

POSTAL SERVICE

39 CFR Part 111

2011 Changes for Domestic Mailing Services

AGENCY: Postal Service™.

ACTION: Final rule.

SUMMARY: The Postal Service will revise *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®) to incorporate standards for the introduction of Address Information System services, for the discontinuation of rigid flats claiming flats prices, and other clarifications.

DATES: January 2, 2011.

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

SUPPLEMENTARY INFORMATION: On July 9 2010, the *Federal Register* published the Postal Service proposed rule, *New Standards for Domestic Mailing Services* (75 FR 39477-39492). We are re-filing separately with the Postal Regulatory Commission (PRC) our request for two incentive programs and for changes in the Move Update tolerance and will publish related standards in a separate *Federal Register* notice. The Postal Service is postponing implementation of any changes directly related to a price change.

This final rule includes changes in terminology for some Standard Mail letter prices, discontinuation of the current exception that allows some rigid flats to claim flats prices, a change in the expression of decimal pounds for Package Services parcels, the list of Address Information System services, and the mailing standards in the DMM to implement the changes. We received no customer comments on these elements of the prior proposed rule.

Standard Mail Letters

Currently, nonbarcoded or nonautomation-compatible Standard Mail letters that are mailed at saturation or high density prices pay the corresponding nonautomation Standard Mail flats prices. This causes confusion for both customers and employees regarding mail preparation. 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. Similar confusion exists regarding the price terminology for nonmachinable letters weighing more than 3.3 ounces, which currently default to nonautomation flats prices.

To reduce confusion, we are changing the terminology used for the pricing of nonbarcoded and/or nonautomation-compatible saturation and high density letters by establishing a separate price table for these pieces. Prices will be the same as for

saturation and high density flats. This does not change the applicable prices for these pieces; it only clarifies the application of the current prices.

We also will be using the term "nonmachinable letter prices" to refer to presorted nonmachinable letters weighing more than 3.3 ounces, instead of using the current terminology. Nonmachinable letters over 3.3 ounces will continue to have the same prices as nonautomation flats over 3.3 ounces, but the prices will be called nonmachinable letter prices.

Flats

The Postal Service found that rigid flat-size pieces are generally less efficient to handle than non-rigid flats, even when they are able to be sorted by our flat-sorting machines. Therefore, we will eliminate the current option for rigid flats to be eligible for automation prices if they pass a Pricing and Classification Service Center-administered testing process. The current flexibility test will remain as described in DMM 301.1.3.

Parcels

Parcel Post[®], Bound Printed Matter (BPM), Media Mail[®], and Library Mail single-piece parcel weights will be calculated by rounding 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, TN, 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 changes add a comprehensive list of address information system products and services available from the NCSC. The prices for these items will be incorporated into Notice 123—*Price List*.

The Postal Service hereby adopts the following changes to the *Mailing Services of the United States Postal Service*, Domestic Mail Manual (DMM), which is incorporated by reference in the *Code of Federal Regulations*. See 39 CFR Part 111.1.

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:

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

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200 Commercial Letters and Cards

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240 Standard Mail

243 Prices and Eligibility

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3.0 Basic Standards for Standard Mail Letters

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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.

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5.0 Additional Eligibility Standards for Nonautomation Standard Mail Letters

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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.

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6.0 Additional Eligibility Standards for Enhanced Carrier Route Standard Mail Letters

6.1 General Enhanced Carrier Route Standards

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6.1.2 Basic Eligibility Standards

All pieces in an Enhanced Carrier Route or Nonprofit Enhanced Carrier Route Standard Mail mailing must:

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[Revise item 6.1.2g to read as follows:]

- g. Meet the requirements for automation compatibility in 201.3.0 and bear an accurate delivery point POSTNET barcode (through April 2011) 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 as provided in 6.1.2h. Pieces prepared with a simplified address format are exempt from the automation-compatibility and barcode requirements. Letters with Intelligent Mail barcodes entered under the full-service Intelligent Mail automation option also must meet the standards in 705.22.0.

[Add new item 6.1.2h to read as follows:]

- h. All saturation and high density letters over 3.5 ounces, and saturation (other than pieces with a simplified address) and high density letter-size pieces not meeting the standards 6.1.2g must pay the applicable nonautomation saturation or high density prices. Basic carrier route letter prices are the same for barcoded automation-compatible pieces and nonautomation pieces.

[Delete 6.1.3, Maximum Weight for Enhanced Carrier Route Letters, in its entirety.]

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6.3 Basic Price Enhanced Carrier Route Standards

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6.3.2 Basic Price Eligibility

[Revise 6.3.2 by deleting items a and b in their entirety 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 routes or a 3-digit carrier routes 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 for barcoded letters apply to each piece that is automation-compatible according to 201.3.0, and has an accurate delivery point POSTNET barcode (through April 2011) 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.

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6.4.3 High Density Discount for Heavy Letters

[Revise 6.4.3 to read as follows:]

High density pieces that are automation-compatible under 201.3.0, that are accurately barcoded with a delivery point barcode, and that 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 high density flat-size piece price (3.3 ounces or less) minus the high density letter piece price (3.3 ounces or less). The discount is calculated using nondestination entry prices only, regardless of entry level. This discount does not apply to pieces paying nonautomation high density letter prices.

6.5 Saturation ECR Standards

6.5.1 Basic Eligibility Standards for Saturation Prices

[Revise 6.5.1 by deleting items a through c and incorporating those items into the text to read as follows:]

Saturation 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. Saturation prices for barcoded letters apply to each piece that is automation-compatible according to 201.3.0, and has an accurate delivery point POSTNET barcode (through April 2011) 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 at nonautomation saturation letter prices.

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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.

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300 Commercial Flats

301 Physical Standards

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3.0 Physical Standards for Automation Flats

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[Delete 3.3 in its entirety, and renumber current 3.4 through 3.6 as new 3.3 through 3.5.]

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400 Commercial Parcels

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460 Bound Printed Matter

463 Prices and Eligibility

1.0 Prices and Fees for Bound Printed Matter

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1.2 Commercial Bound Printed Matter

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1.2.6 Determining Single-Piece Weight

[Revise the last sentence of 1.2.6 to read as follows:]

**** Express all single-piece weights in decimal pounds rounded off to two decimal places.*

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470 Media Mail

473 Prices and Eligibility

1.0 Media Mail Prices and Fees

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1.5 Computing Postage for Media Mail

1.5.1 Determining Single-Piece Weight

[Revise the last sentence of 1.5.1 to read as follows:]

**** Express all single-piece weights in decimal pounds rounded off to two decimal places.*

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480 Library Mail

483 Prices and Eligibility

1.0 Library Mail Prices and Fees

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1.5 Computing Postage for Library Mail

1.5.1 Determining Single-Piece Weight

[Revise the last sentence of 1.5.1 to read as follows:]

* * * Express all single-piece weights in decimal pounds rounded off to two decimal places.

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500 Additional Mailing Services

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507 Mailer Services

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7.0 Mailing List Services

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7.2 General Information

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[Revise title and text of 7.2.2 to read as follows:]

7.2.2 Carrier Route Information System

The official city delivery scheme, called the Carrier Route Information System, is available to mailers.

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509 Other Services

1.0 Address Information System Services

[Revise all of 509.1.0 to reorganize by adding additional address information system services as follows:]

1.1 General Information

Address Management provides services that enable customers to manage the quality of their mailing lists while maximizing the Postal Service's ability to efficiently deliver mail. These services are described in 1.2 through 1.38. Additional information on these services can be found on RIBBS at ribbs.usps.gov or by calling the National Customer Support Center (see 608.8.0 for address) at 800-238-3150. See Notice 123—*Price List*.

1.2 Address Element Correction

Address Element Correction (AEC) service identifies and corrects bad or incomplete addresses using enhanced computer logic.

1.3 Address Matching System Application Program Interface

Address Matching System Application Program Interface (AMS API) is a core set of compiled address-matching software instructions available, for a set fee, to developers to incorporate into their software so that address lists can be updated with address data from the following databases, which are integrated into the AMS-API: City State, ZIP + 4, Five-Digit ZIP, eLOT, DPV, and LACS^{Link}. The following services require payment of separate additional fees:

- a. Installing the AMS-API on multiple computers for its own use.
- b. Reselling its address-matching software.
- c. Obtaining computer software instructions that permit the API to access the RDI data when licensed separately.
- d. Reselling RDI-API.

1.4 Advance Notification and Tracking System

The Advance Notification and Tracking System provide mailers with delivery performance reports and data for qualified Standard Mail and Periodicals mailings with specific in-home delivery windows.

1.5 AEC II Service

AEC II Service sends addresses with errors that cannot be resolved through other Address Management services to the field for resolution based on knowledge of delivery personnel. The mailer is provided with the correct address or with information that the address is not a recognized deliverable address.

1.6 Address Information Service Viewer

The Address Information Service (AIS) Viewer is an interactive CD-ROM that provides the ability to retrieve, view, and print accurate and current ZIP Code information for all 50 states on demand, eliminating hardcopy reports.

1.7 Barcode Certification

The barcode certification program evaluates manufacturers' printers, computer software, and computer systems that produce a barcode in order to certify that the barcode meets all dimensional specifications required by the Postal Service.

1.8 Carrier Route Information System

The Carrier Route Information System (CRIS) service provides reference information needed to apply carrier route codes to addresses. Copying is allowed for an additional fee.

1.9 CASS Certification

CASS evaluates and certifies the accuracy of address-matching software that applies ZIP + 4, DPV, LACS^{Link}, Carrier Route Information System (CRIS), DSF2, eLOT, RDI, and Five-Digit ZIP. The Postal Service certifies software meeting its standards until the expiration of the applicable CASS cycle. Software must be re-

certified for each CASS cycle. Ordinarily, a CASS testing cycle extends from August 1 through July 31 of the next year, and permits software use until the following July 31.

1.10 Change-of-Address Information for Election Boards and Registration Commissions

Change-of-Address Information for Election Boards and Registration Commissions service provides election boards and voter registration commissions with the current address of a resident addressee, if known to the Postal Service.

1.11 City State

The City State service is a comprehensive ZIP Code list associated with the appropriate city, county, and Post Office names. Copying is allowed for an additional fee.

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 Delivery Point Validation

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

1.16 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.

1.17 eLine-Of-Travel Service

eLine-of-Travel (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.

1.18 *FASTforward* Multi-line Optical Character Reader

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 a multi-line optical character reader (MLOCR). Customers use *FASTforward* Move Update Notification electronic files to update their databases with change-of-address information.

1.19 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.

1.20 Labeling Lists

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

1.21 LACS^{Link}

LACS^{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 1.21.1 through 1.21.3.

1.21.1 Interface Developer

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

1.21.2 Interface Distributor

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

1.21.3 End User

End User service grants the right to obtain the LACS^{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/presort mailing products accurately list and calculate 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^{Link}

The NCOA^{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 1.26.1 through 1.26.6.

1.26.1 NCOA^{Link} Interface Developer

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

1.26.2 NCOA^{Link} Interface Distributor

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

1.26.3 NCOA^{Link} Full Service Provider (FSP)

NCOA^{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^{Link} are included.

1.26.4 NCOA^{Link} Limited Service Provider (LSP)

NCOA^{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^{Link} End User Mailer

NCOA^{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^{Link} Mail Processing Equipment

NCOA^{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 MLOCR or to create an electronic file for address updating using other mail processing equipment.

1.27 NCOA^{Link} — ANK^{Link} Service Option

ANK^{Link} provides an option for NCOA^{Link} LSP and End User Mailer licensees to acquire an additional 30 months of change-of-address information. ANK^{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 System Certification

The Periodicals Accuracy, Grading, and Evaluation (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 Rulings. 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

Topological Integrated Geographic Encoding and Referencing (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 sortation 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 whether they are at least 99 percent accurate.

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

Stanley F. Mires,
Chief Counsel, Legislative.
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