### POSTAL SERVICE

#### 39 CFR Part 111

**New Mailing Standards for Domestic Mailing Services Products**

**AGENCY:** Postal Service™.

**ACTION:** Final rule.

**SUMMARY:** On October 12, 2016, the Postal Service filed a notice of mailing services price adjustments with the Postal Regulatory Commission (PRC), effective January 22, 2017. This final rule contains the revisions to [Mailing Standards of the United States Postal Service](https://www.usps.com/business/surepost/mailingstandards.html), Domestic Mail Manual (DMM®) that we will adopt to implement the changes coincident with the price adjustments.

**DATES:** Effective date: January 22, 2017.

**FOR FURTHER INFORMATION CONTACT:** Audrey Meloni at (856) 933–4360, or Lizbeth Dobbins at (202) 268–3789.

**SUPPLEMENTARY INFORMATION:** Final prices are available under Docket Number R2017–1 on the Postal Regulatory Commission’s Web site at www.prc.gov.

The Postal Service’s final rule includes: Changes to prices, several mail classification updates, mailpiece marking changes, modifications to mailpiece weights and mail preparation categories, multiple product simplification efforts, a few minor revisions to the DMM to condense language and eliminate redundancy, a change to the redemption period of a money order claim from two years to one year, the addition of Official Mail Accounting System (OMAS) stamp shipment fee language, and updates to Enterprise Post Office Box Online (ePOBOL) process that change payment periods for online Post Office Box activity. Changes to Collect On Delivery will be published in a future final rule.

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<th>When are the restrictions in place?</th>
<th>Where are the restrictions in place?</th>
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<td>September 15–November 15...........</td>
<td>Designated ORV routes in sea turtle nesting habitat (ocean intertidal zone, ocean backshore, dunes) are closed at 9:00 p.m. and open no earlier than 6:00 a.m., but the Superintendent may open designated ORV routes, or portions of the routes, 24 hours a day if no turtle nests remain. The Seashore will publish exact opening times on an annual basis.</td>
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### Comments on Proposed Changes and USPS Response

The Postal Service received 21 formal responses encompassing 34 comments on our price-change related proposal. Five responses included comments regarding more than one issue.

#### Standard Mail Name Change to USPS Marketing Mail

Nine comments requested that the Postal Service reconsider its decision to rename Standard Mail to USPS Marketing Mail. The commenters suggested that using the term “marketing” would indicate “advertising mail” or “junk mail” and cause the mail to have a lower “open rate”. Customers were unclear how a name change would encourage more people to use the mail.

Additional comments asked about the indicia, labeling criteria, transition period, and the lack of discussion with the industry and supportive research that would support such a measure that could be costly to both the USPS™ and the mailing industry.

One commenter believed the change would help promote the use of mail for marketing; while another was willing to explore an 18-month transition period before any changes to indicia would be required.

#### First-Class Mail up to 3.5 ounces

Three commenters requested clarification on the pricing methodology for computing prices for First-Class Mail up to 3.5 ounces, and for residual pieces from either a presorted or automation mailing.

One comment suggested that heavier letters might slow down processing for mail service providers. The same commenter wanted to know whether the next price increase would be within the existing CPI allowances for the existing product, or the USPS would seek higher pricing based on this current proposed change.

Additional comments cited the lack of DMM language in the proposed rule identifying the types of pieces to which the weight increase changes would apply (such as enveloped pieces only, envelopes containing discs, heavy letters only, etc.), and clarifying the barcode placement for such pieces.

**USPS Response**

There are no changes to the pricing methodology for residual mail pieces. Also, there are no changes to the requirements for enveloped mail pieces, heavy letters, or envelopes containing discs. The market dominant price change will be done using the Centralized Accounting Postage System (CAPS), and all applicable DMM sections have been updated in this final rule.

#### First-Class Package Service

One commenter asked if the new Labeling List 104 was being proposed as an added convenience.

**USPS Response**

Use of the new labeling list is optional.

#### USPS Marketing Mail Letters Weight Limit

Three commenters requested clarification of the USPS Marketing Mail weight limits. One wanted to know if the Notice 123, Price List would be updated to reflect these changes. Another requested clarification regarding the barcode clear zone.
USPS Response

USPS Marketing Mail automation letters weight will increase to 3.5 ounces, eliminating the previous piece/pound price for 3.3 to 3.5 ounces. Automation letters over 3.5 ounces will pay the applicable flats prices; however, for non-automation letters; the weight is up to 4 ounces.

Notice 123, Price List, will be updated to reflect all the piece/pound and weight changes and will be available on Postal Explorer at pe.usps.com beginning January 22, 2017. The applicable DMM sections regarding barcode clear zones are also updated with this final rule

USPS Marketing Mail Flats Weight Limit

Three comments were received. One comment stated that the Postal Service has not considered the unintended effects of the proposed rule change, and the associated loss of revenue, and suggested withdrawing this change. The commenter suggested that many mailers will take advantage of the rule change by combining more mailpieces, thus reducing the number of pieces entered and the associated revenue, while increasing the average cost to handle those pieces.

Another comment wanted clarification regarding the effect of this change on booklets and folded self-mailers.

Lastly, one comment stated that raising the weight limit on the piece/pound break is a great move as long as the rate is not raised to make up for the resulting lost revenue.

USPS Response

There will be no changes to the parameters of booklets or Folded Self-Mailers.

Permit and Annual Mailing Fees

Two comments requested clarification about the elimination of permit and annual mailing fees, specifically with regard to Bound Printed Matter and the QBRM quarterly fee.

USPS Response

A permit application fee and annual mailing fee must be paid for any destination entry Bound Printed Matter flats (except for qualifying Full-service Intelligent Mail barcode mailings). There is no application fee or annual mailing fee if a mailer uses Bound Printed Matter to mail parcels only. There is no change to the QBRM quarterly fee at this time.

Combining 3-Digit and AADC

Two comments addressed the combining of 3-Digit and AADC letters, requesting clarification regarding the mandatory origin 3-Digit trays for the local SCF area, and the use of labeling lists L801 and L003.

USPS Response

Labeling list L003 will be combined with L801 with the following exceptions. With this final rule, effective January 22, 2017, all First-Class and Standard Mail automation/machinable letters will no longer be sorted to the 3 Digit level. They will be sorted to the AADC level, after optional 5-Digit sort, whether they are Destinating AADC trays or Originating AADC trays. The current requirement that origin SCF mail be sorted down to 3-Digit trays will be eliminated. There is no minimum quantity for Origin AADC trays; however, less bundling should result in fuller trays, and the use of many fewer trays. The entry price is the same. The L801 will be applicable to all of this type of mail.

The use of 3 Digit trays will still apply to Nonmachinable letters in all three classes, and Periodicals Machinable/Automation prices. Destinating and Originating 3 Digit trays can still be made for these three classes of Nonmachinable letters along with Periodicals machinable/auto letters. The origin 3-Digit tray preparation will thus remain the same for all Nonmachinable letters and Periodicals machinable/automation letters. Labeling List 002 will be used, which may involve L003 for 3-Digit schemes.

Prices

One organization submitted two comments suggesting that a price increase for commercial USPS Marketing Mail flats would result from increasing the pound rate and decreasing the per piece rate; producing a potential 4–10 percent increase in postage costs for their mailings.

USPS Response

Comments from comparable mailers expressed satisfaction with the prices as proposed. [A request for a recent postage statement so that USPS could do a before-and-after analysis to see if correct prices were being charged was not received.]

FSS Price Structure

Two comments were received. One strongly supported the proposal to eliminate the FSS-specific price structures for Periodicals, USPS Marketing Mail, and Bound Printed Matter; however, the commenter disagreed with the proposal to leave the 250-pound minimum intact, fearing the unintended consequences of curtailing the benefits sought to be realized by the restoration of a more rational price structure.

Another comment asked if the Notice 123 would be updated and if FSS facility preparation would become mandatory.

USPS Response

The 250-pound minimum requirements will remain intact. The Notice 123, Price List, will be updated on January 22, 2017, to remove all pricing related to FSS preparation. Additionally, FSS facility preparation will be optional.

Shipping Products Permit

One comment asked what indicia changes are proposed, and whether USPS data under the combined permit would be broken down by product.

USPS Response

There will be no changes to current procedures. Each product must be identified for volume reporting purposes.

Informed Delivery

One comment regarding the Informed Delivery enhancement suggested that the process would add another level of complexity and potential for errors, thereby, increasing costs.

USPS Response

Informed Delivery is outside the scope of the price changes addressed in this final rule.

General

We received three comments of a general nature. One comment suggested that DMM exhibit 708.7.1.1 was missing an indicator for presorted Bound Printed Matter flats, and another requested that educational webinars should be provided on Premium Forwarding Service and Share Mail.

USPS Response

The DMM will be updated as part of the January 22, 2017, price change implementation. Educational seminars will be presented on various subjects in the near future.

Overview of Changes Made by This Final Rule

Flats Sequencing System (FSS)

As background, on December 18, 2013, the Postal Service began to require bundle and pallet preparation of flat-size Standard Mail®, Periodicals, and Bound Printed Matter mailpieces for delivery within ZIP Codes® served by FSS processing (78 FR 76533–76548). This requirement was incorporated into...
the DMM on January 26, 2014. Subsequently, on May 31, 2015, the Postal Service introduced FSS specific price structures for flat-sized Bound Printer Matter, Standard Mail, and Periodicals mailpieces, pursuant to PRC Order no. 2472, issued on May 7, 2015. This final rule removes all FSS specific pricing structures from Periodicals, Standard Mail and Bound Printed Matter. One change, for example, requires mailers to add Optional Endorsement Lines (OELs) on each FSS scheme mailpiece. For FSS preparation, mailers place qualifying mailpieces from all price categories into a separate pool for each individual 5-digit FSS scheme combination.

All carrier route Bound Printed Matter (BPM), carrier route Periodicals and carrier route (except saturation) Standard Mail flats meeting the standards in DMM 201.6.2 must be sorted to FSS schemes, properly bundled and placed on or in pallets, trays, sacks or approved containers, for FSS scheme ZIP Code combinations within the same facility. Mailings (excluding saturation mailings of Standard Mail) with non-presorted BPM flats may be included in FSS preparation, but will continue to be ineligible for presorted or carrier route prices.

To reiterate, all mailpieces in a 5-digit scheme FSS bundle must be identified with an OEL, as described in DMM 708.7.0. Mailpieces entered under a combined mailing of Standard Mail and Periodicals flats (DMM 705.15.0) still include class and price markings, applicable to the price paid, in addition to the OEL.

Periodicals, Standard Mail, and Bound Printed Matter flats properly included in a FSS scheme bundle qualify for the piece price applied prior to inclusion in the FSS scheme pool with the following exceptions for Standard Mail:

1. A carrier route mailpiece in a FSS bundle on a FSS scheme pallet will receive the Basic CR-Bundles/Pallet price.

2. A carrier route mailpiece in a FSS bundle on a FSS facility pallet will receive the Basic CR price.

Additional information on each mail class affected is under the Bound Printed Matter, Periodicals, and Standard Mail sections.

First-Class Mail—Combine First-Class Mail (FCM) Commercial Automation Automated Area Distribution Center (AADC) and 3-Digit Sortations for Letters and Cards Into One Combined Sortation Level Known as AADC

Currently, there are four presort levels for FCM Commercial Automation Letters and Cards: Mixed AADC, AADC, 3-Digit, and 5-Digit. To help simplify the pricing structure, the Postal Service implemented the same price for AADC Automation Letters (Cards) and 3-Digit Automations Letters (Cards) in Docket No. R2012-3. The Postal Service is now combining AADC and 3-Digit presort levels into one sortation. The new sortation name will be AADC. The existing labeling List 801 will drive the FCM AADC separations, and origin entry separations, based on labeling List 002, will be modified to reflect origin entry AADC separations.

First-Class Mail—Increase the Weight Standard for First-Class Mail (FCM) Commercial Automation and Machinable Letters and Cards From Up to 3.3 Ounces to Up to 3.5 Ounces

Currently, the “up to” weight standard for FCM Commercial Machinable Letters is 3.3 ounces. This lower weight break of up to 3.3 ounces is being increased due to mail processing improvements. Since machinable letters must follow the standards for Automation Letters (except for IMb), the same weight maximum should apply. Based on this, the Postal Service will increase the weight maximum from 3.3 ounces to 3.5 ounces. This change does not apply to the maximum weight of Booklets which are capped at 3.0 ounces.

First-Class Mail—One Price for Up To 3.5 Ounces for First-Class Mail (FCM) Commercial Automation Letters

Currently, the same price applies for one- and two-piece ounces for each individual mail sortation level for FCM Commercial Automation Letters. With this final rule there will be one price for up to 3.5 ounces for each individual mail sortation level for FCM Commercial Automation Letters. This will also apply to mixed-weight FCM Residual mailings up to 3.5 ounces. The current preparation requirements for non-blended trays, such as one ounce, up to two ounces, and now extending to 3.5 ounces will continue. This change does not include FCM single-piece letters (non-residual) or FCM Flats.

First-Class Mail—Simplifying and Renaming FCM Alternate Postage as FCM Share Mail

The Postal Service will rename Alternate Postage as Share Mail. This implements a proposal published in the June 9, 2016, Postal Bulletin (Issue #22443). Share Mail allows Postal Service customers to distribute single-piece FCM letters or cards to consumers, who may in turn mail those pieces to any domestic address, without having to affix postage. Share Mail pieces are permitted to weigh up to one ounce each. Payment is collected electronically from the customer’s Postage Due and Centralized Accounting Postage System (CAPS) Account. Invoicing is performed manually, by the Postal Service’s Share Mail Program Office in Marketing. To continue the Postal Service’s efforts to simplify its product line, the Share Mail payment tiers will be collapsed into one, and upfront postage payment requirements will be eliminated. Unique Intelligent Mail barcodes are no longer required nor is a signed Marketing Agreement. Picture Permit will no longer be available in order to help expedite the approval process. A customer who wishes to participate must submit a request to the Share Mail Program Office along with production pieces to ensure readability for postal processing. Share Mail relies on Intelligent Mail barcode (IMb) technology and scan data collected as the mailpiece travels through the mailstream to determine piece counts, so readability is paramount.

Periodicals—Eliminate Flats Sequencing System (FSS) Pricing

The Postal Service will eliminate the FSS specific price structures for Periodicals Outside-County. FSS preparation will still be required and all FSS marking requirements will remain as is. Outside-County Periodicals flats properly included in a FSS scheme bundle will qualify for the price applied prior to inclusion in the FSS scheme pool. If a FSS scheme pallet is drop-shipped to a DFSS facility, the pallet will receive Carrier Route pallet pricing. If a FSS facility pallet is drop-shipped to a DFSS facility the pallet will receive DSCF pallet pricing. Qualifying FSS scheme pieces entered at a DFSS facility will receive DSCF pound pricing. FSS scheme bundles on an FSS scheme pallet will receive carrier route bundle prices. FSS scheme bundles on an FSS facility pallet will receive 3-digit/SCF bundle pricing. FSS scheme and facility sack/trays or other authorized container
will receive 3-digit/SCF sack/tray prices.

**Standard Mail—Renaming Standard Mail as “USPS Marketing Mail”**

The Postal Service will rename Standard Mail as “USPS Marketing Mail”. This name change will better communicate to our customers the message that Standard Mail fits into their marketing mix.

To help smooth the transition for this change, the Postal Service will modify postage statements and the DMM for January 2017 and implement other changes to postal forms or documents during the normal update cycles. The initial implementation date for mailers to adopt the new USPS Marketing Mail abbreviations (such as MKT in lieu of STD) is July 1, 2018. Abbreviations and examples of permit imprints will be available in a future Postal Bulletin.

**Bound Printed Matter—Eliminate Flat Sequencing System (FSS) Pricing**

The Postal Service is eliminating FSS specific price structures for Bound Printed Matter Flats. FSS preparation will still be required, and all FSS marking requirements will remain in place. Bound Printed Matter flat pieces included in an FSS scheme bundle will qualify for the zone and entry piece pricing and pound pricing applicable to the mailing piece before inclusion in the FSS scheme pool. If an FSS container is drop shipped to a DFSS facility, those pieces will receive DSCF pricing.

**Standard Mail—Combine AADC and 3 Digit Automation Sorts for Letters Into One Sort Level**

Currently there are four presort levels for Standard Mail and Standard Mail Nonprofit Automation Letters: Mixed AADC Automation Letters, AADC Automation Letters, 3-Digit Automation Letters, and 5-Digit Automation Letters. To simplify the pricing structure, the Postal Service implemented the same price for AADC Automation Letters and 3-Digit Automation Letters in Docket No. R2013-1. The Postal Service is combining these two presort levels (AADC and 3-Digit) into one new sortation which will be named AADC.

**Standard Mail—Increase the Weight Standard for Standard Mail and Standard Mail Nonprofit Nonautomation Machinable Letters From Up to 3.3 Ounces to Up to 3.5 Ounces**

Currently, the “up to” weight standard for Standard Mail and Standard Mail Nonprofit Machinable Letters is 3.3 ounces. This lower “weight break” is no longer needed due to improvements in mail processing equipment. Since machinable letters must follow the standards for Automation Letters (except for the IMb standards), the weight maximum should also apply. Accordingly, the Postal Service will increase the weight maximum from 3.3 ounces to 3.5 ounces. This change does not include Standard Mail Ride-Along mailpieces which are capped at 3.3 ounces and are inserted into a host Periodicals mailpiece.

It is important that both the Industry and the Postal Service evaluate the effects of higher weight breaks for First-Class Mail automation letters and cards along with Standard Mail letters. Collaboration and feedback throughout calendar year 2017 will be critical in helping to determine whether higher weights cause processing or address quality metrics to be put at risk.

**Standard Mail—Reduce the Number of Simple Sample Tiers**

There are currently six volume tiers for Standard Mail Commercial and Nonprofit Simple Samples. Based on the volume thresholds currently used by most customers, the Postal Service will collapse the existing six tiers into two new tiers: Volumes up to and including 200,000 pieces, and volumes greater than 200,000 pieces.

**Standard Mail—Eliminate Flat Sequencing System (FSS) Pricing**

The Postal Service will eliminate the FSS-specific price structures within Standard Mail and Standard Mail Nonprofit. FSS preparation will still be required and all FSS marking requirements will remain intact. Standard Mail and Standard Mail Nonprofit flats properly included in a FSS scheme pool will qualify for the price applied prior to the FSS scheme pool with the following exceptions:

1. A carrier route mailpiece in an FSS bundle on an FSS scheme pallet will receive the Basic CR-Bundles/Pallet price, and
2. A carrier route mailpiece in a FSS bundle on an FSS facility pallet will receive the Basic CR price.

If an FSS pallet is drop shipped to a DFSS facility, those pieces will receive DSCF pricing.

**Standard Mail—Increase Standard Mail and Standard Mail Nonprofit Flats, Nonautomation Letters, and Nonmachinable Letters Piece-Price Weight Break Structure From 3.3 Ounces to 4.0 Ounces**

The current piece/pound price structure for Standard Mail and Standard Mail Nonprofit Flats, Nonautomation Letters, and Nonmachinable Letters does not provide a simple, clear view of the actual price of a mailing, especially if it includes nonidentical-weight pieces between 3.3 and 4 ounces. The Postal Service will increase the price weight break structure from 3.3 ounces to 4.0 ounces for Standard Mail and Standard Mail Nonprofit Flats, and Nonautomation and Nonmachinable Letters. Pieces up to 4 ounces will pay the same price and a pound price will apply over 4 ounces. This will not include Nonautomation Machinable Letters.

**Extra Services (Returns Simplification)—Eliminate BRM Parcels Permit & Account Maintenance Fee**

Business Reply Mail (BRM) currently consists of letters, flats, and parcels. Occasionally, BRM customers may choose to use Business Reply Mail for return parcels because they possess a BRM permit for inbound correspondence. The Postal Service will waive the annual permit fee for those customers using BRM exclusively for return parcels. This will align BRM parcels with other returns products, BRM permit fees for letters and flats, and for weight-averaged BRM letters, flats and parcels, will remain.

**Extra Services—Eliminate QBPRM Permit Fees**

The Postal Service is also eliminating the annual permit fees for Business Reply customers who use only QBPRM Basic and High Volume Qualified for letters and cards. All other fees and postage pricing remain intact.

**Extra Services—Shipping Services Permit Fees**

The Postal Service will eliminate the fees for certain outbound and return permits used for parcel shipments including associated annual account maintenance fees. This will streamline the application and returns process, and eliminate the need to pay permit application fees for additional entry points. Shipping Products included under this umbrella are outbound shipments of Priority Mail Express, Priority Mail, First-Class Package Service, Parcel Select (including Parcel Select Lightweight), Bound Printed Matter (parcels only), Media Mail, and Library Mail, as well as for return shipments of MRS, Parcel Return Service and BRM (parcels only).

**Extra Services (Address Correction)—Adjust Standard Mail Forwarding Fee to 2 Decimal Places**

Standard Mail letters and flats mailers that use this service are charged the
Forwarding Fee via Address Correction Service (ACS) billing which is managed by the ACS Department of Address Management Systems in Memphis, TN. The ACS data file, Shipping Notice data file, and the Invoice data file have an implied decimal position that is conducive to 2-decimal places for address correction services. When mailers use these files to track their ACS fees and costs, they must recognize that the Forwarded Fee product codes have an implied 3-decimal place price and must manipulate the data files provided to them through ACS so that the decimal place differences are recognized in all of the data files provided via ACS. This would adjust the Standard Mail Forwarding Fee to 2-decimal point places to allow mailers to track their ACS fees and costs without making adjustments for the Forwarding Fees.

Extra Services—Money Order Redemption Period

To be consistent with Banking Industry Standards and other companies’ comparable money order offerings, the Postal Service will change the time limit for claims for improper payment to a limit of one year. This language will be updated on the reverse side of the domestic and international money order form so the purchaser is aware of the time limit.

Extra Services—Enterprise PO Boxes Online (ePOBOL) Payment Process Change

The Postal Service plans to allow Enterprise PO Boxes Online customers to modify their current payment period to align their multiple PO Boxes, Carrier Service, and Reserve payments to one due date per year, when using an Enterprise Payment Account (EPA). Eligible customers will be allowed to pay pro-rated fees on a one-time basis to align all payments to a selected annual renewal date in the future. This method is optional and will be available for all of an eligible customer’s PO Boxes and Carrier Service numbers. When the true-up date is reached they will continue to pay for the 12 month term as committed when first enrolled in the Enterprise Payment Account.

Extra Services—OMAS Stamp Delivery Fee for Federal Agencies Ordering Stamps From the Stamp Fulfillment Center

Federal agencies have the option today to order stamps from the USPS Stamp Fulfillment Services in Kansas City and to pay for the stamps through their Official Mail Accounting System (OMAS) accounts. It has been a longstanding practice to charge customers other than federal agencies a nominal handling fee for all purchases ordered through Stamp Fulfillment Services. Beginning January 1, 2017, these fees will apply to federal agencies using OMAS.

The handling fee schedule can be found in section 1560 of the Mail Classification Schedule, under References, on the Postal Regulatory Commission Web site at http://www.prc.gov.

Extra Services—Resources

The Postal Service will provide additional resources to assist customers with this price change for competitive products. These tools include price lists, downloadable price files, and Federal Register Notices, which may be found on the Postal Explorer® Web site at pe.usps.com.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.


Accordingly, 39 CFR part 111 is amended as follows:

PART 111—[AMENDED]

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


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

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

200 Commercial Letters, Cards, Flats, and Parcels

201 Physical Standards

1.0 Physical Standards for Machinable Letters and Cards

1.1.2 Weight Standards for Machinable Letters

[Revise 1.1.2 to read as follows:]

The maximum weight for Presorted First-Class Mail machinable letters is 3.5 ounces (0.2188 pound). The maximum weight for USPS Marketing Mail machinable letters is 3.5 ounces (0.2188 pound).

* * * * *

2.0 Physical Standards for Nonmachinable Letters

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2.1 Criteria for Nonmachinable Letters

[Revise the last sentence of 2.1 to read as follows:]

* * * * *

3.0 Physical Standards for Machinable and Automation Letters and Cards

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3.5 Maximum Weight, Machinable and Automation Letters and Cards

The following maximum weight limits apply:

[Revise 3.5b as follows:]

b. Machinable enveloped letters and cards—3.5 ounces. (see 3.6 for pieces over 3 ounces.)

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4.0 Physical Standards for Flats

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4.7 Flat-Size Pieces Not Eligible for Flat-Size Prices

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Exhibit 4.7b Pricing for Flats Exceeding Maximum Deflection (see 4.6)

[Revise Exhibit 4.7b as follows:]

* * * * *
PERIODICALS OUTSIDE COUNTY

| Delete Machinable barcoded FSS | Delete Nonmachinable barcoded 5-digit flat |
| Delete Machinable nonbarcoded FSS | Delete Nonmachinable nonbarcoded 5-digit flat |

USPS MARKETING MAIL

| Delete Automation FSS Sch Pallet | Delete Nonautomation FSS Sch Pallet |
| Delete Automation FSS Other | Delete Nonautomation FSS Other |
| Delete Automation FSS Sch Cont. | Delete Nonautomation FSS Sch Cont. |
| Delete Automation FSS Facility Cont. | Delete Nonautomation FSS Facility Cont. |

BOUND PRINTED MATTER

| Delete Barcoded/noncoded FSS Sch flat | Delete Presorted parcel |

202 Elements on the Face of a Mailpiece

5.0 Barcode Placement Letters and Flats

5.1 Letter-Size

5.1.2 General Barcode Placement for Letters

[Revise the second and third sentences to read as follows:] A nonautomation letter may bear an Intelligent Mail barcode under 708.4.0. Mailers must print the barcode in the address block or in the barcode clear zone, except for pieces that weigh more than 3.5 ounces which must include the barcode in the address block.

207 Periodicals

12.0 Nonbarcoded (Presorted) Eligibility

12.2 Prices—Outside-County

Outside-County nonbarcoded (Presorted) prices are based on the following criteria:

12.3 Prices—In-County

12.3.2 Three-Digit Prices

3-digit prices apply to:

13.0 Carrier Route Eligibility

13.2 Sorting

13.2.1 Basic Standards

Preparation to qualify eligible pieces for carrier route prices is optional and need not be performed for all carrier routes in a 5-digit area. Carrier route prices apply to copies that are prepared in carrier route bundles of six or more addressed pieces each, subject to these standards:

b. Nonletter-size mailings. Carrier route prices apply to carrier route bundles that are sorted in one of the following ways:

[Add new item 13.2.1b4 as follows:]
4. Qualifying carrier route mailpieces sorted into FSS bundles and prepared on pallets under 705.14.0.

13.3 Walk-Sequence Prices

13.3.1 Eligibility

[Revise 13.3.1 to read as follows:]

The high density or saturation prices apply to each piece in a carrier route mailing, eligible under 13.2.1 and prepared under 705.8.0, 23.0, or (non-letter-size mail only) 705.10.0, 705.12.0, 705.13.0 or 705.14.0, that also meets the corresponding addressing and density standards in 13.3.4. High density and saturation mailings must be prepared in carrier walk sequence according to USPS schemes see 23.8 except non-letter-size mailpieces that are included in FSS bundles.

14.0 Barcoded (Automation) Eligibility

14.4 Prices—in-County

14.4.2 Three-Digit Prices

3-digit automation prices apply to:

[Add new c as follows:]

b. Groups of fewer than 150 pieces in AADC origin and pieces placed in mixed AADC trays in lieu of AADC overflow trays under 235.6.5 are eligible for the AADC prices.

29.5 Destination Flat Sequencing System (DFSS) Facility Entry

29.5.2 Eligibility

[Revise the first sentence of 29.5.2 to read as follows:]

DFSS prices apply to eligible FSS pieces deposited at a USPS-designated FSS processing facility and correctly placed in a flat tray, sack, alternate approved container or on a pallet, labeled to a FSS scheme processed by that facility, under listing label L006, column B or C.

230 First-Class Mail

233 Prices and Eligibility

5.0 Additional Eligibility Standards for Automation First-Class Mail

5.4 Price Application—Automation Cards and Letters

Automation prices apply to each piece that is sorted under 235.6.0 into the corresponding qualifying groups:

[Revise the text in items a, b, and c to read as follows:]

a. Groups of 150 or more pieces in 5-digit/scheme trays qualify for the 5-digit price. Preparation to qualify for the 5-digit price is optional. Pieces placed in full AADC trays in lieu of 5-digit/scheme overflow trays under 235.6.5 are eligible for the 5-digit prices.

b. Groups of 150 or more pieces in AADC trays qualify for the AADC price.
4.0 Price Eligibility for USPS Marketing Mail

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4.2 Minimum Per Piece Prices

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

* * * *

[Revise the third sentence of item c to read as follows.]

i. * * * * Except for Customized MarketMail pieces, discounted per piece prices also may be claimed for destination network distribution center (DNDC), destination sectional center facility (DSCF), and destination delivery unit (DDU) under 246. * * *

4.3 Piece/Pound Prices

[Revise the last sentence of 4.3 to read as follows.]

* * * * Discounted per pound prices also may be claimed for destination entry mailings DNDC, DSCF, and DDU under 246.

6.3.3 Basic Price Enhanced Carrier Route Standards

* * * * *

6.3.4 Basic Carrier Route Bundles on a 5-digit Pallet (Basic—CR Bundles/ Pallet) Price Eligibility—Flats

[Revise item 6.3.4 to read as follows.]

Basic—CR Bundles/Pallet prices apply to each piece in a carrier route bundle of 10 or more pieces that is:

* a. Palletized under 705.8.0, 705.10.0, 705.12.0, 705.13.0 or 705.14.0 (FSS scheme bundles on a FSS facility pallet or prior eligibility to inclusion in FSS scheme pool). * * * *

6.4 High Density and High Density Plus (Enhanced Carrier Route) Standards—Letters

* * * * *

[Delete item 6.4.3, High Density and High Density Plus Discount for Heavy Letters, in its entirety.]
6.5 High Density and High Density Plus (Enhanced Carrier Route) Standards—Flats

* * * * *

6.5.2 High Density and High Density Plus Prices for Flats

High density or high density plus prices apply to each piece meeting the density standards in 6.5.1 or in a carrier route bundle of 10 or more pieces that is:

[Revise item a to read as follows.]

(a) Palletized under 705.6.0, 705.10.0, 705.12.0, 705.13.0 or 705.14.0 (eligibility prior to inclusion in FSS scheme bundles).

* * * * *

[Add new item e to 6.5.2 to read as follows.]

(e) Placed in a FSS facility or scheme sack containing at least 125 pieces or 15 pounds of high density priced pieces or at least 300 pieces of high density plus priced pieces (pieces must qualify for price prior to inclusion in FSS bundle).

6.6 Saturation ECR Standards—Letters

* * * * *

[Delete 6.6.3, Saturation Discount for Heavy Letters, in its entirety.]

* * * * *

7.0 Eligibility Standards for Automation USPS Marketing Mail

* * * * *

7.4 Price Application for Automation Letters

Automation prices apply to each piece that is sorted under 245.10.0, into the corresponding qualifying groups:

* * * * *

[Revise item a to read as follows.]

(a) Groups of 150 or more pieces in 5-digit/scheme trays qualify for the 5-digit price. Preparation to qualify for that price is optional. Pieces placed in full AADC trays under 245.7.5 in lieu of 5-digit/scheme overflow trays are eligible for 5-digit prices (see 245.7.5).

* * * * *

[Revise item b and renumber items c and d as items b and c.]

(b) Groups of fewer than 150 pieces in origin AADC trays and groups of 150 or more pieces in an AADC tray qualify for the AADC price. Pieces placed in mixed AADC trays under 245.7.5 in lieu of AADC overflow trays also are eligible for AADC prices (see 245.7.5).

* * * * *

7.5 Price Application for Automation Flats

Automation prices apply to each piece properly sorted into qualifying groups:

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

(a) The 5-digit price applies to flat-size pieces in a 5-digit/scheme bundle or pooled in a FSS scheme bundle of 10 or more pieces, or 15 or more pieces, as applicable:

(b) The 3-digit price applies to flat-size pieces in a 3-digit/scheme bundle or pooled in a FSS scheme bundle of 10 or more pieces.

* * * * *

[Delete items e through h in their entirety.]

* * * * *

245 Mail Preparation

1.0 General Information for Mail Preparation

* * * * *

1.3 Terms for Presort Levels

1.3.1 Letters

Terms used for presort levels are defined as follows:

* * * * *

[Revise item e to read as follows.]

(e) Origin/entry AADC: The ZIP Code in the delivery address on all pieces is addressed for delivery service area of the same automated area distribution center (AADC) (see L801).

* * * * *

1.4 Preparation Definition and Instructions

* * * * *

[Renumber items r through x as s through y.]

(r) An origin AADC tray contains all mail (regardless of quantity) for an AADC ZIP Code area processed by the AADC or SCF in whose service area the mail is verified/entered. Only one less-than-full tray may be prepared for each AADC area.

* * * * *

1.6 FSS Preparation

[Revise the text of 1.6 to read as follows.]

Except for USPS Marketing Mail flats mailed at Saturation prices, all USPS Marketing Mail flats and meeting the physical standards in 201.6.2 destined to a FSS scheme in accordance with labeling list L006 must be prepared under 705.14.0.

* * * * *

6.0 Preparing Enhanced Carrier Route Letters

* * * * *

6.6 General Traying and Labeling

[Revise the introductory text to read as follows.]

For all ECR letters over 3.5 ounces and all ECR letters that are not automation-compatible or delivery-point barcoded, prepare trays as explained below. Also prepare trays as explained below when a mailing contains some pieces over 3.5 ounces and some pieces up to 3.5 ounces. Pieces with simplified addresses must be prepared in separate trays from pieces with other forms of addressing. For ECR automation-compatible letters that are delivery-point barcoded and weigh up to 3.5 ounces, prepare trays under 6.7. Preparation sequence, tray size, and labeling:

* * * * *

6.7 Traying and Labeling for Automation-Compatible ECR Letters

[Revise first sentence of the introductory text to read as follows.]

Mailers must make full carrier route and 5-digit carrier routes trays, when possible, for automation-compatible, delivery-point barcoded ECR letters that weigh up to 3.5 ounces.

* * * * *

7.0 Preparing Automation Letters

* * * * *

7.5 Tray Preparation

[Revise the introductory text to read as follows.]

Instead of preparing overflow trays with fewer than 150 pieces, mailers may include these pieces in an existing qualified tray of at least 150 or more pieces at the next tray level. (For example, if a mailer has 30 overflow 5-digit pieces for ZIP Code 20260, these pieces may be added to an existing qualified AADC tray for the correct destination and the overflow 5-digit pieces will still qualify for the 5-digit price). Mailers must note these trays on standardized documentation (see 708.1.2). Pieces that are placed in the next tray level must be grouped by destination and placed in the front or back of that tray. Mailers may use this option selectively for AADC ZIP Codes. This option does not apply to origin/entry AADC trays. Preparation sequence, tray size, and Line 1 labeling:

* * * * *

[Delete item b and renumber items c and d as items b and c.]
b. AADC: Optional, but required for AADC price (150-piece minimum except no minimum for origin entry AADC); overflow allowed. For Line 1, use L801, Column B.

6.2 Eligibility

[Revise the first sentence of 6.2 to read as follows.]
DSCP prices apply to pieces deposited at a USPS-designated FSS processing site and correctly placed in or on a container labeled to a FSS scheme or FSS Facility processed by that site under labeling list L006 (Column B or Column C).

260 Bound Printed Matter

263 Prices and Eligibility

1.0 Prices and Fees for Bound Printed Matter

1.1 Nonpresorted Bound Printed Matter

* * * * *

1.1.1 Prices

[Revise the second sentence of 1.1.1 to read follows.]

* * * * * The nonpresorted price applies to BPM not mailed at the Presorted or carrier route prices. * * *

1.2 Presorted and Carrier Route Bound Printed Matter

* * * * *

1.2.3 Price Application

[Revise the first sentence of 1.2.3 to read as follows.]
The presorted Bound Printed Matter price has a per piece charge and a per pound charge. * * *

1.2.8 Computing Postage for Permit Imprint

[Revise the introductory text of 1.2.8 to read as follows.]
Presorted and Carrier Route Bound Printed Matter mailings paid with permit imprint are charged a per pound price and a per piece price as follows: * * * * *

4.0 Price Eligibility for Bound Printed Matter

4.1 Price Eligibility

BPM prices are based on the weight of a single addressed piece or 1 pound, whichever is higher, and the zone (where applicable) to which the piece is addressed. Price categories are as follows:

* * * * *

[Revise items b and c to read as follows.]
b. Presorted Price. The Presorted price applies to BPM prepared in a mailing of at least 300 BPM pieces, prepared and presorted as specified in 265.5.0,

265.8.0, 705.14.0 and 705.21.0. Each parcel must bear a unique Intelligent Mail package barcode or extra services barcode, including a postal routing code, prepared under 708.5.0.

c. Carrier Route Price. The Carrier Route price applies to BPM prepared in a mailing of at least 300 pieces presorted to carrier routes, prepared and presorted as specified in 265.6.0, 265.9.0, 705.8.0 or 705.14.0. Each parcel must bear a unique Intelligent Mail package barcode or extra services barcode, including a postal routing code, prepared under 708.5.0.

4.2 Destination Entry Price Eligibility

[Revise the first sentence of the introductory text to read as follows.]

BPM destination entry prices apply to BPM mailings prepared as specified in 705.8.0, 705.14.0 and 265, and addressed for delivery within the service area of a destination network distribution center, sectional center facility, or delivery unit where they are deposited by the mailer. * * *

265 Mail Preparation

1.0 General Information for Mail Preparation

* * * * *

1.6 FSS Preparation

[Revise text of 1.6 to read as follows.]

BPM flats claiming presorted prices in FSS scheme bundles, meeting the standards in 201 and destined to a FSS scheme in accordance with labeling list L006, must be prepared under 705.14.0.

* * * * *

5.0 Destination Sectional Center Facility (DSCF) Entry

* * * * *

5.2 Presorted Flats

[Revise the text of 5.2 to read as follows.]

Presorted flats and automation flats in sacks for the FSS scheme, 5-digit, 3-digit, and SCF sort levels or on pallets at the 5-digit scheme, 5-digit, 3-digit, SCF, and ASF sort levels may claim
DSCF prices. Mail must be entered at the appropriate facility under 5.1.

7.0 Destination Flat Sequencing System (DFSS) Facility Entry

7.2 Eligibility

For Registered Mail and COD (when firm sheets become the mailer's receipts. The mailer may submit the firm sheets with the articles to be presented for mailing at one service requested. If the mailer wants columns from privately printed Form 3877 may be approved by the local Postmaster or manager Business services presented for mailing at one time, the mailer may apply for a BRM permit because of format errors or for refusal to pay the applicable permit fees (annual, accounting, quarterly, or monthly), postage, or per piece fees. If the permit was revoked due to format errors, then a former permit holder may obtain a new permit and permit number by completing and submitting a new Form 3615, paying the required BRM annual permit fee (if applicable), paying a new annual account maintenance fee (if applicable), and, for the next 2 years, submitting two samples of each BRM format to the appropriate Post Office for approval.

1.0 Business Reply Mail (BRM)

1.1.4 High-Volume Qualified BRM

In addition to the account maintenance, per-piece fees and applicable postage required under 1.1.3, a quarterly fee under 1.1.11 is required for high-volume QBRM.

1.2 Permits

1.2.2 Application Process

The mailer may apply for a BRM permit by submitting a completed Form 3615 to the Post Office issuing the permit and except under 1.2.3 paying the annual permit fee.
5.1.5 Application Fee

No application fee is required.

5.2 Suspension and Revocation

5.2.2 Revocation of Permit

A permit may be revoked for use in operating any unlawful scheme or enterprise, if no mailings or payment of postage occurred during any consecutive 2-year period, for refusal to provide information about permit imprint use or mailings, and for noncompliance with any standard applicable to permit imprints.

5.3 Indicia Design, Placement, and Content

5.3.10 Use of a Local Permit Imprint in Other Mailing Locations

A permit imprint displaying the city, state, and permit number of a mailer’s original permit may be applied to pieces in a mailed presented for verification and acceptance at another Post Office location under the following conditions:

609 Filing Indemnity Claims for Loss or Damage

1.0 General Filing Instructions

1.3 Who May File

A claim may be filed by:

1.5 Where and How to File

1.5.1 Claims Filed Online

700 Special Standards

703 Nonprofit USPS Marketing Mail and Other Unique Eligibility

705 Advanced Preparation and Special Postage Payment Systems

14.0 FSS Scheme Preparation

14.1 General

3.8 Commercial Mail Receiving Agencies

600 Basic Standards for All Mailing Services

604 Postage Payment Methods and Refunds

5.0 Permit Imprint (Indicia)

5.1.4 Permit and Application Information

A mailer may obtain a permit to use a permit imprint indicia by submitting Form 3615 to the Post Office where mailings are made, or online under the terms and conditions in the Business Customer Gateway portal at https://gateway.usps.com. Mail Anywhere allows a qualified mailer to maintain a single permit for a postage payment method for mailings at any Business Mail Acceptance site under 705.23.3.2.

5.1.5 Application Fee

PDWA customers may elect to establish a quality control program to ensure that all missorted and accountable mail (including Certified Mail), return receipt for merchandise, USPS Tracking, Adult Signature, and Signature Confirmation) is identified and returned to the servicing Post Office prior to being opened.

703 Nonprofit USPS Marketing Mail and Other Unique Eligibility

705 Advanced Preparation and Special Postage Payment Systems

14.0 FSS Scheme Preparation

14.1 General

All presorted and high density plus, high density and basic carrier route USPS Marketing Mail, presorted and carrier route Bound Printed Matter (BPM), and Periodicals flats including all carrier route flats meeting the standards in 201.6.2 must be separated/pooled into FSS scheme bundles, properly bundled and placed on or in pallets, trays, sacks, or approved alternate containers, for FSS scheme ZIP Code combinations within the same facility. Mailings that include 10 or more pieces of USPS Marketing Mail flats, 6 or more pieces of Periodicals flats, or 10 or more pieces (10 or more pounds) of BPM flats to an FSS scheme must be separated/pooled into FSS scheme bundles. The Postal Service also recommends the use of authorized flat trays in lieu of sacks for FSS bundles. FSS scheme bundles that are not required to be placed in a FSS scheme or FSS facility container are combined with bundles of non-FSS sorted bundles and placed on an applicable SCF, 3-digit
or NDC container. Mailers must prepare FSS scheme qualifying mailpieces for each individual FSS scheme combination, and then prepare bundles of uniform size from those pieces. Mailings (excluding saturation mailings of USPS Marketing Mail) with nonpresorted BPM flats may be included in FSS preparation, but will not be eligible for presorted or carrier route prices. Mailpieces that meet the eligibility standards for 5-digit or 3-digit automation, 5-digit or 3-digit nonautomation, carrier route (except USPS Marketing Mail saturation) or presort will continue to be eligible for those piece prices when prepared in accordance with the FSS preparations standards. Mailpieces and bundles must also be prepared as follows:

* * * * *

### 14.2 Basic Standards

#### 14.2.1 Basic Standards

[Revise the introductory text and items a through e to read as follows.]

All Periodicals flats (including carrier route flats) meeting the standards in 201.6.2 and destinating to FSS sites as shown in L006 must be prepared according to these standards. Mailings of In-County Periodicals flats and the associated Outside-County Periodicals flats mailings of 5,000 pieces or less may be prepared according to these standards. Periodicals are subject to the following:

a. Pricing eligibility is based on 207.11.0 through 207.14.0. FSS bundles placed on FSS facility pallets, sacks, trays, or approved alternate container will claim the 3-Digit/SCF bundle price. FSS bundles placed on a FSS scheme pallet, sack, tray or approved alternate container will claim the Carrier Route bundle price.

b. FSS scheme pallets will be assessed the Carrier Route Pallet price. FSS facility sort level pallets will be charged a 3-Digit/SCF Pallet container price. FSS scheme or facility sacks or trays will be assessed the 3-Digit/SCF Sack/Tray price. Pallets, sacks and trays entered at a DFSS will claim the DSCF entry price.

c. The Outside-County pound price for mail entered at a DFSS will be the DSCF price. The Inside-County price will claim prices for the “None” entry level.

d. Mailers must provide standardized presort documentation under 708.1.0 that demonstrates eligibility for prices in accordance with 207.14.0 and 207.25.0.

e. Each mailpiece must be identified with an optional endorsement line in accordance with Exhibit 708.7.1.1, or when authorized, using a red Label 5 SCH barcoded pressure-sensitive bundle label.

* * * * *

### 14.3 USPS Marketing Mail

#### 14.3.1 Basic Standards

[Revise the introductory text of 14.3.1 to read as follows.]

All flat-size USPS Marketing Mail mailpieces (except saturation) must be separated/pooled into 5-digit FSS scheme bundles and placed on pallets, or in sacks or approved alternate containers, for delivery to ZIP Codes having Flats Sequencing System (FSS) processing capability, as shown in L006. USPS Marketing Mail flats are subject to the following:

* * * * *

[Revise items b and c to read as follows.]

b. Mailers must provide standardized presort documentation under 708.1.0 that demonstrates eligibility for prices in accordance with 243.

c. Each mailpiece must be identified with an optional endorsement line in accordance with Exhibit 708.7.1.1; or when authorized, using a red Label 5 SCH barcoded pressure-sensitive bundle label.

* * * * *

### 14.4 Bound Printed Matter

#### 14.4.1 Basic Standards

[Revise the introductory text of 14.4.1 to read as follows.]

Bound Printed Matter (BPM) flats that meet the standards in 201.6.2 must be separated/pooled into FSS scheme bundles and placed on pallets, or in flat trays, sacks, or approved alternate containers, for delivery to ZIP Codes having FSS processing capability, as shown in L006. BPM flats are subject to the following:

* * * * *

[Revise items b, c and d to read as follows.]

b. Mailers must provide standardized presort documentation under 708.1.0 that demonstrates eligibility for prices in accordance with 263.

c. Mailers must separate/pool all eligible flat-size mailpieces into FSS scheme bundles according to L006.

d. Each mailpiece must be identified with an optional endorsement line in accordance with Exhibit 708.7.1.1; or when authorized, using a red Label 5 SCH barcoded pressure-sensitive bundle label.

* * * * *

### 15.0 Combining USPS Marketing Mail Flats and Periodicals Flats

#### 15.1.0 Basic Standards

* * * * *

#### 15.1.6 Piece Prices

[Revise the text of 15.1.6 to read as follows.]

Apply piece prices based on the bundle level except FSS scheme bundles apply the piece prices based on the original bundle level. Pieces contained within mixed class bundles may claim prices based on the presort level of the bundle.

* * * * *

#### 15.1.11 Preparation for FSS Zones

[Revise the introductory text of 15.1.11 to read as follows.]

Mailers authorized to combine mailings of USPS Marketing Mail flats and Periodicals flats must prepare these mailings under 14.0, when the mailing includes pieces destinating within one or more of the FSS zones in L006. The following applies:

a. Each mailpiece must be identified with an optional endorsement line (OEL), including the correct ZIP Code listed in L006, Column B, in accordance with Exhibit 708.7.1.1. The OEL described in 2.2 must not be used with mailpieces prepared under this option.

* * * * *

### 15.4.0 Pallet Preparation

#### 15.4.1 Pallet Preparation, Sequence and Labeling

When combining USPS Marketing Mail and Periodicals flats within the same bundle or combining bundles of USPS Marketing Mail flats and bundles of Periodicals flats on pallets, bundles must be placed on pallets. Preparation, sequence and labeling:

[Reverse the order of items a and b to read as follows.]

a. Each mailpiece must be identified with an optional endorsement line (OEL), including the correct ZIP Code listed in L006, Column B, in accordance with Exhibit 708.7.1.1. The OEL described in 2.2 must not be used with mailpieces prepared under this option.

b. Each mailpiece must be identified with an optional endorsement line (OEL), including the correct ZIP Code listed in L006, Column B, in accordance with Exhibit 708.7.1.1. The OEL described in 2.2 must not be used with mailpieces prepared under this option.

* * * * *

#### 15.4.2 Pallet Preparation

When combining USPS Marketing Mail and Periodicals flats within the same bundle or combining bundles of USPS Marketing Mail flats and bundles of Periodicals flats on pallets, bundles must be placed on pallets. Preparation, sequence and labeling:

[Reverse the order of items a and b to read as follows.]

b. Each mailpiece must be identified with an optional endorsement line (OEL), including the correct ZIP Code listed in L006, Column B, in accordance with Exhibit 708.7.1.1. The OEL described in 2.2 must not be used with mailpieces prepared under this option.

* * * * *

#### 15.4.3 Pallet Preparation

When combining USPS Marketing Mail and Periodicals flats within the same bundle or combining bundles of USPS Marketing Mail flats and bundles of Periodicals flats on pallets, bundles must be placed on pallets. Preparation, sequence and labeling:

[Reverse the order of items a and b to read as follows.]

b. Each mailpiece must be identified with an optional endorsement line (OEL), including the correct ZIP Code listed in L006, Column B, in accordance with Exhibit 708.7.1.1. The OEL described in 2.2 must not be used with mailpieces prepared under this option.

* * * * *

#### 15.4.4 Pallet Preparation

When combining USPS Marketing Mail and Periodicals flats within the same bundle or combining bundles of USPS Marketing Mail flats and bundles of Periodicals flats on pallets, bundles must be placed on pallets. Preparation, sequence and labeling:

[Reverse the order of items a and b to read as follows.]

b. Each mailpiece must be identified with an optional endorsement line (OEL), including the correct ZIP Code listed in L006, Column B, in accordance with Exhibit 708.7.1.1. The OEL described in 2.2 must not be used with mailpieces prepared under this option.

* * * * *

#### 15.4.5 Pallet Preparation

When combining USPS Marketing Mail and Periodicals flats within the same bundle or combining bundles of USPS Marketing Mail flats and bundles of Periodicals flats on pallets, bundles must be placed on pallets. Preparation, sequence and labeling:

[Reverse the order of items a and b to read as follows.]

b. Each mailpiece must be identified with an optional endorsement line (OEL), including the correct ZIP Code listed in L006, Column B, in accordance with Exhibit 708.7.1.1. The OEL described in 2.2 must not be used with mailpieces prepared under this option.

* * * * *

#### 15.4.6 Pallet Preparation

When combining USPS Marketing Mail and Periodicals flats within the same bundle or combining bundles of USPS Marketing Mail flats and bundles of Periodicals flats on pallets, bundles must be placed on pallets. Preparation, sequence and labeling:

[Reverse the order of items a and b to read as follows.]

b. Each mailpiece must be identified with an optional endorsement line (OEL), including the correct ZIP Code listed in L006, Column B, in accordance with Exhibit 708.7.1.1. The OEL described in 2.2 must not be used with mailpieces prepared under this option.

* * * * *

#### 15.4.7 Pallet Preparation

When combining USPS Marketing Mail and Periodicals flats within the same bundle or combining bundles of USPS Marketing Mail flats and bundles of Periodicals flats on pallets, bundles must be placed on pallets. Preparation, sequence and labeling:

[Reverse the order of items a and b to read as follows.]

b. Each mailpiece must be identified with an optional endorsement line (OEL), including the correct ZIP Code listed in L006, Column B, in accordance with Exhibit 708.7.1.1. The OEL described in 2.2 must not be used with mailpieces prepared under this option.

* * * * *
carrier route 5-digit bundles (Presorted bundles only) for the same 5-digit scheme under L001. For 5-digit destinations not part of L001, merged 5-digit pallet preparation begins with 15.4.1d. Labeling:
1. Line 1: L001.

71
2. Line 2: “STD/PER FLTS CR/5D;” followed by “SCHEM” (or “SCH”); followed by “MIX COMAIL.”

* * * * *

708 Technical Specifications

1.0 Standardized Documentation for First-Class Mail, Periodicals, USPS Marketing Mail, and Flat-Size Bound Printed Matter

* * * * *

1.2 Format and Content

For First-Class Mail, Periodicals, USPS Marketing Mail, and Bound Printed Matter, standardized documentation includes:

* * * * *

[Revise the introductory text of item e, to read as follows.]
e. At the end of the documentation, a summary report of the number of pieces mailed at each price for each mailing by postage payment method (flat pieces mailed under FSS sort by 5-digit, 3-digit, saturation, high density, high density plus, basic carrier route and by entry point for drop shipment mailings) and the number of pieces in each mailing. This information must match the information reported on the postage statement(s). For Periodicals mailings, documentation also must provide:

1.6 Detailed Zone Listing for Periodicals

1.6.1 Definition and Retention

[Revise the first sentence of 1.6.1 to read as follows.]
The publisher must be able to present documentation to support the number of copies of each edition of an issue, by entry point, mailed to each zone, and at DDU, DSCF, DADC, DNDC, and In-County prices. * * *

* * * * *

1.6.3 Zone Abbreviations

Use the actual price name or the authorized zone abbreviation in the listings in 1.0 and 207.17.4.2:

<table>
<thead>
<tr>
<th>Sortation Level</th>
<th>OEL Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm—BPM machinable parcels</td>
<td>&quot;FIRM 12345.&quot;</td>
</tr>
<tr>
<td>Firm—Periodicals</td>
<td>&quot;FIRM 12345.&quot;</td>
</tr>
<tr>
<td>Origin Mixed ADC—Periodicals (3-digit ZIP Code prefix)</td>
<td>&quot;ORIGIN MIXED ADC 117.&quot;</td>
</tr>
<tr>
<td>Carrier Route—Periodicals basic</td>
<td>&quot;CARRT LOT**C–001.&quot;</td>
</tr>
<tr>
<td>Carrier Route—Periodicals &amp; Mkt Mail basic FSS</td>
<td>&quot;CARRT LOT 1234A**C–001.&quot;</td>
</tr>
<tr>
<td>Carrier Route—Periodicals high density</td>
<td>&quot;CARRT LOT 12345 FSSC.&quot;</td>
</tr>
<tr>
<td>Carrier Route—Periodicals &amp; Mktg Mail High density FSS</td>
<td>&quot;CARRT WSH**C–001.&quot;</td>
</tr>
<tr>
<td>Carrier Route—Periodicals saturation</td>
<td>&quot;CARRT WSS**C–001.&quot;</td>
</tr>
<tr>
<td>Carrier Route—Periodicals Saturation FSS</td>
<td>&quot;SCH 5–DIGIT 12345 FSSK.&quot;</td>
</tr>
<tr>
<td>ECR—Mktg Mail basic</td>
<td>&quot;ECRLOT**C–001.&quot;</td>
</tr>
<tr>
<td>ECR—Mktg Mail high density or high density plus</td>
<td>&quot;ECRLOT 1234AA**C–001.&quot;</td>
</tr>
<tr>
<td>ECR—Mktg Mail High Density Plus FSS</td>
<td>&quot;ECRLOT 12345 FSSA.&quot;</td>
</tr>
<tr>
<td>ECR—Mktg Mail saturation</td>
<td>&quot;ECCRWSH**C–001.&quot;</td>
</tr>
<tr>
<td>Carrier Route—Bound Printed Matter</td>
<td>&quot;SCH 5–DIGIT 12345 FSSM. 5–DIGIT 12345.&quot;</td>
</tr>
<tr>
<td>5-Digit</td>
<td>&quot;SCH 5–DIGIT 12345 FSSE.&quot;</td>
</tr>
<tr>
<td>5-Digit (Nonautomation FSS flats)</td>
<td>&quot;SCH 5–DIGIT 12345 FSSD.&quot;</td>
</tr>
<tr>
<td>5-Digit Scheme (Automation flats)</td>
<td>&quot;SCH 5–DIGIT 12345 FSSS.&quot;</td>
</tr>
<tr>
<td>3-Digit</td>
<td>&quot;SCH 5-Digit 12345 FSSG.&quot;</td>
</tr>
<tr>
<td>3-Digit (Nonautomation FSS flats)</td>
<td>&quot;SCH 5-Digit 12345 FSSS.&quot;</td>
</tr>
<tr>
<td>3-Digit Scheme (Automation flats)</td>
<td>&quot;SCH 5-Digit 12345 FSSS.&quot;</td>
</tr>
<tr>
<td>3-Digit Scheme</td>
<td>&quot;ALL FOR ADC 105.&quot;</td>
</tr>
<tr>
<td>ADC (3-digit ZIP Code prefix)</td>
<td>&quot;ALL FOR ADC 90197.&quot;</td>
</tr>
<tr>
<td>ADC (5-digit ZIP Code)</td>
<td>&quot;SCH 5–DIGIT 12345 FSSK.&quot;</td>
</tr>
<tr>
<td>ADC (Automation FSS flats)</td>
<td>&quot;SCH 5–DIGIT 12345 FSSL.&quot;</td>
</tr>
<tr>
<td>ADC (Nonautomation FSS flats)</td>
<td>&quot;SCH 5-Digit 12345 FSS.&quot;</td>
</tr>
<tr>
<td>Mixed ADC (3-digit ZIP Code prefix)</td>
<td>&quot;SCH 5-Digit 12345 FSS.&quot;</td>
</tr>
<tr>
<td>Mixed ADC (5-digit ZIP Code)</td>
<td>&quot;SCH 5-Digit 12345 FSS.&quot;</td>
</tr>
<tr>
<td>Presorted BPM (FSS flats)</td>
<td>&quot;ALL FOR AADC 050.&quot;</td>
</tr>
<tr>
<td>Nonpresorted BPM FSS</td>
<td>&quot;ALL FOR AADC 07099.&quot;</td>
</tr>
<tr>
<td>Optional tray level piece ID for automation letters:</td>
<td>&quot;MIXED AADC 30.&quot;</td>
</tr>
<tr>
<td>AADC (3-digit ZIP Code prefix)</td>
<td>&quot;MIXED AADC 680.&quot;</td>
</tr>
<tr>
<td>AADC (5-digit ZIP Code)</td>
<td>&quot;MIXED AADC 75197.&quot;</td>
</tr>
<tr>
<td>Mixed AADC (3-digit ZIP Code prefix)</td>
<td>&quot;MIXED AADC 870.&quot;</td>
</tr>
<tr>
<td>Mixed AADC (5-digit ZIP Code)</td>
<td>&quot;MIXED AADC 06821.&quot;</td>
</tr>
</tbody>
</table>

ZONE ABBREVIATION RATE EQUIVALENT

[In the chart directly under 1.6.3, delete the row containing FSS under ‘Zone Abbreviation’ and Outside-County, DFSS under ‘Rate Equivalent’ in their entirety.]

* * * * *

7.0 Optional Endorsement Lines (OELs)

7.1 OEL Use

7.1.1. Basic Standards

[Revise the first sentence of the introductory text to read as follows.]

An optional endorsement line (OEL) may be used to label bundles instead of applying pressure-sensitive bundle labels or facing slips to the top piece of bundles except each mailpiece in a FSS bundle must bear an optional endorsement line in human-readable text, including the correct ZIP code listed in Column B of L006, as described in Exhibit 7.1.1 * * *

Exhibit 7.1.1 OEL Formats

[Revise Exhibit 7.1.1 to read as follows.]
Agencies: Environmental Protection Agency (EPA).

Determination of Attainment of the 2008 Ozone National Ambient Air Quality Standards; Eastern San Luis Obispo, California

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: The Environmental Protection Agency (EPA) is finalizing its determination that the San Luis Obispo (Eastern San Luis Obispo) ozone nonattainment area (NAA) in California has attained the 2008 ozone National Ambient Air Quality Standards (NAAQS or “standards”) by the applicable attainment date of July 20, 2016. This determination is based on complete, quality-assured and certified data for the 3-year period preceding that attainment date. Based on this determination, the Eastern San Luis Obispo NAA will not be reclassified to a higher ozone classification.

DATES: This rule will be effective on January 20, 2017.

ADDRESSES: The EPA has established a docket for this action under Docket ID No. EPA–R09–OAR–2016–0543. All documents in the docket are listed on the http://www.regulations.gov Web site. Although listed in the index, some information is not publicly-available, e.g., Confidential Business Information or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly-available only in hard copy form. Publicly-available docket materials are available through http://www.regulations.gov, or please contact the person identified in the FOR FURTHER INFORMATION CONTACT section for additional availability information.

FOR FURTHER INFORMATION CONTACT: Nancy Levin, EPA Region IX, (415) 972–3848, levin.nancy@epa.gov.

SUPPLEMENTARY INFORMATION: Throughout this document, “we,” “us” and “our” refer to the EPA.

Table of Contents
I. Summary of Proposed Rule
II. Public Comments and EPA Responses
III. Final Action
IV. Statutory and Executive Order Reviews
I. Summary of Proposed Rule

On October 12, 2016 (81 FR 70382), the EPA proposed to determine that the Eastern San Luis Obispo ozone NAA has attained the 2008 ozone standard by the applicable attainment date of July 20, 2016, based on complete, quality-assured and certified ambient air quality monitoring data for the 2013–2015 monitoring period. San Luis Obispo County is the northern-most county within the air basin designated by California as the South Central Coast Air Basin. The NAA encompasses roughly the eastern half of San Luis Obispo County. For the precise boundaries of the Eastern San Luis Obispo 2008 ozone NAA, see 40 CFR 81.305.

Our proposed rule provided background information on the 2008 ozone standards, the EPA’s classification of the Eastern San Luis Obispo NAA under the Clean Air Act (CAA) as “Marginal” for the 2008 ozone standard, and the EPA’s prior approval of an extension of the applicable attainment date for the area from July 20, 2015 to July 20, 2016 (81 FR 26697, May 4, 2016). In our proposed rule, we described our obligation under CAA section 181(b)(2)(A) to determine whether an ozone NAA attained the ozone NAAQS by the applicable attainment date within six months of that date; how we determine whether an area’s air quality meets the 2008 ozone standard; and the relevant air quality monitoring agencies in the Eastern San Luis Obispo ozone NAA, their monitoring network plans, and the relevant ozone monitoring sites. We also discussed our previous review of the networks and network plans, the annual certifications of ambient air monitoring data, and our determination of completeness for 2013–2015 data from the two ozone monitoring sites within the Eastern San Luis Obispo NAA.

Our proposed rule included a table of ozone “design values” at the two ozone monitoring sites in the Eastern San Luis

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**Table: Additional required human-readable text for use with combined mailings of USPS Marketing Mail and Periodical flats:**

<table>
<thead>
<tr>
<th>Sortation Level</th>
<th>OEL Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-Digit Scheme (and other sortation levels as appropriate)</td>
<td>*****SCH 5–DIGIT 12345 MIX COMAIL.</td>
</tr>
<tr>
<td>5-Digit Scheme (Automation FSS flats)</td>
<td>*****SCH 5–DIGIT 12345 FSSD COMAIL.</td>
</tr>
<tr>
<td>5-Digit (Nonautomation FSS flats)</td>
<td>*****SCH 5–DIGIT 12345 FSSE COMAIL.</td>
</tr>
<tr>
<td>3-Digit (Automation FSS flats)</td>
<td>*****SCH 5–DIGIT 12345 FSSF COMAIL.</td>
</tr>
<tr>
<td>3-Digit (Nonautomation FSS flats)</td>
<td>*****SCH 5–DIGIT 12345 FSSG COMAIL.</td>
</tr>
<tr>
<td>ADC (Automation FSS flats)</td>
<td>*****SCH 5–DIGIT 12345 FSSK COMAIL.</td>
</tr>
<tr>
<td>ADC (Nonautomation FSS flats)</td>
<td>*****SCH 5–DIGIT 12345 FSS COMAIL.</td>
</tr>
<tr>
<td>Carrier Route high density plus (FSS flats)</td>
<td>*****SCH 5–DIGIT 12345 FS COMAIL.</td>
</tr>
<tr>
<td>Carrier Route high density (FSS flats)</td>
<td>*****SCH 5–DIGIT 12345 FSSSB COMAIL.</td>
</tr>
<tr>
<td>FSSC COMAIL</td>
<td>****SCH 5–DIGIT 12345 FSSFA COMAIL.</td>
</tr>
<tr>
<td>Carrier Route high density (FSS flats)</td>
<td>****SCH 5–DIGIT 12345 FSSSC COMAIL.</td>
</tr>
<tr>
<td>Carrier Route basic</td>
<td>****SCH 5–DIGIT 12345 FSSCOMAIL.</td>
</tr>
</tbody>
</table>

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Since the primary and secondary 2008 ozone standards are the same, we hereafter refer to them herein using the singular “2008 ozone standard.”