(d) Delegation of authority to
determine disclosure and establish
procedures. The appropriate ATF officer
is hereby authorized to determine
whether or not ATF officers and
employees will be permitted to disclose
ATF records or information in response to:

(1) A request by any court,
administrative agency, or other
authority, or by any person, for the
disclosure of such records or
information; or

(2) A demand for the disclosure of
such records or information.

(3) The Director is also authorized to
establish such other procedures as he or
she may deem necessary with respect to
the disclosure of ATF records or
information by ATF officers and
employees. Any determination by the
appropriate ATF officer as to whether
ATF records or information will be
disclosed, or any procedure established by
the Director in connection therewith,
must be made in accordance with
applicable statutes, Executive orders,
regulations, and any instructions that
may be issued by the Secretary.

Notwithstanding the preceding
provisions of this paragraph, the
appropriate ATF officer shall, where
either the Secretary or such officer
deems it appropriate, refer the opposing
party to the appropriate ATF
officer. The Director, must promptly,
and upon request and for good cause shown,
waive the requirement of this paragraph.

(i) The violation of a statute, such as
26 U.S.C. 6103 or 7213, or a rule of
procedure, such as the grand jury
secrecy rule (F.R.Cr.P. Rule 6(e)), or a
specific regulation;

(ii) The disclosure of classified
information;

(iii) The disclosure of a confidential
source or informant, unless the ATF
officer or employee and the source or
informant, have no objection;

(iv) The disclosure of investigative
records compiled for law enforcement
purposes if enforcement proceedings
would thereby be impeded, or of
investigative techniques and procedures
whose effectiveness would thereby be
impaired, unless the appropriate ATF
officer determines that the
administration of justice requires
disclosure;

(v) The disclosure of trade secrets
without the owner’s consent; or

(vi) Testimony in a case in which ATF
has no interest, records or other official
information.

(f) State cases. The appropriate ATF
officer, may, in the interest of Federal
and State law enforcement, upon receipt
of demands or requests of State
authorities, and at the expense of the State,
authorize employees under their
supervision to attend trials and
administrative hearings in liquor,
tobacco, firearms, or explosives cases in
which the State is a party or on behalf
of the State in any criminal case, to
produce records, and to testify as to
facts coming to their knowledge in their
official capacities. However, in cases
where a defendant in a criminal case
requests or demands testimony or the
production of ATF records or
information, authorization from the
appropriate ATF officer is required.

* * * * *


Bradley A. Buckles,
Director.


Timothy E. Skud,
Acting Deputy Assistant Secretary
(Regulatory, Tariff and Trade Enforcement).

BILLS & RESOLUTIONS

POSTAL SERVICE

39 CFR Part 111

Preparation Changes for Securing
Packages of Mail

AGENCY: Postal Service.

ACTION: Final rule.

SUMMARY: This final rule sets forth
revised Domestic Mail Manual (DMM)
standards that will help ensure packages
of Periodicals and Standard Mail
maintain their integrity during
transportation and postal processing.
This final rule reorganizes DMM M020
by prescribing basic standards for preparing and securing all packages and incorporating standards that pertain individually to packages on pallets, packages in sacks, and packages in trays. The most significant changes, in revised DMM M020.1.8, establish new maximum weight and height limits for packages of Periodicals and Standard Mail prepared in sacks. The maximum height (thickness) for Periodicals and Standard Mail packages in sacks depends on whether the cover or outer surface of the piece is coated (glossy) or uncoated stock. Packages of pieces with coated cover stock must not exceed 3 inches in height if secured with string or twine, rubber bands, or shrinkwrap without an additional band. However, if packages of coated pieces are secured with a minimum of two plastic straps or with shrinkwrap plus one or two bands, they must not exceed 6 inches in height. For pieces with uncoated cover stock, packages in sacks must not exceed 8 inches in height, although it is recommended that such packages not exceed 6 inches in height. The maximum weight for all packages of Periodicals and Standard mail prepared in sacks is 20 pounds. This limit is consistent with the maximum weight prescribed for such packages when prepared on pallets and is the maximum weight of packages or parcels that can be processed on the small parcel and bundle sorter (SPBS).

**Effective Date:** July 1, 2001.

**For Further Information Contact:** Cheryl Beller, 202–268–5166, cbeller1@email.usps.gov.

**Supplementary Information:** On February 20, 2001, the Postal Service published for public comment in the Federal Register (66 FR 10868–10872) a proposal to require that for Periodicals and Standard Mail prepared in sacks: [1] packages must not weigh more than 20 pounds as provided in new DMM M020.1.8a; [2] packages of pieces with covers of coated stock that are not individually enclosed in an envelope or protective wrapper (e.g., polywrap or uncoated paper wrapper) must not exceed 3 inches in height if secured with string or twine, rubber bands, or only shrinkwrap, and must not exceed 6 inches in height if secured with two plastic straps or shrinkwrap plus one or two bands as provided in new DMM M020.1.8c; and [3] packages of pieces with outer surfaces of uncoated stock must not exceed 8 inches in height, although it is recommended that such packages not exceed 6 inches in height, as provided in new DMM M020.1.8e. It was also proposed that the general packaging standards in DMM M020 be revised by: [1] Eliminating the required banding sequence in DMM M020.2.3b that the first strap be placed around the length and the second around the girth when double-banding packages over 1 inch (redesignated DMM M020.1.4); [2] requiring, for packages of pieces of nonuniform thickness, counter-stacking for sacked and palletized mail to create packages of more uniform thickness as provided in revised DMM M020.1.2; [3] reinforcing and clarifying the requirement that packages over 1 inch in height, whether placed in sacks or on pallets, must be secured with at least two bands, with shrinkwrap, or with shrinkwrap plus one or two bands as provided in DMM M020.1.4d. The deadline for submitting comments on the proposal was March 22, 2001.

Part A below summarizes the revisions to the proposal made in this final rule. Part B sets forth the evaluation of the comments received. It should be noted that although the DMM refers to individual pieces secured together as a unit to a single preset destination as a “package,” many in the mailing industry refer to these units of mail as “bundles,” and the terms are used interchangeably in the discussion of comments below.

**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 with the following changes:

1. DMM M020.1.2 in the proposed rule has been revised to allow, rather than require, mailers to counter-stack pieces of nonuniform thickness to create packages of more uniform thickness, which are more likely to maintain their integrity during transportation and processing.

2. DMM M020.1.5b has been revised in the final rule to eliminate a required sequence for applying shrinkwrap plus a strap to packages on pallets. The revised language is consistent with DMM M020.1.4b, M020.1.8d, and M020.1.8e(2) in this final rule.

3. DMM M020.1.8f has been revised in the final rule to clarify that “uncoated stock” also refers to pieces with coated covers that are individually enclosed in a cover or mailing wrapper of uncoated stock such as an envelope, sleeve, protective cover, partial wrapper, or polybag, and pieces with outer surfaces composed of material other than paper (e.g., plastic, cloth, fiberboard, or metal). As such, packages of such pieces prepared as provided in new DMM M020.1.8e(2) in this final rule.

**B. Evaluation of Comments Received**

1. **General**

Twelve comments were received. All commenters were generally supportive of the efforts undertaken by the Postal Service and mailing industry to improve the processing, transporting, and handling of the mail, and two commenters indicated support for all of the changes in the proposed rule. One commenter stated that the problem of broken bundles is not new. The commenter noted that over the past 15 years, the Postal Service and outside consultants identified “root causes” for bundle breakage but took no serious actions to resolve the problem prior to the efforts of the Mailers Technical Advisory Committee (MTAC) Package Integrity Work Group to collect breakage data for live mail and to conduct a controlled test for sacked mail. The proposed rule is intended to address these concerns by updating and clarifying DMM M020 standards.

One commenter representing Periodicals mailers has worked with the Postal Service to reduce the incidence and costs of bundle breakage. As part of the Periodicals Operations Review Team and through MTAC, the commenter and members observed an alarming rate of bundle breakage for Periodicals and Standard Mail flats and worked with the Postal Service to understand root causes and identify changes to improve integrity.

One commenter expressed support for the targeted approach to a cost-effective solution to the bundle breakage problem that will not overburden publishers and printers and stated that the proposal will help in the short term. The commenter also believes that a long-term solution is needed but may be up to 8 inches high (thick). This section is also revised in the final rule to clarify that although packages of pieces of uncoated stock may be up to 8 inches high, it is recommended that such packages not exceed 6 inches in height.

DMM M020.1.8b in the proposed rule, which repeated general language already included in M020.1.4, has been deleted from the final rule. DMM M020.1.8d(3) and M020.8d(4) in the proposed rule contained standards for measuring packages of pieces with coated cover stock. These standards were revised in DMM M020.1.8e(3) and M020.8e(4) for pieces with uncoated cover stock. Therefore, these items are deleted and their content, applying to all packages of Periodicals and Standard Mail prepared in sacks, is redesignated in the final rule as M020.8c and M020.8d.
problem and wants the Postal Service to capture savings identified in conjunction with the Periodicals Operations Review Team in the recent rate case, but believes the proposed changes could potentially impose a huge financial burden on customers.

One commenter representing smaller-volume Periodicals publications, with circulation generally under 100,000 and mailings prepared primarily in sacks rather than on pallets, recognizes bundle breakage is a problem. This commenter is concerned that the proposed rule “is a costly (to mailers) stopgap measure that may not be effective in accomplishing its stated purpose of reducing USPS handling costs” but expects the proposal to be implemented and members to adapt. This commenter also believes that additional steps the Postal Service is taking, such as educating mailers, improving induction methods, and enabling customers to prepare flats in a manner that supports processing on flat sorting machines (FSMs), are more likely than the proposed changes to cause a meaningful change in processing costs.

The Postal Service and mailing industry have been working together on several fronts to address the serious issue of bundle breakage and its associated costs, which are ultimately reflected in postal rates. As noted, this problem is not new and this final rule is but one of several ongoing efforts to make long-needed changes that will have an overall positive effect on bundle breakage and flats processing costs and efficiencies in general. The MTAC Package Integrity Work Group was created to address the bundle breakage problem identified by the Periodicals Operations Review Team. This final rule represents one step toward achieving incremental improvements while long-term solutions are explored. Various concerns raised by commenters about specific provisions of DMM M020 that are contained in the proposed rule are described and responded to below.

2. Counter-Stacking

Two commenters questioned whether the proposed requirement to counter-stack pieces of nonuniform thickness to create packages of more uniform thickness will increase carrier and clerk costs to re-orient the pieces before sorting them by a greater amount than the savings that might result from reduced bundle breakage costs.

One commenter requested further clarification of the situations that would require counter-stacking to avoid different interpretations by acceptance personnel and mailers. It was suggested that a clearer definition of “non-uniform thickness” be provided, possibly including a measurement, such as “if there is more than .25” difference in thickness from top to bottom (thinnest to thickest).”

Based on the comments and upon further review of this issue, the Postal Service has determined that re-orienting counter-stacked pieces to prep flats for delivery or to run on a flat sorting machine (e.g., an AFSM 100) is time consuming and, in many situations, may add to processing costs. Because it is difficult to describe objectively each situation when it would be appropriate to counter-stack pieces to maintain package integrity, M020.1.2 in this final rule has been revised to recommend, rather than require, counter-stacking to create more uniform packages. In addition, language has been added to clarify that mailers should limit the use of counter-stacking to those situations when it is expected to actually improve the uniformity and stability of a package. For example, some postal processing facilities have reported that they receive packages from mailers as small as 1 inch high that contain three or four counter-stacked groups. These small counter-stacked groups have little, if any, impact on the integrity of the package and make it difficult for postal personnel to re-orient the mail to run on a flat sorting machine or for delivery.

3. Twenty-Pound Maximum Weight for Packages in Sacks

Two commenters expressed their approval of the proposal to limit the weight of Periodicals and Standard Mail packages prepared in sacks to 20 pounds and noted that packages that exceed this weight contribute to bundle breakage and cannot be processed on the SPBS. Furthermore, one commenter stated that the 20-pound maximum for packages in sacks is neither unreasonable nor burdensome and is consistent with the standard for packages on pallets. The 20-pound maximum package weight is retained in this final rule.

4. Requirement to Shrinkwrap Packages on Bulk Mail Center (BMC) Pallets

Two commenters indicated that mailers could move more Standard Mail out of sacks and onto pallets, and thereby reduce package breakage rates for this mail, if they were permitted to use banding instead of shrinkwrap to secure packages on BMC pallets. One commenter noted that the processing of bundles on BMC parcel sorting machines (PSMs) is abusive and normal packaging may not withstand this processing and recommended that the Postal Service identify the BMCs that do not process bundles on their PSMs. Mailers should then be permitted to use banding instead of shrinkwrap for bundles on BMC pallets sorted to those facilities.

One commenter secures packages of Standard Mail with bands around the length and girth and reported receiving few if any complaints about breakage. This mailer must sack mail that remains after 5-digit and SCP pallets are prepared because of the requirement to shrinkwrap packages on BMC pallets. These sacks are often placed on BMC pallets. This commenter indicated that most letter shops do not have the ability to shrinkwrap packages and could move approximately 80 percent of packages currently prepared in sacks onto pallets if the Postal Service would allow banded packages on BMC pallets.

In conjunction with other efforts focused on moving mail out of sacks to reduce the potential for package breakage and the costs associated with such breakage, the Postal Service will explore potential opportunities to place packages secured with material other than shrinkwrap onto BMC pallets. However, before any final decision is made, the impact that such a change could have on processing costs and service must be fully evaluated. For example, candidate packages may currently be in carrier route-through ADC-level sacks and some analysis would be required to determine the potential difference in container and package handling costs if these packages were to be moved out of more finely sorted sacks and onto BMC pallets. The Postal Service must also assess the potential impact on package breakage rates resulting from more package handlings but fewer sack handlings, particularly for carrier route, 5-digit, and 3-digit packages, and how this could affect service considering that the recovered pieces must generally be transported to the parent plant for appropriate piece distribution (e.g., on a flat sorting machine). Finally, the methods used by BMCs to process packages on BMC pallets must be reviewed to determine if service would be negatively impacted when compared to the service the mail would receive if prepared in sacks. Sacked mail is processed by BMCs to plants or delivery units where the contents of the sacks are distributed (e.g., are packages at BMCs processed on parcel sorting machines or SPBSs; what sort schemes are used). If a decision is made to expand the type(s) of package securing methods that are acceptable for mail on BMC pallets, it is possible that the standards could be somewhat more restrictive than the current standards for
mail prepared on pallets. For example, because data collected by the MTAC Package Integrity Work Group during live mail tests showed that mail secured with rubber bands had the highest breakage rates for palletized packages (2.1 percent), restrictions could be placed on this type of mail. In summary, no changes to the standards for packages on BMC pallets are included in this final rule.

5. Clarification of “Uncoated Stock”

Two commenters requested that proposed DMM M020.1.8d be reworded to clarify that “uncoated” pieces that may be prepared in packages up to 8 inches high includes pieces with coated covers that have been enclosed in a protective cover or mailing wrapper as described in DMM C200.1.7. One commenter asked that the Postal Service clarify that individually polywrapped pieces fall into the category of “uncoated” pieces, whether or not the pieces inside the wrapper have coated covers. This final rule clarifies in DMM M020.1.8e that the term “uncoated stock” includes pieces with coated covers that are individually enclosed in a cover or mailing wrapper of uncoated stock such as an envelope, sleeve, protective cover, partial wrapper, or polywrap, and also includes pieces with outer surfaces composed of material other than paper (e.g., plastic, cloth, fiberboard, or metal). The final rule also specifies that packages of such pieces must not exceed 8 inches in height.

6. Maximum Height of Packages of Uncoated Pieces

One commenter prepares Periodicals that have a low height-to-weight ratio in firm bundles that are shrinkwrapped and strapped. These bundles may occasionally exceed the proposed uncoated pieces maximum package height of 8 inches, possibly reaching 10 inches in height. The commenter has not received any feedback about broken bundles and requests that the maximum height for uncoated packages in sacks be raised from 8 inches to 10 inches. If the maximum height will not be raised, clarification was requested as to whether current DMM M020.1.6a (redesignated as M020.1.7a in this final rule) allows payment of one piece rate if two firm bundles are created to avoid exceeding the maximum height limit. In addition, this commenter asked that the final rule include a clarification of the difference between the recommended maximum height of 6 inches and the required maximum height of 8 inches for packages of uncoated pieces prepared in sacks.

The Postal Service believes that concerns about bundle integrity and successful SPBS processing are compelling reasons to limit the maximum height of packages of uncoated pieces in sacks to 8 inches. The 20-pound maximum weight ensures packages are compatible with SPBS processing and it is likely that most packages that exceed 8 inches, when measured at the lowest point as permitted by the new standards, would also exceed 20 pounds. Exceptions are likely to be pieces similar to the DVDs in plastic containers that were included in the controlled test that are less dense than printed material, including circulars, magazines, newspapers, catalogs, and so forth. When such lightweight but thick items are prepared in tall packages (e.g., packages taller than 8 inches), the packages are more likely to break during transportation or processing or to lean and tumble into the wrong container as they are sorted on the SPBS.

The maximum package height of 8 inches for packages of uncoated pieces prepared in sacks is retained in this final rule. DMM M020.1.8.f(1) has been revised to consolidate the maximum permitted height of 8 inches and the recommended maximum height of 6 inches for packages of uncoated pieces prepared in sacks. We believe that this will clarify that such packages may be up to 8 inches in height but the Postal Service wants to encourage mailers to limit these packages to a maximum height of 6 inches. This recommendation is intended to help ensure that bundle integrity will be maintained while recognizing that some mailpieces can be prepared in taller packages (e.g., up to 8 inches high and weighing up to 20 pounds) that can be successfully processed by the Postal Service.

If a firm bundle must be split in two to meet the new height restrictions, each firm bundle is subject to a separate per piece charge to reflect the handling of two pieces by the Postal Service. For purposes of rate eligibility, pieces prepared as one firm bundle under current standards that must be prepared as two firm bundles due to the height restrictions in this final rule would pay two per piece charges, reflecting the fact the Postal Service is processing and delivering two pieces. Under DMM M020.1.6a (redesignated M020.1.7a) these would also count as two addressed pieces in determining whether there are six or more pieces to a presort destination when determining Periodicals rate eligibility.

7. Coated Stock and Breakage

Two commenters agreed that coated stock does contribute to package breakage. One stated that there is no question that pieces with coated cover stock contribute to bundle breakage and that it makes sense to reduce the maximum height to 6 inches for banded or strapped bundles. One commenter confirmed that the highest breakage rate occurred for sacked flats with glossy covers of coated stock, and bundles 4 to 6 inches high broke 42 to 100 percent of the time in the MTAC Package Integrity Work Group controlled test, before the bundles were even handled individually. This commenter stated that these high breakage rates “cause significant costs (in the form of additional piece handlings and machine slowdowns and stoppages) borne by all mailers of flats.” In the controlled test, adding a plastic strap to shrinkwrapped packages reduced the breakage rate by 25 percent; packages with two plastic straps had a breakage rate 15 percent lower than the rate for shrinkwrapped packages; and reducing the size of packages by 1 inch reduced breakage by approximately 14 percent.

The key focus of this final rule is to reduce breakage rates for packages of pieces with coated cover stock.

8. Impact of Limiting Package Height

Seven commenters stated that the proposal to limit, for Periodicals and Standard Mail in sacks, the size of packages of pieces with coated stock secured with rubber bands, string or twine, or shrinkwrap without a band to 3 inches in height will increase the number of packages that some mailers will prepare. One commenter stated that the creation of more packages will add to Postal Service mail processing costs, which is not in the best interests of the mailing industry or the Postal Service, and another stated that the proposed rule could increase by nearly 5 percent the number of bundles that one of its members produces.

One commenter suggested that the proposal will cause mailers to prepare a greater number of packages that are more difficult to open, which will change processing costs. The commenter also stated they would be more positive about the changes if the Postal Service had attempted to quantify added costs associated with the additional packages, such as those related to Postal Service-allied labor costs for opening packages and prepping mail for automated flat sorting machines.
One commenter noted that a Postal Service representative had stated that “over 30 percent of the USPS handling and processing costs for flats were depackaging” and that the proposal would be contrary to the objective of creating fewer packages as well as fewer sacks. This commenter also stated that preparing smaller packages secured only with shrinkwrap for sacked mail will slow production and add to mailer costs. The mailer will need to have list processors provide bundle separation marks for production lines that do not have an “auto slow down” control to maximize bundle size and machine speed. For one customer, some packages for sacked mailings may contain as few as two pieces to meet the 3-inch height limit.

One commenter questions whether the Postal Service documented or measured the cost of handling the additional packages that will be produced if the proposed changes are adopted and asks if the Postal Service has a metric to ensure that the cost reductions would exceed materialize as a result of the proposed rule.

Analysis of the MTAC Package Integrity Work Group test data shows that reducing the size of “high-risk” packages, specifically packages of pieces with coated cover stock prepared in sacks, will result in significant savings. In the controlled package integrity test, the workgroup found that 75 percent of 4-inch and 6-inch packages of coated pieces entered at an origin facility broke even before the packages were handled individually out of the mailer-prepared sacks. Based upon additional analysis of test data for both the live mail and controlled tests, the Postal Service believes that cutting the size of a large package of coated flats in half would reduce bundle breakage for the affected mail by approximately 50 percent.

Using the same methodology that the Postal Rate Commission (PRC) used in Docket No. R2000–1 to analyze this cost trade-off, we found that cutting the average package size for Periodicals and Standard Mail high-risk flats in half (e.g., from an average of 20 down to 10 pieces per package and from 15 down to 7.5 pieces per package) may reduce average mail processing costs for these flats by as much as 0.4 to 0.7 cents per piece. Furthermore, the PRC’s methodology does not take into account reductions in allied labor costs that may result from reduced package breakage. The focus of this final rule is to significantly reduce package breakage using current packaging methods. It is not expected that the additional packages prepared by mailers will be any more difficult to open as a result of these changes. It is expected, as noted previously, that the Postal Service will have to process some additional packages that are more likely to maintain their integrity and that packaging in general for mail prepared both in sacks and on pallets will improve as mailers use current methods more effectively.

The Postal Service does not have a metric to ensure that the projected cost reductions materialize as a result of this final rule. After this final rule has been in effect for several months, in order to quantify whether package breakage rates have decreased, the Postal Service plans to collect additional data for live mail in the same manner as originally collected by the MTAC Package Integrity Work Group in 1999.

9. Clarification of Rate Eligibility

One commenter stated that because of the 3-inch package height maximum for some mail, packages of large Periodicals publications could sometimes contain fewer than six pieces. This commenter requested that the Postal Service clarify that rate eligibility standards for such packages will be satisfied as long as there are a minimum of six addressed pieces for the presort level, even if they are prepared in more than one physical package due to the maximum height limit.

Under the provisions of current DMM M020.1.6a, an individual package may be prepared with fewer than the minimum number of pieces required by the standards for the rate claimed without loss of rate eligibility if a greater number of pieces would exceed the maximum physical size for a package and the total number of pieces for that presort destination meets the minimum volume standard (e.g., 30 pieces are available to meet a 10-piece minimum, but a package of eight pieces is 6 inches thick). In the proposed rule, this section was redesignated as M020.1.7, but was not printed. The complete contents of redesignated M020.1.7 are published in this final rule to clarify that rate eligibility for smaller packages prepared under the new height limits is based on the total number of pieces for the presort destination.

10. Strappers

Seven commenters indicated that many printers use only shrinkwrap to secure packages and have removed strapping from most of their production lines. Three commenters stated that this allows lines to run faster, more efficiently, and is less costly and that adding strapping to their lines would be expensive. One commenter stated that most of its mail is sacked due to volume and densities of publications and most mail is also of coated stock. This mailer would choose the option of reducing package size to a 3-inch maximum height instead of adding strapping equipment but is concerned that it will add costs by slowing bindery equipment production speeds, adding material, and increasing labor. Because of the competitive market, the mailer would have to absorb additional costs and would like instead to test heavier shrinkwrap that could be used without an additional strap on packages over 3 inches that are prepared in sacks. This would add some material costs but less than those resulting from the proposed changes. This commenter indicated that the alternative of adding additional strapping equipment that would permit larger packages would require a capital investment of over $500,000 for the strippers and building expansions to accommodate the additional equipment. Currently, this mailer uses only banding to secure packages of individually polywrapped pieces. This commenter also suggested that the Postal Service allow a variety of packaging methods as long as mailers first submit packages for testing and approval.

One commenter stated that instead of adding strappers, the maximum package height would be reduced and the added cost for changing the size of some packages would be approximately $250,000. The commenter prepares sacks and pallets and could set the parameters for only their sacked mail to maximum package height of 3 inches. For some mail, this could double the number of packages and impact their costs and productivity. This commenter suggests that the Postal Service, in conjunction with the printing industry, test and determine formulations and mil strength of polyfilm that could be used instead of an additional strap to secure packages of coated pieces that are taller than 3 inches.

One commenter stated it would have to spend millions of dollars to purchase and install new strippers and would lose millions of dollars in maintenance, downtime, and lower productivity. It requested that mailers be given the option of selecting the securing method they prefer that makes the most sense for their operation and their customers.

One commenter stated that additional strapping requirements will add to printers’ and publishers’ mail preparation costs and the Postal Service must capture savings from the proposed standards or the change will have a net negative impact on publishers and printers.

One commenter suggested that, as a next step, they would like to test heavier...
shrinkwrap (e.g., 2 to 3 mils) or high-performance formulations that may be substituted for the addition of a strap to shrinkwrapped packages or bundles of glossy mail in sacks that exceed 3 inches. This commenter stated that most of the mailing industry uses film that is 1.25 to 1.5 mils thick.

One commenter stated that prohibiting packages of pieces with coated stock that exceed 3 inches unless they are double-strapped or strapped with shrinkwrap is burdensome and may be unreasonable because printers have moved away from strapping to shrinkwrap. The best solution may be to require heavier shrinkwrap.

The Postal Service developed the proposed rule in conjunction with a joint Postal Service/industry effort to reduce package breakage and lower Postal Service operational costs by improving mailer packaging and Postal Service processing of such mail. Data describing the current condition of packages of Periodicals non-letters and Standard Mail flats was collected and analyzed by the workgroup to identify changes that could be made to achieve these results. MTAC workgroup members generally agreed that an analysis of test data clearly pointed to a need to either improve the methods for securing tall packages of pieces of coated stock or reduce the size of such packages if securing methods are not improved. Workgroup members included major mailers that have eliminated banding from most of their production lines and whose operations will be impacted by these changes. These participants indicated that they did not expect their companies to purchase new strapping equipment that would allow them to create 6-inch packages of coated pieces. Instead, they were likely to use current packaging materials, such as shrinkwrap, and to limit the height of packages of coated pieces to be placed in sacks. Several of these participants indicated that many major mailers use shrinkwrap material that is from 0.75 to 1.25 mils thick to secure smaller sacked packages and that, based on test data, this polywrap is not effective without the addition of a strap in maintaining the integrity of tall packages of coated pieces when they are prepared in sacks. There was also general, although reluctant, agreement that the test data suggested that the proposed packaging changes probably offered the best near-term potential to achieve cost savings from reduced package breakage for mail in sacks. However, other efforts currently under way to move more mail out of sacks and onto pallets, to improve Postal Service processing of packages, and to find alternatives to current preparation methods were seen as offering the greatest long-term potential to reduce the costs associated with package breakage. While the Postal Service will continue pursuing these other efforts, we do not believe that we can afford to delay steps that eliminate from the sacked mail environment those packages that have been clearly identified as the most likely to break.

Some perspective on what might be involved in establishing a certification program for packaging materials and methods can be gained by looking at the development of the process that led to the current standards for certifying polywrap films for automation rate flats. The Postal Service believes that a program to certify packaging materials and methods could be even more complex and costly to implement because of the many variables related to package contents (mailpiece characteristics) and size that would have to be tested at many mailer locations using a broad range of packaging materials and securing methods. At this time, the Postal Service does not have resources to apply to such an effort and believes that the combination of efforts to reduce package breakage currently under way, including better feedback to customers when package integrity problems are identified during postal processing, offer the most promise for improvements.

The Postal Service is open to future discussions regarding industry testing and recommendations for specific polyfilm formulations that may be used successfully for taller, heavier packages of pieces of coated stock. In assessing alternatives to the materials used today by large printers who probably prepare the majority of their mail on pallets, the overall cost of applying this material to packages on pallets as well as in sacks must also be considered. If mailers were to use a heavy polyfilm that maintains the integrity of the worst mail they produce (i.e., tall packages of coated pieces in sacks) on all of their mail, including mail on pallets, mailer application costs and Postal Service removal and disposal costs could also increase.

To mitigate the impact of this final rule on overall costs, mailers who prepare both palletized and sacked mail need to set different package height maximums for each type of mail when presorting their mailing lists. Several major presort software vendors have stated that their software provides users with the ability to do this.

11. Sequence for Material Application

One commenter has strappers in some processes that apply a single strap around the girth of a package due to package size or an off-balance bind on the mailpiece. The strap is applied after the shrinkwrap, and the commenter therefore suggests that DMM M020.1.5b read “Packages may be secured with heavy gauge shrinkwrap AND plastic banding, only shrink wrap, or only banding material if they can stay together during normal processing.” The proposal in DMM M020.1.5b stated that “Packages may be secured with heavy-gauge shrinkwrap OVER plastic

To be consistent with DMM M020.1.4b, M020.1.6d, and M020.1.8e(2), the language in M020.1.5b has been changed in this final rule to eliminate a required sequence for applying shrinkwrap plus a strap to packages on pallets.

12. Flat Trays or Other Containers as an Alternative to Sacks

Three commenters stated that the Postal Service must identify a container that can be used instead of sacks for mail that cannot be placed on pallets.

One commenter noted that the Postal Service must urgently pursue alternatives to sacking for those short-run publications that have insufficient density or volume to be palletized. These publications must be placed in sacks, which creates added costs at printers and results in damage from handling by the Postal Service. This commenter stated that some Periodicals have moved from sacks to cartons on pallets under local arrangements.

One commenter encourages the Postal Service to develop a cost-effective alternative to sacking that is compatible with the flats automation strategy for small volume mailers who may not be able to palletize.

One commenter stated that mail secured with straps and placed in sacks often becomes damaged when entered into the SPBS system by being crushed by other mail. Crushing can create broken bundles and also make the pieces incompatible with Postal Service automated flat-sorting machines. This commenter also stated that removing banding from bundles can be dangerous to USPS employees and that for these reasons mailers should be permitted to place Periodicals and Standard Mail flats in flat trays instead of sacks, preferably unbundled in a tray-based preparation like that currently offered for First-Class Mail. This commenter also suggested that placing flats in trays that can be palletized and are
compatible with Postal Service tray management systems (TMS) will save costs by eliminating processing of bundles on the SPBS and making flats more compatible with processing on the AFSM 100 or FSM 1000. The Postal Service could limit transportation and handling of these trays by permitting them only for palletized mail drop shipped by mailers to specified entry levels.

The Postal Service must evaluate the broad impact of a move from sacks to flat trays or another type of alternate container for Periodicals non-letters and Standard Mail flats. The potential for improved package integrity must be weighed against many other factors. In moving from sacks to flat trays, we would expect to see a decline in cube utilization. Compared to packages of flats prepared on pallets or in sacks, flat trays often contain a significant amount of unused space within and between trays for both mailers/consolidators and the Postal Service. For example, a thin Periodical with 24 pieces to a destination placed in a flat tray might result in a tray that is only one-quarter full. For mail that must be transported beyond the origin plant service area, this reduced cube utilization is likely to result in less volume per vehicle and increased costs.

Another consideration is the processing of containers sorted to destinations outside of the service area of the origin plant. Currently, sacked mail is processed efficiently through the BMCs on the sack sorter machines (SSMs) and sufficient SSM capacity exists. Flat trays, however, are sorted manually in the BMCs, and if sacks converted to trays this processing operation could quickly become a bottleneck due to lower productivity, less depth of sort, and greater space requirements, again increasing costs.

For some Periodicals and Standard Mail there would not be a one-to-one trade-off of sacks for trays. For example, mail for one presort destination that today fills a sack may have to be placed in two trays. This change would increase the number of container handlings and associated costs.

There is also the issue of lack of flat tray availability given the increased demand for flat trays to accommodate incoming secondary processing on the AFSM 100s. The Postal Service does not have money in its budget to purchase additional large quantities of flat trays for mailers to use instead of sacks.

Finally, offering a tray-based preparation option for Periodicals and Standard Mail might permit Periodical 5-digit sort (mirroring the current option for First-Class flats) would significantly increase the volume requiring incoming primary piece processing to sort mail to the 5-digit level on the AFSM 100s and FSM 1000s. This volume was not anticipated in the equipment deployment and additional flat sorting machines would need to be purchased and deployed to handle the additional incoming primary volume.

The Postal Service recognizes that there may be some future opportunities to explore alternatives to sacks in some situations; however, this final rule does not contain any changes to current sack requirements.

13. Alternate Flats Preparation Test

Six commenters indicated that they are aware that the Postal Service is exploring alternate mail preparation for flats to reduce or eliminate packaging of palletized mail to reduce Postal Service costs.

One commenter suggests that alternate preparation could reduce the bundle breakage problem in addition to reducing allied labor costs associated with opening packages.

One commenter who is participating in the test stated that mailers do not want to make capital investments to improve packaging now when investments may be required in the near future for different preparation methods. Another test participant does not think it would be prudent to make major capital investments in bindery packaging and material handling equipment until the Postal Service flats automation strategy is finalized.

One commenter stated that the Postal Service should examine whether a “bundle-less” preparation, such as that being tested for pallets, could be extended to sacked mailings.

The Postal Service is partnering with the mailing industry to test methods for preparing flat-sized mail in a manner that best supports current and future flats processing and is examining the potential cost savings opportunities of eliminating or reducing packages on pallets. The test parameters were announced in the February 22, 2001, issue of the Postal Bulletin. It is because of the many other efforts, such as the alternate flats preparation test, currently under way to improve flats processing that the Postal Service is implementing this final rule. Because new or modified manufacturing processes may prove to be justified in the future, the revised standards were designed to reduce overall costs now without requiring mailers to change their manufacturing methods, and all current methods of securing packages will continue to be acceptable.

14. Maximum Package Weight as Proxy for Maximum Height

One mailer indicated that preset software currently controls package size by weight, not height, and the Postal Service should develop a standard weight-height conversion table that allows mailers to comply with the proposed rule by using weight as a proxy for height. This flexibility would facilitate compliance in the shortest time frame with less disruption to the industry.

The data collected relating to bundle breakage in the live mail test and the resulting proposed standards do not include information to correlate height to weight. Although some data is available from the controlled test to develop a height-to-weight relationship, it would apply only to the test pieces. It is difficult to develop a standard conversion chart that would consistently result in packages meeting the proposed height standards due to the variations in size, composition, method of binding, paper stock, inserts, and so forth for flat-size mail. For example, packages of a dense perfect-bound publication printed on heavyweight coated paper are likely to have a very different weight-to-height relationship than packages of an enveloped piece containing a lightweight bulky insert. It would be more feasible and useful for mailers to use actual sample mailpieces representing their regular mix of mail to create their own weight-to-height conversion tables. Presort software does have the ability to control package height using the thickness of an average piece. This final rule contains only maximum height standards for packages of Periodicals and Standard Mail prepared in sacks.

15. Clarification of “Football-Shaped” Packages

One commenter questioned whether the 9 inch by 12 inch envelopes in the controlled test were considered to represent the norm for enveloped flats. This mail experienced an approximate 58 percent breakage rate due to an insert in the center that caused the larger packages to become shaped like a football.

No conclusions were drawn regarding how representative the test piece might be of the general flats mainstream. The only conclusion that was drawn was that counter-stacking is unlikely to create stable tall packages of pieces that are thicker in the center than they are on the edges and mailers may instead need to limit the package size of such
16. Pallets

Three commenters discussed potential opportunities for moving more mail from sacks to pallets. One commenter indicated that preparing lighter-weight pallets, (e.g., 150 pounds) would help move mail out of sacks, while another had mixed feelings about preparing lighter-weight pallets as a solution for eliminating sacks. Although 250-pound pallets may result in deeper penetration and better delivery for some mail, they may cause staging problems in plants and extra material handling.

One commenter suggested a 5-digit pallet discount to encourage mail on direct 5-digit pallets that are low cost for the Postal Service. These direct pallets would also substantially reduce the likelihood of bundle breakage. The commenter noted that Postal Service rate case witnesses considered the proposal premature but “did indicate a general interest . . . in encouraging palletization and a specific interest in having additional direct pallets.” Because the MTAC Package Integrity Work Group, during its live mail test, found packages in sacks broke more than 10 times as frequently as packages on pallets, the commenter suggested that the Postal Service investigate ways to modify postage rates and mail preparation standards to encourage mailers to increase palletization. Furthermore, standards should be considered to allow residual mail, currently in sacks, to be merged onto pallets. Bundle breakage is strongly related to the number of handlings a bundle receives. Bundles on more finely presorted pallets will receive fewer handlings and mailers should be encouraged to palletize and drop ship pallets.

As noted above, there is a difference of opinion within the mailing industry as to whether the pallet minimum should be lowered. The DMM currently contains provisions that allow mailers to prepare pallets that weigh less than 250 pounds when those pallets are drop shipped to the destination sectional center facility (DSCF) or destination delivery unit (DDU). Mailers need to obtain written authorization from the processing and distribution manager of the entry facility for DSCF entry of lightweight pallets. There are no data showing that lowering the minimum pallet weight for mail that is not drop shipped to these destinations would provide the Postal Service with savings that offset the additional costs resulting from increased pallet handlings and decreased cube utilization on postal transportation. There are no plans at this time to lower minimum pallet weights.

The pursuit of a discount for mail on 5-digit pallets is beyond the scope of this rule. Any request for domestic rate changes must be submitted by the Postal Service to the Postal Rate Commission. Mailers should note that several options currently available have been shown to increase palletization levels. For example, mailers may choose not to prepare optional 5-digit pallets or, if they do prepare such pallets, they may use package reallocation to protect the SCF pallet level if their software is PAVE-certified to support this option. In addition, mailers might consider lowering the minimum pallet weight, possibly to as low as 250 pounds, for only their last pallet level (e.g., ADC for Periodicals or ASF/BMC for Standard Mail) to keep mail from falling to sacks. The Postal Service is aware that many mailers do not take advantage of these opportunities.

17. Improvements to SPBS Feed Systems

Two commenters commended the Postal Service for its efforts to reduce stress on bundles through equipment modifications. One commenter encouraged a continued search for gentler handling processes, such as those associated with the SPBS feed systems, while the other supported Postal Service efforts to improve package sorting related to SPBS feed systems as a means to avoid rehandling costs.

In addition to changes to the SPBS feed systems to mitigate bundle breakage, the Postal Service has modified broken bundle recovery methods to reduce costs. A new Automatic Package Processing System (APPS), the next generation SPBS, is also being developed. This new machine is designed to take bulk-loaded parcels or bundles and separate them into an evenly spaced singulated stream for scanning and sorting. This process should be more gentle to flats bundles.

However, regardless of changes to Postal Service processing, mailers must take necessary steps to ensure that bundles retain their integrity to the point where they are unloaded on postal processing equipment and opened for distribution of the contents.

18. Feedback

One commenter stated that the Postal Service has not done a good job of notifying mailers when packages were improperly prepared and fell apart during processing. If mailers had been informed regularly of problems, they could have incorporated packaging alternatives or fine-tuned methods over time that would not be as costly as the proposed changes.

The MTAC Mail Irregularity Feedback Work Group was formed in response to comments that the MTAC Package Integrity Work Group received from customers indicating that they were not receiving feedback about broken bundles and therefore were unaware of problems or any need to change their packaging methods. In order to improve the quality of business mailings, the Postal Service is revising the irregularity reporting and correction process. More information about these changes, including the revised PS Form 3749, Mail Irregularity Report, can be found in Postal Bulletin 22043 (2–8–01) and in the February 2001 Memo to Mailers. This process will be used to report serious quality issues such as broken bundles, unreadable barcodes, mislabeled trays, and so on, to mailers and mail preparers and also includes a mechanism to address disposition of reported problems.

19. Implementation Date

One commenter indicated that some changes in the proposed rule require software programming changes. This mailer requires 45 to 60 days to program and test new enhancements that allow different package sizes for sacked and palletized mail and proposed an effective date some time between July 15 and September 1, 2001.

Based on the comments received and discussions with other mailers and presort software vendors regarding implementation of software and manufacturing changes to accommodate the final rule, the Postal Service has determined to place all provisions of this final rule into effect on July 1, 2001.

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:


2. Revise the following sections of the Domestic Mail Manual as set forth below:
M Mail Preparation and Sortation

M020 Packages

1.0 BASIC STANDARDS

[Amend 1.1 by replacing the reference to 1.6 with 1.2 to read as follows:]

1.1 Facing

Except as noted in 1.2, all pieces in a package must be “faced” (i.e., arranged with the addresses in the same read direction), with an address visible on the top piece.

[Amend the heading of 1.2 and revise the text to clarify when counter-stacking of pieces of irregular thickness is appropriate to read as follows:]

1.2 Counter-Stacking—Sacked and Palletized Mail

Packages of flats and other pieces of nonuniform thickness may be prepared by counter-stacking under these conditions:

a. Counter-stacking should be used only to create packages of more uniform thickness that are more likely to maintain their integrity during transportation and processing.

b. Counter-stacking is appropriate for saddle-stitched mailpieces and pieces where one edge is thicker than other edges or one corner is thicker than other corners.

c. When counter-stacking, pieces must all have addresses facing up and be divided into no more than four approximately equal groups, with each group rotated 180 degrees from the preceding and succeeding group(s); prepare as few groups as possible to create a bundle of uniform thickness.

d. Counter-stacked groups within a package should be as thick as possible, generally at least 1 inch thick.

e. When pieces are nonuniform in thickness because they are thicker in the center instead of along an edge or corner, counter-stacking will generally not result in a package of uniform thickness (i.e., a football-shaped package would be created). Instead of counter-stacking such pieces, limit the height (thickness) of the package to 3 to 6 inches to ensure the package will stay together during normal transit and handling.

* * * * *

[Redesignate 1.4, 1.5, and 1.6 as 1.5, 1.6, and 1.7, respectively, and add new 1.4 to read as follows:]

1.4 Securing Packages—General

Package preparation is subject to the following requirements:

a. Packages must be able to withstand normal transit and handling without breakage or injury to USPS employees.

b. Packages must be secured with banding, shrinkwrap, or shrinkwrap plus one or more bands. Banding includes plastic bands, rubber bands, twine/string, and similar material. Use of wire or metal banding is not permitted.

c. When one band is used, it must be placed tightly around the girth (narrow dimension).

d. Except under 1.5 and 2.1f, packages over 1 inch high (thick) must be secured with at least two bands or with shrinkwrap. When double banding is used to secure packages, it must encircle the length and girth of the package at least once. Additional bands may be used if none lies within 1 inch of any package edge.

e. Banding tension must be sufficient to tighten and depress the edges of the package so pieces will not slip out of the banding during transit and processing. Loose banding is not allowed.

f. When twine/string is used to band packages, the knot(s) must be secure so the banding does not come loose during transit and processing.

[Amend the heading of redesignated 1.5, add new 1.5a, and redesignate the current content as 1.5b to read as follows:]

1.5 Packages on Pallets

In addition to 1.1 through 1.4, packages on pallets must meet the following standards:

a. Except as noted in 1.5b, packages up to 1 inch in height (thickness) must be secured with appropriate banding, placed at least once around the girth, or with shrinkwrap. Packages over 1 inch in height must be secured with at least two bands (plastic bands, rubber bands, twine/string, or similar material), one around the length and one around the girth, with shrinkwrap, or with shrinkwrap plus one or two bands.

b. Packages may be secured with heavy-gauge shrinkwrap plus plastic banding, only shrinkwrap, or only banding material if they can stay together during normal processing. Except for packages of individually polywrapped pieces, packages on BMC pallets must be shrinkwrapped and machinable on BMC parcel sorters.

Packages and bundles of individually polywrapped pieces may be secured with banding material only.

Machinability is determined by the USPS. If used, banding material must be applied at least once around the length and once around the girth; wire and metal strapping are prohibited.

[Revise the first sentence of redesignated 1.7 as follows:]

1.7 Package Size—Other Mail Classes

Except for Bound Printed Matter, an individual package may be prepared with fewer than the minimum number of pieces required by the standards for the rate claimed without loss of rate eligibility under either of these conditions:

a. A greater number of pieces would exceed the maximum physical size for a package and the total number of pieces for that presort destination meets the minimum volume standard (e.g., 30 pieces are available to meet a 10-piece minimum, but a package of eight pieces is 6 inches thick).

b. The pieces constitute the “last package” for a presort destination and previously prepared packages met the applicable minimum volume standard (e.g., 505 pieces prepared in 10 50-piece packages and one five-piece package).

[Redesignate former 1.7 as 1.9 and add new 1.8 to read as follows:]

1.8 Packages in Sacks—Periodicals and Standard Mail

Periodicals and Standard Mail prepared in sacks must be secured in packages as follows:

a. The maximum weight for all packages is 20 pounds.

b. Packages up to 1 inch in height (thickness) must be secured with appropriate banding, placed at least once around the girth (narrow dimension), or with shrinkwrap.

Packages over 1 inch in height must be secured with at least two bands (plastic bands, rubber bands, or twine/string), one around the length and one around the girth, with shrinkwrap, or with shrinkwrap plus one or two bands.

c. Packages should be measured at the lowest (thinnest) point to determine the package height.

d. A package that exceeds the maximum prescribed height by less than the thickness of a single piece meets the standard (e.g., if a glossy piece is 0.625% of an inch thick, five pieces may be secured in a package 3.125 inches high, if a piece with uncoated cover stock is 0.75% of an inch thick, 11 pieces may be secured in a package 8.25 inches high).
e. Packages of pieces with covers of coated stock that are not individually enclosed in a mailing wrapper (e.g., magazines or catalogs with glossy covers not individually enclosed in an envelope, uncoated paper wrapper, or plastic wrapper (polybag)) are subject to these conditions:

(1) Except as noted in e(2), packages must not exceed 3 inches in height (thickness).

(2) Packages of such pieces secured with shrinkwrap plus one or two plastic straps, or with at least two plastic straps, one around the length and one around the girth, must not exceed 6 inches in height (thickness).

f. Packages containing pieces with outer surfaces of uncoated stock are subject to these conditions:

(1) “Uncoated stock” also refers to pieces with coated covers that are individually enclosed in a cover or mailing wrapper of uncoated stock such as an envelope, sleeve, protective cover, partial wrapper, or polybag and pieces with outer surfaces composed of material other than paper (e.g., plastic, cloth, fiberboard, or metal).

(2) Packages must not exceed 8 inches in height (thickness); however, it is recommended that such packages not exceed 6 inches in height (thickness). [Amend the heading of redesignated 1.9 to read as follows. No other changes to text.]

1.9 Exception to Package Preparation—Mail in Trays

2.0 ADDITIONAL STANDARDS—FIRST-CLASS MAIL, PERIODICALS, AND STANDARD MAIL, AND FLAT-SIZE BOUND PRINTED MATTER

2.1 Cards and Letter-Size Pieces

Cards and letter-size pieces are subject to these packaging standards:

f. Packages up to 1 inch thick must be secured with appropriate banding placed once around the girth (narrow dimension). Packages over 1 inch thick must be secured with at least two bands, one around the length and one around the girth.

[Amend 2.2 by revising the content to read as follows:]

2.2 Flat-Size Pieces

Packages of flat-size pieces must be secure and stable subject to specific weight limits in M045 if placed on pallets, specific weight and height limits in 1.8 for Periodicals and Standard Mail placed in sacks, and, for Bound Printed Matter in sacks, specific weight limits in M720. Flat-size pieces must be prepared in packages except under 1.9 and, for First-Class Mail, under M820.3.0.

[Amend the heading of 2.3 and amend the content by copying and amending 2.3a and deleting current 2.3b to read as follows:]

2.3 Pieces With Simplified Address

For mail prepared with a simplified address, all pieces for the same post office must be prepared in packages of 50 when possible. If packages of other quantities are prepared, the actual number of pieces must be shown on the facing slip attached to show distribution desired (e.g., rural route, city route, post office boxholder). Packages must be secure and stable subject to specific weight limits in M045 if placed on pallets, specific weight and height limits in 1.8 for Periodicals and Standard Mail placed in sacks, specific thickness limits in 2.1 for cards and letter-size pieces, and, for Bound Printed Matter in sacks, specific weight limits in M720.

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Chief Counsel, Legislative.

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FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 74

Implementation of LPTV Digital Data Services Pilot Project

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: This document is intended to implement provisions of the LPTV Pilot Project Digital Data Services Act, which requires the Commission to implement regulations establishing a pilot project pursuant to which specified Low Power Television (LPTV) licensees or permittees can provide digital data services to demonstrate the feasibility of using low-power television stations to provide high-speed wireless digital data service, including Internet access, to unserved areas.1 As defined by the new law, digital data service includes: (1) Digitally-based interactive broadcast service; and (2) wireless Internet access.2 The DDSA identifies twelve specific LPTV stations that are eligible to participate in this pilot project, and directs the Commission to select a station and repeaters to be determined by the FCC to provide service to specified areas in Alaska.3

2. The DDSA requires that the Commission promulgate regulations with respect to this pilot project by April 20, 2001,3 and specifies


Notwithstanding any requirement of section 553 of title 5, United States Code, the Commission shall promulgate regulations establishing the procedures, consistent with the requirements of paragraphs (4) and (5), governing the pilot projects for the provision of digital data services by certain low power television licensees within 120 days after the date of enactment of LPTV Digital Data Services Act. The regulations shall set forth—

(A) requirements as to the form, manner, and information required for submitting requests to the Commission to provide digital data service as a pilot project;

(B) procedures for testing interference to digital television receivers caused by any pilot project station or remote transmitter;