).

(2) Line 2 labeling: "STD FLTS"; followed by "ECRL0T", "ECRWSH", or "ECRWSS" as applicable for basic, high-density, and saturation rate mail; and followed by the route type and number.

b. *Merged 5-Digit*. Required. Must be prepared only for those 5-digit ZIP Codes that have an "A" or "C" indicator in the City State Product. May contain carrier route rate packages, automation rate 5-digit packages, and Presorted rate 5-digit packages. Must be prepared if there is at least one carrier route package for the 5-digit ZIP Code. If there is no carrier route package(s) for a 5-digit destination, must be prepared when there are at least 125 pieces or 15 pounds of pieces in 5-digit packages for the same 5-digit destination (smaller volume not permitted).

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M032 for military mail).

(2) Line 2: "STD FLTS CR/5D."

c. *5-Digit Carrier Routes*. Required. May contain only carrier route packages for a 5-digit ZIP Code that could not be sacked under 2.4a and b. No sack minimum. May contain only carrier route packages for a 5-digit ZIP Code with a "B" or "D" indicator in the City State Product. All carrier route packages remaining after preparing sacks under 2.4a and b must be sacked to this level.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M032 for military mail).

(2) Line 2: "STD FLTS CR-RTS."

d. *5-Digit*. Required. May contain only automation rate 5-digit packages and Presorted rate 5-digit packages for a 5-digit ZIP Code with a "B" or "D" indicator in the City State Product. Must be prepared when there are at least 125 pieces or 15 pounds of pieces for the 5-digit ZIP Code. Smaller volume not permitted.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M032 for military mail).

(2) Line 2: "STD FLTS 5D BC/NBC," except if there are no automation rate packages in the mailing job use "STD FLTS 5D NON BC."

e. *3-Digit Through Mixed ADC Sacks*.

Any 5-digit packages remaining after preparing sacks under 2.4a through 2.4d, and all 3-digit, ADC, and Mixed ADC packages, must be sacked and labeled according to the applicable requirements under M910.3.0 for co-sacking of automation rate and Presorted rate packages, except if there are no automation rate packages in the mailing job, sack and label under M610.

2.5 Optional Sack Preparation and Labeling With Scheme Sort

When mailers choose to prepare mail under this option, they must prepare sacks containing the individual carrier route and 5-digit packages from the carrier route rate, automation rate, and Presorted rate mailings in the mailing job in the following manner and sequence. All carrier route packages must be placed in sacks under 2.5a through 2.5e as described below. When sortation under this section is performed, merged 5-digit scheme sacks, 5-digit scheme carrier routes sacks, and merged 5-digit sacks must be prepared for all possible 5-digit schemes or 5-digit ZIP Codes as applicable, using L001 (merged 5-digit scheme and 5-digit scheme carrier routes sort only) and the Carrier Route Indicators field in the City State Product when there is enough volume for the 5-digit scheme or 5-digit ZIP Code to prepare such sacks under 2.5. Mailers must label sacks according to the Line 1 and Line 2 information listed below and under M032.

a. *Carrier Route*. Required. May contain only carrier route packages. Must be prepared when there are 125 pieces or 15 pounds of pieces for the same carrier route. Smaller volume not permitted.

(1) Line 1 labeling: use city, state abbreviation, and 5-digit ZIP Code destination (see M032 for military mail).

(2) Line 2 labeling: "STD FLTS"; followed by "ECRL0T", "ECRWSH", or "ECRWSS" as applicable for basic, high-density, and saturation rate mail; and followed by the route type and number.

b. *Merged 5-Digit Scheme*. Required and permitted only when there is at least one 5-digit ZIP Code in the scheme with an "A" or "C" indicator in the City State Product. May contain carrier route packages for any 5-digit ZIP Code(s) in a single scheme listed in L001 as well as automation rate 5-digit packages and Presorted rate 5-digit packages for those 5-digit ZIP Codes in the scheme with an "A" or "C" indicator in the City State Product. When preparation of this sack level is permitted, a sack must be prepared if there are any carrier route package(s) for the scheme. If there is not at least one carrier route package for any 5-digit destination in the scheme, preparation of this sack is required when there are at least 125 pieces or 15 pounds of pieces in 5-digit packages for any of the 5-digit ZIP Codes in the scheme that have an "A" or "C" indicator in the City State Product (smaller volume not permitted). For a 5-digit ZIP Code(s) in a scheme with a "B" or "D" indicator in the City State Product, prepare sack(s) for the

automation rate and Presorted rate packages under 2.5f and g. For 5-digit ZIP Codes not included in a scheme, prepare sacks under 2.5d through 2.5g.

(1) Line 1: use L001, Column B.

(2) Line 2: "STD FLTS CR/5D SCH".

c. *5-Digit Scheme Carrier Routes*.

Required. May contain only carrier route packages for 5-digit ZIP Code(s) in a single scheme listed in L001 when all the 5-digit ZIP Codes in the scheme have a "B" or "D" indicator in the City State Product. Must be prepared if there are any carrier route package(s) for such a scheme.

(1) Line 1: use L001, Column B.

(2) Line 2: "STD FLTS CR-RTS SCH".

d. *Merged 5-Digit*. Required. Must be prepared only for those 5-digit ZIP Codes that are not part of a scheme and that have an "A" or "C" indicator in the City State Product. May contain carrier route packages, automation rate 5-digit packages, and Presorted rate 5-digit packages. Must be prepared if there are any carrier route packages for the 5-digit destination. If there is not at least one carrier route package for the 5-digit destination, must be prepared when there are at least 125 pieces or 15 pounds of pieces in 5-digit packages for the same 5-digit destination (smaller volume not permitted).

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M032 for military mail).

(2) Line 2: "STD FLTS CR/5D".

e. *5-Digit Carrier Routes*. Required.

Sack only carrier route packages for a 5-digit ZIP Code remaining after preparing sacks under 2.5a through 2.5d to this level. May contain only carrier route packages for any 5-digit ZIP Code that is not part of a scheme listed in L001 and that has a "B" or "D" indicator in the City State Product. No sack minimum.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M032 for military mail).

(2) Line 2: "STD FLTS CR-RTS".

f. *5-Digit*. Required. May contain only automation rate 5-digit packages and Presorted rate 5-digit packages for a 5-digit ZIP Code that has a "B" or "D" indicator in the City State Product. Must be prepared when there are at least 125 pieces or 15 pounds of pieces for the 5-digit ZIP Code. Smaller volume not permitted.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M032 for military mail).

(2) Line 2: "STD FLTS 5D BC/NBC," except if there are no automation rate packages in the mailing job, use "STD FLTS 5D NON BC."

g. *3-Digit Through Mixed ADC Sacks*. Any 5-digit packages remaining after

preparing sacks under 2.5 a through f, and all 3-digit, ADC, and Mixed ADC packages, must be sacked and labeled according to the applicable requirements under M910.3.0 for co-sacking of automation rate and Presorted rate packages, except if there are no automation rate packages in the mailing job, sack and label under M610.

2.6 Pallet Preparation and Labeling Without Scheme (L001) Sort

Mailers must prepare pallets of packages in the manner and sequence listed below and under M041. When sortation under this option is performed, merged 5-digit pallets must be prepared for all 5-digit ZIP Codes with an "A" or "C" indicator in the City State Product that permits such preparation when there is enough volume for the 5-digit ZIP Code to prepare such a pallet under 2.6. Mailers must label pallets according to the Line 1 and Line 2 information listed below and under M031.

a. *Merged 5-Digit*. Required. May be prepared only for those 5-digit ZIP Codes with an "A" or "C" indicator in the City State Product. May contain carrier route rate packages, automation rate 5-digit packages, and Presorted rate 5-digit packages.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS CR/5D".

b. *5-Digit Carrier Routes*. Required. May contain only carrier route rate packages for the same 5-digit ZIP Code that has a "B" or "D" indicator in the City State Product.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS", followed by "CARRIER ROUTES" or "CR-RTS."

c. *5-Digit*. Required. May contain automation rate 5-digit packages and automation rate 5-digit packages for the same 5-digit ZIP Code that has a "B" or "D" indicator in the City State Product.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS 5D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

d. *3-Digit*. Optional. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L002, Column A.

(2) Line 2: "STD FLTS 3D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or

"NBC" if the pallet contains Presorted rate mail.

e. *SCF*. Required. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L002, Column C.

(2) Line 2: "STD FLTS SCF"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

f. *Destination ASF*. Required, except that an ASF sort may not be required if using package reallocation under 6.0. May contain carrier route rate, automation rate, and/or Presorted rate packages. Sort ADC packages to ASF pallets based on the "label to" ZIP Code for the ADC destination of the package in L004. See E651 for additional requirements for DBMC rate eligibility.

(1) Line 1: use L602.

(2) Line 2: "STD FLTS ASF"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

g. *Destination BMC*. Required. May contain carrier route rate, automation rate, and/or Presorted rate packages. Sort ADC packages to BMC and ASF pallets based on the "label to" ZIP Code for the ADC destination of the package in L004. See E651 for additional requirements for DBMC rate eligibility.

(1) Line 1: Use L601.

(2) Line 2: "STD FLTS BMC"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

2.7 Optional Pallet Preparation and Labeling With Scheme (L001) Sort

When mailers choose to prepare mail under this option, they must prepare pallets of packages in the manner and sequence listed below and under M041. When sortation under this option is performed, mailers must prepare all merged 5-digit scheme, 5-digit scheme carrier routes, 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 and/or the City State Product as applicable. Mailers must label pallets according to the Line 1 and Line 2 information listed below and under M031.

a. *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 packages for any 5-digit ZIP Code(s) in a single scheme listed in

L001 as well as automation rate 5-digit packages and Presorted rate 5-digit packages for those 5-digit ZIP Codes in the scheme that have an "A" or "C" indicator in the City State Product. For schemes in which all of the 5-digit ZIP Codes have a "B" or "D" indicator in the City State Product, begin preparing pallets under 2.7b (5-digit scheme carrier routes pallet). For 5-digit ZIP Codes not included in a scheme, begin preparing pallets under 2.7d (merged 5-digit pallet).

(1) Line 1: use L001, Column B.

(2) Line 2: "STD FLTS CR/5D SCHEME".

b. *5-Digit Scheme Carrier Routes.*

Required. May contain only carrier route packages 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.

(1) Line 1: use L001, Column B.

(2) Line 2: "STD FLTS CR-RTS SCHEME".

c. *5-Digit Scheme.* Required. May contain only 5-digit packages of automation rate and Presorted rate mail for the same 5-digit scheme under L001 for ZIP Codes in the scheme that have a "B" or "D" indicator in the City State Product.

(1) Line 1: use L001, Column B.

(2) Line 2: "STD FLTS 5D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail; and followed by "SCHEME" or "SCH."

d. *Merged 5-Digit.* Required. May contain carrier route rate packages, automation rate 5-digit packages, and Presorted rate 5-digit packages for those 5-digit ZIP Codes that are not part of a scheme and that have an "A" or "C" indicator in the City State Product.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS CR/5D."

e. *5-Digit Carrier Routes.* Required. May contain only carrier route rate packages 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.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS," followed by "CARRIER ROUTES" or "CR-RTS."

f. *5-Digit.* Required. May contain only automation rate 5-digit packages and Presorted rate 5-digit packages 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.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS 5D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

g. *3-Digit.* Optional. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L002, Column A.

(2) Line 2: "STD FLTS 3D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

h. *SCF.* Required. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L002, Column C.

(2) Line 2: "STD FLTS SCF"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

i. *Destination ASF.* Required, except than an ASF sort may not be required if using package reallocation under 6.0. May contain carrier route rate, automation rate, and/or Presorted rate packages. Sort ADC packages to ASF pallets based on the "label to" ZIP Code for the ADC destination of the package in L004. See E651 for additional requirements for DBMC rate eligibility.

(1) Line 1: use L602.

(2) Line 2: "STD FLTS ASF"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

j. *Destination BMC.* Required. May contain carrier route rate, automation rate, and/or Presorted rate packages. Sort ADC packages to BMC and ASF pallets based on the "label to" ZIP Code for the ADC destination of the package in L004. See E651 for additional requirements for DBMC rate eligibility.

(1) Line 1: Use L601.

(2) Line 2: "STD FLTS BMC"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

M930 Merged Palletization of Periodicals and Standard Mail (A) Carrier Route and 5-Digit Packages on 5-Digit and 5-Digit Scheme Pallets Using Only a 5% Threshold (Not Using the City State Product)

1.0 PERIODICALS MAIL

1.1 Basic Eligibility Requirements

Nonletter-size 5-digit packages from an automation rate mailing and nonletter-size 5-digit packages from a Presorted rate mailing may be placed on the same pallet (a merged 5-digit pallet, or a merged 5-digit scheme pallet) as carrier route packages of nonletter-size pieces in a carrier route rate mailing under the following conditions:

a. A carrier route mailing must be part of the mailing job.

b. The pieces in the carrier route mailing, the automation rate mailing, and the Presorted rate mailing must be part of the same mailing job.

c. Pieces in the automation rate mailing must meet the criteria for a flat under C050.3.2 and C820. Pieces in the Presorted rate mailing and the carrier route mailing must be nonletter-size.

d. Automation rate 5-digit packages and Presorted rate 5-digit packages may be copalletized with carrier route packages only when the pieces in the 5-digit packages do not exceed the 5-percent limit described in 1.4. Pallets of mail sorted in this manner are called "merged 5-digit" pallets. Pallets of mail sorted in this manner for which scheme sortation is also performed are called "merged 5-digit scheme" pallets.

e. If sortation under this section is performed, merged 5-digit pallets and merged 5-digit scheme pallets must be prepared whenever there is enough volume of carrier route and 5-digit packages under M041 and 1.4 to prepare such pallets. In addition, all possible merged 5-digit scheme and 5-digit scheme pallets must be prepared under 1.4 and 1.5.

f. The carrier route mailing must meet the eligibility criteria in E230, the automation rate mailing must meet the eligibility criteria in E240, and the Presorted rate mailing must meet the eligibility criteria in E230.

g. The rates are based on the level of package and the number of pieces in the package under E230 and E240.

h. The packages from each separate mailing must be sorted together on pallets (copalletized) under 1.5 using presort software that is PAVE-certified.

i. A complete, signed, appropriate postage statement(s), using the correct USPS form or an approved facsimile, must accompany each mailing job prepared under these procedures.

j. In addition to the applicable postage statement(s), documentation prepared by PAVE-certified software must be submitted with each copalletized mailing job that describes for each pallet sortation level and pallet the number of pieces qualifying for each applicable carrier route rate, each applicable automation rate, and each applicable Presorted rate under P012. A separate 5% threshold summary also must be provided under P012 for each "logical" merged 5-digit scheme or "logical" merged 5-digit pallet presort destination. This 5% threshold summary must show for each 5-digit ZIP Code on the logical merged 5-digit scheme or logical merged 5-digit pallet (1) the total number of pieces on the pallet for the 5-digit ZIP Code (2) the total number of pieces sorted in carrier route packages for the 5-digit ZIP Code (including each firm package eligible for the carrier route rate and low-volume carrier route packages) (3) the total number of pieces sorted in 5-digit packages for the 5-digit ZIP Code (including each firm package eligible for the 5-digit or basic rate and low-volume 5-digit packages), and (4) of the total number of pieces for the 5-digit ZIP Code, the percentage of pieces sorted in 5-digit packages for that 5-digit ZIP Code. This additional 5% threshold summary must appear within the body of the documentation beneath the pallet rate listing for the last physical pallet for the logical pallet presort destination.

Note: If there are two or more physical pallets for the same presort destination, for example, the same merged 5-digit pallet destination, these two or more physical pallets would be considered as one "logical pallet". The separate pallet summary must be for the mail on all of the physical pallets (the "logical pallet") for that presort destination.

k. Portions of the mailing job that cannot be palletized must be prepared in sacks under M200, M820, M910, or M920.

1.2 Package Preparation

Packages placed on pallets must be prepared under the standards in M045.

1.3 Low-Volume Packages on Pallets

Carrier route and 5-digit packages prepared under M200, M820, and M045 that contain fewer than six pieces may be placed on pallets under 1.5a through 1.5h, when the publisher determines that such preparation improves service. Pieces in such low-volume packages must pay the applicable basic rate.

1.4 5% Threshold Standard

Mailers may place 5-digit packages with carrier route packages on the same merged 5-digit scheme or merged 5-digit

pallet under 1.5 if all of the following conditions are met:

a. The number of pieces prepared in 5-digit packages for any single 5-digit ZIP Code on a "logical" merged 5-digit or merged 5-digit scheme pallet does not exceed 5% of the total number of pieces for the 5-digit ZIP Code on the logical pallet for that presort destination. That is, the total number of pieces for a 5-digit ZIP Code in 5-digit and carrier route packages must not be greater than the number of pieces in carrier route packages divided by 0.95.

b. The 5% threshold is calculated separately for each 5-digit ZIP Code. For example, if a scheme contains four different 5-digit ZIP Codes, a separate 5% threshold applies to each 5-digit ZIP Code for the scheme on a merged 5-digit scheme pallet.

c. All the mail in a logical 5-digit package must be able to be placed on the logical pallet under the 5% rule. A logical 5-digit package is all pieces for a mailing (rate level) prepared in a 5-digit package or packages for the same 5-digit destination. For each 5-digit ZIP Code it is possible to have a logical 5-digit package of automation rate mail and a logical 5-digit package of Presorted rate mail. If the total number of pieces in a logical 5-digit package exceeds the 5% limit, none of the pieces for that 5-digit package level may be placed on a merged 5-digit or merged 5-digit scheme pallet. For some ZIP Codes, the total number of pieces prepared in logical 5-digit packages (both an automation rate 5-digit package and a Presorted rate 5-digit package) may exceed 5% of the total mail for that ZIP Code, but the number of pieces for an individual automation rate logical 5-digit package for that ZIP Code does not exceed the 5% limit nor does an individual Presorted rate logical 5-digit package for that ZIP Code exceed the 5% limit. In such instances, mailers may choose to place all of the pieces in a logical 5-digit package for a single rate category on the logical merged 5-digit or merged 5-digit scheme pallet so that the 5% threshold is not exceeded.

Example: If there are a total of 1,100 pieces in carrier route and 5-digit packages for a 5-digit ZIP Code, a maximum of 55 pieces (5%) in 5-digit packages may be placed on a logical merged 5-digit or merged 5-digit scheme pallet with carrier route packages for that ZIP Code. If for this ZIP Code there are 30 pieces in a logical automation rate 5-digit package and 22 pieces in a logical Presorted rate package, the mailer could place all the pieces in both the logical automation rate and the logical Presorted rate packages on the merged 5-digit or merged 5-digit scheme pallet. If for this ZIP Code there are 45 pieces in a logical automation rate 5-digit package and 23 pieces in a logical Presorted rate 5-

digit package, the mailer will choose to place either all of the automation rate pieces or all of the Presorted rate pieces on the merged 5-digit or merged 5-digit scheme pallet with carrier route packages for the 5-digit ZIP Code. However, if there are 60 pieces in a logical automation rate 5-digit package and 32 pieces in a logical Presorted rate package, the mailer could only choose to place the pieces in the logical Presorted rate package with pieces in carrier route packages on the merged 5-digit or merged 5-digit scheme pallet.

d. If the total number of pieces in both the logical 5-digit automation rate package and the logical 5-digit Presorted rate package each separately exceed 5% of the total number of pieces for the 5-digit ZIP Code, none of the pieces in 5-digit packages may be merged with carrier route packages on a merged 5-digit or merged 5-digit scheme pallet.

e. Pieces in low-volume carrier route packages will count as carrier route sorted pieces for purposes of determining the 5% limit under 1.4a through 1.4d even though the basic rate is paid. Pieces in low-volume 5-digit packages will count as 5-digit sorted pieces for purposes of determining the 5% limit under 1.4a through 1.4d even though the basic rate is paid.

f. Copies in firm packages claimed as one piece for rate purposes will be considered a single piece when performing the 5% limit calculation under 1.4a through 1.4d. As provided in M200.1.4, some firm packages claimed as one piece may be eligible for carrier route rates, 5-digit rates, or basic rates. The sortation level of each firm piece (package) for purposes of applying the 5% limit will be considered to be carrier route if the firm piece (package) is eligible for the carrier route rate under M200.1.4. Otherwise the firm package will be considered to be a 5-digit sorted piece (even if the basic rate must be paid on that piece).

1.5 Pallet Preparation and Labeling With Scheme (L001) Sort

Mailers must prepare pallets of packages in the manner and sequence listed below and under M041. Mailers must prepare all merged 5-digit scheme, 5-digit scheme carrier routes, 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 and the 5% threshold, as applicable. Mailers must label pallets according to the Line 1 and Line 2 information listed below and under M031. If, due to the physical size of the mailpieces, the automation rate pieces are considered flat-size under C820 and the carrier route sorted pieces and Presorted rate pieces are considered irregular parcels under C050, "FLTS"

must be shown as the processing category shown on the pallet label. If a mailing contains no automation rate pieces and the carrier route mailing and the Presorted rate mailing are irregular parcel shaped, use "IRREG" for the processing category on the contents line of the pallet label.

a. *Merged 5-Digit Scheme*. Required. Permitted only when 5-digit packages for at least one 5-digit ZIP Code in the scheme may be merged with carrier route packages under the 5% threshold standard in 1.4. May contain carrier route packages for any 5-digit ZIP Code in a single scheme listed in L001. May also contain automation rate 5-digit packages and Presorted rate 5-digit packages up to a maximum of 5% of the total number of pieces for each 5-digit ZIP Code in the scheme under 1.4. For 5-digit ZIP Codes not included in a scheme, begin preparing pallets under 1.5d (merged 5-digit pallet).

(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/5D SCHEME."

b. *5-Digit Scheme Carrier Routes*. Required. May contain only carrier route packages for all carrier routes in an L001 scheme when a merged 5-digit scheme pallet could not be prepared under 1.5a.

(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."

c. *5-Digit Scheme*. Required. May contain only 5-digit packages of automation rate and Presorted rate mail for the same 5-digit scheme under L001 that could not be placed on a merged 5-digit scheme pallet.

(1) Line 1: use L001, Column B.

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; followed by "5D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail; and followed by "SCHEME" or "SCH."

d. *Merged 5-Digit*. Required. Permitted only when 5-digit packages may be merged with carrier route packages under the 5% threshold standard in 1.4 for a 5-digit ZIP Code that is not part of an L001 scheme. May contain carrier route packages, automation rate 5-digit packages, and Presorted rate 5-digit packages. The number of pieces in 5-digit packages is limited to 5% of the total number of pieces placed on the pallet under 1.4.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; and followed by "CR/5D."

e. *5-Digit Carrier Routes*. Required.

May contain only carrier route rate packages for the same 5-digit ZIP Code that is not part of a scheme for which a merged 5-digit pallet could not be prepared under 1.5d.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 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."

f. *5-Digit*. Required. May contain only automation rate 5-digit packages and Presorted rate 5-digit packages for the same 5-digit ZIP Code that is not part of a scheme and that could not be placed on a merged 5-digit pallet.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; followed by "5D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

g. *3-Digit*. Optional. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L002, Column A.

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; followed by "3D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

h. *SCF*. Required. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L002, Column C.

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; followed by "SCF"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

i. *ADC*. Required. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L004.

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; followed by "ADC"; followed by "BARCODED" or

"BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

2.0 STANDARD MAIL (A)

2.1 Basic Standards

Flat-size 5-digit packages from an automation rate mailing and flat-size 5-digit packages from a Presorted rate mailing may be placed on the same pallet (a merged 5-digit pallet, or a merged 5-digit scheme pallet) as carrier route packages of flat-size pieces in a carrier route rate mailing under the following conditions:

a. A carrier route mailing must be part of the mailing job.

b. The pieces in the carrier route rate mailing, the automation rate mailing, and the Presorted rate mailing must be part of the same mailing job and all three mailings must be reported on the same postage statement or same consolidated postage statement.

c. Pieces in the automation rate mailing must meet the criteria for a flat under C050.3.2 and C820. Pieces in the Presorted rate mailing and the carrier route mailing must meet the criteria for a flat under C050.3.1.

d. Automation rate 5-digit packages and Presorted rate 5-digit packages may be copalletized with carrier route packages only when the pieces in the 5-digit packages do not exceed the 5-percent limit described in 2.3. Pallets of mail sorted in this manner are called "merged 5-digit" pallets. Pallets of mail sorted in this manner for which scheme sortation is also performed are called "merged 5-digit scheme" pallets.

e. If sortation under this section is performed merged 5-digit pallets, and if sorting under 2.5, merged 5-digit scheme pallets, must be prepared whenever there is enough volume of carrier route and 5-digit packages under M041 and 2.3 to prepare such pallets. When mailers also choose to sort to L001, all possible merged 5-digit scheme and 5-digit scheme pallets must be prepared under 2.3 and 2.5.

f. The carrier route mailing must meet the eligibility criteria in E620, the automation rate mailing must meet the eligibility criteria in E640, and the Presorted rate mailing must meet the eligibility criteria in E620.

g. The rates are based on the level of package that the pieces are contained in under E620 and E640.

h. The packages from each separate mailing must be sorted together on pallets (copalletized) under 2.4 or 2.5 using presort software that is PAVE-certified or MAC-certified.

i. The pieces in each separate mailing must bear the applicable markings

required under M610, M620, or M820 and under M012.

j. A complete, signed, appropriate postage statement or consolidated postage statement, using the correct USPS form or an approved facsimile, must accompany each mailing job prepared under these procedures.

k. In addition to the applicable postage statement(s), documentation prepared by PAVE-certified software must be submitted with each copalletized mailing job that describes for each pallet sortation level and pallet the number of pieces qualifying for each applicable carrier route rate, each applicable automation rate, and each applicable Presorted rate under P012. A separate 5% threshold summary also must be provided under P012 for each "logical" merged 5-digit scheme or "logical" merged 5-digit pallet presort destination. This 5% threshold summary must show for each 5-digit ZIP Code on the logical merged 5-digit scheme or logical merged 5-digit pallet (1) the total number of pieces on the pallet for the 5-digit ZIP Code (2) the total number of pieces sorted in carrier route packages for the 5-digit ZIP Code (3) the total number of pieces sorted in 5-digit packages for the 5-digit ZIP Code, and (4) of the total number of pieces for the 5-digit ZIP Code, the percentage of pieces sorted in 5-digit packages for that 5-digit ZIP Code. This additional 5% threshold summary must appear within the body of the documentation beneath the pallet rate listing for the last physical pallet for the logical pallet presort destination. Note: If there are two or more physical pallets for the same presort destination, for example, the same merged 5-digit pallet destination, these two or more physical pallets would be considered as one "logical pallet". The separate pallet summary must be for the mail on all of the physical pallets (the "logical pallet") for that presort destination.

l. Portions of the mailing job that cannot be palletized must be prepared in sacks under M610, M620, M820, M910 or M920.

2.2 Package Preparation

Packages placed on pallets must be prepared under the standards in M045.

2.3 5% Threshold Standard

Mailers may place 5-digit packages with carrier route packages on the same merged 5-digit pallet under 2.4 or on the same merged 5-digit scheme or merged 5-digit pallet under 2.5 if all of the following conditions are met:

a. The number of pieces prepared in 5-digit packages for any single 5-digit ZIP Code on a logical merged 5-digit or

merged 5-digit scheme pallet does not exceed 5% of the total number of pieces for the 5-digit ZIP Code on the pallet(s) for the presort destination. That is, the total number of pieces for a 5-digit ZIP Code in 5-digit and carrier route packages must not be greater than the number of pieces in carrier route packages divided by 0.95.

b. The 5% threshold is calculated separately for each 5-digit ZIP Code. For example, if a scheme contains 4 different 5-digit ZIP Codes, a separate 5% threshold applies to each 5-digit ZIP Code for the scheme on a merged 5-digit scheme pallet.

c. All the mail in a logical 5-digit package must be able to be placed on the logical pallet under the 5% rule. A logical 5-digit package is all pieces for a mailing (rate level) prepared in a 5-digit package or packages for the same 5-digit destination. For each 5-digit ZIP Code, it is possible to have a logical 5-digit package of automation rate mail and a logical 5-digit package of Presorted rate mail. If the total number of pieces in a logical 5-digit package exceeds the 5% limit, none of the pieces for that 5-digit package level may be placed on a merged 5-digit or merged 5-digit scheme pallet. For some ZIP Codes, the total number of pieces prepared in logical 5-digit packages (both an automation rate 5-digit package and a Presorted rate 5-digit package) may exceed 5% of the total mail for that ZIP Code, but the number of pieces for an individual automation rate logical 5-digit package for that ZIP Code does not exceed the 5% limit nor does an individual Presorted rate logical 5-digit package for that ZIP Code exceed the 5% limit. In such instances, mailers may choose to place all of the pieces in a logical 5-digit package for a single rate category on the logical merged 5-digit or merged 5-digit scheme pallet so that the 5% threshold is not exceeded.

Example: If there are a total of 1100 pieces in carrier route and 5-digit packages for a 5-digit ZIP Code, a maximum of 55 pieces (5%) in 5-digit packages may be placed on a logical merged 5-digit or merged 5-digit scheme pallet with carrier route packages for that ZIP Code. If for this ZIP Code there are 30 pieces in a logical automation rate 5-digit package and 22 pieces in a logical Presorted rate package, the mailer could place all the pieces in both the logical automation rate and the logical Presorted rate packages on the merged 5-digit or merged 5-digit scheme pallet. If for this ZIP Code there are 45 pieces in a logical automation rate 5-digit package and 23 pieces in a logical Presorted rate 5-digit package, the mailer must choose to place either all of the automation rate pieces or all of the Presorted rate pieces on the merged 5-digit or merged 5-digit scheme pallet with carrier route packages for the 5-

digit ZIP Code. However, if there were 60 pieces in a logical automation rate 5-digit package and 32 pieces in a logical Presorted rate package, the mailer could only choose to place the pieces in the logical Presorted rate package with pieces in carrier route packages on the merged 5-digit or merged 5-digit scheme pallet.

d. If the total number of pieces in both the logical 5-digit automation rate package and the logical 5-digit Presorted rate package each separately exceed 5% of the total number of pieces for the 5-digit ZIP Code, none of the pieces in 5-digit packages may be merged with carrier route packages on a merged 5-digit or merged 5-digit scheme pallet.

2.4 Pallet Preparation and Labeling Without Scheme (L001) Sort

Mailers must prepare pallets of packages in the manner and sequence listed below and under M041. When sortation under this option is performed, mailers must prepare all possible merged 5-digit pallets based on the volume of mail to the destination and the 5% threshold standards in 2.3. Mailers must label pallets according to the Line 1 and Line 2 information listed below and under M031.

a. *Merged 5-Digit.* Required and permitted only when 5-digit packages may be merged with carrier route packages under the 5% threshold standard in 2.3. May contain carrier route packages, automation rate 5-digit packages, and Presorted rate 5-digit packages. The number of pieces in 5-digit packages is limited to 5% of the total number of pieces placed on the pallet under 2.3.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS CR/5D."

b. *5-Digit Carrier Routes.* Required. May contain only carrier route rate packages for the same 5-digit ZIP Code when a merged 5-digit pallet could not be prepared.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS," followed by "CARRIER ROUTES" or "CR-RTS."

c. *5-Digit.* Required. May contain only automation rate 5-digit packages and Presorted rate 5-digit packages for the same 5-digit ZIP Code that could not be placed on a merged 5-digit pallet.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS 5D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

d. *3-Digit*. Optional. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L002, Column A.

(2) Line 2: "STD FLTS 3D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

e. *SCF*: Required. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L002, Column C.

(2) Line 2: "STD FLTS SCF"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

f. *Destination ASF*. Required, except than an ASF sort may not be required if using package reallocation under 6.0. May contain carrier route rate, automation rate, and/or Presorted rate packages. Sort ADC packages to ASF pallets based on the "label to" ZIP Code for the ADC destination of the package in L004. See E651 for additional requirements for DBMC rate eligibility.

(1) Line 1: use L602.

(2) Line 2: "STD FLTS ASF"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

g. *Destination BMC*: Required. May contain carrier route rate, automation rate, and/or Presorted rate packages. Sort ADC packages to BMC and ASF pallets based on the "label to" ZIP Code for the ADC destination of the package in L004. See E651 for additional requirements for DBMC rate eligibility.

(1) Line 1: Use L601.

(2) Line 2: "STD FLTS BMC"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

2.5 Optional Pallet Preparation and Labeling With Scheme (L001) Sort

When mailers choose to prepare mail under this option, they must prepare pallets of packages in the manner and sequence listed below and under M041. When sortation under this option is performed, mailers must prepare all merged 5-digit scheme, 5-digit scheme carrier routes, 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 and the 5% threshold, as applicable. Mailers must label pallets according to the Line

1 and Line 2 information listed below and under M031.

a. *Merged 5-Digit Scheme*. Required. Permitted only when 5-digit packages for at least one 5-digit ZIP Code in the scheme may be merged with carrier route packages under the 5% threshold standard in 2.3. May contain carrier route packages for any 5-digit ZIP Code in a single scheme listed in L001. May also contain automation rate 5-digit packages and Presorted rate 5-digit packages up to a maximum of 5% of the total number of pieces for each 5-digit ZIP Code in the scheme under 2.3. For 5-digit ZIP Codes not included in a scheme, begin preparing pallets under 2.5d (merged 5-digit pallet).

(1) Line 1: use L001, Column B.

(2) Line 2: "STD FLTS CR/5D SCHEME".

b. *5-Digit Scheme Carrier Routes*. Required. May contain only carrier route packages for all carrier routes in an L001 scheme when a merged 5-digit scheme pallet could not be prepared under 2.5a.

(1) Line 1: use L001, Column B.

(2) Line 2: "STD FLTS CR-RTS SCHEME".

c. *5-Digit Scheme*. Required. May contain only 5-digit packages of automation rate and 5-digit Presorted rate mail for the same 5-digit scheme under L001 that could not be placed on a merged 5-digit scheme pallet.

(1) Line 1: use L001, Column B.

(2) Line 2: "STD FLTS 5D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail; and followed by "SCHEME" or "SCH."

d. *Merged 5-Digit*. Required. Permitted only when 5-digit packages may be merged with carrier route packages under the 5% threshold standard in 2.3 for a 5-digit ZIP Code that is not part of an L001 scheme. May contain carrier route rate packages, automation rate 5-digit packages, and Presorted rate 5-digit packages. The number of pieces in 5-digit packages is limited to 5% of the total number of pieces placed on the pallet under 2.3.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS CR/5D".

e. *5-Digit Carrier Routes*. Required. May contain only carrier route rate packages for the same 5-digit ZIP Code that is not part of a scheme and for which a merged 5-digit pallet could not be prepared under 2.5d.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS", followed by "CARRIER ROUTES" or "CR-RTS."

f. *5-Digit*. Required. May contain only automation rate 5-digit packages and Presorted rate 5-digit packages for the same 5-digit ZIP Code that is not part of a scheme and that could not be placed on a merged 5-digit pallet.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS 5D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

g. *3-Digit*. Optional. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L002, Column A.

(2) Line 2: "STD FLTS 3D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

h. *SCF*: Required. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L002, Column C.

(2) Line 2: "STD FLTS SCF"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

i. *Destination ASF*. Required, except than an ASF sort may not be required if using package reallocation under 6.0. May contain carrier route rate, automation rate, and/or Presorted rate packages. Sort ADC packages to ASF pallets based on the "label to" ZIP Code for the ADC destination of the package in L004. See E651 for additional requirements for DBMC rate eligibility.

(1) Line 1: use L602.

(2) Line 2: "STD FLTS ASF"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

j. *Destination BMC*: Required. May contain carrier route rate, automation rate, and/or Presorted rate packages. Sort ADC packages to BMC and ASF pallets based on the "label to" ZIP Code for the ADC destination of the package in L004. See E651 for additional requirements for DBMC rate eligibility.

(1) Line 1: Use L601.

(2) Line 2: "STD FLTS BMC"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

M940 Merged Palletization of Periodicals and Standard Mail (A) Carrier Route and 5-Digit Packages on 5-Digit and 5-Digit Scheme Pallets Using Both the City State Product and the 5% Threshold

1.0 PERIODICALS MAIL

1.1 Basic Standards

Nonletter-size 5-digit packages from an automation rate mailing and nonletter-size 5-digit packages from a Presorted rate mailing may be placed on the same pallet (a merged 5-digit pallet or a merged 5-digit scheme pallet) as carrier route packages of nonletter-size pieces under the following conditions:

a. A carrier route mailing must be part of the mailing job.

b. The pieces in the carrier route mailing, the automation rate mailing, and the Presorted rate mailing must be part of the same mailing job.

c. Pieces in the automation rate mailing must meet the criteria for a flat under C050.3.2 and C820. Pieces in the Presorted rate mailing and the carrier route mailing must be nonletter-size.

d. Mailers must use the Carrier Route Indicators field in the City State Product and the 5% limit criteria in 1.4 to prepare the mailing. The mailing must be entered no later than 90 days after the release date of the City State Product used.

e. Automation rate 5-digit packages and Presorted rate 5-digit packages must be copalletized with carrier route packages on merged 5-digit or merged 5-digit scheme pallets as follows: (1) for 5-digit ZIP Codes with an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product, carrier route and 5-digit packages may be merged with no limit on the number of pieces in 5-digit packages that are placed on the pallet, and (2) for 5-digit ZIP Codes with a "B" or "D" indicator in the Carrier Route Indicators field in the City State Product, the pieces in the 5-digit packages must not exceed 5% of the total number of pieces for each individual 5-digit ZIP Code on the pallet as described in 1.4.

f. If sortation under this section is performed, merged 5-digit pallets and merged 5-digit scheme pallets, must be prepared whenever there is enough volume of carrier route and 5-digit packages under M041 to prepare such pallets using the criteria in 1.1e and the sortation criteria in 1.5. All possible merged 5-digit scheme, 5-digit scheme carrier routes, and 5-digit scheme pallets must be prepared under 1.4 and 1.5.

g. The carrier route mailing must meet the eligibility criteria in E230, the

automation rate mailing must meet the eligibility criteria in E240, and the Presorted rate mailing must meet the eligibility criteria in E230.

h. The rates are based on the level of package and the number of pieces in the package under E230 and E240.

i. The packages from each separate mailing must be sorted together on pallets (copalletized) under 1.5 using presort software that is PAVE-certified.

j. A complete, signed, appropriate postage statement(s), using the correct USPS form or an approved facsimile, must accompany each mailing job prepared under these procedures.

k. In addition to the applicable postage statement(s), documentation prepared by PAVE-certified software must be submitted with each copalletized mailing job that describes for each pallet sortation level and pallet the number of pieces qualifying for each applicable carrier route rate, each applicable automation rate, and each applicable Presorted rate under P012. A separate 5% threshold summary also must be provided under P012 for each "logical" merged 5-digit scheme or "logical" merged 5-digit pallet presort destination that contains mail for one or more 5-digit ZIP Codes with a "B" or "D" indicator in the City State Product. This 5% threshold summary must show for each 5-digit ZIP Code with a "B" or "D" indicator on the logical merged 5-digit scheme or logical merged 5-digit pallet (1) the total number of pieces on the pallet for the 5-digit ZIP Code (2) the total number of pieces sorted in carrier route packages for the 5-digit ZIP Code (including each firm package eligible for the carrier route rate and low-volume carrier route packages) (3) the total number of pieces sorted in 5-digit packages for the 5-digit ZIP Code (including each firm package eligible for the 5-digit or basic rate and low-volume 5-digit packages), and (4) of the total number of pieces for the 5-digit ZIP Code, the percentage of pieces sorted in 5-digit packages for that 5-digit ZIP Code. This additional 5% threshold summary must appear within the body of the documentation beneath the pallet rate listing for the last physical pallet for the logical pallet presort destination.

Note: If there are two or more physical pallets for the same presort destination, for example, the same merged 5-digit pallet destination, these two or more physical pallets would be considered as one "logical pallet". The separate pallet summary must be for the mail on all of the physical pallets (the "logical pallet") for that presort destination.

l. Portions of the mailing job that cannot be palletized must be prepared in sacks under M200, M820, M910 or M920.

1.2 Package Preparation

Packages placed on pallets must be prepared under the standards in M045.

1.3 Low-Volume Packages on Pallets

Carrier route and 5-digit packages prepared under M200, M820, and M045 that contain fewer than six pieces may be placed on pallets under 1.5a through 1.5h, when the publisher determines that such preparation improves service. Pieces in such low-volume packages must pay the applicable basic rate.

1.4 5% Threshold Standard

For 5-digit ZIP Codes with a "B" or "D" indicator in the City State Product, mailers may place 5-digit packages with carrier route packages on the same merged 5-digit scheme or merged 5-digit pallet under 1.5 if all of the following conditions are met:

a. The number of pieces prepared in 5-digit packages for any single 5-digit ZIP Code with a "B" or "D" indicator on a logical merged 5-digit or merged 5-digit scheme pallet does not exceed 5% of the total number of pieces for the 5-digit ZIP Code on the logical pallet for the presort destination. That is, the total number of pieces for a 5-digit ZIP Code in 5-digit and carrier route packages must not be greater than the number of pieces in carrier route packages divided by 0.95. (Five-digit ZIP Codes with an "A" or "C" indicator are not subject to the 5% limit.)

b. The 5% threshold is calculated separately for each 5-digit ZIP Code with a "B" or "D" indicator. For example, if a scheme contains four different 5-digit ZIP Codes, a separate 5% threshold applies to each 5-digit ZIP Code with a "B" or "D" indicator for the scheme on a merged 5-digit scheme pallet. (Five-digit ZIP Codes with an "A" or "C" indicator are not subject to the 5% limit.)

c. All the mail in a logical 5-digit package for a 5-digit ZIP Code with a "B" or "D" indicator must be able to be placed on the logical pallet under the 5% rule. A logical 5-digit package is all pieces for a mailing (rate level) prepared in a 5-digit package or packages for the same 5-digit destination. For each 5-digit ZIP Code, it is possible to have a logical 5-digit package of automation rate mail and a logical 5-digit package of Presorted rate mail. If the total number of pieces in a logical 5-digit package exceeds the 5% limit, none of the pieces for that 5-digit package level may be placed on a merged 5-digit or merged 5-digit scheme pallet. For some ZIP Codes, the total number of pieces prepared in logical 5-digit packages (both an automation rate 5-digit package

and a Presorted rate 5-digit package) may exceed 5% of the total mail for that ZIP Code, but the number of pieces for an individual automation rate logical 5-digit package for that ZIP Code does not exceed the 5% limit nor does an individual Presorted rate logical 5-digit package for that ZIP Code exceed the 5% limit. In such instances, mailers may choose to place all of the pieces in a logical 5-digit package for a single rate category on the logical merged 5-digit or merged 5-digit scheme pallet so that the 5% threshold is not exceeded.

Example: If there are a total of 1,100 pieces in carrier route and 5-digit packages for a 5-digit ZIP Code with a "B" or "D" indicator in the City State Product, a maximum of 55 pieces (5%) in 5-digit packages may be placed on a logical merged 5-digit or merged 5-digit scheme pallet with carrier route packages for that ZIP Code. If for this ZIP Code there are 30 pieces in a logical automation rate 5-digit package and 22 pieces in a logical Presorted rate package, the mailer could place all the pieces in both the logical automation rate and the logical Presorted rate packages on the merged 5-digit or merged 5-digit scheme pallet. If for this ZIP Code there are 45 pieces in a logical automation rate 5-digit package and 23 pieces in a logical Presorted rate 5-digit package, the mailer will choose to place either all of the automation rate pieces or all of the Presorted rate pieces on the merged 5-digit or merged 5-digit scheme pallet with carrier route packages for the 5-digit ZIP Code. However, if there were 60 pieces in a logical automation rate 5-digit package and 32 pieces in a logical Presorted rate package, the mailer could only choose to place the pieces in the logical Presorted rate package with pieces in carrier route packages on the merged 5-digit or merged 5-digit scheme pallet.

d. If the total number of pieces in both the logical 5-digit automation rate package and the logical 5-digit Presorted rate package each separately exceed 5% of the total number of pieces for the 5-digit ZIP Code with a "B" or "D" indicator, none of the pieces in 5-digit packages may be merged with carrier route packages on a merged 5-digit or merged 5-digit scheme pallet.

e. Pieces in low-volume carrier route packages will count as carrier route sorted pieces for purposes of determining the 5% limit under 1.4a through 1.4d even though the basic rate is paid. Pieces in low-volume 5-digit packages will count as 5-digit sorted pieces for purposes of determining the 5% limit under 1.4a through 1.4d even though the basic rate is paid.

f. Copies in firm packages claimed as one piece for rate purposes will be considered a single piece when performing the 5% limit calculation under 1.4a through 1.4d. As provided in M200.1.4, some firm packages claimed as one piece may be eligible for carrier

route rates, 5-digit rates, or basic rates. The sortation level of each firm piece (package) for purposes of applying the 5% limit will be considered to be carrier route if the firm piece (package) is eligible for the carrier route rate under M200.1.4. Otherwise the firm package will be considered to be a 5-digit sorted piece (even if the basic rate must be paid on that piece).

1.5 Pallet Preparation and Labeling With Scheme (L001) Sort

Mailers must prepare pallets of packages in the manner and sequence listed below and under M041. Mailers must prepare all merged 5-digit scheme, 5-digit scheme carrier routes, 5-digit scheme, and merged 5-digit pallets that are possible in the mailing based on the volume of mail to the destination (M041) using L001, the City State Product, and the 5% threshold (1.4), as applicable. Mailers must label pallets according to the Line 1 and Line 2 information listed below and under M031. If, due to the physical size of the mailpieces, the automation rate pieces are considered flat-size under C820 and the carrier route sorted pieces and Presorted rate pieces are considered irregular parcels under C050, "FLTS" must be shown as the processing category shown on the pallet label. If a mailing contains no automation rate pieces and the carrier route mailing and the Presorted rate mailing are irregular parcel shaped, use "IRREG" for the processing category on the contents line of the pallet label.

a. *Merged 5-Digit Scheme.* Required. For schemes that contain at least one 5-digit ZIP Code that has an "A" or "C" indicator in the City State Product, the pallet contains (1) Carrier route packages for all 5-digit ZIP Codes in the scheme, (2) 5-digit automation rate and 5-digit Presorted rate packages for those 5-digit ZIP Codes in the scheme with an "A" or "C" indicator in the City State Product, and (3) 5-digit automation rate and/or 5-digit Presorted rate packages for those 5-digit ZIP Codes in the scheme with a "B" or "D" indicator when the number of pieces in the 5-digit package(s) does not exceed 5% of the total number of pieces for that 5-digit ZIP Code under 1.4. For schemes in which all 5-digit ZIP Codes have "B" or "D" indicators and for which there is at least one 5-digit ZIP Code for which 5-digit packages may be placed on the pallet under the 5% limit in 1.4, place all carrier route packages plus the 5-digit packages within the 5% limit on the pallet. For schemes in which all 5-digit ZIP Codes have "B" or "D" indicators and for which there are no 5-digit ZIP Codes for which 5-digit

packages may be placed on the pallet under the 5% limit, do not prepare a merged 5-digit scheme pallet (sort packages to pallets under 1.5b through 1.5i).

(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/5D SCHEME."

b. *5-Digit Scheme Carrier Routes.* Required. May contain only carrier route packages for all carrier routes in an L001 scheme for which all 5-digit ZIP Codes in the scheme have a "B" or "D" indicator and for which no 5-digit packages could be placed on a merged 5-digit scheme pallet with the carrier route packages because the 5-digit packages exceeded the 5% threshold.

(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."

c. *5-Digit Scheme.* Required. May contain only 5-digit packages of automation rate and Presorted rate mail for the same 5-digit scheme under L001 for which one or more 5-digit ZIP Codes in the scheme had a "B" or "D" indicator in the City State Product, and the 5-digit packages could not be placed on a merged 5-digit scheme pallet (the pieces exceeded the 5% threshold).

(1) Line 1: use L001, Column B.

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; followed by "5D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail; and followed by "SCHEME" or "SCH".

d. *Merged 5-Digit.* Required. May contain carrier route packages, automation rate 5-digit packages, and Presorted rate 5-digit packages for those 5-digit ZIP Codes that are not part of a scheme. For 5-digit ZIP Codes with an "A" or "C" indicator in the City State Product, there is no limit on the number of pieces in 5-digit packages that may be placed on the pallet and a merged 5-digit pallet is prepared even if there are no 5-digit packages for that ZIP Code. For those 5-digit ZIP Codes with a "B" or "D" indicator in the City State Product, the number of pieces in 5-digit packages is limited to 5% of the total number of pieces for the 5-digit pallet destination under 1.4. However, if no 5-digit packages for ZIP Codes with "B" or "D" indicators can be placed on this level pallet under the 5% limit, do not prepare this a merged 5-digit pallet (sort packages under 1.5e through 1.5i).

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; and followed by "CR/5D."

e. *5-Digit Carrier Routes*. Required. May contain only carrier route rate packages for the same 5-digit ZIP Code that is not part of a scheme and that could not be placed on a merged 5-digit pallet.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 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."

f. *3-Digit*. Required. May contain only automation rate 5-digit packages and Presorted rate 5-digit packages for the same 5-digit ZIP Code that is not part of a scheme and that could not be placed on a merged 5-digit pallet.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; followed by "5D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

g. *3-Digit*. Optional. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L002, Column A.

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; followed by "3D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

h. *SCF*. Required. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L002, Column C.

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; followed by "SCF"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

i. *ADC*. Required. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L004.

(2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; followed by "ADC"; followed by "BARCODED" or

"BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

2.0 STANDARD MAIL (A)

2.1 Basic Standards

Flat-size 5-digit packages from an automation rate mailing and flat-size 5-digit packages from a Presorted rate mailing may be placed on the same pallet (a merged 5-digit pallet or a merged 5-digit scheme pallet) as carrier route packages of flat-size pieces under the following conditions:

a. A carrier route mailing must be part of the mailing job.

b. The pieces in the carrier route rate mailing, the automation rate mailing, and the Presorted rate mailing must be part of the same mailing job, and all three mailings must be reported on the same postage statement or same consolidated postage statement.

c. Pieces in the automation rate mailing must meet the criteria for a flat under C050.3.2 and C820. Pieces in the Presorted rate mailing and the carrier route mailing must meet the criteria for a flat under C050.3.1.

d. Mailers must use the Carrier Route Indicators field in the City State Product and the 5% limit criteria in 2.3 to prepare the mailing. The mailing must be entered no later than 90 days after the release date of the City State Product used.

e. Automation rate 5-digit packages and Presorted rate 5-digit packages must be copalletized with carrier route packages on merged 5-digit or merged 5-digit scheme pallets as follows: (1) For 5-digit ZIP Codes with an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product, carrier route and 5-digit packages may be merged with no limit on the number of pieces in 5-digit packages that are placed on the pallet, and (2) for 5-digit ZIP Codes with a "B" or "D" indicator in the Carrier Route Indicators field in the City State Product, the pieces in the 5-digit packages must not exceed 5% of the total number of pieces for each individual 5-digit ZIP Code on the pallet as described in 2.3.

f. If sortation under this section is performed, merged 5-digit pallets and, if sorting under 2.5, merged 5-digit scheme pallets, must be prepared whenever there is enough volume of carrier route and 5-digit packages under M041 to prepare such pallets using the criteria in 2.1e and the sortation criteria in either 2.4 or 2.5. When mailers choose to sort to L001 under 2.5, all possible merged 5-digit scheme, 5-digit scheme carrier routes, and 5-digit

scheme pallets must be prepared under 2.3 and 2.5.

g. The carrier route mailing must meet the eligibility criteria in E620, the automation rate mailing must meet the eligibility criteria in E640, and the Presorted rate mailing must meet the eligibility criteria in E620.

h. The rates are based on the level of package that the pieces are contained in under E620 and E640.

i. The pieces in each separate mailing must bear the applicable markings required under M610, M620, or M820 and under M012.

j. The packages from each separate mailing must be sorted together on pallets (copalletized) under 2.4 or 2.5 using presort software that is PAVE-certified or MAC-certified.

k. A complete, signed, appropriate postage statement or consolidated postage statement, using the correct USPS form or an approved facsimile, must accompany each mailing job prepared under these procedures.

l. In addition to the applicable postage statement, documentation prepared by PAVE-certified or MAC-certified software must be submitted with each copalletized mailing job that describes for each pallet sortation level and pallet the number of pieces qualifying for each applicable carrier route rate, each applicable automation rate, and each applicable Presorted rate under P012. A separate 5% threshold summary also must be provided under P012 for each "logical" merged 5-digit scheme or "logical" merged 5-digit pallet presort destination that contains mail for one or more 5-digit ZIP Codes with a "B" or "D" indicator in the City State Product. This 5% threshold summary must show for each 5-digit ZIP Code with a "B" or "D" indicator on the logical merged 5-digit scheme or logical merged 5-digit pallet (1) The total number of pieces on the pallet for the 5-digit ZIP Code (2) the total number of pieces sorted in carrier route packages for the 5-digit ZIP Code (3) the total number of pieces sorted in 5-digit packages for the 5-digit ZIP Code, and (4) of the total number of pieces for the 5-digit ZIP Code, the percentage of pieces sorted in 5-digit packages for that 5-digit ZIP Code. This additional 5% threshold summary must appear within the body of the documentation beneath the pallet rate listing for the last physical pallet for the logical pallet presort destination.

Note: If there are two or more physical pallets for the same presort destination, for example, the same merged 5-digit pallet destination, these two or more physical pallets would be considered as one "logical pallet". The separate pallet summary must be

for the mail on all of the physical pallets (the "logical pallet") for that presort destination.

m. Portions of the mailing job that cannot be palletized must be prepared in sacks under M610, M620, M820, M910 or M920.

2.2 Package Preparation

Packages placed on pallets must be prepared under the standards in M045.

2.3 5% Threshold Standard

For 5-digit ZIP Codes with a "B" or "D" indicator in the City State Product, mailers may place 5-digit packages with carrier route packages on the same merged 5-digit pallet under 2.4 or on the same merged 5-digit scheme or merged 5-digit pallet under 2.5 if all of the following conditions are met:

a. The number of pieces prepared in 5-digit packages for any single 5-digit ZIP Code with a "B" or "D" indicator on a logical merged 5-digit or merged 5-digit scheme pallet does not exceed 5% of the total number of pieces for the 5-digit ZIP Code on the pallet(s) for the presort destination. That is, the total number of pieces for a 5-digit ZIP Code in 5-digit and carrier route packages must not be greater than the number of pieces in carrier route packages divided by 0.95. (Five-digit ZIP Codes with an "A" or "C" indicator are not subject to the 5% limit.)

b. The 5% threshold is calculated separately for each 5-digit ZIP Code with a "B" or "D" indicator. For example, if a scheme contains four different 5-digit ZIP Codes, a separate 5% threshold applies to each 5-digit ZIP Code with a "B" or "D" indicator for the scheme on a merged 5-digit scheme pallet. (Five-digit ZIP Codes with an "A" or "C" indicator are not subject to the 5% limit.)

c. All the mail in a logical 5-digit package for a 5-digit ZIP Code with a "B" or "D" indicator must be able to be placed on the logical pallet under the 5% rule. A logical 5-digit package is all pieces for a mailing (rate level) prepared in a 5-digit package or packages for the same 5-digit destination. For each 5-digit ZIP Code, it is possible to have a logical 5-digit package of automation rate mail and a logical 5-digit package of Presorted rate mail. If the total number of pieces in a logical 5-digit package exceeds the 5% limit, none of the pieces for that 5-digit package level may be placed on a merged 5-digit or merged 5-digit scheme pallet. For some ZIP Codes, the total number of pieces prepared in logical 5-digit packages (both an automation rate logical 5-digit package and a Presorted rate logical 5-digit package) may exceed 5% of the total mail for that ZIP Code, but the

number of pieces for an individual automation rate logical 5-digit package for that ZIP Code does not exceed the 5% limit nor does an individual Presorted rate logical 5-digit package for that ZIP Code exceed the 5% limit. In such instances, mailers may choose to place all of the pieces in a logical 5-digit package for a single rate category on the logical merged 5-digit or merged 5-digit scheme pallet so that the 5% threshold is not exceeded.

Example: If there are a total of 1,100 pieces in carrier route and 5-digit packages for a 5-digit ZIP Code with a "B" or "D" indicator in the City State Product, a maximum of 55 pieces (5%) in 5-digit packages may be placed on a logical merged 5-digit or merged 5-digit scheme pallet with carrier route packages for that ZIP Code. If for this ZIP Code there are 30 pieces in a logical automation rate 5-digit package and 22 pieces in a logical Presorted rate package, the mailer could place all the pieces in both the logical automation rate and the logical Presorted rate packages on the merged 5-digit or merged 5-digit scheme pallet. If for this ZIP Code there are 45 pieces in a logical automation rate 5-digit package and 23 pieces in a logical Presorted rate 5-digit package, the mailer will choose to place either all of the automation rate pieces or all of the Presorted rate pieces on the merged 5-digit or merged 5-digit scheme pallet with carrier route packages for the 5-digit ZIP Code. However, if there are 60 pieces in a logical automation rate 5-digit package and 32 pieces in a logical Presorted rate package, the mailer could only choose to place the pieces in the logical Presorted rate package with pieces in carrier route packages on the merged 5-digit or merged 5-digit scheme pallet. If for this ZIP Code there are 30 pieces in a logical automation rate 5-digit package and 22 pieces in a logical Presorted rate package, the mailer could place all the pieces in both the logical automation rate and the logical Presorted rate packages on the merged 5-digit or merged 5-digit scheme pallet.

d. If the total number of pieces in both the logical 5-digit automation rate package and the logical 5-digit Presorted rate package each separately exceed 5% of the total number of pieces for the 5-digit ZIP Code with a "B" or "D" indicator, none of the pieces in 5-digit packages may be merged with carrier route packages on a merged 5-digit or merged 5-digit scheme pallet.

2.4 Pallet Preparation and Labeling Without Scheme (L001) Sort

Mailers must prepare pallets of packages in the manner and sequence listed below and under M041. When sortation under this option is performed, mailers must prepare all merged 5-digit pallets that are possible in the mailing based on the volume of mail to the destination under M041, 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 M031.

a. *Merged 5-Digit.* Required. May contain carrier route packages, automation rate 5-digit packages, and Presorted rate 5-digit packages. For those 5-digit ZIP Codes with an "A" or "C" indicator in the City State Product, there is no limit on the number of pieces in 5-digit packages that may be placed on the pallet, and a merged 5-digit pallet is prepared even if there are no 5-digit packages for such a 5-digit ZIP Code. For those 5-digit ZIP Codes with a "B" or "D" indicator in the City State Product, the number of pieces in 5-digit packages is limited to 5% of the total number of pieces for the 5-digit pallet destination under 2.3. For 5-digit ZIP Codes with a "B" or "D" indicator in the City State Product, if there are either no 5-digit packages for that ZIP Code, or the number of pieces in 5-digit packages for that ZIP Code exceeds the 5% limit, do not prepare a merged 5-digit pallet (sort packages under 2.4b through 2.4f).

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS CR/5D."

b. *5-Digit Carrier Routes.* Required. May contain only carrier route packages for the same 5-digit ZIP Code for ZIP Codes with a "B" or "D" indicator for which a merged 5-digit pallet could not be prepared.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS," followed by "CARRIER ROUTES" or "CR-RTS."

c. *5-Digit.* Required. May contain only automation rate and Presorted rate 5-digit packages for the same 5-digit ZIP Code for ZIP Codes with a "B" or "D" indicator for which a merged 5-digit pallet could not be prepared.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS 5D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

d. *3-Digit.* Optional. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L002, Column A.

(2) Line 2: "STD FLTS 3D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

e. *SCF*: Required. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L002, Column C.

(2) Line 2: "STD FLTS SCF"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

f. *Destination ASF*. Required, except than an ASF sort may not be required if using package reallocation under 6.0. May contain carrier route rate, automation rate, and/or Presorted rate packages. Sort ADC packages to ASF pallets based on the "label to" ZIP Code for the ADC destination of the package in L004. See E651 for additional requirements for DBMC rate eligibility.

(1) Line 1: use L602.

(2) Line 2: "STD FLTS ASF"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

g. *Destination BMC*: Required. May contain carrier route rate, automation rate, and/or Presorted rate packages. Sort ADC packages to BMC and ASF pallets based on the "label to" ZIP Code for the ADC destination of the package in L004. See E651 for additional requirements for DBMC rate eligibility.

(1) Line 1: Use L601.

(2) Line 2: "STD FLTS BMC"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

2.5 Optional Pallet Preparation and Labeling With Scheme (L001) Sort

When mailers choose to prepare mail under this option, they must prepare pallets of packages in the manner and sequence listed below and under M041. When sortation under this option is performed, mailers must prepare all merged 5-digit scheme, 5-digit scheme carrier routes, 5-digit scheme, and merged 5-digit pallets that are possible in the mailing based on the volume of mail to the destination (M041) using L001, the City State Product, and the 5% threshold (2.3), as applicable. Mailers must label pallets according to the Line 1 and Line 2 information listed below and under M031.

a. *Merged 5-Digit Scheme*. Required. For schemes that contain at least one 5-digit ZIP Code that has an "A" or "C" indicator in the City State Product, the pallet contains (1) carrier route packages for all 5-digit ZIP Codes in the scheme, (2) 5-digit automation rate and 5-digit Presorted rate packages for those 5-digit

ZIP Codes in the scheme with an "A" or "C" indicator in the City State Product, and (3) 5-digit automation rate and/or 5-digit Presorted rate packages for those 5-digit ZIP Codes in the scheme with a "B" or "D" indicator when the number of pieces in the 5-digit package(s) does not exceed 5% of the total number of pieces for that 5-digit ZIP Code under 2.3. For schemes in which all 5-digit ZIP Codes have "B" or "D" indicators and for which there is at least one 5-digit ZIP Code for which 5-digit packages may be placed on the pallet under the 5% limit in 2.3, place all carrier route packages plus the 5-digit packages within the 5% limit on the pallet. For schemes in which all 5-digit ZIP Codes have "B" or "D" indicators and for which there are no 5-digit ZIP Codes for which 5-digit packages may be placed on the pallet under the 5% limit, do not prepare a merged 5-digit scheme pallet (sort packages to pallets under 2.5b through 2.5j).

(1) Line 1: labeling: use L001, Column B.

(2) Line 2: "STD FLTS CR/5D SCHEME".

b. *5-Digit Scheme Carrier Routes*. Required. May contain only carrier route packages for all carrier routes in an L001 scheme for which all 5-digit ZIP Codes in the scheme have a "B" or "D" indicator and for which no 5-digit packages could be placed on a merged 5-digit scheme pallet with the carrier route packages because the 5-digit packages exceeded the 5% threshold.

(1) Line 1: use L001, Column B.

(2) Line 2: "STD FLTS CR-RTS SCHEME".

c. *5-Digit Scheme*. Required. May contain 5-digit packages of automation rate and 5-digit Presorted rate mail for the same 5-digit scheme under L001 for which one or more 5-digit ZIP Codes in the scheme had a "B" or "D" indicator in the City State Product, and the 5-digit packages could not be placed on a merged 5-digit scheme pallet (the pieces exceeded the 5% threshold).

(1) Line 1: use L001, Column B.

(2) Line 2: "STD FLTS 5D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail; and followed by "SCHEME" or "SCH".

d. *Merged 5-Digit*. Required. May contain carrier route packages, automation rate 5-digit packages, and Presorted rate 5-digit packages for those 5-digit ZIP Codes that are not part of a scheme. For 5-digit ZIP Codes with an "A" or "C" indicator in the City State Product, there is no limit on the number of pieces in 5-digit packages that may be

placed on the pallet, and a merged 5-digit pallet is prepared even if there are no 5-digit packages for that ZIP Code. For those 5-digit ZIP Codes with a "B" or "D" indicator in the City State Product, the number of pieces in 5-digit packages is limited to 5% of the total number of pieces for the 5-digit pallet destination under 2.3. However, if no 5-digit packages for ZIP Codes with "B" or "D" indicators can be placed on this level pallet under the 5% limit, do not prepare a merged 5-digit pallet (sort packages to pallets under 2.5e through 2.5j).

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS CR/5D".

e. *5-Digit Carrier Routes*. Required. May contain only carrier route rate packages for the same 5-digit ZIP Code that is not part of a scheme and that could not be placed on a merged 5-digit pallet.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS", followed by "CARRIER ROUTES" or "CR-RTS".

f. *5-Digit*. Required. May contain only automation rate 5-digit packages and Presorted rate 5-digit packages for the same 5-digit ZIP Code that is not part of a scheme and that could not be placed on a merged 5-digit pallet.

(1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see M031 for military mail).

(2) Line 2: "STD FLTS 5D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

g. *3-Digit*. Optional. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L002, Column A.

(2) Line 2: "STD FLTS 3D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

h. *SCF*: Required. May contain carrier route rate, automation rate, and Presorted rate packages.

(1) Line 1: use L002, Column C.

(2) Line 2: "STD FLTS SCF"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

i. *Destination ASF*. Required, except than an ASF sort may not be required if using package reallocation under 6.0. May contain carrier route rate,

automation rate, and/or Presorted rate packages. Sort ADC packages to ASF pallets based on the "label to" ZIP Code for the ADC destination of the package in L004. See E651 for additional requirements for DBMC rate eligibility.

(1) Line 1: use L602.

(2) Line 2: "STD FLTS ASF"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

j. *Destination BMC*: Required. May contain carrier route rate, automation rate, and/or Presorted rate packages. Sort ADC packages to BMC and ASF pallets based on the "label to" ZIP Code for the ADC destination of the package in L004. See E651 for additional requirements for DBMC rate eligibility.

(1) Line 1: Use L601

(2) Line 2: "STD FLTS BMC", followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail.

P Postage and Payment Methods

P000 Basic Information

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P012 Documentation

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

* * * * *

2.2 Format and Content

[Amend 2.2d by adding the following as (5) 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:

* * * * *

(5) For mailings prepared as packages on pallets under M930 and M940 a separate 5% threshold summary must appear beneath the pallet rate summary for the last physical pallet of each logical merged 5-digit scheme pallet and logical merged 5-digit pallet as provided in M930.1.1, M930.2.1, M940.1.1, or M940.2.1, as applicable.

* * * * *

2.4 Sortation level

[Amend 2.4 by adding new indicator "M5D" to identify merged 5-digit sacks and pallets, by adding new indicator "M5DS" to identify merged 5-digit scheme sacks and pallets, and by adding "and pallets" to the description of the sortation level for 5-digit scheme carrier routes 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
* * * * *	
5-Digit Scheme Carrier Routes (sacks and pallets, Periodicals flats and irregular parcels, Standard Mail (A) flats).	CR5S
* * * * *	
Merged 5-Digit (sacks and pallets, Periodicals flats and irregular parcels, Standard Mail (A) flats).	M5D
Merged 5-Digit Scheme (sacks and pallets, Periodicals flats and irregular parcels, Standard Mail (A) flats).	M5DS
* * * * *	

[Amend the heading of 2.5 to read as follows:]

2.5 Combined, Copalletized, and Merged Mailings

[Amend the first sentence of 2.5 by changing "M045" to "M045, M920, M930, or M940."]

* * * * *

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

Neva Watson,

Attorney, Legislative.

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