

**(j) Alternative Methods of Compliance (AMOCs)**

(1) The Manager, Seattle ACO Branch, FAA, has the authority to approve AMOCs for this AD, if requested using the procedures found in 14 CFR 39.19. In accordance with 14 CFR 39.19, send your request to your principal inspector or responsible Flight Standards Office, as appropriate. If sending information directly to the manager of the certification office, send it to the attention of the person identified in paragraph (k) of this AD. Information may be emailed to: *9-ANM-Seattle-ACO-AMOC-Requests@faa.gov*.

(2) Before using any approved AMOC, notify your appropriate principal inspector, or lacking a principal inspector, the manager of the responsible Flight Standards Office.

(3) An AMOC that provides an acceptable level of safety may be used for any repair, modification, or alteration required by this AD if it is approved by The Boeing Company Organization Designation Authorization (ODA) that has been authorized by the Manager, Seattle ACO Branch, FAA, to make those findings. To be approved, the repair method, modification deviation, or alteration deviation must meet the certification basis of the airplane, and the approval must specifically refer to this AD.

**(k) Related Information**

For more information about this AD, contact Brandon Lucero, Aerospace Engineer, Cabin Safety and Environmental Systems Section, FAA, Seattle ACO Branch, 2200 South 216th St., Des Moines, WA 98198; phone: 206-231-3569; email: *brandon.lucero@faa.gov*.

**(l) Material Incorporated by Reference**

(1) The Director of the Federal Register approved the incorporation by reference (IBR) of the service information listed in this paragraph under 5 U.S.C. 552(a) and 1 CFR part 51.

(2) You must use this service information as applicable to do the actions required by this AD, unless the AD specifies otherwise.

(i) Boeing Special Attention Requirements Bulletin 737-25-1855 RB, Revision 1, dated April 13, 2022.

(ii) Boeing Special Attention Requirements Bulletin 737-25-1866 RB, Revision 1, dated April 11, 2022.

(3) For service information identified in this AD, contact Boeing Commercial Airplanes, Attention: Contractual & Data Services (C&DS), 2600 Westminister Blvd., MC 110-SK57, Seal Beach, CA 90740-5600; telephone 562-797-1717; website *myboeingfleet.com*.

(4) You may view this service information at the FAA, Airworthiness Products Section, Operational Safety Branch, 2200 South 216th St., Des Moines, WA. For information on the availability of this material at the FAA, call 206-231-3195.

(5) You may view this service information that is incorporated by reference at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, *fr.inspection@nara.gov*, or go to: *www.archives.gov/federal-register/cfr/ibr-locations.html*.

Issued on November 1, 2022.

**Christina Underwood,**

*Acting Director, Compliance & Airworthiness Division, Aircraft Certification Service.*

[FR Doc. 2022-26064 Filed 11-29-22; 8:45 am]

**BILLING CODE 4910-13-P**

**POSTAL SERVICE****39 CFR Part 111****Electronic Indicators for the Mailing of Hazardous Materials**

**AGENCY:** Postal Service™.

**ACTION:** Proposed rule for special standards; invitation to comment.

**SUMMARY:** The Postal Service proposes to provide unique electronic service codes and to standardize extra service options for shipments of hazardous materials (HAZMAT). If adopted, this proposal would amend Publication 52, *Hazardous, Restricted, and Perishable Mail* (Pub 52) by requiring the use of unique service type codes and extra service codes within the electronic data submission and tracking barcodes for shipments containing HAZMAT provided to the USPS by the mailers in their Shipping Services File (SSF). This proposal would standardize the acceptance and handling of shipments containing HAZMAT by collecting electronic data to create manifests for the Postal Service's air carrier suppliers and ensuring these items are handled appropriately with regards to the category of HAZMAT contained within the package. The Postal Service also proposes to amend the *Mailing Standards of the United States Postal Service Domestic Mail Manual* (DMM) that would alter the refund eligibility of Priority Mail Express containing hazardous materials.

**DATES:** Submit comments on or before December 30, 2022.

**ADDRESSES:** Mail or deliver written comments to the Director, Product Classification, U.S. Postal Service, 475 L'Enfant Plaza SW, Room 4446, Washington, DC 20260-5015. If sending comments by email, include the name and address of the commenter and send to *PCFederalRegister@usps.gov*, with a subject line of "Electronic Indicators". Faxed comments will not be accepted.

All submitted comments and attachments are part of the public record and subject to disclosure. Do not enclose any material in your comments that you consider to be confidential or inappropriate for public disclosure.

You may inspect and photocopy all written comments, by appointment only, at USPS® Headquarters Library,

475 L'Enfant Plaza SW, 11th Floor North, Washington, DC 20260. These records are available for review Monday through Friday, 9 a.m. to 4 p.m., by calling 202-268-2906.

**FOR FURTHER INFORMATION CONTACT:**

Jennifer Cox at (202) 268-2108, Juliaann Hess at (202) 268-7663, or Dale Kennedy (202) 268-6592.

**SUPPLEMENTARY INFORMATION:** The Postal Service proposes to amend Publication 52, *Hazardous, Restricted, and Perishable Mail* ("Pub 52"), with the provisions set forth herein. While not codified in title 39, Code of Federal Regulations ("CFR"), Publication 52 is a regulation of the Postal Service, and changes to it may be published in the **Federal Register**. 39 CFR 211.2(a)(2). Moreover, Publication 52 is incorporated by reference into *Mailing Standards of the United States Postal Service, Domestic Mail Manual* ("DMM") section 601.8.1, which is incorporated by reference, in turn, into the Code of Federal Regulations. 39 CFR 111.1, 111.3. Publication 52 is publicly available, in a read-only format, via the Postal Explorer® website at *https://pe.usps.com*. In addition, links to Postal Explorer are provided on the landing page of *USPS.com*, the Postal Service's primary customer-facing website, and on *Postal Pro*, an online informational source available to postal customers. If the proposal is adopted, the Postal Service will amend Pub 52 and the DMM with the requirements below:

1. Require PC Postage, eVS, ePostage, and USPS Ship mailers to transmit a Shipping Services File (SSF), or Shipping Partner Event File (SPEF) to the Postal Service before, or concurrent with, the tendering of hazardous materials shipments, and require mailers using USPS generated labels (including but not limited to USPS API, WebTools, Click-n-Ship, or Merchant Returns Application) to indicate the shipment includes hazardous materials at the time of requesting a label.

2. Require the use of unique Service Type Codes (STCs) for hazardous materials packages shipped domestically. At a minimum, mailers must use one of six unique STCs, each of which would correspond to the hazardous materials contained within a domestic shipment via Priority Mail®, First-Class Package Service®, Parcel Select®, Parcel Select Lightweight®, and USPS Retail Ground®, or, if purchasing extra services, use one of sixteen STCs to show the product and extra service used.

3. Require the use of unique STCs for hazardous materials for returns (packages using any of the USPS Return

products). At a minimum, mailers must use one of eight STCs, each of which will correspond with the hazardous materials return shipments via Priority Mail Return Service, First-Class Package Return Service®, Parcel Return Service, and USPS Ground Return Service, or, if purchasing extra services, use one of six STCs to reflect the product and extra service used.

4. Specify that Insurance and Adult Signature will be the only domestic Extra Services available on a package containing hazardous materials. The Postal Service proposes to provide a unique STC for each product without an Extra Service (which would include basic USPS “tracking provided” as a built-in feature of these products), with purchases of insurance less than or equal to \$500, with purchases of insurance over \$500, with Signature Requested for Priority Mail Express, and with the required use of Adult Signature over 21 for Priority Mail Express and Priority Mail shipments of tobacco/Electronic Nicotine Delivery System (ENDS) products.

5. Specify five unique STCs for Priority Mail Express® shipments to identify packages where the mailer is requesting a signature waiver, requiring a signature, Adult Signature over 21 (when shipping tobacco/ENDS products via PME and PM), purchasing insurance less than or equal to \$500, or purchasing insurance over \$500.

6. Specify three unique STCs to explicitly identify Division 6.2, Infectious Substances, returned through the Postal Service network using any USPS Return Service product.

7. Provide unique Extra Service Codes (ESC) to identify categories of hazardous materials with specific relevance to segregation, handling, and identification in the Postal Service network.

8. Encourage adoption of the Postal Service’s recommendation to add two (2) supplemental GS1-DataMatrix (2D) IMpbs to shipping labels to improve package visibility; one in the address block to the left of the Delivery Address and one in the lower right corner of the shipping label.

9. Provide for the optional use of hazardous materials electronic indicators from the date of publication of the final rule until January 21, 2023, and, if the final rule is adopted, to require their use by April 30, 2023.

#### Overview

Due to the rapid expansion of eCommerce, the United States Postal Service® (Postal Service®) has encountered a significant increase in the number of hazardous material shipments being entered into the

mailstream. Materials such as lithium batteries, flammable liquids, flammable gases, non-flammable compressed gases, and corrosive cleaning solutions that were typically purchased through brick-and-mortar establishments are now routinely being purchased online and shipped to their destination. This increase in hazardous material volume has brought with it a proportional increase in instances of improper labelling and packaging, use of ineligible shipping services, and an increase in safety related incidents in Postal Service facilities. These incidents have increased risks to Postal Service employees, customers, and business suppliers, especially risks related to personal safety/property damage, and resulted in millions of dollars in losses.

The Postal Service relies heavily on commercial cargo and passenger aircraft to transport mail in circumstances where the use of ground transportation is insufficient to meet its service standards or is otherwise operationally or financially impracticable. With regard to the transportation of hazardous materials, commercial air carriers observe requirements promulgated by the Federal Aviation Administration (FAA), and the International Civil Aviation Organization (ICAO).

In accordance with FAA regulations, commercial air carriers are required to develop and maintain a Safety Management System (SMS). In applying the safety risk management concept of their respective SMS, air carriers conduct a systemic analysis to identify hazards and then develop and maintain processes to analyze the safety risks associated with the hazards identified. This process requires air carriers to acquire data with respect to their operations, products, and services, to monitor the safety performance of their operations, and to conduct and update their risk assessments. Previously, the Postal Service tendered mail, including packages containing both non-hazardous and marked hazardous materials, to its contracted air carriers in sacks. Due to the “sacking” of marked hazardous materials from the Postal Service, air carriers were often unaware of the specific marked hazardous materials they were accepting and transporting. Without this information, air carriers were unable to accurately define and address the risks associated with the mail. To address these issues, and several others related to hazardous materials shipments, the Postal Service promulgated an interim final rule specifying that mailers must separate hazardous materials from other mail when tendering to the Postal Service. 87

FR 34197. In a separate final rule being published today, the Postal Service promulgated as a final rule the changes to Pub 52, with some alterations from the interim final rule. The current proposal complements the effective implementation of both the interim final rule and the more recent final rule, but also is part of a broader effort to increase safety and security when hazardous materials are transported through the mail.

#### Proposal

To enhance its ability to make knowledgeable decisions regarding the handling and disposition of hazardous materials shipments in its networks and better leverage the use of operational processes to properly segregate and tender these items, the Postal Service proposes to require mailers to identify and categorize their hazardous materials shipments through the use of specified electronic indicators.

The Postal Service expects to use these indicators to capture details about the categories, volume, and weight of the hazardous materials contained in packages tendered to its contracted transportation providers, which would ensure that both the Postal Service and its contracted transportation providers have the required information to be able to handle these packages in a safe and operationally efficient manner. These HAZMAT-specific indicators will be required regardless of whether the mailpieces are entered at origin or in connection with destination entry.

The Postal Service has enhanced its operational capability to provide piece-level tracking and visibility through the use of the Intelligent Mail Package Barcodes (IMpb®). These barcodes can be scanned by automated processing equipment and Intelligent Mail scanning devices. Today, mailers are required to encode certain information into the barcode structure of the IMpb through the use of STCs and to encode additional information into a USPS-Approved SSF/SPEF through the use of Extra Service Codes (ESCs). As part of current procedures under Postal Service Publication 199, mailers tendering commercial packages to the Postal Service are required to accurately encode their IMpb barcodes for each package and supply the Postal Service with a complete SSF/SPEF when entering their packages into the Postal Service’s network.

The Postal Service is committed to improving package visibility by increasing the volume and quality of scan data that is collected within its processing environment. Extreme curvature, fold-overs, and creased

shipping labels on soft packs and irregularly shaped parcels often distort the current/traditional one-dimensional GS1-128 IMPb barcode to an extent that the barcode becomes unreadable resulting in no-reads. This reduces overall package visibility to the customer and may require that the piece be re-run or manually sorted. In an effort to improve processing efficiency and improve package visibility, the Postal Service will recommend adding two (2) supplemental GS1-DataMatrix (2D) IMPbs to shipping labels: one in the address block to the left of the Delivery Address and the other in the lower right corner of the shipping label. The Postal Service may require this practice in the future. For more information on the GS1-DataMatrix (2D) IMPbs, mailers can view GS1 (2D) information and find barcode specifications at: [https://www.gs1.org/docs/barcodes/GS1\\_DataMatrix\\_Guideline.pdf](https://www.gs1.org/docs/barcodes/GS1_DataMatrix_Guideline.pdf) and <https://postalpro.usps.com/shipping/impb/2d-impb-guide>.

As a related matter, the Postal Service proposes to amend the *Mailing Standards of the United States Postal Service Domestic Mail Manual (DMM)* that would alter the refund eligibility of Priority Mail Express containing hazardous materials. Given that shipments containing HAZMAT may have to be processed differently than if they did not contain HAZMAT. As a result, the Postal Service proposes that refunds for domestic Priority Mail Express would not be available for shipments containing live animals or hazardous materials and the item is delivered or delivery was attempted within 3 days of the date of mailing.

#### *Restriction of Extra Services*

The Postal Service proposes to restrict the Extra Service options available for shipments of regulated hazardous materials, including restrictions on Adult Signature over 21 (used when regulations require restricted delivery to adults aged 21 years and older for tobacco and ENDS shipments), insurance over and under \$500 for most mail classes or products, and insurance over and under \$500 in addition to waiver of signature for Priority Mail Express. The Postal Service is proposing these additional restrictions to reduce the complexity for mailers complying with the requirements in this **Federal Register** Notice. The Postal Service expects the demand for the variety of Extra Services covered under this proposed restriction to be low enough for shippers of hazardous materials to generally be of minor concern.

*PC Postage, eVS, USPS Ship, and ePostage Users or Users of USPS-Generated Labels (USPS APIs, WebTools, Click-n-Ship, MRA)*

The generation of the flight-specific air carrier manifests and the other operational enhancements proposed in this **Federal Register** Notice would be possible only when the information is included in a mailer's SSF/SPEF and is made available to all Postal Service systems in a timely fashion. It is for this reason that the Postal Service is proposing to require impacted mailers to transmit an approved SSF/SPEF before, or concurrent with, the physical tendering of regulated hazardous materials shipments to the Postal Service regardless of the postage payment method used. In addition to the other postage payment methods, this requirement would extend to mailers using electronic payment systems (PC Postage, eVS, ePostage, or USPS Ship). Additionally, any mailer using a USPS generated label (including but not limited to USPS API, WebTools, Click-n-Ship, or Merchant Returns Application) would indicate before label generation that the shipment includes hazardous materials.

#### *Legacy Postal Meters and Hard Copy Mailers*

To ensure electronic information for all hazardous materials shipments is available and provided to the Postal Service concurrent with the induction of each shipment into the Postal Service's network, the Postal Service proposes to restrict shipments of hazardous materials from mailers using postage meters not capable of electronically transmitting transactional data to the Postal Service, mailers submitting paper postage statements, and any other mailers who may still be using legacy package barcodes. The Postal Service urges these mailers to transition to newer systems or to bring their hazardous materials to a Postal Service retail unit for induction.

#### *Service Type Codes and Extra Service Codes for Hazardous Materials*

The Postal Service proposes to specify six unique required STCs and an optional sixteen STCs to correspond with each product and extra service used to identify the hazardous materials contained in domestic originating shipments via Priority Mail Service, First-Class Package Service®, Parcel Select, Parcel Select Lightweight, and USPS Retail Ground Service. The optional STCs would provide a unique STC for each product without an Extra Service, requests for insurance less than

or equal to \$500, requests for insurance over \$500, Signature Requested for Priority Mail Express, and Adult Signature over 21 for Priority Mail Express and Priority Mail. The Postal Service also proposes to specify eight unique required STCs and an optional six STCs to reflect the product and extra service used, each to correspond to hazardous materials return shipments via Priority Mail Return Service, First-Class Package Return Service®, Parcel Return Service, and USPS Ground Return Service. The eight required STCs specify unique STCs for each product, and specify unique STCs to explicitly identify Division 6.2, Infectious Substances, while the optional STCs would correspond to the Extra Service options described above for domestic shipments returned through the Postal Service network using each of these return services. The Postal Service proposes unique STCs to identify Division 6.2, Infectious Substances, because hazardous materials in this category are the most commonly shipped hazardous materials through the Postal Service network via a return service. Additional visibility into these shipments would be beneficial to the Postal Service reducing incidents related to the mailing of hazardous materials.

The Postal Service proposes to provide unique ESCs to identify specified categories of hazardous materials with specific relevance to segregation, handling, and identification in Postal Service networks. The Postal Service plans to specify approximately 23 ESCs, each to identify a category of hazardous materials that is associated with specific restrictions, packaging, and markings requirements, and for some ESCs, restrictions in air transportation. Included among the proposed categories to be assigned with a specific ESC, and intended for air transportation are:

- Air Eligible Consumer Commodity/Limited Quantity
- Air-eligible Ethanol
- Excepted Quantity
- Division 5.1, Oxidizer
- Division 5.2, Organic Peroxide
- Division 6.1, Toxic Material (Packaging Instruction 6B)
- Class 8, Corrosive
- Class 8, Nonspillable battery
- Class 9, Dry Ice
- Class 9, Magnetized Material
- Class 9, Lithium Battery (marked)
- Class 9, Lithium Battery (unmarked)

The Postal Service has also specified one proposed ESC to indicate a shipment with hazardous materials to be used when requesting a USPS

generated label from USPS APIs or WebTools. Additionally, the Postal Service has specified proposed ESCs to correspond with categories of hazardous materials shipments intended for ground transportation, which will be available in Appendix G of Pub 52.

The Postal Service expects to have these STCs and ESCs available for optional use by mailers before the end of the 2022 calendar year. If the final rule is adopted, the Postal Service intends to require STC adoption by April 30, 2023. The use of ESCs in domestic mail and GS1 DotMatrix (2D) barcodes would remain optional for mailers for the foreseeable future. The use of the appropriate STC and ESC is contingent upon the mailability of the hazardous material. Mailers must adhere to the packaging instructions in Pub 52 for specific hazardous materials being shipped in order to assess mailability prior to finalizing the shipment.

#### International Shipments

Tracking numbers for international packages include the use of an IMPb and would not have unique STCs for hazardous materials. However, international mailpieces containing hazardous materials/Dangerous Goods (DG) ((DG) is an international term used to identify hazardous materials) would be required to utilize the appropriate ESC for the category of hazardous materials/DG in the SSF/SPEF used by the mailer and transmitted to the Postal Service. The Postal Service proposes to require mailers to include the hazardous materials/DG ESC applicable to the category of material being shipped. In accordance with *Mailing Standards of the United States Postal Service*, International Mail Manual (IMM®) part 135, only three categories of hazardous materials/DG are permitted in international mail. Hazardous materials/DG permitted in international mail are restricted to specified subsets of the following DG classes:

- Division 6.2, Infectious Substances (permitted only by authorization from Product Classification, USPS® Headquarters)
- Class 7, Radioactive Materials
- Class 9, Lithium Batteries installed in equipment (unmarked)

The Postal Service would provide access to the ESCs applicable to these hazardous materials categories for use with international mail.

#### Systems Enhancements

To provide greater visibility into the quantities, weights, and categories of hazardous materials being tendered to

the Postal Service's contracted air carriers, the Postal Service plans to use the data from the STCs and ESCs to improve its identification of hazardous materials/DG shipments, ensure proper assignment of these shipments to the proper mode of transportation, acquire better data on what hazardous materials/DG are transiting its system, and provide increased safety to customer, employees, contractors, and shippers.

These electronic indicators would also provide Postal Service operations personnel with the ability to identify packages containing hazardous materials/DG and the categories under which they fall. This additional information would allow the Postal Service to separate or handle such hazardous materials/DG packages as necessary to meet operational requirements and allow Postal Service operations to affix, when necessary, the applicable markings to a postal receptacle containing hazardous materials/DG.

#### Enforcement

If this proposal is adopted, the United States Postal Inspection Service® (USPIS®) expects universal compliance by mailers following a reasonable period of time to communicate the new requirements to mailers and postage payment providers, and for them to make the necessary changes to their systems. Following the implementation period, USPIS® intends to enforce these new requirements using its civil penalty authority under 39 U.S.C. 3018 and/or 39 CFR 233.12(f).

The Postal Service is revising the Priority Mail Express refund policy in DMM subsection 604.9.5.5 to not allow a refund if the shipment contains hazardous materials and was delivered or delivery was attempted within 3 days of the date of mailing.

Although exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 553(b), (c)) regarding proposed rulemaking by 39 U.S.C. 410(a), the Postal Service invites public comment 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 111.1.

We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes.

The Postal Service also proposes to adopt the following changes to Publication 52, *Hazardous, Restricted, and Perishable Mail*, incorporated by reference into the DMM, section 601.8.1,

which is further incorporated by reference in the Code of Federal Regulations. 39 CFR 111.1, 111.3. Publication 52 is also a regulation of the Postal Service, changes to which may be published in the **Federal Register**. 39 CFR 211.2(a).

#### 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:

**Authority:** 5 U.S.C. 552(a); 13 U.S.C. 301–307; 18 U.S.C. 1692–1737; 39 U.S.C. 101, 401, 403, 404, 414, 416, 3001–3011, 3201–3219, 3403–3406, 3621, 3622, 3626, 3632, 3633, and 5001.

- 2. Revise the *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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#### 600 Basic Standards for All Mailing Services

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#### 604 Postage Payment Methods and Refunds

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#### 9.0 Exchanges and Refunds

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#### 9.5 Priority Mail Express Postage and Fees Refunds

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#### 9.5.5 Refunds Not Given

Postage will not be refunded if the guaranteed service was not provided due to any of the following circumstances:

\* \* \* \* \*

[Revise the text of item g to read as follows:]

g. The shipment contained live animals or hazardous materials and was delivered or delivery was attempted within 3 days of the date of mailing.

\* \* \* \* \*

- 3. Revise Publication 52 as follows:

#### Publication 52, Hazardous, Restricted and Perishable Mail

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#### 3 Hazardous Materials

\* \* \* \* \*

32 General

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323 Mailer Responsibility

[Add new sections 323.1, 323.2, 323.3 and 323.4 to read as follows:]

323.1 Electronic Service Type and Extra Service Codes

Mailers tendering packages containing hazardous materials to the Postal Service must use a unique Service Type Code (STC) for domestic outbound and return packages that correspond to the appropriate product being shipped (i.e., Priority Mail®, First-Class Package Service®, Parcel Select®, Parcel Select Lightweight®, and USPS Retail Ground®). The STC is required regardless of whether the mailpieces are entered at origin or for destination entry. If purchasing an eligible extra service, mailers must use the STC indicating the product and extra service in conjunction with the appropriate Extra Service Code (ESC). Extra services permitted with hazardous materials mailings are:

- a. Adult Signature
b. Insurance less than or equal to \$500
c. Insurance over \$500
d. Signature Requested for Priority Mail Express
e. Adult Signature over 21 for Priority Mail Express (tobacco/Electronic Nicotine Delivery System (ENDS) products)
f. Adult Signature over 21 for Priority Mail (ENDS products)

A list of HAZMAT STCs and ESCs can be found in Appendix G and Pub 199.

323.2 Additional GS1 DotMatrix (2D) Impb

In addition to including the appropriate STC in the one-dimensional GS1-128 Impb barcode on the address label, the Postal Service recommends adding two (2) supplemental GS1-DataMatrix (2D) Impbs to shipping labels. One in the address block to the left of the Delivery Address and one in the lower right corner of the shipping label.

Note: while currently this is a recommended practice, the Postal Service may undertake to make this requirement mandatory in the future. For more information on the GS1-DataMatrix (2D) Impbs, mailers can view GS1 (2D) information and find barcode specifications at: https://www.gs1.org/docs/barcodes/GS1\_DataMatrix\_Guideline.pdf and https://postalpro.usps.com/shipping/impb/2d-impb-guide.

323.3 Shipping Service File

Mailers shipping hazardous materials domestically utilizing PC Postage, eVS, USPS Ship, and/or ePostage platforms must incorporate the applicable Service Type Code (STC) and/or Extra Service Code (ESC) found in Appendix G and Pub 199 and transmit a Shipping Services File (SSF), Version 1.7 or higher, or Shipping Partner Event File (SPEF), using Version 5.0 or higher, to the Postal Service before, or concurrent with the tendering of any hazardous materials shipments.

323.4 Legacy Postage and Hard Copy Postage Statements

Mailers using legacy postage meters or hard copy postage forms must present hazardous materials mailings to a Postal Service retail unit for acceptance.

323.5 USPS Generated Shipping Labels

Mailers using a label generated by the USPS (including but not limited to USPS APIs, WebTools, Click-n-Ship, or Merchant Returns Application) must indicate whether the shipment contains hazardous materials at the time of label generation.

\* \* \* \* \*

327 Transportation Requirements

327.1 General

[Revise the last sentence in bullet b. to read as follows:]

b. \* \* \* A mailpiece containing mailable hazardous materials with postage paid at Marketing Mail, USPS Retail Ground, Parcel Select, or Package Service prices must not, under any circumstances, be transported on air transportation. This excludes those ZIP

Codes that are only serviced by air transportation. See Appendix F for ZIP Codes serviced by air transportation only.

\* \* \* \* \*

6 International Mail

62 Hazardous Materials: International Mail

621 General Requirements

\* \* \* \* \*

[Add new section 621.5 to read as follows:]

621.5 Extra Service Codes and Shipping Service Files

Mailers shipping dangerous goods internationally, including to APO/FPO/DPO destinations utilizing PC Postage, eVS, USPS Ship, and ePostage platforms, must incorporate the applicable Extra Service Code (ESC) found in Appendix G and Pub 199 and transmit a Shipping Services File (SSF), Version 1.7 or higher, or Shipping Partner Event File (SPEF), using Version 5.0 or higher, to the Postal Service before, or concurrent with, the tendering of any dangerous goods shipments.

\* \* \* \* \*

[Add new Appendix G to read as follows:]

Appendix G

Hazardous Materials Service Type Codes (STCs) and Extra Service Codes (ESCs)

This appendix contains a complete list of the required and optional STCs and ESCs when shipping hazardous materials and/or dangerous goods. If an optional STC is selected, then a corresponding ESC must be used. See 323 and 621.5.

STCs Domestic Outbound (Required)

The following STCs are required when shipping domestic hazardous materials, unless an STC from the "Optional" table is used in combination with the applicable ESC. ESCs are not required and are optional when using an STC from the following list.

Table with 2 columns: Code and Description. Rows include 760 Priority Mail Express Signature Waived—Hazardous Materials, 116 Priority Mail USPS Tracking—Hazardous Materials, 184 First-Class Package Service USPS Tracking—Hazardous Materials, 395 Parcel Select USPS Tracking—Hazardous Materials, 785 Parcel Select Lightweight USPS Tracking—Hazardous Materials, 362 USPS Retail Ground USPS Tracking—Hazardous Materials.

**STCs Domestic Outbound (Optional)**

The following STCs are optional and are allowed to be used when shipping

domestic hazardous materials if the use of the applicable Extra Service is needed.

678	PRS Insurance > \$500—Hazardous Materials.
761	Priority Mail Express Signature Requested—Hazardous Materials.
762	Priority Mail Express Add Insurance <= \$500—Hazardous Materials.
763	Priority Mail Express Insurance > \$500 Restricted Delivery—Hazardous Materials.
764	Priority Mail Express Adult Signature Over 21—Hazardous Materials.
120	Priority Mail Insurance <= \$500—Hazardous Materials.
323	Priority Mail Insurance > \$500—Hazardous Materials.
075	Priority Mail Adult Signature Over 21—Hazardous Materials.
185	First-Class Package Service Insurance <= \$500—Hazardous Materials.
186	First-Class Package Service Insurance > \$500—Hazardous Materials.
483	Parcel Select Insurance <= \$500—Hazardous Materials.
628	Parcel Select Insurance > \$500—Hazardous Materials.
786	Parcel Select Lightweight Insurance <= \$500—Hazardous Materials.
787	Parcel Select Lightweight Insurance > 500—Hazardous Materials.
363	USPS Retail Ground Insurance <= \$500—Hazardous Materials.
365	USPS Retail Ground Insurance > \$500—Hazardous Materials.

**STCs Domestic Returns (Required)**

The following STCs for domestic hazardous materials returns packages

are required, unless an STC from the “Optional” list is used in conjunction with the applicable ESC. ESCs are not

required and are optional when using an STC from the following list.

676	PRS—Hazardous Materials.
187	First-Class Package Return Service—Hazardous Materials.
385	Ground Return Service—Hazardous Materials.
037	Priority Mail Return Service—Hazardous Materials.
217	First-Class Package Return Service—Division 6.2 Hazardous Materials.
218	Ground Return Service—Division 6.2 Hazardous Materials.
219	Priority Mail Return Service—Division 6.2 Hazardous Materials.
859	PRS: HAZMAT—Division 6.2 Hazardous Materials.

**STCs Domestic Returns (Optional)**

The following STCs are optional for domestic hazardous materials returns

packages if the use of the applicable Extra Service is needed.

190	First-Class Package Return Service Insurance <= \$500—Hazardous Materials.
191	First-Class Package Return Service Insurance > \$500—Hazardous Materials.
388	Ground Return Service Insurance <= \$500—Hazardous Materials.
399	Ground Return Service Insurance > \$500—Hazardous Materials.
515	Priority Mail Return Service Insurance <= \$500—Hazardous Materials.
517	Priority Mail Return Service Insurance > \$500—Hazardous Materials.

**ESCs Domestic (Optional)**

The following is a list of ESCs that may be used in conjunction with a required STC if the mailer chooses.

810	Air Eligible Ethanol Package.
811	Class 1—Toy Propellant/Safety Fuse Package.
812	Hazardous Materials Class 3—Package.
813	Class 7—Radioactive Materials Package.
814	Class 8—Corrosive Materials Package.
815	Class 8—Nonspillable Wet Battery Package.
816	Class 9—Lithium Battery Marked—Ground Only Package.
817	Class 9—Lithium Battery—Returns Package.
818	Class 9—Lithium batteries, marked package.
819	Class 9—Dry Ice Package.
820	Class 9—Lithium batteries, unmarked package.
821	Class 9—Magnetized Materials Package.
822	Division 4.1—Mailable flammable solids and Safety Matches Package.
823	Division 5.1—Oxidizers Package.
824	Division 5.2—Organic Peroxides Package.
825	Division 6.1—Toxic Materials Package (with an LD50 of 50 mg/kg or less).
826	Division 6.2 Hazardous Materials.

827 .....	Excepted Quantity Provision Package.
828 .....	Ground Only Hazardous Materials.
829 .....	ID8000 Consumer Commodity Package.
830 .....	Lighters Package.
831 .....	LTD QTY Ground Package.
832 .....	Small Quantity Provision Package.

### ESCs Domestic & APO/FPO/DPO (Requesting Label From USPS APIs or WebTools) (Required)

The following is an ESC that must be provided if requesting a USPS created label from USPS APIs or WebTools for a shipment containing hazardous materials.

857 .....	Hazardous Materials.
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### ESCs International (Required)

The following is a list of ESCs required for use in the mailers Shipping Service File, when tendering dangerous goods internationally with the Postal Service.

813 .....	Class 7—Radioactive Materials Package.
820 .....	Class 9—Lithium batteries, un-marked package.
826 .....	Division 6.2 Hazardous Materials.

\* \* \* \* \*

Sarah Sullivan,

Attorney, Ethics & Legal Compliance.

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## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### 42 CFR Part 10

[Docket No. 2021–0004]

RIN 0906–AB28

### 340B Drug Pricing Program; Administrative Dispute Resolution

**AGENCY:** Health Resources and Services Administration (HRSA), Department of Health and Human Services (HHS).

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Health Resources and Services Administration implements section 340B of the Public Health Service (PHS) Act, which is referred to as the “340B Drug Pricing Program” or the “340B Program.” This notice of proposed rulemaking (NPRM) proposes to revise the current 340B administrative dispute resolution (ADR) final rule (Dec. 14, 2020) with a new process and solicits comment on the proposal.

**DATES:** Written comments and related material to this proposed rule must be received on or before January 30, 2023.

**ADDRESSES:** You may submit written comments electronically by the following method: *Federal eRulemaking Portal*: <https://www.regulations.gov>. Follow the instructions on the website for submitting comments. Include the HHS Docket No. “HRSA–2021–000X” in your comments. All comments received will be posted without change to <https://www.regulations.gov>. Please do not include any personally identifiable or confidential business information you do not want publicly disclosed.

**FOR FURTHER INFORMATION CONTACT:** Michelle Herzog, Deputy Director, Office of Pharmacy Affairs, HRSA, 5600 Fishers Lane, Mail Stop 08W12, Rockville, MD 20857; email: [340badr@hrsa.gov](mailto:340badr@hrsa.gov); telephone: 301–594–4353.

### SUPPLEMENTARY INFORMATION:

#### I. Background and Purpose

Section 340B of the PHS Act entitled “Limitation on Prices of Drugs Purchased by Covered Entities,” was created under section 602 of Public Law 102–585, the “Veterans Health Care Act of 1992,” and codified at 42 U.S.C. 256b. The 340B Program is intended to enable covered entities “to stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.” H.R. Rep. No. 102–384(II), at 12 (1992). The Secretary of Health and Human Services (Secretary) delegated the authority to establish and administer the 340B Program to the HRSA Administrator. The Office of Pharmacy Affairs (OPA), within HRSA, oversees the 340B Program. Eligible covered entity types are defined in Section 340B(a)(4) of the PHS Act, as amended. Section 340B(a)(1) of the PHS Act instructs HHS to enter into pharmaceutical pricing agreements (PPAs) with manufacturers of covered outpatient drugs. Under section 1927(a)(5)(A) of the Social Security Act, a manufacturer must enter into an agreement with the Secretary that complies with section 340B of the PHS Act “[i]n order for payment to be available under section 1903(a) or under part B of title XVIII of the Social Security Act for covered outpatient drugs of a manufacturer.” When a drug

manufacturer signs a PPA, it agrees that the prices charged for covered outpatient drugs to covered entities will not exceed statutorily defined 340B ceiling prices. Those prices are based on quarterly pricing reports that manufacturers must provide to the Secretary through the Centers for Medicare & Medicaid Services (CMS).

Section 7102 of the Patient Protection and Affordable Care Act (Pub. L. 111–148), as amended by section 2302 of the Health Care and Education Reconciliation Act (Pub. L. 111–152), jointly referred to as the “Affordable Care Act,” added section 340B(d)(3) to the PHS Act, which requires the Secretary to promulgate regulations establishing and implementing a binding ADR process for certain disputes arising under the 340B Program. Under the 340B statute, the purpose of the ADR process is to resolve (1) claims by covered entities that they have been overcharged for covered outpatient drugs by manufacturers and (2) claims by manufacturers, after a manufacturer has conducted an audit as authorized by section 340B(a)(5)(C) of the PHS Act, that a covered entity has violated the prohibition on diversion or duplicate discounts.

The ADR process is an *administrative* process designed to assist covered entities and manufacturers in resolving disputes regarding overcharging, duplicate discounts, or diversion, as outlined in statute. The 340B ADR process should be reserved for the above-stated statutory areas where the 340B ADR Panel can apply 340B law and policy to the case-specific factual circumstances at issue in a dispute.

Historically, HHS has encouraged manufacturers and covered entities to work with each other to attempt to resolve disputes in good faith. HHS recognizes that most disputes that occur between individual parties are resolved in a timely manner without needing HRSA’s involvement. The ADR process is not intended to replace these good faith efforts and should be considered only when good faith efforts to resolve disputes have been exhausted and failed.

In 2010, HHS issued an advanced notice of proposed rulemaking that requested comments on the development of an ADR process (75 FR 57233, Sept. 20, 2010). HHS received 14