

**POSTAL SERVICE****39 CFR Part 111****Experimental First-Class and Priority Mail Small Parcel Automation Rate Category; Implementation Standards**

AGENCY: Postal Service.

ACTION: Final rule.

**SUMMARY:** This final rule sets forth the Domestic Mail Manual (DMM) standards adopted by the Postal Service to implement the Decision of the Governors of the United States Postal Service on the Recommended Decision of the Postal Rate Commission on the Experimental First-Class and Priority Mail Small Parcel Automation Rate Category, Docket No. MC96-1.

EFFECTIVE DATE: April 28, 1996.

**FOR FURTHER INFORMATION CONTACT:** Leo F. Raymond, (202) 268-5199, or Susan Duchek, (202) 268-2990.

**SUPPLEMENTARY INFORMATION:** On December 19, 1995, pursuant to its authority under 39 U.S.C. 3621, et seq., the Postal Service filed with the Postal Rate Commission (PRC) a request for a recommended decision on an experimental rate category for specific types of nonpresorted barcoded First-Class and Priority Mail. The PRC designated the filing as Docket No. MC96-1. The PRC published a notice of the filing, with a description of the Postal Service's proposals, on December 27, 1995, in the Federal Register (60 FR 66999-67000).

The Postal Service's Request to the PRC proposed that the Postal Service be permitted to establish automation rate categories and 4-cent-per-piece discounts for certain nonpresorted bulk barcoded First-Class and Priority Mail small parcels entered for outgoing primary distribution at three test sites on a 2-year experimental basis. Eligible parcels would be processed on small parcel and bundle sorters (SPBSs) equipped with barcode scanners. Currently, such SPBSs are installed at only three postal facilities: the Southeastern, PA, Processing and Distribution Center (P&DC); the Philadelphia, PA, Airport Mail Center (AMC); and the St. Petersburg, FL, P&DC. These facilities will be the test sites for the experiment.

A mailer wishing to prepare test mailings will be required to submit a written application to the Manager, Customer Mail Preparation, USPS Headquarters, at least 14 days before the earliest requested mailing date. The application must describe the mailpieces to be presented; preparation level and containerization mode (as

applicable); typical daily and annual volumes and a schedule of mailings; deposit sites for mailings; postage payment method; sites of any corresponding authorizations for precanceled stamps, postage meters, or permit imprints. The mailer must also submit enough sample barcoded parcels to the plant manager of the test site where pieces are to be processed so that the accuracy and readability of the barcodes can be determined. If the barcodes on the submitted parcels are found accurate, correctly prepared, and readable, mailings may begin when approved by the Manager, Customer Mail Preparation, subject to the conditions in the authorization letter. The complete standards for participation are set forth in the DMM revision that follows.

The goals of the Postal Service in requesting and conducting the experiment are: (1) To determine whether it is feasible to offer an automation discount for nonpresorted barcoded First-Class and Priority Mail small parcels; (2) to gauge mailer interest and acceptance of this type of discount; and (3) to confirm that the use of a barcode scanner with an SPBS provides significant sortation quality and productivity enhancements when comparing the automated processing of nonpresorted barcoded small parcels with the manual keying of the same or similar pieces. The 4-cent discount is based on the estimated cost difference between keying a nonbarcoded parcel and scanning a barcoded parcel.

Pursuant to 39 U.S.C. 3624, the PRC on March 13, 1996, issued to the Governors of the Postal Service its Recommended Decision on the Postal Service's Request. The PRC recommendation substantially followed the mail classification structure and rates requested by the Postal Service. After reviewing the PRC's Recommended Decision and its consequences for the Postal Service and postal customers, the Governors, pursuant to 39 U.S.C. 3625, acted on the PRC's recommendations on April 1, 1996. Decision of the Governors of the United States Postal Service on the Recommended Decision of the Postal Rate Commission on the Experimental First-Class and Priority Mail Small Parcel Automation Rate Category, Docket No. MC96-1. The Governors determined to approve the PRC's recommendations, and the Board of Governors set an implementation date of April 28, 1996, for those rate and classification changes to take effect. A notice announcing the Governors' Decision and the final Domestic Mail Classification Schedule and Rate

Schedule changes is published elsewhere in this issue of the Federal Register.

This final rule contains the DMM standards adopted by the Postal Service to implement the Governors' decision. Those standards take effect April 28, 1996. The final rule reflects the criteria presented by the Postal Service in its pleadings before the PRC. As described above, the Postal Service is limiting this experimental rate category to those pieces of nonpresorted First-Class and Priority Mail that are outside the parameters of existing automation (i.e., letter and flat sorting machines equipped with barcode readers). Moreover, because this experiment focuses on the value of the mailer's worksharing effort not in presorting the mail but in barcoding the mail, the final rule excludes pieces prepared for a presort discount from concurrent eligibility for an automation discount.

The final rule also presents the technical standards for the barcode formats readable by the automated equipment on which mail will be processed during this experiment. Although these standards have not previously been published in the DMM, they are based on existing industry standards and have been used in nonpostal applications for some time. Therefore, the Postal Service finds no need to solicit comment on those standards or to delay implementation of this experiment pending their evaluation.

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

Postal Service.

For the reasons discussed above, the Postal Service hereby adopts the following amendments to the Domestic Mail Manual, which is incorporated by reference in the Code of Federal Regulations (see 39 CFR part 111).

**PART 111—[AMENDED]**

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

Authority: 5 U.S.C. 552(a); 39 U.S.C. 101, 401, 403, 404, 3001-3011, 3201-3219, 3403-3406, 3621, 3626, 5001.

2. Add new G090 to the Domestic Mail Manual as follows:

**G GENERAL INFORMATION**

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**G090 Experimental Classifications and Rates****G091 Barcoded Small Parcels****1.0 BASIC ELIGIBILITY****1.1 Applicability**

The standards in G091 apply to pieces claimed at the experimental automation rates for First-Class and Priority Mail small parcels. All pieces in an automation rate small parcel mailing under G091 must:

a. Meet the basic standards for First-Class Mail and Priority Mail in E110 and E120, respectively, and the specific standards in 2.0 through 7.0.

b. Be part of a single mailing of at least 50 pieces of either First-Class Mail or Priority Mail, eligible for and claimed at the automation rate for small parcels. The same mailing may not contain both First-Class and Priority Mail pieces.

c. Meet the applicable physical standards in 2.0.

d. Bear a delivery address that includes the correct ZIP Code or ZIP+4 code.

e. Meet the address quality and coding standards in 4.0, A800, and A950.

f. Bear an accurate barcode meeting the standards in 3.0.

g. Be marked and prepared as specified in 5.0.

h. Meet the documentation and postage payment standards in 6.0 and P012.

i. Be deposited at a post office served by one of the test sites designated in 1.4.

**1.2 Rate Application**

Each piece in an automation small parcel rate mailing qualifies for the corresponding single-piece First-Class or single-piece Priority Mail rate shown in 7.0.

**1.3 Participation in Test**

Participation in the test is subject to these conditions:

a. A mailer wishing to participate in preparing test mailings under G091 must submit a written application to the Customer Mail Preparation manager (for address, see G043) at least 14 days before the earliest requested mailing date. The application must describe the mailpieces to be presented; preparation level and containerization mode (as applicable); typical daily and annual volumes and a schedule of mailings; deposit sites for mailings; postage payment method; sites of any corresponding authorizations for precanceled stamps, postage meters, or permit imprints. The mailer must also submit sample barcoded parcels to the plant manager of the test site where

pieces are to be processed so that the accuracy and readability of the barcodes can be determined; the plant manager will specify the sample size. The mailer is notified of any corrective action.

b. If the barcodes on the submitted parcels are found accurate, correctly prepared, and readable, mailings may begin when approved by the Customer Mail Preparation manager, subject to the conditions in the authorization letter; no further notice is required except as specified under 6.0.

c. An authorization is subject to amendment on 10 days' written notice to the mailer and ends automatically at the end of the test period (April 28, 1998). The mailer may end participation on 10 days' written notice to the Customer Mail Preparation manager. The USPS may terminate an authorization on 10 days' written notice to the mailer for failing to meet the eligibility standards in G091 or in accordance with a material change in the terms and conditions of the experimental classification. The mailer may file a written appeal of a denied application or revoked authorization, within 30 days of receipt of the notice of denial or revocation, with the Marketing Systems vice president (for address, see G043), who issues the final agency decision.

**1.4 Test Sites**

As specified in the authorization letter, mail prepared under G091 must be entered at a post office for which outgoing primary distribution is performed as follows:

a. For Priority Mail, at either the St. Petersburg, FL, Processing and Distribution Center (P&DC) (3-digit ZIP Code area 337 and 5-digit ZIP Codes 33504, 34634, 34635, 34640–34649, and 34664–34666) or the Philadelphia, PA, Airport Mail Center (080–084, 189–194, and 197–199).

b. For First-Class Mail, at either the St. Petersburg, FL, P&DC (3-digit ZIP Code area 337 and 5-digit ZIP Codes 33504, 34634, 34635, 34640–34649, and 34664–34666) or the Southeastern, PA, P&DC (3-digit ZIP Code areas 189, 193, and 194).

**2.0 PHYSICAL CHARACTERISTICS****2.1 Automation Compatibility**

Only pieces that do not meet the dimensional and other physical standards in C810 or C820 may be claimed at the automation small parcel rates, subject to 2.2 and 2.3. Pieces must not have loose string, packaging material, or other protrusions that might snag or jam in processing equipment or impede or damage the mail or mail

processing equipment. Pieces may not be prepared in envelopes or as unenclosed bound or unbound pages. Pieces may be prepared in padded mailing envelopes or in paper or plastic containers if the wrapper and dunnage can protect the contents during automated processing.

**2.2 Measurement**

The dimensions of an irregularly shaped piece are based on the size of the smallest cube that could contain the piece when placed in a stable position for processing. The dimensions of other pieces are those of the largest surface area of another surface area that faces up when the piece is oriented for stable processing.

**2.3 Dimensions and Weight**

All pieces are subject to these size and weight limits:

a. The two horizontal dimensions (length and width) must be no less than 3.5 by 5 inches but no more than 12 by 15.5 inches.

b. The vertical dimension (thickness) must be no more than 8 inches but:

(1) More than 0.25 inch if the horizontal dimensions are 6.125 by 11.5 inches or less; or

(2) At least 0.01 inch if the horizontal dimensions are more than 6.125 by 11.5 inches.

c. The maximum weight of a piece must be no more than 20 pounds.

**3.0 BARCODE CHARACTERISTICS****3.1 Basic Standards**

Every addressed piece mailed at the automation small parcel rates must bear the correct 6-digit barcode (a 5-digit ZIP Code and a 1-digit verifier character) in Interleaved 2 of 5, Code 39, or Code 128 format. Technical specifications for these three barcode formats appear in Uniform Symbology Specification (USS) documents USS-I2/5, USS-39, and USS-128, respectively, available from Automatic Identification Manufacturers (AIM), Material Handling Institute, Inc., 1326 Freeport Rd., Pittsburgh, PA 15238-3131. Only one 6-digit barcode ending in a "9" character may appear on the mailpiece. The barcode must be located as specified in 4.1. No printing may appear in an area 0.125 inch above, below, and on either side of the barcode, regardless of location.

**3.2 Dimensions**

Narrow bars and spaces must be at least 0.013 inch wide; wide bars and spaces, at least 0.030 inch wide. All bars must be at least 0.75 inch high. The gap between characters must equal the narrow bar width if Code 39 is used.

The ratio of wide to narrow bar width may be in one of two ranges:

a. If only one 6-digit barcode appears on the address side of the mailpiece, the ratio must be between 1.9:1 and 3.2:1, inclusive, for the Interleaved 2 of 5 and Code 39 formats.

b. If more than one 6-digit barcode appears on the address side of the mailpiece, the ratio must be between 1.9:1 and 2.2:1, inclusive, regardless of barcode format.

### 3.3 Verifier

The verifier character must be the last digit of the 6-digit barcode. The correct verifier digit is always 9. The verifier appears only as part of the barcode and is not printed as part of the human-readable ZIP Code.

### 3.4 Reflectance

When measured in the red spectrum (633 nanometers  $\pm$  5%) by a USPS or USPS-licensed reflectance meter, the minimum white bar (space) reflectance (Rs) must be 25%, and the maximum black bar reflectance (Rb) must be less than 30%. The minimum print reflectance difference (Rs-Rb) is 35%.

## 4.0 ADDRESS INFORMATION

### 4.1 Address

The address and barcode must be on the mailpiece side with the largest surface area, except that the address and barcode must be on the top surface of the mailpiece when its shape requires specific orientation for stability during automated processing. The delivery address and/or the barcode may be printed on an attachment or on an enclosure in a window envelope, subject to the reflectance standards in 3.4.

### 4.2 Numeric Barcode

In addition to the ZIP Code or ZIP+4 code included in the delivery address, human-readable characters representing the numeric equivalent of the barcode (but omitting the verifier character), preceded by the word "ZIP," must be printed near the barcode but outside the barcode clear zone in a type size equal to or larger than that used in the delivery address.

### 4.3 Address Quality

Effective January 1, 1997, addresses appearing on all pieces claimed at automation rates must be updated within 6 months before the mailing date by a USPS-approved address update tool (e.g., the "Address Correction Endorsement," ACS, or NCOA). Mailers must certify that this standard has been met when the corresponding mail is presented to the USPS. This standard applies to each address individually, not to a specific list or mailing. If a USPS-approved address update tool is used, a valid update is obtained regardless of the class of mail on which the address is placed. An address meeting this standard may be used in mailings at any other rate to which the standard applies throughout the 6-month period following its most recent update.

## 5.0 MAIL PREPARATION

The standards in 5.0 apply exclusively to pieces claimed at the experimental automation rates for First-Class and Priority Mail small parcels. Pieces are subject to the basic eligibility standards in E100 applicable to First-Class or Priority Mail and the general standards in M010, M020, and M030. Mail may be deposited at an eligible entry post office, regardless of destination. No packaging is required or

permitted. No sortation or package labeling is required. First-Class pieces must be marked "EX-AUTO" and either "First-Class" or "Priority Mail," as appropriate. Pieces must be prepared in sacks or other containers labeled as directed by the test site plant manager. Use the city/state/ZIP for that facility on Line 1. For Line 2, use FCM PP BC WKG; if required by the plant manager, the applicable processing code must be right-justified on Line 2 under the ZIP Code on Line 1.

## 6.0 POSTAGE PAYMENT AND DOCUMENTATION

Full postage must be affixed to each piece by meter or precanceled stamps, or paid by permit imprint, under an authorization issued by the entry post office (which must be an eligible facility listed in 1.4); plant-verified and other forms of drop shipment may not be used to deposit mail at an authorized entry post office. A complete, signed postage statement, using the correct USPS form or an approved facsimile, must accompany each mailing. No other documentation is required.

## 7.0 RATES AND FEES

### 7.1 First-Class Mail

First-Class Mail weighing 1 ounce or less may be subject to a nonstandard surcharge under E100. Pieces weighing 11 ounces or less not mailed as Priority Mail:

Weight Increment	Rate
First ounce or fraction of an ounce ..	\$0.28
Each additional ounce or fraction of an ounce .....	0.23

### 7.2 Priority Mail

Single-piece Priority Mail rates for barcoded small parcels:

Weight Not Over (pounds) <sup>2,3</sup>	Zone <sup>1</sup>					
	L, 1, 2 & 3	4	5	6	7	8
1 .....	2.96	2.96	2.96	2.96	2.96	2.96
2 .....	2.96	2.96	2.96	2.96	2.96	2.96
3 .....	3.96	3.96	3.96	3.96	3.96	3.96
4 .....	4.96	4.96	4.96	4.96	4.96	4.96
5 .....	5.96	5.96	5.96	5.96	5.96	5.96
6 .....	6.31	6.86	7.06	7.16	7.76	7.96
7 .....	6.61	7.46	8.06	8.36	9.16	9.76
8 .....	6.91	7.96	8.96	9.46	10.36	11.56
9 .....	7.36	8.56	9.76	10.56	11.26	12.96
10 .....	7.76	9.26	10.51	11.36	12.11	14.01
11 .....	8.21	9.86	11.31	12.16	12.96	15.06
12 .....	8.66	10.51	12.06	12.96	13.86	16.11
13 .....	9.06	11.16	12.76	13.76	14.71	17.16
14 .....	9.51	11.81	13.56	14.51	15.56	18.21
15 .....	9.96	12.41	14.31	15.31	16.46	19.26
16 .....	10.36	13.11	15.01	16.11	17.31	20.31
17 .....	10.81	13.71	15.76	16.91	18.16	21.36
18 .....	11.26	14.31	16.46	17.71	19.01	22.41

Weight Not Over (pounds) <sup>2 3</sup>	Zone <sup>1</sup>					
	L, 1, 2 & 3	4	5	6	7	8
19 .....	11.66	15.01	17.21	18.51	19.91	23.46
20 .....	12.11	15.61	17.91	19.26	20.76	24.51

<sup>1</sup> Add \$4.95 for each pickup stop.

<sup>2</sup> The 2-pound rate is charged for matter sent in a "flat rate" envelope provided by the USPS.

<sup>3</sup> Parcels weighing less than 15 pounds but measuring more than 84 inches in length and girth combined are charged a minimum rate equal to that for a 15-pound parcel for the zone to which addressed.

A transmittal letter making these changes in the pages of the Domestic Mail Manual will be published and will

be transmitted to subscribers automatically. Notice of issuance will be

published in the Federal Register as provided by 39 CFR 111.3.

Stanley F. Mires,

*Chief Counsel, Legislative.*

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