these changes if our proposal is adopted.

Stanley F. Mires,
Chief Counsel, Legislative.

[FR Doc. 2010–16799 Filed 7–7–10; 8:45 am]
BILLING CODE 7710–12–P

POSTAL SERVICE
39 CFR Part 111
New Standards for Domestic Mailing Services

AGENCY: Postal Service®.

ACTION: Proposed rule.

SUMMARY: In July 2010, the Postal Service filed a notice of mailing services price adjustments with the Postal Regulatory Commission (PRC), effective in January 2011. This proposed rule provides the mailing standards that would accompany the new prices in 2011.

DATES: We must receive comments on or before August 9, 2010.

ADDRESSES: Mail or deliver written comments to the Manager, Mailing Standards, U.S. Postal Service, 475 L’Enfant Plaza SW., Room 4446, Washington, DC 20260–4446. You may inspect and photocopy all written comments at USPS® Headquarters Library, 475 L’Enfant Plaza SW., 11th Floor N, Washington, DC between 9 a.m. and 4 p.m., Monday through Friday. E-mail comments, containing the name and address of the commenter, may be sent to: MailingStandards@usps.gov, with a subject line of “January 2011 Domestic Mailing Standards Proposal.” Faxed comments are not accepted.

FOR FURTHER INFORMATION CONTACT: Bill Chatfield, 202–268–7278.

SUPPLEMENTARY INFORMATION: Proposed prices are or will be available under Docket Number(s) R2010–XX on the Postal Regulatory Commission’s Web site at http://www.prc.gov.

The Postal Service’s proposed rule includes: Two incentive programs, several mail classification changes, modifications to mailpiece characteristics, and changes in classification terminology. This proposed rule contains the revisions to Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM®) that we would adopt to implement the new prices.

Incentive Programs

Reply Rides Free First-Class Mail Incentive Program

The Postal Service encourages the growth of automation letter-size mail, particularly pieces that are part of full-service Intelligent Mail® automation mailings entered at PostalOne® acceptance facilities. Accordingly, we propose revised mailing standards to allow First-Class Mail letters weighing over 1 ounce up to 1.2 ounces to qualify for postage payment at the 1-ounce price when those letters include a reply card or reply envelope under specified conditions.

This new program provides an incentive for mailers to include more content in their automation First-Class Mail letters by providing a postage credit as follows:

• Eligible letters must qualify for the full-service Intelligent Mail barcode discount and weigh more than 1 ounce up to 1.2 ounces. At the time of mailing, mailers would pay the applicable 2-ounce price for these pieces. All commercial (presorted and automation) First-Class Mail letter-size volume counts towards meeting the overall mail volume threshold, but only those letters qualifying for the full-service Intelligent Mail barcode discount will be eligible for postage credit.

• Letters must include a reply card or envelope, either Business Reply Mail® or Courtesy Reply MailTM. The reply piece may be in the format of a reusable envelope. Permit reply mail pieces are not eligible for this program.

• The postage credit would be for the amount paid for the second ounce and would be provided for those pieces mailed during the 2011 program period when the mailer’s volume of commercial First-Class Mail (FCM) letter-size mailpieces mailed in 2011 is at least 2.5 percent greater than the mailer’s trend of commercial FCM letter-size volume mailed during USPS fiscal year 2010 (October 1, 2009 through September 30, 2010) compared with volume mailed in USPS fiscal year 2009 (October 1, 2008 through September 30, 2009). The threshold volume for program postage credit eligibility will be the total amount that is 2.5 percent greater than the mailer’s projected volume based on the mailer’s trend. For example, if a mailer’s letter-size volume has declined from 100,000 to 95,000 pieces (a 5 percent decline) from 2009 to 2010, the projected volume for 2011 at the same trend would be 90,250. That mailer’s volume must be at least 92,507 (1.025 times 90,250) during the program period to meet the eligibility threshold. Similarly, a mailer with a positive trend would have a threshold that is 2.5 percent more than their volume trend. The credit would be provided after the end of the program upon calculation and verification of the mail volume data.

• Mailers who did not mail commercial First-Class Mail letters in fiscal year 2009 may not participate in the Reply Rides Free program.

• The program period will be from January 2, 2011 through December 31, 2011.

Mail owners, but not mail service providers, who have mailed commercial First-Class Mail letters during USPS fiscal years (FY) 2009 and 2010 may apply to participate in this incentive program by following instructions provided on our Web site: http://www.usps.com/firstclassmailincentive, beginning November 1, 2010, but no later than December 31, 2010. Mail owners must validate that they have mailed or intend to mail at least one commercial presorted or automation mailing of First-Class Mail letters during each of calendar years 2009 and 2010, and should state their intent to mail First-Class Mail letters containing qualifying reply pieces weighing more than 1 ounce up to 1.2 ounces during the 2011 program period. After registration, mail owners must supply adequate proof of the total qualifying mail volume claimed for USPS FY 2009 and FY 2010 in order to be eligible for participation.

2011 Saturation and High Density Incentive Program

The Postal Service proposes to add new standards to the eligibility sections of DMM 243 and 343 describing an incentive program designed to increase the volume of Standard Mail and Nonprofit Standard Mail letters and flats mailed at saturation and high density prices. This program would encourage mailers to increase the volume within two of our highest margin products and would be open to all mailers meeting the basic eligibility requirements. The program would enable customers to expand mailing to additional markets, test new mailpieces, and increase the frequency of their mailings at reduced net postage prices.

Mailers of Standard Mail or Nonprofit Standard Mail letters and/or flats (complete mailpieces) applying for participation in the program would have to meet the eligibility requirements for participation in the price category selected. Mailers meeting the eligibility criteria would be able to participate in both the saturation and high density categories simultaneously. Participants would have the option to demonstrate growth in total mailed volume or growth within a defined market. Mailers who participate only within defined market areas would be required to demonstrate volume growth within a specific, or group of specific, USPS sectional center.
facility (SCF) service area(s) to qualify for the incentive. Participants would have the option to select one or more, up to a maximum of 20, individual SCF areas or up to five metropolitan target markets (consisting of multiple contiguous SCFs), for participation in the program, and would be required to meet the eligibility requirements for each area selected. The USPS would approve all applicant-selected market areas prior to acceptance into the program.

Franchisees that are not separate business entities would not be able to apply for an incentive independently of the parent organization. Applicants would receive a credit for volume demonstrated, within their selected growth area and price category, above their USPS-determined threshold. The program period would be from January 2, 2011 through December 31, 2011.

To participate, mailers must be the permit holder (i.e., owner) of a permit imprint advance deposit account(s) at a postal facility having PostalOne! capability or the owner of qualifying mail volume entered through the permit imprint advance deposit account of a mail service provider at a postal facility having PostalOne! capability. Only the volume of the mail owner, usually defined as the entity paying for the postage, would be eligible within the program period or to meet eligibility requirements. Mail service providers and customers supplying inserts, enclosures, or other components included in the saturation or high density mailings of another mailer would not be eligible to participate in this program.

Standard Mail or Nonprofit Standard Mail letters and/or flats (complete mailpieces) mailed through a permit imprint advance deposit account, precanceled stamp permit, or a postage evidencing system owned by a mail service provider may be included as volume within the program, and towards program eligibility, when adequate documentation demonstrates that the applicant is the owner of the mail.

As applicable, applicants would be required to submit postage statements and mailing documentation electronically to the Postal One! system for the duration of the program period. Applicants participating within a defined market area(s) would be required to submit postage statements and mailing documentation electronically to the Postal One! using Mail.dat or Mail.XML. All other applicants may optionally submit postage statements via Postal Wizard.

For either the saturation or high density incentive, applicants would be required to demonstrate a combined minimum of six saturation or high density mailings within the period of October 1, 2009 to September 30, 2010. Applicants meeting the other eligibility criteria would have the option to participate in both price categories simultaneously. Applicants who choose to participate only within defined market areas would be required to meet the eligibility criteria independently for each selected SCF service area or selected metropolitan target market.

Mail owners participating in the 2011 Saturation and High Density Incentive Program would not be eligible for concurrent participation in any other Postal Service-sponsored, volume incentive program that includes Standard Mail pieces in the saturation or high density price categories.

Thresholds for the 2011 Saturation and High Density Incentive Program would be set at five percent (5%) above the volume or Standard Mail or Nonprofit Standard Mail letters and/or flats recorded in the 2010 calendar year, within each participant-selected growth area and price category. Applicants electing to participate in both the saturation and high density price categories would be required to exceed the combined thresholds of both categories before qualifying for an incentive payment in either category.

Approved program participants demonstrating an increase, above their threshold level, in their total Standard Mail or Nonprofit Standard Mail letters and/or flats volume, within their total market area, selected SCF service areas, or metropolitan target market, would qualify for a credit to a single designated permit imprint advance deposit account or Centralized Account Payments System (CAPS) account, following the close of the 2011 Saturation and High Density Incentive Program. The total postage paid for Standard Mail letters and flats within the program period would be identified for each participant and divided by the total number of recorded pieces, to generate the average price per piece. Participants would receive a credit in the amount of a percentage of the average price per piece, for the total number of mailpieces of their incremental volume above their threshold level, recorded during the program period as follows:

<table>
<thead>
<tr>
<th>Participation level</th>
<th>Standard mail</th>
<th>Nonprofit standard mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saturation</td>
<td>22%</td>
<td>8%</td>
</tr>
<tr>
<td>High Density</td>
<td>13%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Program Administration

Those mailers identified by the Postal Service as being eligible to participate in the program would be sent an invitation letter on or before November 1, 2010. These invitation letters would direct mailers to apply for the program online at http://www.usps.com/SaturationHD. Mailers wishing to participate in the program, but who were not notified by letter, would be able to request a review of their eligibility by contacting the USPS no later than December 1, 2010 at SaturationHIDIncentive@usps.gov. Any mailer wishing to participate in the program would be required initially to apply online no later than December 15, 2010.

Mailers completing the online application process would 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 would display the applicant’s USPS-recorded saturation and/or high density mail volume for the 2010 calendar year. Applicants agreeing with their threshold volume(s) would have the option to sign the provided certification letter and return a copy via email or mail a hardcopy to Saturation Incentive Program Office, 475 L’Enfant Plaza SW., RM 5500, Washington, DC 20260–5500, to register for the program. Applicants not agreeing with any portion of their USPS-calculated threshold(s) would be required to complete the threshold inquiry form along with supporting evidence and return it, via email or mail hardcopy, no later than March 15, 2011.

In addition to Standard Mail volume prepared and entered directly by the mailer (applicant), applicants would also be 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 entered through a mail service provider’s permit would also qualify for the program if adequate documentation, such as a postage statement, PS Form 3602–R or PS Form 3602–N, identifies the mail as being prepared on behalf of the applicant and demonstrates the applicant’s 2010 mailing activity.

Additionally, as part of the program administration, the Postal Service would require each program participant to certify the data used to calculate the participant’s program threshold(s). This certification requirement would be similar to that currently used on a postage statement (PS Form 3602–R or
Proposed Changes for Letters and Flats

Move Update Tolerance

We propose to change the tolerance for First-Class Mail and Standard Mail pieces, found through a Performance-Based Verification procedure to be lacking an update via Move Update procedures, from the current 30 percent to a 25 percent tolerance before we charge a 7-cent per piece assessment charge. The Move Update standards, applicable to commercial mailings of First-Class Mail and Standard Mail mailpieces, are designed to reduce the number of mailpieces that require forwarding, return, or disposal as waste, thus reducing Postal Service costs. The standards also help to assure that mail reaches its intended recipients in a timely manner.

Performance-Based Verification (PBV) procedures introduced in 2009 allow the Postal Service to sample mailings during the acceptance process to compare mailpiece addresses with the National Change of Address (NCOA®) database. For the Move Update portion of PBV, addresses on the verification sample are compared to the NCOA database and the ratio of the number of failed changes of address (COAs), addresses that should have been updated per Postal Service records, to the number of actual COAs (all changed addresses for addresses in the mailing) is calculated. Currently, if this ratio for the sample is sufficiently high (30 percent or more), pieces in a First-Class Mail or Standard Mail mailing are subject to additional postage (the Move Update assessment charge).

In a Federal Register final rule published October 27, 2009 (74 FR 55140–55142), we stated: "We will analyze the results of the PBV samples periodically, and will adjust the tolerance as needed to ensure the effectiveness of mailers’ Move Update processes.” Accordingly, the Postal Service proposes to change the current 30 percent tolerance to 25 percent before a Move Update assessment postage charge would be incurred.

Standard Mail Letters Only

Currently, nonbarcoded or nonautomation-compatible Standard Mail® letters that are mailed at saturation or high density prices pay the corresponding nonautomation Standard Mail flat price. This causes confusion for both customers and employees regarding mail preparation and sortation. For example, mailers often ask if they can enter nonautomation saturation or high density letters at destination delivery unit (DDU) prices, which is allowed for flats but not for letters that are paid for at flats prices. Similar confusion exists regarding the prices for nonmachinable letters weighing more than 3.3 ounces, which default to nonautomation flats prices.

To reduce confusion, we propose to change the terminology used for the pricing of nonbarcoded and/or nonautomation-compatible saturation and high density letters from the current default flat-size pricing by establishing a separate price table with nonautomation letter prices for those pieces. Prices will be the same as for saturation and high density flats. Similarly, we also propose to use “nonmachinable letter prices” to refer to nonmachinable letters weighing more than 3.3 ounces, instead of using the current terminology of nonautomation flats prices for nonmachinable letters. As is currently the case, nonmachinable letters over 3.3 ounces will have the same prices as nonautomation flats over 3.3 ounces, but the prices will be called nonmachinable letter prices. Actual prices will be published in a separate Federal Register notice, or may be found under Docket No. R2010–XX on the PRC Web site.

Standard Mail Flats

We have found that rigid flat-size pieces are generally less efficient to handle than nonrigid flats, even when they are able to be sorted by our flat-sorting machines. Therefore, as announced in March 2010, we propose to eliminate the current option for rigid flats to be eligible for automation prices if they pass a Pricing and Classification Service Center (PCSC)-administered testing process.

Proposed Changes for Parcels

First-Class Mail Parcels

We propose to establish a separate price category for commercial single-piece First-Class Mail® (FCM) parcels with prices lower than those for retail FCM parcels. Currently, mailers who presort a minimum of 500 FCM parcels pay single-piece prices for the residual portion of a presorted mailing after sorting to all required area distribution centers. We would also allow nonpresort mailers access to those prices, with no volume minimum per mailing. Mailers would be able to pay commercial single-piece FCM prices for their parcels via pay postage by any of three methods: Permit imprint, information-based indicia (IBI) meters, or PC Postage.® Parcels with IBI-metered postage or PC postage must be marked “COMM” in addition to the First-Class Mail marking. The “COMM” marking may be either within or directly below the indicia area.

Standard Mail Parcels

Standard Mail parcels would be separated into two price categories, Marketing parcels and Fulfillment parcels. Each of the two price categories would have additional pricing separations for nonprofit pieces (Nonprofit Marketing parcels and Nonprofit Fulfillment parcels).

Marketing parcels are defined as containing messages and/or product samples whose purposes are to encourage recipients to purchase a product or service, make a contribution, support a cause, form a belief or opinion, take an action, or provide information to recipients. These parcels would be required to bear an alternative addressing format (occupant or exceptional addressing, or simplified addressing when allowed for saturation mail), subject to DMM 602.3.0 and would be presented for mailing in carrier route (including carrier route basic, high-density, or saturation sortation) or presort separations. Presorted parcels would be prepared as either machinable or irregular parcels. All Marketing parcels would have a maximum size of 9 inches by 12 inches by 2 inches thick.

Fulfillment parcels are lightweight products typically requested by the addressees (recipients). These parcels would be prepared for mailing as either presorted machinable or irregular parcels.

Not Flat-Machinables (NFMs)

In 2007, we created an NFM price category for Standard Mail items that could not meet revised automation flats standards. In the Federal Register on February 6, 2009 (74 FR 6250–6257), we announced our intention to discontinue the NFM category in May 2010. In the March 25, 2010 Postal Bulletin (No. 22281), we announced that we would extend the NFM price category until the next price change. We now propose to end the NFM category as of January 2011. Pieces that would have been mailed as NFMs should qualify as either Standard Mail Fulfillment or Marketing parcels.

Other Parcels

 Parcel Post® packages will be zone priced for each pound increment including packages weighing up to 1 pound.
Parcel Post, Bound Printed Matter (BPM), Media Mail,® and Library Mail single-piece parcel weights will be rounded off to two decimal places, instead of the current four decimal places.

**Special and Other Services**

*Address Information System Products and Services*

Address Management at the USPS National Customer Support Center (NCSC) in Memphis, Tennessee, provides value-added product and service offerings that enable customers to better manage the quality of their mailing lists while maximizing the Postal Service’s ability to deliver mail efficiently. Our proposed revision adds a comprehensive list, in DMM 509, of address information system products and services available from the NCSC. Existing services, such as address sequencing service or mailing list service, that customers obtain via the local Post Office™ or USPS District remain in DMM 507.

**Discontinuation of Standard Mail Stamped Envelopes**

Standard Mail stamped envelopes will no longer be available for purchase. Based on reduced customer demand, the Postal Service has determined that these items be discontinued because alternatives are readily available.

Stamped envelopes have been produced since 1853. In 1965, the U.S. Post Office Department first offered stamped envelopes specifically inscribed for authorized nonprofit mailers, denominated for the most-used basic rate. In 1992, a Standard Mail bulk-rate envelope was added, and in 1995, both the nonprofit and bulk-rate envelopes were converted to nondenominational products to allow their use for the expanding variety of rates and subcategories. In 2002, the bulk-rate envelope was adjusted to include the preferred inscription “Presorted Standard.” Because of minimum mailing requirements, the sales of these envelopes were limited to box lots of 500 (except for philatelic sales).

Sales for these Standard Mail envelopes have been declining over the past 10 years. More and more Standard Mail customers have opted to affix precanceled stamps or use permit imprints on commercially available envelopes. Since these alternatives are readily available, we propose to eliminate Standard Mail stamped envelopes from our schedules and inventory lists. The product numbers that will be eliminated are: 215100, 215200, 262700, 262800, and 216400.

**Post Office Box Handling Fee**

The Postal Service proposes to revise DMM 508.4.0 to expand the applicability of the lock replacement fee for Post Office boxes. Current standards require payment of the lock replacement fee when a customer requests that the lock be changed.

The Postal Service proposes to also apply this fee when customers renew Post Office Box (PO BOX™) service more than 10 days after the renewal due date. This will provide an incentive for customers to pay their PO BOX rental fees on time. For those customers who do not renew until after the 10-day grace period, the Postal Service often changes the lock or incurs other lock-related costs, such as plugging the lock and bundling mail separately for the PO BOX. The lock replacement fee also will be treated as a late payment fee, even in those cases in which the Postal Service does not actually change the lock.

**General**

We encourage customers to comment on the proposed changes and add that this proposed rule provides the opportunity for mailers to prepare for possible operation changes well ahead of the effective date.

Although we are exempt from the notice and comment requirements of the Administrative Procedure Act [5 U.S.C. of 553 (b), (c)] regarding proposed rulemaking by 39 U.S.C. 410(a), we invite public comments on the following proposed revisions to Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM), incorporated by reference in the Code of Federal Regulations. See 39 CFR 11.1.

**List of Subjects in 39 CFR Part 111**

Administrative practice and procedure, Postal Service.

Accordingly, 39 CFR Part 111 is proposed to be 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:

   **100 Retail Letters, Cards, Flats, and Parcels**

   * * * * *

   **150 Parcel Post**

   **153 Prices and Eligibility**

   **1.0 Parcel Post Prices and Fees**

   * * * * *

   **1.2 Determining Single-Piece Weight**

   [Revise the last sentence of 1.2 to read as follows:]   * * * Express all single-piece weights in decimal pounds rounded off to two decimal places.

   **200 Commercial Letters and Cards**

   **201 Physical Standards**

   * * * * *

   **2.0 Physical Standards for Nonmachinable Letters**

   * * * * *

   **2.3 Additional Criteria for Standard Mail Nonmachinable Letters**

   [Revise 2.3 to read as follows:]   The nonmachinable prices in 243.1.0 apply to Standard Mail letter-size pieces that have one or more of the nonmachinable characteristics in 2.1. Mailers must prepare all nonmachinable letters as described in 245.5.0.

   * * * * *

   **230 First-Class Mail**

   **233 Prices and Eligibility**

   * * * * *

   **3.0 Basic Standards for First-Class Mail Letters**

   * * * * *

   **3.5 Move Update Standards**

   * * * * *

   [Revise title and text of 3.5.4 to read as follows:]   Mailings are subject to a Move Update assessment charge if more than 25 percent of addresses with a change of address (COA) are not updated, based on the error rate found in USPS sampling at acceptance during Performance-Based Verification. Specifically, mailings for which the sample contains greater than 25 percent failed COAs out of the total COAs are subject to additional postage charges as follows:   a. The percentage of the mailing paying the charge is based on the percentage of failed pieces above 25 percent.
b. Each of the assessed pieces is subject to the $0.07 per piece charge.

c. As an example, if 35% of COAs in the sample are not updated, then the charge is applied to 10% (=35%–25%) of the total mailing.

d. Mailings for which the sample has five or fewer pieces that were not updated for a COA are not subject to the assessment, regardless of the failure percentage.

* * * * *

[Add new 7.0 to read as follows:]

7.0 First-Class Mail Incentive Programs

7.1 General Description

First-Class Mail incentive programs are designed to encourage mail volume growth and retention.

7.2 Reply Rides Free Program

The Reply Rides Free program provides an incentive for mailers to include additional contents in their full-service automation (see 705.22) First-Class Mail letters by providing a postage credit for letters weighing over 1 ounce but no more than 1.2 ounces.

7.2.1 Basic Mailpiece Eligibility

Letter-size mailpieces mailed by an approved program participant are eligible for a postage credit under all of the following conditions:

a. Eligible full-service automation letters must weigh more than 1 ounce but no more than 1.2 ounces. Mailers pay the applicable 2-ounce price for these pieces.

b. Letters must include a reply card or envelope, either Business Reply Mail or Courtesy Reply Mail. The reply piece may be part of a reusable envelope prepared according to 601.6.4 or 601.6.5. Mailers must provide a sample of the reply card or envelope at the time of mailing.

c. The postage credit is for the amount paid for the second ounce for eligible letters that meet the standards in 7.2, that are mailed during the 2011 program period, and that meet or exceed their USPS-determined threshold volume for 2011. To be eligible for program participation, a mailer must have mailed at least one mailing of 500 or more presorted or automation First-Class Mail letters during the USPS fiscal years (FY) 2009 and FY 2010. Applicants must be able to document their total mailed volume of commercial First-Class Mail letters for calendar years 2009 and 2010, 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 mailed under a mail service provider’s permit that can be specifically identified as being mailed on behalf of the applicant.

b. Approved participants must be able to document the total mailed volume of letters that are eligible, under 7.2, for postage credit. Accordingly, pieces must be presented for mailing under either of the following conditions:

1. A separate mailing of identical weight pieces, all of which weigh more than 1 ounce up to 1.2 ounces.

2. A mailing of nonidentical weight pieces, supported by documentation under the manifest mailing standards in 705.2.0, with individual piece weight listings substantiating that participant pieces weigh more than 1 ounce but no more than 1.2 ounces. The manifest listing must also provide a total of eligible pieces.

c. At the end of the 2011 program period, approved participants must be able to document their total mailed volume of commercial First-Class Mail letters during the program period, and that meet or exceed their USPS-determined mail volume threshold for 2011, as provided in 7.2.2b, and meet the following conditions:

1. Letters mailed in the 2011 program period that meet the USPS-determined mail volume threshold for 2011, as provided in 7.2.2b, must weigh more than 1 ounce up to a maximum of 1.2 ounces.

2. Letters mailed during the 2011 program period must contain a reply card or reply envelope.

3. Credit applies only to letters mailed under the full-service automation option in 705.22.

d. Fluctuations in mailing activity resulting from the merger or acquisition of one or more program participants, prior or subsequent to the beginning of the program period, are subject to review, possible recalculation of thresholds, and approval by the USPS.

e. Mailers participating in the Reply Rides Free incentive program are not eligible for concurrent participation in any other USPS-sponsored volume incentive program that includes First-Class Mail letters.

7.2.3 Application

Mail owners wishing to participate may apply at http://www.usps.com/firstclassmailincentive beginning November 1, 2010, but no later than December 31, 2010. Following registration, mailers are required to provide documentation demonstrating their total commercial First-Class Mail letter volume mailed during USPS FY 2009 and FY 2010 (as described in 7.2.2c). The USPS reviews the documentation provided for adequacy and provides an electronic response that includes:

a. Notification of approval (or of the need for additional documentation) for participation in the program.

b. Applicant’s verified mail volume for USPS FY 2009 and FY 2010.

c. Applicant’s 2011 mail volume threshold for program and postage credit eligibility.
7.2.4 Mailer Response

Mailers wishing to dispute the USPS-verified mail volume or USPS-determined threshold (see 7.2.3) may request a review by sending an e-mail to (e-mail address to be published later) no later than February 15, 2011.

7.2.5 Program Credits

Approved participants that can demonstrate an increase in their mailed volume of commercial First-Class Mail letters in the 2011 program period, compared with the projected volume as determined under 7.2.1c, qualify for a credit, after the end of the program period, to their designated Centralized Account Payment System (CAPS) permit imprint account, as follows:

a. The letter-size pieces for which the credit is claimed must weigh more than 1 ounce but no more than 1.2 ounces and be mailed under all standards in 7.2.

b. Participants that meet or exceed their threshold volume receive a credit in the amount of the postage paid for the second ounce for each eligible piece meeting all conditions in 7.2 that are mailed during the 2011 program year from January 2, 2011 through December 31, 2011.

240 Standard Mail

243 Prices and Eligibility

1.0 Prices and Fees for Standard Mail

[Delete section 1.7 in its entirety to remove reference to the 2009 Saturation Mail Volume Incentive Program.]

3.0 Basic Standards for Standard Mail Letters

3.2 Defining Characteristics

3.2.1 Mailpiece Weight

All Standard Mail pieces must weigh less than 16 ounces. The following weight limits also apply to pieces mailed at Standard Mail letter prices:

[Revise items a and b to read as follows:]

a. Pieces mailed at machinable letter prices may weigh up to 3.3 ounces. Letter-size pieces weighing more than 3.3 ounces are mailable at nonmachinable letter prices, unless they are barcoded and eligible to be mailed as automation letters. For saturation and high density letters over 3.5 ounces, see 3.2.1b.

b. Pieces mailed at automation letter prices may weigh up to 3.5 ounces. Saturation and high density letters weighing more than 3.5 ounces are mailable at applicable saturation or high density nonautomation letter prices.

3.9 Move Update Standards

[Revise text of 3.9.4 to read as follows:]

Mailings are subject to a Move Update assessment charge if more than 25 percent of addresses with a change of address (COA) are not updated, based on the error rate found in USPS sampling at acceptance during Performance-Based Verification. Specifically, mailings for which the sample contains greater than 25 percent failed COAs out of the total COAs are subject to additional postage charges as follows:

a. The percentage of the mailing paying the charge is based on the percentage of failed pieces above 25 percent.

b. Each of the assessed pieces is subject to the $0.07 per piece charge.

c. As an example, if 35% of COAs in the sample are not updated, then the charge is applied to 10% (=35%–25%) of the total mailing.

d. Mailings for which the sample has five or fewer pieces that were not updated for a COA are not subject to the assessment, regardless of the failure percentage.

5.0 Additional Eligibility Standards for Nonautomation Standard Mail Letters

5.5 Nonmachinable Price Application

[Revise 5.5 to read as follows:]

Nonmachinable prices in 1.0 apply only to Standard Mail letter-size pieces (including card-size pieces) that meet the criteria in 201.2.1 for nonmachinable letters. Nonmachinable saturation or high density letter-size pieces are subject to the applicable saturation or high density nonautomation letter prices.

6.0 Additional Eligibility Standards for Enhanced Carrier Route Standard Mail Letters

6.1 General Enhanced Carrier Route Standards

6.1.2 Basic Eligibility Standards

[Revise 6.1.2 by deleting items a and b to read as follows:]

Basic prices apply to each piece sorted under 245.6.0 or 705.8.0 in a full carrier route tray, in a carrier route bundle of 10 or more pieces, or in groups of 10 or more pieces placed in a 5-digit carrier route or a 3-digit carrier route tray.

6.4 High Density Enhanced Carrier Route Standards

6.4.1 Basic Eligibility Standards for High Density Prices

[Revise 6.4.1, by deleting items a and b and incorporating those items into the text to read as follows:]

High density letter-size mailpieces must be in a full carrier route tray or in...
a carrier route bundle of 10 or more pieces placed in a 5-digit carrier routes or 3-digit carrier routes tray. High density prices apply to each piece that is automation-compatible according to 201.3.0, and has an accurate delivery point POSTNET barcode or Intelligent Mail barcode encoded with the correct delivery point routing code matching the delivery address and meeting the standards in 202.5.0, and 708.4.0. Except for pieces with a simplified address, pieces that are not automation-compatible or not barcoded are mailable only at the nonautomation high density letter prices.

6.5.3 Saturation Discount for Heavy Letters

[Revise 6.5.3 to read as follows:] Saturation pieces that are automation-compatible under 201.3.0, are accurately barcoded with a delivery point barcode, and weigh more than 3.3 ounces but not more than 3.5 ounces pay postage equal to the piece/pound price and receive a discount equal to the saturation flat-size piece price (3.3 ounces or less) minus the saturation letter piece price (3.3 ounces or less). The discount is calculated using nondestination entry prices only, regardless of entry level. This discount also applies to saturation pieces with simplified addresses. This discount does not apply to pieces paying nonautomation saturation letter prices.

3.5 Move Update Standard

[Revise title and text of 3.5.4 to read as follows:]
Performance-Based Verification. Specifically, mailings for which the sample contains greater than 25 percent failed COAs out of the total COAs are subject to additional postage charges as follows:

a. The percentage of the mailing paying the charge is based on the percentage of failed pieces above 25 percent.

b. Each of the assessed pieces is subject to the $0.07 per piece charge.

c. As an example, if 35% of COAs in the sample are not updated, then the charge is applied to 10% (=35%-25%) of the total mailing.

d. Mailings for which the sample has five or fewer pieces that were not updated for a COA are not subject to the assessment, regardless of the failure percentage.

* * * * *

[Add new 8.0 as follows:]

8.0 Incentive Programs for Standard Mail Flats

8.1 General Description

Incentive programs for Standard Mail letters are designed to encourage mail volume growth and retention.

8.2 Saturation and High Density Incentive Program

8.2.1 Program Description

The Saturation and High Density Incentive Program provides postage credits for qualified mail owners of Standard Mail, or Nonprofit Standard Mail, letters and/or flats (complete mailpieces) mailed at saturation or high density carrier route prices that can document mail volumes exceeding their individual USPS-recorded threshold level, during the 2011 program period, from January 2, 2011, through December 31, 2011. Participating mail owners documenting volumes above their threshold level receive a credit, for each piece exceeding their threshold level, to a single designated permit imprint advance deposit account or Centralized Account Payment System (CAPS) account after the end of the program period. Applicants are required to review and certify the accuracy of the data used by the USPS to calculate their threshold level(s); and, upon request, may be required to provide documentation of their mailing activity in the 2010 calendar year, the 2009–2010 eligibility period and during the program period.

8.2.2 Eligibility Standards

Mail service providers are not eligible to participate in this program. Mail owners are eligible for the program as follows:

a. Mailers must be the owner of a permit imprint advance deposit account, precanceled stamp permit, or postage meter permit at a USPS facility having PostalOne! capability; or the owner of qualifying mailpiece volume entered through the account(s) of a mail service provider at a USPS facility having PostalOne! capability, when adequate documentation demonstrates that the applicant is the owner of the mailpieces.

b. Applicants must electronically submit postage statements and mailing documentation to the Postal One! system. Applicants participating within a defined market area(s) must electronically submit postage statements and mailing documentation using Mail.dat or Mail.XML. All other applicants may optionally submit postage statements via Postal Wizard.

c. Only the volume of the mail owner, usually defined as the entity paying for the postage, is eligible within the program period.

d. Mail service providers and customers supplying inserts, enclosures or other components included in the mailings of another mailer are not eligible to participate in this program.

e. For either the saturation or high density incentives, applicants must demonstrate a combined minimum of six saturation or high density mailings of Standard Mail letters and/or flats within the qualification period of October 1, 2009, to September 30, 2010.

f. Applicants meeting the eligibility criteria in 8.2.2a through 8.2.2d may participate within both the saturation and high density price categories simultaneously.

g. Applicants who participate only within defined market areas must meet the eligibility criteria independently for each selected SCF service area or selected metropolitan target market.

h. Mailers participating in the 2011 Saturation and High Density Incentive Program are not eligible for concurrent participation in any other USPS-sponsored volume incentive program that includes Standard Mail pieces in the saturation or high density price categories.

8.2.3 Program Threshold Level

Threshold level figures are calculated independently for each applicant as follows:

a. Thresholds are set at five percent (5%) above (or 105% of) the volume, within the participant-selected growth area and price category, of Standard Mail or Nonprofit Standard Mail letters and/or flats recorded in the 2010 calendar year.

b. Applicants participating in both the saturation and high density price categories must exceed the combined thresholds of both categories before qualifying for an incentive payment in either category.

8.2.4 Application

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

a. The invitation letter directs mail owners to apply for the program online at http://www.usps.com/SaturationHD no later than December 15, 2010.

b. Applicants participating with Standard Mail saturation and/or high density mail volume destinatign only within defined market areas must select the sectional center facility (SCF) service areas for participation in the program, up to a maximum of 20 individual SCF areas or up to five metropolitan target markets (consisting of multiple contiguous SCF service areas) for participation in the program. The USPS must approve all applicant-selected market areas prior to acceptance into the program.

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

1. An individual volume threshold report, with the applicant’s recorded saturation and/or high density volume for the 2010 calendar year.

2. A certification letter.

3. A threshold inquiry form.

4. Applicants agreeing with their threshold volume(s) can sign the certification letter and return a copy via e-mail to: SaturationHDIncentive@usps.gov or mail hard copy to Saturation Incentive Program Office, 475 L’Enfant Plaza, SW., Room 5500, Washington, DC 20260–5500, to be registered for the program.

e. Applicants not agreeing with any portion of their USPS-calculated threshold(s) must complete the threshold inquiry form and return it along with supporting evidence, via e-mail, or mail hard copy to Saturation Incentive Program Office, 475 L’Enfant Plaza, SW., Room 5500, Washington, DC 20260–5500, no later than March 15, 2011.

f. Mail owners wishing to participate in the program, but who were not notified by letter, may request a review of their eligibility by contacting the USPS no later than December 1, 2010.

8.2.5 Program Participation

Mail owners may participate in the program with qualifying letters and/or
flats mailpieces mailed at saturation or high density prices as follows:
   a. Standard Mail, or Nonprofit Standard Mail, mailpieces mailed by
      the participant through the participant’s own permit imprint advance
      account, precanceled stamp permit(s), or postage
      meter permit(s);
   b. Standard Mail, or Nonprofit Standard Mail, mailpieces prepared by
      a mail service provider, when entered
      through a permit owned by the
      participant;
   c. Standard Mail, or Nonprofit Standard Mail, mailpieces mailed
      through a mail service provider’s
      permit, only when the pieces can be
      identified as being prepared for the
      participant and when the applicant’s
      prior mailing activity through the mail
      service provider’s permit can be
      validated.
   d. Fluctuations in mailing activity
      resulting from the merger or acquisition
      of one or more program participants,
      prior or subsequent to the beginning of
      the program period, are subject to
      review and approval by the USPS.

8.2.6 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 mailed at saturation or high
density prices, recorded during the
      program is identified for each
      participant.
   b. The total postage paid during the
      program period is divided by the total
      number of recorded mailpieces to
determine the average price per piece
      for the program period.
   c. Participants receive a credit, based
      on the percentages of the average price
      per piece, for the number of mailpieces
      of incremental volume above their
      threshold level, recorded during the
      program period, as follows:
      1. Saturation letters and flats: 22
         percent for Standard Mail, 8 percent
         for Nonprofit Standard Mail pieces.
      2. High density letters and flats: 13
         percent for Standard Mail, 8 percent
         for Nonprofit Standard Mail pieces.
   * * * * *

400 Commercial Parcels
401 Physical Standards
1.0 Physical Standards for Parcels
* * * * *
1.0 Physical Standards for Parcels
2.0 Additional Physical Standards by
Class of Mail
* * * * *
2.3 First-Class Mail Parcels
* * * * *
2.3.2 Surcharge
Unless prepared in 5-digit/scheme
containers or paid at a single-piece
price, presorted parcels are subject to a
surcharge if any of the following
characteristics apply:
[Revise text of 2.3.2 by deleting current item
a and redesignating current items b and
c as new items a and b to read as
follows:]
   a. The parcels do not bear a GS1–128
      or POSTNET barcode.
   b. The parcels are irregularly shaped,
such as rolls, tubes, and triangles.
* * * * *
[Revise the title and text of 2.4 to read as
follows:]
2.4 Standard Mail Parcels
* * * * *
[Revise title and text of 2.4.2 to delete
references to Not Flat-Machinables and
add standards for Marketing parcels to
read as follows:]
2.4.2 Marketing Parcels
Marketing parcels have the following
characteristics:
   a. Height not more than 9 inches high.
      Minimum height must be 3 1/2 inches
      if the parcel is 1/4 inch thick or less.
   b. Length not more than 12 inches
      long. Minimum length must be 5 inches
      if the parcel is 1/4 inch thick or less.
   c. Thickness at least 0.009 thick, but
      not more than 2 inches.
   d. An alternative addressing format,
      according to 602.3.30.
   * * * * *
2.4.3 Surcharge
[Revise text of 2.4.3 to delete reference
to Not Flat-Machinables and reorganize
text to read as follows:]
Unless prepared in carrier route or 5-
digit/scheme containers, Standard Mail
parcels are subject to a surcharge if:
   a. The machinable parcels do not bear
      a GS1–128 barcode (see 708.5.0) or,
   b. The irregular parcels do not bear a
      GS1–128 barcode (see 708.5.0) or
      POSTNET barcode (see 708.4.0).
* * * * *
402 Elements on the Face of a
Mailpiece
1.0 All Mailpieces
* * * * *
1.2 Delivery and Return Address
[Revise 1.2 by reorganizing the text
and adding a new last sentence to read
as follows:]
The delivery address specifies the
location to which the USPS is to deliver
a mailpiece (see 602 for more
information). Except for pieces prepared
with detached address labels under
602.4.0, each mailpiece must have a
visible and legible delivery address only
on the side of the piece bearing postage.
A return address is required in specific
circumstances (see 3.2 and 602.1.5).
Standard Mail Marketing parcels (see
443) must use an alternative addressing
format under 602.3.0.
* * * * *
2.0 Placement and Content of
Markings
* * * * *
2.4 First-Class Mail and Standard
Mail Markings
[Revise the title of 2.4.1 to read as
follows:]
2.4.1 Placement and Content
   Markings must be placed as follows:
* * * * *
[Revise item b to add a marking for
First-Class Mail parcels and reorganize
text to read as follows:]
   b. Other Markings. In addition to the
      basic class marking, nonpresorted First-
      Class Mail parcels claiming the single-
      piece commercial parcel price (see 433)
      must be marked “COMM” when postage
      is paid by IBI meter or PC postage.
      Price-specific markings for Standard
      Mail only are “ECRLOT,” “ECRWSH,”
      “ECRWS,” and “Customized
      MarketMail” (or “CUST MKTMAIL,” or
      “CMM”). Place price-specific markings
      in one of the following locations:
      1. In the location specified in 2.4.1a.
      2. In the address area on the line
         directly above or two lines above
         the address if the marking appears alone
         or if included in an optional endorsement
         line under 708.7.0 or with carrier route
         information under 708.6.0.
      3. If preceded by two asterisks (**),
         place “PRESORTED” or “Customized
         MarketMail” (abbreviated marking)
         on the line directly above or two lines
         above the address in a mailer keyline or
         manifest keyline, or above the address
         and below the postage in an MLOCR
         ink-jet-printed date correction/meter
         drop shipment line.
4.3 POSTNET Barcodes

[Revise text of 4.3 by deleting references to Not Flat-Machinable pieces to read as follows:]

First-Class Mail parcels and Standard Mail irregular parcels may bear POSTNET barcodes or GS1–128 barcodes. First-Class Mail parcels and Standard Mail irregular parcels bearing POSTNET barcodes representing only the postal routing barcode (destination ZIP Code) are eligible to be mailed using eVS. POSTNET barcodes may not be used on eVS parcels bearing concatenated GS1–128 barcodes. Place POSTNET barcodes on parcels under 4.3.1 through 4.3.3.

4.3.1 General Placement of POSTNET Barcodes

[Revise text of 4.3.1 by deleting references to Not Flat-Machinable piece under 6 ounces to read as follows:]

On any First-Class Mail parcel, or any Standard Mail irregular parcel, the POSTNET barcode may be anywhere on the address side as long as it is at least ⅛ inch from any edge of the piece. POSTNET barcodes must be printed according to 708.4.0. Address block barcodes are subject to the standards in 4.3.2.

430 First-Class Mail

433 Prices and Eligibility

1.0 Prices and Fees for First-Class Mail

[Revise text of 1.3 to add eligibility standards for the single-piece commercial parcel price to read as follows:]

1.3 Parcel Prices

For prices, see Notice 123–Price List. First-Class Mail parcels mailed under the following conditions are eligible for single-piece commercial parcel prices:

a. The residual portion of a presorted mailing prepared under 435.4.0.

b. Nonpresorted mailings for which the postage is paid by permit imprint, IBI meter, or PC Postage. The minimum quantity per mailing when using permit imprints (see 604.5.0) is 200 pieces or 50 pounds. See 401.2.4 for required marking when postage is paid by IBI meter or PC Postage.

3.0 Basic Standards for First-Class Mail Parcels

* * * * *

3.5 Move Update Standards

* * * * *

[Revise title and text of 3.5.4 to read as follows:]

3.5.4 Basis for Move Update Assessment Charges

Mailings are subject to a Move Update assessment charge if more than 25 percent of addresses with a change of address (COA) are not updated, based on the error rate found in USPS sampling at acceptance during Performance-Based Verification. Specifically, mailings for which the sample contains greater than 25 percent failed COAs out of the total COAs are subject to additional postage charges as follows:

a. The percentage of the mailing paying the charge is based on the percentage of failed pieces above 25 percent.

b. Each of the assessed pieces is subject to the $0.07 per piece charge.

c. As an example, if 35% of COAs in the sample are not updated, then the charge is applied to 10% (=35%–25%) of the total mailing.

d. Mailings for which the sample has five or fewer pieces that were not updated for a COA are not subject to the assessment, regardless of the failure percentage.

440 Standard Mail

443 Prices and Eligibility

1.0 Prices and Fees for Standard Mail

[Revise title of 1.2 to read as follows:]

1.2 Regular and Nonprofit Standard Mail—Fulfillment Parcel Prices

[Revise title of 1.3 to read as follows:]

1.3 Regular and Nonprofit Standard Mail—Marketing Parcel Prices

3.0 Basic Standards for Standard Mail Parcels

* * * * *

3.3 Additional Basic Standards for Standard Mail

Each Standard Mail mailing is subject to these general standards:

* * * * *

[Revise text of item d to read as follows:]

d. Each Fulfillment parcel must bear the addressee’s name and delivery address, including the correct ZIP Code or ZIP+4 code, unless an alternative addressing format is used subject to 602.3.0. Detached address labels (DALs) may be used subject to 602.4.0.

3.9 Move Update Standards

* * * * *

[Revise title and text of 3.9.4 to read as follows:]

3.9.4 Basis for Move Update Assessment Charges

Mailings are subject to a Move Update assessment charge if more than 25 percent of addresses with a change of address (COA) are not updated, based on the error rate found in USPS sampling at acceptance during Performance-Based Verification. Specifically, mailings for which the sample contains greater than 25 percent failed COAs out of the total COAs are subject to additional postage charges as follows:

a. The percentage of the mailing paying the charge is based on the percentage of failed pieces above 25 percent.

b. Each of the assessed pieces is subject to the $0.07 per piece charge.

c. As an example, if 35% of COAs in the sample are not updated, then the charge is applied to 10% (=35%–25%) of the total mailing.

d. Mailings for which the sample has five or fewer pieces that were not updated for a COA are not subject to the assessment, regardless of the failure percentage.

4.0 Price Eligibility for Standard Mail

* * * * *

4.2 Minimum Per Piece Prices

The minimum per piece prices (i.e., the minimum postage that must be paid for each piece) apply as follows:

* * * * *

[Revise text of item c by deleting the reference to Not Flat-Machinable in the
5.2 Price Application

[Revise 5.2 by inserting the term “Fulfillment” parcels to further identify machinable and irregular parcels, deleting the reference to Not Flat-Machinable, and adding the term “Marketing” parcels to read as follows:]

Prices for Standard Mail and Nonprofit Standard Mail apply separately to Fulfillment parcels (machinable and irregular) and Marketing parcels that meet the eligibility standards in 2.0 through 4.0 and the preparation standards in 445.5.0, 705.6.0, 705.8.0, or 705.20. When parcels are combined under 445.5.0, 705.6.0, or 705.20, all pieces are eligible for the applicable prices when the combined total meets the eligibility standards. For example, when there are 10 pounds of combined machinable parcels and irregular parcels in a 5-digit sack, all pieces are eligible for the 5-digit prices.

[Revise title of 5.4 to read as follows:]
4.8 Keys and Locks

[Revise the last sentence of 4.8.4 to read as follows:]

* * * The lock replacement fee also applies as a late payment charge when the customer reinsures a box more than 10 days after the renewal due date, whether or not the lock is actually changed.

* * * * *

509 Other Services

1.0 Address Information System Products

[Revise entire 509.1.0 section to reorganize by adding additional address information system products as follows:]
1.12 Computerized Delivery Sequence (CDS)

CDS service provides and updates delivery sequence address information by carrier route for qualified mailers. The CDS No Stat service provides and updates nondelivery address information about new construction and rural route vacancies by carrier route for qualified mailers.

1.13 Delivery Statistics

The Delivery Statistics service provides statistical information regarding delivery by carrier route and Post Office box section. Copying is allowed for an additional fee.

1.14 Delivery Type

The Delivery Type service provides a file that indicates the type of deliveries (i.e., P.O. Box, street, unique, military, and general deliveries) made within each 5-digit ZIP Code area in the United States. Copying is allowed for an additional fee.

1.15 Domestic Mail Manual (DMM) Labeling Lists

DMM Labeling Lists contain destination ZIP Codes with the corresponding Postal Service facility destination information.

1.16 DPV

The DPV (Delivery Point Validation) service in conjunction with CASS-Certified address matching software validates delivery points. Unlimited sublicensing is allowed by software developers without further payment.

1.17 DSF2 Service

The DSF2 service is used to check mailing address accuracy, identify address types, and obtain walk sequence statistics. The DSF2 database is the most complete Postal Service address database available, containing every deliverable mailing address in the United States, and is used to verify that address lists are correct and complete, identify business versus residential addresses, recognize commercial mail receiving agencies, provide walk sequence numbers and postal codes, identify seasonal addresses, detect addresses vacant for over 90 days, and categorize addresses by delivery type, e.g., curb, door slot, box, etc. DSF2 processing includes address standardization that may be used to apply for CASS qualification.

1.18 eLOT Service

eLOT service gives mailers the ability to sort their mailings in approximate carrier-casing line-of-travel sequence. Copying is allowed for an additional fee.

1.19 FASTforward Multi-line Optical Character Reader (MLOCR)

The FASTforward system makes change-of-address information for moves available to mailers so that it can be applied to a mailpiece while it is being processed on an MLOC Reader. Customers use FASTforward Move Update Notification electronic files to update their databases with change-of-address information.

1.20 Five-Digit ZIP

The Five-Digit ZIP service provides detailed street data for multi-coded cities (i.e., cities that have more than one 5-digit ZIP Code), so that the proper ZIP Code can be identified. Copying is allowed for an additional fee.

1.21 LACS\textsuperscript{Link}

LACS\textsuperscript{Link} service provides mailers an automated method of obtaining new addresses when rural-style addresses are converted to street-style addresses. The three types of licenses are listed in 1.22.1 through 1.22.3.

1.21.1 Interface Developer

Interface Developer service grants the right to develop an interface between address-matching software and the LACS\textsuperscript{Link} database service.

1.21.2 Interface Distributor

Interface Distributor service grants the right to sublicense the interface and the LACS\textsuperscript{Link} database service to third parties.

1.21.3 End User

End User service grants the right to obtain the LACS\textsuperscript{Link} database service directly from the Postal Service for use in updating mailing lists.

1.22 MAC Batch System Certification

The MAC Batch System Certification service evaluates and certifies that manifest/mailing software accurately lists and calculates postage for presorted non-identical piece mailings consistent with DMM, IMM, and manifest mailing system processing standards. Software is certified until the expiration of the applicable MAC Batch System cycle.

1.23 MAC Gold System Certification

The MAC Gold System Certification service evaluates and certifies that manifest mailing systems (software, weigh scales, and label printers) accurately list and calculate postage for nonidentical piece mailings consistent with DMM, IMM, and manifest mailing system itemized pricing standards. Software is certified until the expiration of the applicable MAC Gold System cycle.

1.24 MAC System Certification

The MAC System Certification service evaluates and certifies that manifest mailing software accurately lists and calculates postage for nonidentical piece mailings consistent with DMM, IMM, and manifest mailing system standards, until the expiration of the applicable MAC System cycle.

1.25 MASS Certification

MASS (Multiline Accuracy Support System) Certification service provides certification for multiline optical character readers, remote video encoding, local video encoding, and encoding stations (“equipment”). The MASS certification process is designed to evaluate the ability of the equipment to process address information using CASS-Certified software, and apply an accurate delivery point barcode to a mailpiece. The Postal Service separately certifies the equipment for a manufacturer and the user. Certified equipment can be used until the expiration of the applicable MASS cycle. Ordinarily, a MASS testing cycle extends from August 1st through July 31st of the next year, and permits use until the following July 31st.

1.26 NCOA\textsuperscript{Link}

The NCOA\textsuperscript{Link} service makes change-of-address information for moves available to mailers. The Postal Service tests the systems under the Developer, Full Service Provider, Limited Service Provider, End User, and Mail Processing Equipment licenses to ensure that they meet Postal Service performance requirements. The six types of licenses are listed in 1.27.1 through 1.27.6.

1.26.1 NCOA\textsuperscript{Link} Interface Developer

NCOA\textsuperscript{Link} Interface Developer service grants the right to develop a software interface between address-matching software and the NCOA\textsuperscript{Link} service database.

1.26.2 NCOA\textsuperscript{Link} Interface Distributor

NCOA\textsuperscript{Link} Interface Distributor service grants the right to unlimited sublicensing of software interfaces developed pursuant to an NCOA\textsuperscript{Link} Interface Developer License.

1.26.3 NCOA\textsuperscript{Link} Full Service Provider (FSP)

NCOA\textsuperscript{Link} FSP service grants the right to perform address list updating services for both the licensee and third party mailers using 48 months of change-of-address data. Postal Service database
services such as DPV and LACS\textsuperscript{Link} are included.

1.26.4 NCOA\textsuperscript{Link} Limited Service Provider (LSP)

NCOA\textsuperscript{Link} LSP service grants the right to perform address list updating services for third-party mailers, as well as for the licensee’s own mail using 18 months of change-of-address data.

1.26.5 NCOA\textsuperscript{Link} End User Mailer

NCOA\textsuperscript{Link} End User Mailer service grants a mailer the right to perform address list updating for its own mail using 18 months of change-of-address data.

1.26.6 NCOA\textsuperscript{Link} Mail Processing Equipment

NCOA\textsuperscript{Link} Mail Processing Equipment service grants a mailer the right to either perform address updating directly onto its mailpieces using 18 months of change-of-address data and a MLOC\textsuperscript{R} or to create an electronic file for address updating using other mail processing equipment.

1.27 NCOA\textsuperscript{Link} — ANK\textsuperscript{Link} Service Option

ANK\textsuperscript{Link} provides an option for NCOA\textsuperscript{Link} LSP and End User Mailer licensees to acquire an additional 30 months of change-of-address information. ANK\textsuperscript{Link} informs mailers that a customer has moved, along with the move effective date. It does not provide the new address.

1.28 Official National Zone Charts

The Official National Zone Charts identify the appropriate distance code assigned to each originating and destination pairing for every ZIP Code in the nation.

1.29 Periodicals Accuracy, Grading, and Evaluation (PAGE) System Certification

The PAGE system evaluates and certifies the accuracy of publication and print planning (PPP) software that calculates virtual copy weight and the percentage of advertising consistent with Periodicals computation standards, and certifies users of PPP software who demonstrate knowledge of the software for Periodicals mailings based on DMM standards and applicable USPS Customer Support Rule\textsuperscript{s}. Software and users are certified until the expiration of the applicable PAGE cycle.

1.30 PAVE System Certification

The PAVE (presort accuracy validation evaluation) system evaluates and certifies the accuracy of presort software that sorts mailing lists consistent with DMM mail preparation standards. Software is certified until the expiration of the applicable PAVE cycle.

1.31 RDI Service

The RDI service verifies whether a delivery type is classified as residential or business.

1.32 Topological Integrated Geographic Encoding and Referencing (TIGER/ZIP+4)

TIGER/ZIP+4 service is a bridge file that allows mailers to access other information using the ZIP+4 codes they already have associated with their addresses. This file offers demographers and market researchers a method to relate ZIP+4 coded address lists to U.S. Census Bureau demographic data.

1.33 Z4CHANGE

The Z4CHANGE service provides the information necessary to facilitate frequent and cost-effective updating of very large computerized mailing lists for automation compatibility and improved deliverability. Copying is allowed for an additional fee.

1.34 Z4INFO

Z4INFO is an add-on utility to the ZIP+4 service that can be integrated into address-matching software to improve address quality. There is no charge for this service.

1.35 ZIP+4 Service

The ZIP+4 service is the base reference that can be used to assign the correct ZIP+4 code associated with a physical address. Copying is allowed for an additional fee.

1.36 ZIPMove

The ZIPMove data file assists address-matching software in providing up-to-date, accurate ZIP+4 codes.

1.37 ZIP Code Sortation of Address Lists

ZIP Code Sortation of Address Lists service provides sorting of addresses to the finest possible ZIP Code level.

1.38 99 Percent Accurate Method

The 99 Percent Accurate Method provides testing of mailers’ address lists to determine how up-to-date the lists are. Lists deemed to meet threshold requirements are considered to be Move Update-compliant.

600 Basic Standards for All Mailing Services

604 Postage Payment Methods

2.0 Stamped Stationery

2.1 Plain Stamped Envelopes

2.1.2 Availability

[Revise 2.1.2 by deleting item b in its entirety and incorporating item a into the text to read as follows:] Plain stamped envelopes are available at all Post Offices, except that only sizes 6\% and 10 regular and window envelopes are sold in less than full box lots (a full box contains 500 envelopes).

2.2.6 Optional Information

The following endorsements and instructions printed in at least 8-point type may be included as part of the return address:

700 Special Standards

705 Advanced Preparation and Special Postage Payment Systems

6.0 Combining Mailings of Standard Mail, Package Services, and Parcel Select Parcels

[Revise title of 6.1 by deleting the reference to NFMs to read as follows:]" 6.1 Basic Standards for Combining Parcels

6.1.1 Basic Standards

[Revise text in the first sentence of 6.1.1 by deleting NFMs to read as follows:] Standard Mail parcels, Package Services, and Parcel Select parcels in combined mailings must meet the following standards:

604 Postage Payment Methods
6.2.2 Additional Standards

[Revise the introductory text and items a and e of 6.2.2 by deleting references to NFMs 6 ounces or more to read as follows:]

Standard Mail machinable parcels and Package Services and Parcel Select machinable parcels prepared for DNDC entry must meet the following conditions in addition to the basic standards in 6.1:

a. Each piece in a combined Standard Mail, Package Services, and Parcel Select mailing must meet the criteria for machinable parcels in 401.1.5.

* * * * *

b. Mailers must deposit combined machinable parcels at NDCs or ASFs (see Exhibit 6.2.3) under applicable standards in 15.0.

* * * * *

6.3 Combining Parcels—Parcel Select ONDC Presort, NDC Presort, DSCF, and DDU Prices

6.3.1 Qualification

Combination requirements for specific discounts and prices are as follows:

[Revise items a, b, c, and d in 6.3.1 by deleting references to NFMs 6 ounces or more to read as follows:]

a. When claiming Parcel Select ONDC Presort discounts, machinable Standard Mail parcels may be combined with machinable Package Services parcels under 6.3 only if the mailpieces are palletized and each pallet or pallet box contains a 200-pound minimum.

b. When claiming Parcel Select NDC Presort discounts, machinable Standard Mail parcels may be combined with machinable Package Services parcels under 6.3 only if the mailpieces are palletized and each pallet or pallet box contains a 200-pound minimum.

c. When claiming the DSCF price for Parcel Select or Bound Printed Matter parcels, all Standard Mail parcels may be combined with Package Services and Parcel Select parcels under 6.3.

d. All Standard Mail parcels may be combined with Package Services and Parcel Select parcels prepared for DDU prices under 6.3.

* * * * *

6.4 Combining Package Services, Parcel Select, and Standard Mail—Optional 3-Digit SCF Entry

* * * * *

6.4.2 Qualifications and Preparation

[Revise 6.4.2 by deleting references to NFMs to read as follows:]

Parcel Select and Bound Printed Matter machinable parcels, and Standard Mail parcels, may be prepared for entry at designated SCFs under these standards:

a. Standard Mail parcels that weigh less than 2 ounces and Standard Mail parcels that are tubes, rolls, triangles, and similar pieces may not be included.

b. Mailers must prepare pieces on 3-digit pallets or pallet boxes, or unload and physically separate the pieces into containers as specified by the destination facility.

c. Parcel Select and Bound Printed Matter parcels are eligible for the applicable DNDC entry price.

d. Standard Mail machinable parcels are eligible for the NDC presort level, DNDC price: irregular parcels are eligible for the 3-digit presort level, DSCF price.

e. All pieces must be for delivery within the service area of the SCF where they are deposited by the mailer.

f. Postage on all zone-priced parcels deposited at the SCF is computed using the zone chart for that postal facility.

* * * * *

8.0 Preparing Pallets

* * * * *

8.10 Pallet Presort and Labeling

* * * * *

8.10.3 Standard Mail—Bundles, Sacks, or Trays

[Revise the third sentence of 8.10.3 for clarity to read as follows:]

* * * For irregular parcels, use this preparation only for pieces in sacks or in carrier route bundles.

* * * * *

8.10.6 Package Services, Parcel Select

[Revise introductory text of 8.10.6 to read as follows:]

Prepare pallets under 8.0 in the sequence below, completing each required level before preparing the next level. Unless indicated as optional, all sort levels are required. Combined mailings of Standard Mail, Parcel Select, and Package Services machinable parcels also must meet the standards in 6.0 or 20.0. Label pallets according to Line 1 and Line 2 information below and under 8.6, except for combined mailings that include Standard Mail parcels.

[Delete all references to "NFM * * *" and replace all references to "STD MACH" with "STD/PSVC MACH * * *" in items 8.10.6 a through e.]

* * * * *

[Revise title and text of 8.10.7 to remove all references to Not Flat-Machinables and NFMs to read as follows:]

8.10.7 Standard Mail Machinable Parcels

Mailers who palletize machinable parcels must make pallets or pallet boxes when there are 250 pounds or more for the destination levels below for DNDC, DSCF, or DDU prices. When prepared at origin, a 200-pound minimum is required for the NDC price. Prepare pallets under 8.0 in the sequence below, completing each required level before preparing the next level. Unless indicated as optional, all sort levels are required. Label pallets according to Line 1 and Line 2 information below and under 8.6.

[Revise items a through f by removing all references to Not Flat-Machinables and NFMs.]

* * * * *

[Delete current 8.10.9 in its entirety.]

* * * * *

8.17 Pallets of Machinable Parcels

8.17.1 Standard Mail

[Revise text of 8.17.1 to read as follows:]

Pieces may be eligible for the 5-digit price only when prepared under 8.10.7a or 8.10.7b and entered at a destination facility under 446.

* * * * *

20.0 Optional Combined Parcel Mailings

20.1 Basic Standards for Combining Parcel Select, Package Services, and Standard Mail Parcels

20.1.1 Basic Standards

[Revise first sentence in 20.1.1 by deleting the references to NFMs to read as follows:]

Package Services parcels, Parcel Select parcels, and Standard Mail parcels in a combined parcel mailing must meet the following standards:

* * * * *

d. Combined mailings must meet the following minimum volume requirements:

[Revise item d1 to delete the reference to NFMs to read as follows:]

1. Standard Mail—Minimum 200 pieces or 50 pounds of Standard Mail parcels.

* * * * *

20.2 Price Eligibility

* * * * *

20.2.2 Price Application

Apply prices based on the criteria in 400 and the following standards:
20.3 Mail Preparation

20.3.1 Basic Standards

Prepare combined mailings as follows:

a. Different parcel types must be prepared separately for combined parcel mailings as indicated below:

[Revise item a1 through a4 by deleting the references to NFMs to read as follows:]

2. Standard Mail, Parcel Select, and Package Services irregular parcels at least 2 ounces and up to, but not including, 6 ounces (APPS-machinable pieces), except for tubes, rolls, triangles, and other similarly irregularly-shaped pieces. Use “STD/PSVC IRREG” for line 2 content labeling.
3. Standard Mail, Parcel Select, and Package Services tubes, rolls, triangles, and similarly irregularly-shaped parcels; and all parcels weighing under 2 ounces (not APPS-machinable pieces). Use “STD/PSVC PARCELS” for line 2 content labeling.
4. All parcel types may be combined in 5-digit and 5-digit scheme containers. Use “STD/PSVC PARCELS” for line 2 content labeling.

* * * * *

20.3.2 Combining Standard Mail, Parcel Select, and Package Services Machinable Parcels

* * * * *

[Revise title of 20.3.2 to read as follows:]

20.3.3 Combining Standard Mail, Parcel Select, and Package Services Apps-Machinable Parcels

* * * * *

[Revise title of 20.3.3 to read as follows:]

20.3.4 Combining Standard Mail (Under 2 Ounces), Parcel Select, and Package Services Other Irregular Parcels

We will publish an appropriate amendment to 39 CFR Part 111 to reflect these changes if our proposal is adopted.

Stanley F. Mires,
Chief Counsel, Legislative.

DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

49 CFR Part 611

[Docket No. FTA–2010–0009]

RIN 2132–AB02

Major Capital Investment Projects

AGENCY: Federal Transit Administration (FTA), DOT.

ACTION: Public meetings on ANPRM.

SUMMARY: This document announces the date, time, and location of an additional outreach session concerning the Advance Notice of Proposed Rulemaking (ANPRM) for FTA’s New Starts and Small Starts programs. Presentations delivered at the meeting will describe the provisions of the ANPRM issued by the Federal Transit Administration (FTA). Further outreach sessions, if scheduled, will be announced in a subsequent Federal Register notice.

DATES: See SUPPLEMENTARY INFORMATION section for the meeting date.

ADDRESSES: See SUPPLEMENTARY INFORMATION section for the meeting location.

FOR FURTHER INFORMATION CONTACT: Elizabeth Day, Office of Planning and Environment, (202) 366–5159; for questions of a legal nature, Christopher Van Wyk, Office of Chief Counsel, (202) 366–1733. FTA is located at 1200 New Jersey Avenue, SE., Washington, DC 20590. Office hours are from 9 a.m. to 5:30 p.m., EST, Monday through Friday, except Federal holidays.

SUPPLEMENTARY INFORMATION: FTA announced the time and location of its first two outreach meetings to discuss the ANPRM published on June 3, 2010 (75 FR 31383), noting that additional meetings would be announced in subsequent Federal Register notices. The meeting listed below is an additional outreach session that will provide a forum for FTA staff to make oral presentations regarding the ANPRM and provides an opportunity for attendees to ask questions. All outreach sessions are intended to encourage interested parties and stakeholders to submit their comments directly to the official docket for the ANPRM according to the instructions found in the June 3, 2010 Federal Register notice for the ANPRM.

I. Meeting

Information on the public outreach session meeting date and address follows: Monday, July 26, 2010, 5 p.m.–7 p.m., EST, 270 West 43rd Street, New York City 10036, NY (Minetta Room of the Westin Times Square Hotel), concurrent with the “2010 Sustainability and Public Transportation Workshop” sponsored by the American Public Transportation Association.

II. Comment Format

Meeting attendees will have an opportunity to pose questions to FTA staff and to the group as a whole. It is the responsibility of individuals who wish for their comments to become part of the official public record to submit their comments directly to the official docket for the ANPRM.

III. Registration

Registration is not required in order to attend the outreach session.

IV. Special Accommodations

All locations are ADA-accessible. Individuals attending a meeting who are hearing or visually impaired and have special requirements, or requiring special assistance, may obtain this by calling Elizabeth Day at (202) 366–5159.

Issued in Washington, DC, on July 2, 2010.

Dorval R. Carter, Jr.,
Chief Counsel.