Note to paragraph (a): The provisions of 38 U.S.C. 8134 require that the "un-met need" numbers be based on a 10-year projection of demand for nursing home and domiciliary care by veterans who at such time are 65 years of age or older and who reside in that state. In determining the projected demand, VA must take into account travel distances for veterans and their families.

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BILLING CODE P

POSTAL SERVICE

39 CFR Part 111

2010 Standard Mail Incentive Program

AGENCY: Postal Service™.

ACTION: Final rule.

SUMMARY: The Postal Service is revising Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM®), to replace existing section 709.2 with new standards for a volume incentive program for mailers of Standard Mail® letters and flats with mail volume exceeding their individual USPS®-determined threshold levels. The program period will be from July 1, 2010 through September 30, 2010.

DATES: Effective Date: July 1, 2010.


SUPPLEMENTARY INFORMATION: The Postal Service is replacing the standards applicable to the Standard Mail Incentive Program that ended on September 30, 2009 with new standards describing the 2010 Standard Mail Incentive Program. The 2010 Standard Mail Incentive Program implements a volume incentive program for qualified high-volume mailers of Standard Mail, or Nonprofit Standard Mail, letters and flats, with volume mailed between July 1, 2010 and September 30, 2010, above their individual threshold level. The threshold level for this program will be set at five percent (5%) above the volume demonstrated by the participant mailer during the same period in 2009. This program encourages mailers to generate new volume and demonstrates the commitment of the Postal Service to the future health of the mailing industry.

To participate, mailers must be the permit holder (i.e. owner) of a permit imprint advance deposit account(s) or the owner of qualifying mail volume entered through the permit imprint advance deposit account of a mail service provider. Qualifying mailers must be able to demonstrate volume of at least three-hundred and fifty thousand (350,000) Standard Mail letters and/or flats, within the program qualification period of July 1, 2009 to September 30, 2009, mailed through a permit imprint advance deposit account, precanceled stamp permit, postage meter permit, or by a combination of these methods. Applicants may also qualify for the program with volume mailed through an account(s) owned by a mail service provider, when adequate documentation is provided that specifies the applicant is the owner of the mail.

The 2010 Standard Mail Incentive Program encourages mailers to generate new mail volume. As a deterrent to mailers shifting previously planned volume into the program to obtain incentive credits, the mailing activity of participating mail owners will be monitored in the calendar months prior to and following the end of the program as follows:

- For the 2010 Standard Mail Incentive Program, each participant’s June 2010 and October 2010 expected volumes will be compared to their respective June 2010 and October 2010 expected volumes. Participants demonstrating a shortfall with volume to either their June 2010 or October 2010 expected volumes will have that shortfall deducted from the number of mailpieces eligible for an incentive credit within the program regardless of any surplus demonstrated in the expected volume threshold of the other month.

- Those mailers identified by the Postal Service as being eligible to participate in the program will be sent an invitation letter no later than May 1, 2010. This invitation letter will direct interested mailers to apply for the program online at http://www.usps.com/summersale. Mailers wishing to participate in the program, who believe they meet the eligibility standards under DMM 709.2.2 (of this final rule) and were not notified by letter, may request a review of their eligibility by contacting the USPS at summersale@usps.gov no later than May 15, 2010. Any mailer wishing to participate in the program must initially apply at http://www.usps.com/summersale no later than May 28, 2010.

- Mailers completing the online application process will receive an electronic response from the USPS that includes:
  - An individual volume threshold report.
  - A certification letter.
  - A threshold inquiry form.

The individual threshold report displays the applicant’s July 1, 2009 to September 30, 2009 Standard Mail letters and flats volume mailing history, by permit number, and the applicant’s USPS-calculated threshold. The report also includes the applicant’s June 2009 and October 2009 mailing histories and the USPS-calculated expected June 2010 and October 2010 volumes. Applicants agreeing with the volume histories and USPS calculations can sign the provided certification letter and return a copy via e-mail to summersale@usps.gov, or mail hardcopy to Summer Sale Program Office, 475 L’Enfant Plaza, SW., 5410, Washington, DC 20260–5410, to be fully registered for the program. To simplify the review process, by identifying potential permit issues prior to scheduling contact with a USPS representative, applicants not agreeing with any portion of their volume histories must complete the threshold inquiry form and return it, via e-mail to summersale@usps.gov, or mail hardcopy to Summer Sale Program Office, 475 L’Enfant Plaza, SW., 5410, Washington, DC 20260–5410, no later than June 30, 2010. Applicants
disputing USPS volume histories or calculations will be required to provide supporting evidence as appropriate. In addition to Standard Mail volume prepared and entered directly by the mailer (applicant), applicants are also eligible to participate in the program with qualifying volume prepared by a mail service provider when entered through a permit owned by the applicant. Mail volume through a mail service provider’s permit may also qualify for the program if adequate documentation, such as PS Form 3602, Postage Statement—Standard Mail, identifies the mail as being prepared on behalf of the applicant and demonstrates the applicant’s prior mailing activity. Mail service providers are not eligible for the 2010 Standard Mail Incentive Program.

Approved program participants, demonstrating an increase in their total Standard Mail letters and flats volume above their threshold level, will qualify for a credit to a single designated permit imprint advance deposit account or Centralized Account Payment System (CAPS) account, following the close of the October 2010 mailing activity review period. The total postage attributable to Standard Mail letters and flats within the program period will be identified for each participant and divided by the total number of recorded pieces, to generate the average price per piece. Participants receive a credit in the amount of thirty percent (30%) of the average price per piece for the total number of mailpieces of the incremental volume, above their threshold level, recorded during the program period.

Additionally, as part of the program administration, the Postal Service will require each program participant to certify the data used to calculate their program threshold level and their June 2010 and October 2010 expected volumes. This certification requirement will be similar to what is currently used on a PS Form 3602, Postage Statement—Standard Mail. The certification requirement for this initiative is designed to ensure that the data used by the Postal Service to calculate the threshold level and applicable June 2010 and October 2010 expected volumes for each qualifying mailer is accurate.

In accordance with the Postal Accountability and Enhancement Act, on February 26, 2010, the Postal Service filed a Notice with the Postal Regulatory Commission (PRC) regarding the 2010 Standard Mail Incentive Program. Regulatory review may take up to 45 days from that date.


### List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Accordingly, 39 CFR part 111 is amended as follows:

**PART 111—[AMENDED]**

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


2. Revise the following sections of Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM) as follows:

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

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   **700 Special Standards**

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   **709 Experimental and Temporary Classifications**

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   [Delete current section 709.2.0 in its entirety and replace with new section 709.2.0 to introduce new standards for the 2010 Standard Mail Incentive Program as follows:]

   **2.0 2010 Standard Mail Incentive Program**

2.1 Program Description

The 2010 Standard Mail Incentive Program provides volume pricing for qualified mail owners of Standard Mail, or Nonprofit Standard Mail, letters and/or flats that are able to document mail exceeding their individual USPS-determined threshold level, during the July 1, 2010 through September 30, 2010 program period.

Participating mail owners documenting volumes above their established threshold level will receive a thirty percent (30%) credit, for each piece exceeding their individual USPS-determined threshold level, to a single designated permit imprint advance deposit account or Centralized Account Payment System (CAPS) account at the conclusion of the program period. To participate in the program, applicants must review and certify the accuracy of the data used by the USPS to calculate their threshold level and their June 2010 and October 2010 expected volumes.

### 2.2 Eligibility Standards

Mail owners are considered eligible for the program as follows:

a. Applicants must be able to document, in aggregate, volume of at least three-hundred and fifty thousand (350,000) pieces of Standard Mail, or Nonprofit Standard Mail, letters and/or flats in the July 1, 2009 to September 30, 2009 time period as follows:

1. Volume through one or more permit imprint advance deposit accounts, precanceled stamp permits, or postage meter permits owned by the applicant, or

2. Volume prepared by a mail service provider when entered through a permit owned by the applicant, or

3. Volume within a mail service provider’s permit, which can be identified as being prepared on behalf of the applicant.

b. Mail service providers are not eligible to participate in this program.

### 2.3 Program Threshold Level

Threshold level figures will be calculated independently for each applicant as follows:

a. Thresholds will be calculated independently for each applicant, based on the consolidated volume of Standard Mail letters and/or flats mailed during the period from July 1, 2009 to September 30, 2009.

b. Five percent (5%) above (or 105% of) the total consolidated volume mailed during this period defines the USPS-determined threshold level for an individual applicant.

### 2.4 Application

Mail owners identified by the Postal Service as being eligible to participate in the program will be sent an invitation letter on or before May 1, 2010. Mail owners may apply for the program as follows:

a. The invitation letter will direct interested mail owners to apply for the program online at www.usps.com/summersale.

b. Mail owners wishing to participate in the program must initially apply online, or contact the USPS at summersale@usps.gov no later than May 28, 2010.

c. Mail owners completing the online application process will receive an electronic response from the USPS that includes:

1. An individual volume threshold report displaying the applicant’s July 1, 2009 to September 30, 2009 Standard Mail letters and flats volume mailing history (by permit number), the applicant’s USPS-calculated threshold, the applicant’s June 2009 and October 2010 expected volumes.
2.6 Incentive Program Credits

Approved participants demonstrating an increase in Standard Mail, or Nonprofit Standard Mail, letters and flats volume above their threshold level qualify for a credit to a single designated permit imprint advance deposit account or Centralized Account Payment System (CAPS) account as follows:

a. The total postage paid for Standard Mail, or Nonprofit Standard Mail, letters and flats recorded during the program will be identified for each participant.

b. The total postage paid during the program period will be divided by the total number of recorded pieces to generate the average price per piece for the program period.

c. Participants will receive a credit in the amount of thirty percent (30%) of the average price per piece applied to the total number of mailpieces (less any adjustments resulting from the mailing activity review under 2.7), for the incremental volume above their threshold level, recorded during the program period.

2.7 Mailing Activity Review

Mailing activity by participants will be reviewed in the calendar months preceding and following the end of the program. The qualifying volume recorded for participants may be adjusted in accordance with the following:

a. For the 2010 Standard Mail Incentive Program, each participant’s June 2010 and October 2010 expected volume will be defined as five percent (5%) above (or 10% of) the total consolidated volume of Standard Mail letters and/or flats recorded for the participant in June 2009 and October 2009 respectively.

b. Each participant’s actual June 2010 and October 2010 volume will be compared to their respective June 2010 and October 2010 expected volume.

c. Participants demonstrating a shortfall in volume to either their June 2010 or October 2010 expected volumes will have that shortfall deducted from the number of mailpieces eligible for an incentive credit within the program regardless of any surplus demonstrated in the expected volume threshold of the other month.

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Stanley F. Mires,

Chief Counsel, Legislative.