

POSTAL SERVICE

39 CFR Part 111

Submission of Electronic Documentation with Comailed and Copalletized Mailings

AGENCY: Postal Service™.

ACTION: Final rule.

SUMMARY: The Postal Service is revising *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®) 705 and 707 to require mailers preparing comailed or copalletized mailings, or mail owners who contribute mailpieces to a consolidated comailed or copalletized mailing, to submit electronic documentation to the USPS® by an approved method.

EFFECTIVE DATE: January 2, 2011.

FOR FURTHER INFORMATION CONTACT: David Gunther at 202-268-7769 or Kevin Gunther at 202-268-7208.

SUPPLEMENTARY INFORMATION: The support of electronic documentation for a comailed and copalletized mailing enhances the electronic visibility of the mailpiece, allows for a reduction in postal handling, and improves efficiency of USPS processing.

The Postal Service published a proposed rule *Federal Register* notice, *Submission of Electronic Documentation with Comailed and Copalletized Mailings*, (75 FR 32143-32145) on June 7, 2010.

This final rule will require comailed and copalletized mailings to include Intelligent Mail® tray labels on trays or sacks. Intelligent Mail container placards must also be used on pallets or similar containers when making comailed or copalletized mailings.

The Postal Service will accept piece-level electronic documentation through either of two methods — Mail.dat® or Mail.XML®. The original container data, included in the Mail.dat or Mail.XML file, permit the tracking of containers from their origin, through the consolidation site, and ultimately into USPS processing. These original container data are essential for the generation of standardized documentation (i.e. qualification reports) and postage statements for comailed or copalletized mailings. Therefore, the Postal Service will require mail owners and mailers associated with the preparation and presentation of comailed and copalletized mailings to transmit electronic documentation to the USPS using properly formatted Mail.dat or Mail.XML

files. Electronic postage statements prepared through Postal Wizard will not fulfill this documentation requirement.

This final rule will require mailers preparing mailings of letter-size pieces in trays, which include mailpieces to be incorporated in a copalletized mailing, to prepare separate postage statements for the portion of the mailing being accepted at the origin site, and separate electronic postage statements for the portion being directed to a consolidator. Consolidators preparing copalletized mailings of trays must prepare electronic documentation showing the assignment of the trays with Intelligent Mail tray labels to pallets bearing Intelligent Mail container placards. Consolidators of letter-size pieces in trays will also be required to dropship copalletized mailpieces at the appropriate postal facility in accordance with the entry discount claimed at the origin acceptance location.

Origin mailers preparing mailings of bundles of flats must prepare separate postage statements for the portion of the mailing being accepted at the origin site, and electronic documentation for that portion being directed to a consolidator. For mailings of bundles of flats, the electronic data will be used to generate electronic postage statements and payment at the consolidator site.

DMM 705.22.0 currently requires electronic documentation with mailings (including comailed or copalletized mailings) that include full-service Intelligent Mail letters or flats. These standards have not changed. Mailers who prepare full-service Intelligent Mail pieces that will later be included in a copalletized mailing must prepare these pieces to meet the requirements for full-service Intelligent Mail, including the use of an approved electronic method to transmit postage statements and mailing documentation to the USPS. Consolidators must then ensure that mailings including any full-service mailpieces meet all of the requirements for the full-service automation option specified in DMM 705.22.0.

This final rule will require Periodicals mailers to submit electronic documentation for each comailed and/or copalletized mailing, identifying each title and version (or edition) in the mailing. For mailings that are entered at origin, and later copalletized at a consolidation site, the mail owner or preparer must submit electronic documentation (Mail.dat or Mail.XML) for the copalletized portion of the mailing. For copalletized Periodicals mail, electronic postage statements and payment must be entered at the consolidator's site.

Electronic documentation submitted at the origin site must indicate which bundles, trays, or sacks will be sent to a consolidator for copalletization. The standardized documentation and postage statements must then be available in *PostalOne!*[®] for review by USPS acceptance personnel when the electronic documentation for the copalletized portion of the mailing job is updated by the consolidator. The origin site is required to transmit electronic documentation to the

PostalOne! system before the consolidator's electronic documentation and electronic postage statements are transmitted to the USPS. When copalletizing letters in trays, postage statements at the origin site must be finalized before the consolidator's electronic documentation is transmitted to the USPS.

With this final rule, the consolidator will be responsible for updating the electronic documentation from the mail owner or preparer for that portion of the mailing going to the consolidation site. Mailers consolidating multiple mailings on pallets must use the electronic data received from the originator of the mailing to create new electronic data. These electronic data will then be used to generate the original container data, indicating the origin of the bundles, trays or sacks comprising the copalletized mailing.

The Postal Service revises portions of DMM 705.8.0 to refer to the copalletization of letter-size pieces within those sections.

COMMENTS RECEIVED: The Postal Service received five comments in response to the proposed rule, some addressing multiple issues. These comments are summarized as follows:

Two commenters referenced a requirement in the preamble of the proposed rule *Federal Register* notice regarding the payment of postage at the consolidator's site when making copalletized mailings of letters in trays. This language has been revised in the final rule to clarify that postage payment for copalletized mailings of letters in trays will be at the origin site and not at the consolidator's mailing site.

One commenter questioned why it would be necessary to use Intelligent Mail tray labels and container placards with full-service mailpieces that are intended to be included in a copalletized mailing. In response, we clarify that mailers preparing full-service pieces that are expected to be included in a copalletized mailing may omit Intelligent Mail pallet placards from the containers used to transport these pieces to the consolidator, as long as these pieces are in full compliance with DMM 705.22 at the time the mail is presented to the USPS for mailing. To ensure effective and consistent USPS verification, Intelligent Mail tray labels will be required to be placed on trays, or similar containers, prior to full-service mailpieces leaving the origin facility.

One commenter requested information on how these new standards would relate to mixed-class comail mailings within the *PostalOne!* system. At this time, the Postal Service is not planning any change to current processes for the submission or processing of postage statements from mailers participating in the mixed class comail pilot. General use standards for mixed-class comail are still under consideration within the USPS; and no decision has been made regarding their implementation.

Another commenter requested that the USPS relax the requirement for mailers at the origin site to prepare separate postage statements for the portion of the mailing being entered at origin from that being directed to a consolidator. This commenter states that most mailers participating in copalletized mailings are able to provide a summary listing that specifies which trays are being entered at origin and which will be sent to the consolidator. The USPS will investigate the feasibility of using mailer-provided documentation in lieu of separate postage statements and may consider this option in a future rulemaking.

One commenter requested a minimum 60-day transitional window between the *PostalOne!* implementation date and the effective date for these new standards. In response, we will delay the effective date until January 2, 2011. This should give mailers sufficient time to make any necessary software changes and to test their systems prior to the effective date.

Two comments referenced language in the proposal that would require consolidators to prepare mailings to the finest presort level possible, and to dropship mailpieces in accordance with the entry discount claimed at the origin acceptance site. One commenter stated that their current copalletization agreement affords them the option to selectively palletize to the sectional center facility (SCF), area distribution center (ADC) (for Periodicals), or network distribution center (NDC) as conditions dictate and not necessarily by the available volume for a particular pallet level. Another commenter related the necessity for a consolidator to have flexibility in deciding the final dropship destination for the mailpieces comprising the copalletized mailing, without regard to the entry discount taken by the mail owner at the origin site. Although such policies may have been a commonly accepted practice in the past, they will be discontinued with the effective date of these standards. For clarity, we also revised the language in this final rule to state that the presort level of mailpieces in copalletized mailings of Standard Mail letters in trays must accurately reflect the postage and entry discount claimed at the origin site. It was suggested that consolidators may have the ability to process electronic transactions directly into *PostalOne!* to offset the postage deficiency resulting from mailpieces dropped less deeply into the USPS network than that claimed by the mail owner at the origin site. The Postal Service will investigate the practicality of adding this functionality in *PostalOne!* and may consider providing this option at a future date.

One commenter requested enhancements to *PostalOne!* to allow for the generation of a “master statement” that could include the mailpieces being presented at origin as well as those being directed to the consolidator. This request is outside the scope of this particular rulemaking and will be forwarded to the *PostalOne!* program management office for review.

The Postal Service hereby adopts the following changes to the *Mailing Standards for 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:

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

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700 Special Standards

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705 Advanced Preparation and Special Postage Payment Systems

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8.0 Preparing Pallets

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[Revise title of 8.7 as follows:]

8.7 Copalletized, Combined, or Mixed-Price Level Palletized Mailings

8.7.1 General

[Revise 8.7.1 as follows:]

Copalletized, combined, or mixed-price level palletized mailings of letter-size or flat-size pieces must be prepared under the standards for the class of mail, subject to specific authorization by Business Mailer Support when required. The following conditions apply when making copalletized mailings:

- a. Postage statements and mailing documentation must be transmitted to the USPS using an approved electronic method.
- b. Intelligent Mail tray labels must be used on trays or sacks, and Intelligent Mail container placards must be used on pallets or similar containers, under 708.6.5 and 708.6.6.

- c. If consolidating multiple mailings on pallets, update the electronic data for each of the original mailings. This updated data must be reflected in the electronic data transmitted to the USPS.
- d. Meet postage payment requirements as specified by Business Mailer Support.

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8.7.3 Periodicals Publications

[Revise 8.7.3 by adding a new third sentence as follows:]

* * * Postage for copalletized mailings of flat-size Periodicals must be paid at the consolidator's site. * * *

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8.7.4 Standard Mail

[Revise 8.7.4 by adding new third and fourth sentences as follows:]

* * * For Standard Mail letter-size pieces, the presort level of the mailpieces in the copalletized mailing must accurately reflect the postage and entry discount paid at the origin site; and will not always result in the finest pallet presort level possible. Origin mailers participating in a copalletized mailing of Standard Mail letters in trays must prepare a separate postage statement for the portion entered at the origin site and another postage statement for the portion directed to the consolidator.

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8.8 Basic Uses

These types of mail may be palletized:

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[Revise 8.8 by re-sequencing items f through i as the new g through j and adding a new item f as follows:]

- f. Copalletized multiple letter-size mailings, prepared in trays, subject to 8.0.

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[Revise title of 8.16 as follows:]

8.16 Copalletized Letter-size and Flat-size Pieces—Periodicals or Standard Mail

8.16.1 Basic Standards

[Revise 8.16.1 as follows:]

Copalletized letter-size and flat-size mailings must meet the applicable standards in 8.0. In addition, if copalletized under 10.0, 12.0, or 13.0, the applicable provisions of that preparation option must also be met. Any combination of automation mailings and nonautomation mailings is subject to the restrictions in 8.14. Trays and bundles in a copalletized mailing qualify for the appropriate presort level price, regardless of

the presort level for the pallet on which they are placed. Mailers participating in copalletized mailings must:

- a. Transmit postage statements and mailing documentation to the USPS using an approved electronic method.
- b. Use Intelligent Mail tray labels on trays and sacks and Intelligent Mail container placards on pallets or similar containers, under 708.6.5 and 708.6.6.
- c. If consolidating multiple mailings on pallets, update the electronic data for each of the original mailings. These updated data must be reflected in the electronic data transmitted to the USPS by the consolidator.
- d. Meet postage payment requirements as specified by Business Mailer Support.

8.16.2 Periodicals

Additional standards are as follows:

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[Revise 8.16.2 by adding a new item d as follows:]

- d. Postage for copalletized mailings of flat-size Periodicals must be paid at the consolidator's site.

8.16.3 Standard Mail

Additional standards are as follows:

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[Revise 8.16.3 by adding a new item f as follows:]

- f. Origin mailers participating in a copalletized mailing of Standard Mail letters in trays must prepare a separate postage statement for the portion entered at the origin site and another postage statement for the portion directed to the consolidator.

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707 Periodicals

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27.0 Combining Multiple Editions or Publications

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27.5 Documentation

* * * The following additional standards apply:

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[Revise 27.5 by adding a new item c as follows:]

- c. Unless excepted by Business Mailer Support (BMS), mailers combining Periodicals publications under 27.1a or 27.1c must transmit postage statements and mailing documentation to the USPS using a BMS-approved electronic method.

[ReNUMBER current 27.6 through 27.8 as new 27.7 through 27.9 and add a new item 27.6 as follows:]

27.6 Additional Standards

Mailers combining Periodicals publications under 27.1a or 27.1c must:

- a. Use Intelligent Mail tray labels on trays and sacks, and Intelligent Mail container placards on pallets or similar containers, under 708.6.5 and 6.6.
- b. When using a consolidator, prepare a separate postage statement for the portion of the mailing accepted at the origin site and another statement for that portion directed to a consolidator.
- c. When using a consolidator under 27.1c, pay postage at the consolidator's site.
- d. If consolidating multiple mailings on pallets, update the electronic data for each of the original mailings. These updated data must be reflected in the electronic data transmitted to the USPS.
- e. Meet postage payment requirements as specified by Business Mailer Support.

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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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