

making a conforming change so that HUD's regulation in 24 CFR 5.612 fully reflects all statutory requirements pertaining to restrictions on housing assistance to students enrolled in institutions of higher education. The entities covered by the statutory restrictions in section 8 of the 1937 Act, which are agencies administering tenant-based and project-based assisted housing, already are familiar with the exemption for students with disabilities receiving section 8 assistance as of November 30, 2005, added by statute in July 2006. Accordingly, the undersigned certifies that this final rule would not have a significant economic impact on a substantial number of small entities.

#### *Environmental Impact*

In accordance with 24 CFR 50.19(c)(1) of the Department's regulations, this rule does not direct, provide for assistance or loan and mortgage insurance for, or otherwise govern or regulate, real property acquisition, disposition, leasing, rehabilitation, alteration, demolition, or new construction, or establish, revise, or provide for standards for construction or construction materials, manufactured housing, or occupancy. Therefore, this final rule is categorically excluded from the requirements of the National Environmental Policy Act (42 U.S.C. 4321 *et seq.*).

#### *Unfunded Mandates Reform Act*

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA) (2 U.S.C. 1531–1538) establishes requirements for federal agencies to assess the effects of their regulatory actions on state, local, and tribal governments and the private sector. This rule does not impose any federal mandates on any state, local, or tribal government or the private sector within the meaning of UMRA.

#### *Executive Order 13132, Federalism*

Executive Order 13132 (entitled "Federalism") prohibits, to the extent practicable and permitted by law, an agency from publishing any rule that has federalism implications and either imposes substantial direct compliance costs on state and local governments and is not required by statute, or the rule preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the Executive Order. This rule does not have federalism implications and does not impose substantial direct compliance costs on state and local governments or preempt state law within the meaning of the Executive Order.

#### **List of Subjects in 24 CFR Part 5**

Administrative practice and procedure, Aged, Claims, Crime, Government contracts, Grant programs—housing and community development, Individuals with disabilities, Intergovernmental relations, Loan programs—housing and community development, Low and moderate income housing, Mortgage insurance, Penalties, Pets, Public housing, Rent subsidies, Reporting and recordkeeping requirements, Social security, Unemployment compensation, Wages.

■ Accordingly, for the reasons stated in the preamble, HUD amends 24 CFR part 5 as follows:

#### **PART 5—GENERAL HUD PROGRAM REQUIREMENTS; WAIVERS**

■ 1. The authority citation for 24 CFR part 5 continues to read as follows:

**Authority:** 42 U.S.C. 1437a, 1437c, 1437d, 1437f, 1437n, 3535(d), and Sec. 327, Pub. L. 109–115, 119 Stat. 2936.

■ 2. In § 5.612, remove the word "and" at the end of paragraph (e), redesignate paragraph (f) as paragraph (g), and add a new paragraph (f) to read as follows:

#### **§ 5.612 Restrictions on assistance to students enrolled in an institution of higher education.**

\* \* \* \* \*

(f) Is not a person with disabilities, as such term is defined in section 3(b)(3)(E) of the 1937 Act and was not receiving assistance under section 8 of the 1937 Act as of November 30, 2005; and

\* \* \* \* \*

Dated: August 13, 2008.

**Roy A. Bernardi,**

*Deputy Secretary.*

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#### **POSTAL SERVICE**

#### **39 CFR Part 111**

#### **Implementation of New Standards for Intelligent Mail Barcodes**

**AGENCY:** Postal Service™.

**ACTION:** Final rule.

**SUMMARY:** On April 30, 2008, we published in the **Federal Register** (Volume 73, Number 84, pages 23393–23403) proposed mailing standards to require the use of Intelligent Mail® barcodes on all letters and flats mailed at automation prices as of May 2010. We described two options for using

Intelligent Mail barcodes as of May 2009: The basic option and the full-service option. In this final rule, we summarize comments received in response to our proposed rule and provide our new mailing standards for the use of Intelligent Mail barcodes.

**DATES:** *Effective Date:* May 11, 2009.

**FOR FURTHER INFORMATION CONTACT:** Bill Chatfield at 202–268–7278 or Karen Zachok at 202–268–8779.

**SUPPLEMENTARY INFORMATION:** Current mailing standards require either POSTNET™ barcodes or Intelligent Mail barcodes on letters and flats mailed at automation prices and on letters mailed at Standard Mail® enhanced carrier route prices. Both barcode formats contain routing information, but Intelligent Mail barcodes offer additional options. They can include indicators for added services such as Address Change Service and Confirm®, and enable tracking of individual mailpieces through our processing system. This additional visibility adds value to the mail and enables us to monitor service.

In response to many mailer requests, we will continue to allow POSTNET barcodes on automation letters and flats until May 2011. However, effective May 2009, we will require all automation flats to bear barcodes that include delivery point routing codes, as currently required for automation letters.

In May 2009, we will offer two options for using Intelligent Mail barcodes. Under the basic option, mailers will use the Intelligent Mail barcode on their letter and flat mailpieces. The basic Intelligent Mail barcode contains routing information for the delivery address but does not need to uniquely identify the mailpiece. Under the full-service option mailers must: Use unique Intelligent Mail barcodes on mailpieces; use Intelligent Mail tray barcodes and Intelligent Mail container barcodes; and electronically submit postage statements and mailing documentation.

We will offer customers who qualify for the full-service Intelligent Mail option the following benefits in May 2009:

- Start-the-clock information at no additional charge to notify mailers when USPS® takes possession of mailings, and

- Address correction information at no charge for qualified letters and flats that do not have the most current address or that are undeliverable for other reasons, when those pieces are endorsed as specified for OneCode ACS™.

In May 2009, all First-Class Mail®, Periodicals, Standard Mail, or Bound Printed Matter (BPM) letters and flats requiring a barcode will be eligible for the full-service option if the pieces bear Intelligent Mail barcodes and meet all other full-service option requirements.

#### Overview of Comments

We are encouraged by the mailing industry's support of our Intelligent Mail vision. In response to our proposed rule, we received 68 submissions from mail preparers, vendors, and mailers with wide ranges of annual mail volumes. Many commenters shared our enthusiasm for the Intelligent Mail initiative and appreciated our revised timeline for full-service option implementation as well as our extension of POSTNET barcode eligibility. Nevertheless, many commenters expressed concern about the new implementation timeline and about specific aspects of the program. In the sections below, we summarize comments and provide our responses.

#### Timing for Full-Service Implementation

##### Readiness

Many commenters questioned the readiness of mailers, software and hardware vendors, and the Postal Service to support full-service use of Intelligent Mail barcodes by May 2009. Despite the extended time for implementation of full-service Intelligent Mail, several commenters suggested that May 2009 was still too aggressive and asked the Postal Service to reconsider. Several commenters requested that we phase-in implementation and continue to allow POSTNET barcodes on automation letters and flats until 2011 or later. In contrast, one mailer association suggested that we do not allow POSTNET barcodes on automation letters and flats after May 2009.

The Postal Service is aware of the technological challenges that the mailing industry faces. Postal systems will support full-service use of Intelligent Mail in May 2009. We will continue to work closely with the mailing industry to ensure a successful implementation. We recognize that mailers need time to incorporate vendor-supported solutions and must establish budgetary priorities. Therefore, Intelligent Mail barcodes will not be required for automation prices in May 2009. We will continue to allow POSTNET barcodes on automation letters and flats until May 2011. The USPS will offer the benefits to those mailers who are ready for full-service in May 2009.

#### Final Requirements

A primary concern about May 2009 implementation is the need for final technical requirements. These requirements allow vendors to supply new software and hardware that will enable mailers to print high-quality barcodes and provide electronic documentation via Mail.dat® or Mail.XML (replacing Wizard Web Services). Many commenters stated that vendors may need six to twelve months to develop, test, and finalize their products, followed by additional testing and implementation time for mailers. This final rule contains the final mailing standards for basic and full-service use of Intelligent Mail barcodes. *A Guide to Intelligent Mail Letters and Flats* (the Guide), available on the USPS Web site at [ribbs.usps.gov](http://ribbs.usps.gov), provides direction on how to implement the technical requirements.

#### PostalOne! Capacity

Mailers expressed concern about the ability of *PostalOne!* to handle the larger, more complex files needed to document full-service mailings, and several commenters asked that *PostalOne!* operate around the clock, 7 days a week. *PostalOne!* is upgrading both hardware and software to be able to support the increased size and complexity of full-service mailing files. Currently, *PostalOne!* is a full production system that is available 24 hours a day, 7 days a week, except for its maintenance window. The standard scheduled maintenance window is on Sundays from 4 a.m. to 8 a.m. Central Time.

#### Pricing and Benefits

##### Requests for Advanced Notice of Prices

Many commenters asked us to provide information, before next year's price adjustment announcement, about the pricing structure for mailpieces with Intelligent Mail barcodes that qualify for full-service prices and those eligible for basic prices. Most of these commenters stated that this information is needed to evaluate the financial costs and benefits of implementing the full-service option by May 2009. Two mailers suggested that the Postal Service work with the Postal Regulatory Commission to announce the Intelligent Mail barcode price structure before the annual Mailing Services price adjustment announcement.

Some commenters stated that prices for pieces mailed under the full-service option should be lower than current automation prices. Some commenters further stated that the full-service prices should recognize the significant costs to

the industry to participate in the full-service option. There were also a few requests for complete pricing structures, including all automation and nonautomation prices.

One mailer association suggested that new mailing requirements to avoid price increases could constitute an effective price increase. Another commenter, declaring no need for the full-service option for themselves, opposed a dual price structure. One vendor suggested that pricing for full-service flats should be discounted more than for letters.

There were several inquiries about whether we would establish two or three automation price tiers. One mailer asked for a pricing roadmap for related services.

#### Response Concerning Prices

The benefits of Intelligent Mail reside in the enhanced value of the information-enriched mailstream, rather than in any prices that may accompany the Intelligent Mail barcode's introduction. While we understand that a number of factors affect how rapidly our customers adopt this new technology, we want to ensure that mailers focus on the groundbreaking nature of the Intelligent Mail barcode itself.

Responses to our **Federal Register** proposed rule revealed that there are wide variations in preparedness. Given the variation in mailers' readiness, and the current state of the economy, we want customers to adopt the new technology at their own pace. We do not want the implementation of any price to be interpreted as a mandate to adopt the full-service option in May 2009.

As we noted in our proposed rule, the Postal Service typically does not comment on specific prices in advance of a general price change announcement. As part of our price adjustment announcement in 2009, we will recommend to the Board of Governors that there be two automation pricing tiers, with lower automation prices in the Fall of 2009 for letters and flats that require a barcode and that are eligible for the full-service use of Intelligent Mail. We also will announce prices for related services as part of the annual price adjustment announcement.

We believe that the benefits of the information-enriched mailstream will be evident to most mailers and that they will determine that those benefits (those included in the full-service option as well as the internal uses of the data generated for the mailer through use of the Intelligent Mail barcode) will be worth their investments. The Postal Service will be ready to implement both full-service and basic options of

Intelligent Mail in May 2009 and will work with mailers to promote and assist adoption. The Postal Service will provide start-the-clock and address correction information to full-service participants in May 2009.

#### *Concerns About Other Benefits*

Many commenters asked for more details regarding the value or benefits of using the full-service option for mailers and mail providers. There were requests for the USPS to summarize the costs and benefits of full-service option implementation for the USPS and for customers. There also were requests for an explanation of how the industry will recover costs; with one commenter stating that implementation of the full-service option provides no value to mail service providers. One mailer association stated that a mature data feedback system for providing beneficial data should be developed and in place by the time customers need to be ready for implementation. One commenter suggested that full tracking information be the primary benefit for full-service mailings, instead of establishing a lower price.

#### *Response Concerning Benefits*

Intelligent Mail offers significant benefits. The USPS will provide automated address correction notices for letters and flats and start-the-clock information for mailings prepared under the full-service option. Mailers will receive actionable address correction information so that the right mailpiece is delivered to the right recipient at the right time. This improves mail quality and the return on investment of mailings. Start-the-clock information will enable visibility for when a mailing is inducted in the mailstream, allowing participants to bring accountability to the supply chain. Full-service option mail requires unique identification of mailpieces and containers and the provisioning of electronic documentation. These features can be used by mailers to automate and improve document management processes, quality control, and hand-off to third party suppliers. Mailers will no longer need to print and provide hard copy qualification reports and paper postage statements. This not only reduces paper usage, but eliminates the associated costs for handling, storing, managing, and disposing of paper-based documentation, promoting a more sustainable approach. See subsequent sections on "Address Correction Notices" and "Visibility" for explanations of these benefits.

#### **A Guide to Intelligent Mail for Letters and Flats**

Many commenters expressed concern about the recently published *A Guide to Intelligent Mail for Letters and Flats*, and stated that a longer period should be allowed for comments about that document. We have welcomed input and have continued to work with mailers to enhance the Guide and improve its usefulness. Several commenters asked that electronic documentation requirements be separated from Intelligent Mail implementation. As a reminder, electronic documentation is an integral part of the full-service option and remains an eligibility requirement. There is concern from customers that specifications in the Guide will continue to change. The Guide has been updated to accommodate feedback received from mailers and provide greater clarity for electronic documentation solutions. We are publishing the Guide on [ribbs.usps.gov](http://ribbs.usps.gov), concurrent with this final rule.

Comments about the Guide included inquiries about the timing of Mail.dat and Web Services updates to resolve such issues as nesting of mailpieces. Other inquiries include the identification of mail owners, customer registration IDs (CRIDs), accounting for pieces in combined and copalletized mailings, accounting for mailpiece spoilage, designation of "by/for" entities, and designation of authorized third parties (or "cast of characters") for data dissemination.

The Guide has been updated to reflect changes to support the full-service option. The Guide specifies the versions of Mail.dat and Mail.XML that will support Intelligent Mail. The Guide clarifies that the CRID is a 10-digit number field. There are no current plans to change the CRID to a 12-digit field. The Guide has also been updated to identify the spoilage, shortage, and data distribution solutions in collaboration with the mailing industry. More specific information on these and other items raised by commenters are in the Guide.

#### **Mailer ID Concerns**

Many commenters appreciated our clarification regarding the optional use of a mail owner's or mail preparer's Mailer ID in the Intelligent Mail barcode.

#### *Application Process*

There were many requests to streamline the application process, with a few requests to establish an online process. One service provider asked if mail preparers would be able to directly

obtain Mailer IDs for mail owners. In response to these requests, we have simplified the application form. Mail preparers may obtain Mailer IDs for mail owners via a redesigned application form, available online at [ribbs.usps.gov](http://ribbs.usps.gov).

Mail owners and mail preparers requested that the USPS consolidate the application process so that one Mailer ID could be used for OneCode ACS, OneCode Confirm, and general use of Intelligent Mail barcodes. One Mailer ID will be sufficient to access Confirm service, OneCode ACS, and the full-service option, except for specific uses of OneCode ACS. When a mailer uses the same ACS™ endorsement on all mailpieces, the same Mailer ID can be used. If a mailer uses different endorsements, such as "Address Service Requested" for some mailpieces and "Change Service Requested" for other mailpieces, a separate Mailer ID may be needed for each endorsement. Several commenters asked for a solution that would allow one Mailer ID to be used for multiple endorsements. The Guide explains the limited circumstances when mailers will need to use a different Mailer ID to support multiple endorsements.

Some commenters asked the USPS to remove questions from the application that asked for information they considered to be proprietary in nature. We redesigned the Mailer ID application to remove these sections.

#### *6-digit Mailer IDs for MLOCRs and "Jackpotting"*

Many mailers asked us to assign 6-digit Mailer IDs to individual multi-line optical character reader (MLOCR) machines. An MLOCR mailer may be given more than one 6-digit or 9-digit Mailer ID for use in the production environment for mailings prepared under full-service requirements if the MLOCR mail preparer's volume is such that they could not maintain unique identification of the mailpieces in a 45-day period using a single Mailer ID.

A concern was raised about whether an MLOCR mailer would be required to profile each customer's mail volume separately when "jackpotting" several small customer volumes together within a single mailing. We will allow MLOCR mailers to jackpot the mail from customers who provide less daily volume than 1% of the total average daily volume processed at that facility or 3,000 pieces (whichever is less). Mail preparers may not jackpot pieces with postage paid by permit imprint or any nonprofit pieces included in a combined mailing. Mail preparers may not subdivide one day's mailing into smaller segments to increase the number

of opportunities to jackpot the mail. A concern was expressed about the ability to jackpot reject mailpieces if the mail owner had to be identified either in the barcode or in the mailing documentation. Reject mailpieces will not have to be separately profiled.

#### *Mail Owner Identification*

Two mail service providers objected to the proposed requirement that the mail owner's request to use the owner's Mailer ID be honored, stating that this could not be done while maintaining mailpiece uniqueness. A few service providers and two industry associations requested that we remove the requirement for identification of the mail owner in the electronic documentation. Except for mailpieces with unreadable barcodes that may need to have a replacement barcode applied by a mail preparer, we are reiterating the requirement that mail preparers honor mail owners' requests to use their Mailer IDs in the Intelligent Mail barcode. We also retain the requirement to identify the mail owner via electronic documentation.

#### **Mailpiece Uniqueness**

Several commenters reiterated the previous suggestion that mailpiece "uniqueness" (unique numbering of mailpieces) be achieved by linking the delivery routing code with the serial number ID. As of May 2009, when mailpiece uniqueness is required for full-service, the serial number ID in combination with the Mailer ID and Service Type ID (by class of mail) will be required for mailpiece uniqueness. When mailers separate pieces of identical weight permit imprint mail by price category, or when the correct postage is affixed to each piece in full-service mailings of less than 10,000 pieces, mailpieces may have the same serial number on all pieces.

Many commenters expressed doubt about their ability to maintain uniqueness for 45 days. Several commenters questioned why the USPS needed to ensure uniqueness at all. To provide maximum solutions for information needed now and for future development, piece uniqueness is required, and that uniqueness lies in the Service Type ID (by class of mail), Mailer ID, and unique serial number. The USPS assigns 6-digit and 9-digit Mailer IDs to mailers to accommodate the ability to uniquely identify mailpieces, taking into account their mail volumes. A 9-digit Mailer ID allows up to 1 million pieces with unique serial numbers for a period of 45 days. A 6-digit Mailer ID allows up to 1 billion pieces with unique serial

numbers, which should enable mailers to maintain mailpiece uniqueness for 45 days.

#### **Intelligent Mail Barcodes for Mailpieces**

##### *Height*

Several mailers asked for a reduction in height of the Intelligent Mail barcode and for a reduction in the required space between address elements and the barcode, and one mailer asked if the technical specifications for the Intelligent Mail barcode have been finalized. We understand the barcode printing concerns and the necessity of maintaining an address area that facilitates use of a 1-inch-high label. The USPS Engineering and Intelligent Mail Planning and Standards departments have worked extensively with mailer groups over the past 18 months to resolve barcode specification issues. Ink jet printer manufacturers also provided recommendations and testing.

As a result, the Postal Service revised the barcode specification to reduce the barcode minimum height to 0.125 inch (from 0.134 inch) and the minimum vertical text-to-barcode spacing to 0.028 inch (from 0.040 inch). This results in an overall line height that is actually less than the POSTNET™ barcode requirements. In addition, the void spacing maximum (the empty space between print dots that make up a bar) has been doubled from 0.005 inch to 0.010 inch and MERLIN® barcode thresholds have been altered to be lower than the minimum heights of the barcode with slightly lower text-to-barcode spacing to allow for printing variations. These specifications are final.

Barcode theory and USPS testing indicate that any further reductions in barcode height will erode the readability of the barcode. This issue is due to the physical limitations of creating four different elements within the barcode's height. In addition, ink jet printer manufacturers are concerned that further reductions in barcode height would exceed the tolerance their equipment can meet. As an alternative to further barcode dimension changes, the Postal Service has reduced the address block text sizes for barcoded mail. These new dimensions allow a minimum text height of 0.065 inch (0.080 inch was initially proposed). These changes represent significant steps in facilitating address block and barcode printing. Ink jet printer manufacturer feedback to these latest changes has been unequivocally positive.

#### *Business Reply Mail (BRM) Barcode Placement*

One commenter stated that the placement of Intelligent Mail barcodes on Business Reply Mail® (BRM) in the barcode clear zone does not allow adequate printing tolerance, particularly for taller barcodes. A delivery point barcode must be positioned vertically between 0.1875 inch and 0.4375 inch from the bottom edge of the piece. The maximum 0.165-inch-high Intelligent Mail barcode will fit within the 0.250-inch area with room remaining for print tolerance. The Intelligent Mail barcode specification provides ample tolerance for printers to comply with the clear zone dimensions.

#### *Redirection Visibility*

There was one request that the USPS upgrade our Postal Automated Redirection System (PARS) to spray a new Intelligent Mail barcode on forwarded pieces so that the data in the original barcode are retained. The USPS decided not to make a modification to PARS.

#### *Miscellaneous Barcode Issues*

One commenter asked about the future of the PLANET Code barcode. We will retain the PLANET Code barcode for Confirm service as long as we continue to allow the POSTNET barcode for automation price eligibility. Several commenters asked if Intelligent Mail barcodes would be required on nonautomation pieces, and one commenter recommended that the Intelligent Mail barcode be optional on machinable pieces. We will not require barcodes on nonautomation mailpieces, but would allow correct barcodes at the mailer's option. One commenter asked if both alpha and numeric indicators could be used in the Intelligent Mail barcode. Current specifications for the Intelligent Mail barcode use numeric indicators; we have no plans to include alpha indicators in the barcode.

One commenter suggested that the USPS test readability of the Intelligent Mail barcode on Periodicals publications. Since 2006, the USPS has worked with mailers to test a variety of letters and flats to achieve the most flexible barcode specifications. The barcode specifications are now standardized and all mailers will be provided support as needed for implementation.

One commenter requested specific standards for applying Intelligent Mail barcodes on postcards. Current standards allow Intelligent Mail barcodes on postcards that have enough space in the address block to include the barcode.

### Container Placards and Barcodes

Two commenters reacted favorably to the elimination of the proposed requirement for a green strip or border on the container placard (previously referred to as a "container label"). One mailer expressed appreciation for the added option of using a smaller placard when affixed to the outside of the shrinkwrap. Several commenters urged the USPS to improve our container barcode scanning percentage.

#### *Number of Placards*

There were several requests that we retain the current two-placard requirement for pallets due to increased costs of applying a third placard. As of May 2009, under the full-service option, we will require two affixed placards on adjacent sides on the outside of shrinkwrapped pallets. Mailers who load pallets on trucks must position the pallets so that one pallet placard faces the rear of the truck.

#### *Layers of Shrinkwrap*

There were several objections to the restriction of no more than two layers of shrinkwrap covering pallet placards, noting compliance problems due to the automation of their wrapping procedures. We reiterate the importance of having all pallet placards placed so that they are readable and the barcodes may be scanned. We cannot generate or provide scans for placards that are obscured by shrinkwrap. In May 2009, for full-service mailings, we require that all pallet placards with Intelligent Mail container barcodes be affixed on the outside of shrinkwrap.

#### *Placard Specifications*

Two commenters objected to changing the minimum height of pallet placards. Mailers may choose to use smaller self-adhesive pallet placards with a minimum size of 4 inches by 7 inches for placards not containing "mailer-area" information, that are affixed to the outside of shrinkwrap. We also are retaining the current minimum height of 8 inches for pallet placards with a defined "mailer area." The top 4.25 inches of the placard will remain reserved for USPS use only. Mailers who use the 8 x 11 inch size must limit the mailer area to the remaining lower portion of the placard, which reduces the size of that area. Several commenters suggested that the Intelligent Mail container barcode include the destination. The Intelligent Mail container barcode has been designed to uniquely identify a unit load of mail and capture specific tracking data. The unique ID in the barcode is designed to link the physical

unit load with its detailed attributes contained within an electronic file. The barcode is not designed for routing purposes.

A mailer association asked if leading dashes or zeros could be used in the container barcode. The current Intelligent Mail container barcode specification supports the use of either leading dashes or zeros.

One mailer asked if a basic-option mailer could use the Intelligent Mail container placard, even though not required. We welcome these mailers' use of Intelligent Mail container placards, and hope that those who do so will participate in the full-service option at their earliest opportunity.

One vendor asked how the USPS would use container scan data. We will furnish induction container scan data, when available, for full-service mailings to the mailers as part of the start-the-clock feedback. We also will use these data to validate drop-shipments for full-service mailings.

### Tray Labels and Barcodes

Some commenters expressed concern about the changing 10/24 barcode format for Intelligent Mail tray labels, and many commenters asked when the new 24-digit barcode format could be used. The final specifications for the 10/24 transitional Intelligent Mail tray label and the 24-digit Intelligent Mail tray label are available on [ribbs.usps.gov](http://ribbs.usps.gov). Mailers will be able to use the 24-digit barcoded label on, but not before, April 6, 2009. The need for accurate 24-digit barcodes on labels generated through vendor software is imperative to the success of full-service implementation. Therefore, we are requesting that all vendor software that generates the 24-digit barcoded labels go through a certification process to ensure readiness. The certification process is posted on our Intelligent Mail Web site at [ribbs.usps.gov](http://ribbs.usps.gov). One mailer requested that tray label specifications be finalized within 60 days. Specifications for the 24-digit Intelligent Mail tray label are provided in the *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®) section of this final rule.

Several commenters urged the Postal Service to ensure adequate supplies of plastic sacks and label holders and to improve the quality of existing label holders. The Postal Service uses 2-inch label holders on letter and flats trays, and supplies label holders to mailers upon request. We have an adequate supply of plastic sacks and sack label holders, and we welcome specific suggestions for improving the quality of existing label holders.

One mailer asked if both alpha and numeric indicators could be used in the Intelligent Mail tray barcode. We developed the Intelligent Mail tray barcode to include only numeric indicators and are not planning to allow alpha indicators.

### Address Correction Notices

#### *Provision of Data*

Many commenters sought clarification about how USPS will provide address correction notices, and inquired about the ability to distribute these notices to authorized third parties. Two commenters requested that free address correction information be provided to all users of Intelligent Mail barcodes. Several commenters requested that notices be provided in a downloadable file format.

We will provide automated address correction notices for correctly formatted full-service mailpieces that meet OneCode ACS requirements. The information will be provided in one of two ways. Authorized entities may obtain downloadable files via the Internet or an electronic exchange method.

#### *Provision of Notices at No Additional Charge*

Mailers will qualify for automated address correction notices at no additional charge for mailpieces verified as eligible for Intelligent Mail full-service, when mailers use the provided information to update their address records. Mailers who do not update an address record after notification may incur charges for subsequent notices for that address.

One mailer suggested that free address correction notices be provided for carrier route flats when they have Intelligent Mail barcodes and are part of a full-service mailing. We will consider including carrier route flats as eligible for full-service benefits in the future.

#### *Move Update*

A few commenters questioned whether participation in the full-service option would meet the Move Update requirement. Full-service mailings would meet Move Update requirements as long as address correction information previously obtained has been used to update addresses within 95 days (effective November 23, 2008) of the date of mailing. It is important that mailers use the information provided in address correction notices to update addresses used in future mailings. A premailing method, such as NCOA<sup>LINK</sup>®, is necessary for Move Update compliance when mailers use

newly purchased lists or lists that have not used an approved Move Update process within the previous 95 days. As a reminder, mailpieces with alternative addressing formats (simplified, occupant, and exceptional addresses) are not subject to the Move Update standard and may not use ancillary service endorsements. Alternative addresses include pieces with addresses such as "Postal Customer," "Occupant" with a delivery address, or an addressee's name accompanied by "Or Current Resident" with a delivery address. Pieces with alternative addressing formats must not use ACS.

We received additional questions about whether mailers could switch OneCode ACS on and off for different mailings. Mailers may use OneCode ACS on selected mailings or on selected pieces within a mailing, but should be aware that we will monitor address quality to ensure compliance with Move Update standards. Commenters also questioned whether free notices would be provided for mailpieces that failed to maintain uniqueness. Mailpieces that are ostensibly presented as part of full-service mailings, but which do not maintain the required uniqueness or fail to qualify for full-service for any reason will not be eligible to receive automated address correction notices at no additional charge.

A mailer association asked about the obligation of a third party when address lists are rented. The mailer is responsible for ensuring compliance with Move Update requirements. Mail providers may request that mail owners complete PS Form 6014, *Certification of Move Update Compliance*.

#### *Printed Endorsements*

Several commenters questioned the need for printed ancillary service endorsements on pieces requesting OneCode ACS. First-Class Mail letters and Periodicals mailpieces with OneCode ACS do not need printed endorsements since all undeliverable-as-addressed First-Class Mail letters and Periodicals mailpieces are sent to either the Postal Automated Redirection System (PARS) or Centralized Forwarding System (CFS) units for processing where the Intelligent Mail barcode is read to detect the mailer's request for address correction services. First-Class Mail flats, without a printed endorsement, that can be forwarded are also sent to CFS units for processing and generation of OneCode ACS notices based on the Intelligent Mail barcode. First-Class Mail flats that are undeliverable for any other reason are not sent to CFS units for processing and do not generate the OneCode ACS

address correction notice unless they have a printed endorsement indicating the mailer's request for address correction services. All undeliverable-as-addressed Bound Printed Matter (BPM) and Standard Mail pieces received at the delivery unit are disposed of if they do not bear printed endorsements to alert delivery employees to the mailer's request for address correction services.

We also received questions about additional charges for services implied by endorsements, including whether the USPS would charge for hard copy notices provided for full-service option pieces. When Periodicals, Standard Mail, and BPM pieces have endorsements requesting an undeliverable mailpieces' forwarding or return, additional charges apply for these services. Also, when hard copy notices are provided at the mailer's request associated with the forwarding of a mailpiece, current prices apply. However, as today, mailers will not be required to pay the manual notice fee for a hard copy notice for pieces properly prepared for OneCode ACS when the endorsement is Electronic Service Requested.

#### *Miscellaneous*

One commenter suggested that providing free notices devalued use of NCOA<sup>LINK</sup>. A premailing method, such as NCOA<sup>LINK</sup>, may be necessary for compliance with Move Update requirements when mailers use newly purchased lists or lists of addressees to which they have not mailed within the previous 95 days. We urge customers to use NCOA<sup>LINK</sup> before mailing to increase the percentage of deliverable, timely mail. We consider the provision of address correction notices, which includes information not available in NCOA<sup>LINK</sup> when files are processed, as a supplement to NCOA<sup>LINK</sup> and other mailer efforts to update and cleanse their address lists.

Several commenters asked if mailpieces for which the USPS database could not supply 11-digit routing codes would be eligible for automation prices. One commenter suggested that the USPS improve its address database to lower the percentage of uncodeable addresses. As of May 2009, barcodes with 11-digit routing codes will be required for automation flats. Currently, 11-digit routing codes are required in barcodes on automation letters. The USPS makes a continuous effort to identify and resolve any missing information in its address database. However, not all addresses maintained by the mailing industry represent valid delivery points served by the USPS.

When a mailer has addressed a piece to an address that is not a USPS delivery point, or when the address cannot be matched to the USPS address data, an 11-digit routing code cannot be provided. The USPS provides many different products, programs, and services to assist mailers in resolving addresses that cannot be matched to the USPS database. As a reminder, current DMM standards accommodate situations when mailpieces are addressed for delivery to an address with a unique 5-digit ZIP Code<sup>TM</sup> or unique ZIP+4<sup>®</sup> code.

A mailer association asked when the USPS would retire traditional ACS, and another commenter asked if notices would be "free forever." We have no plans to retire traditional ACS. When mailers participate in the full-service option, automated address correction notices will be provided for qualifying mailpieces. We will monitor the effectiveness of this service on reducing the volume of undeliverable-as-addressed mail and the results will influence future pricing decisions.

#### **Visibility**

Many commenters asked for clarification about information that will be provided as "start-the-clock" information—verification of USPS possession of the mailing or container scans. There were many requests to specify the method for providing the information, with observations that online reports would be inadequate. Several commenters requested that container scans be provided in a downloadable file format, with the ability to provide information to mail owners, mail preparers, and authorized third parties. Two commenters suggested that tray and container scans be provided at no charge to full-service option participants. We will provide information about when the mail is inducted into the mailstream. All available induction scan data will be provided. Information will be provided online via an online method or an electronic data exchange capability.

Two commenters stated the need for the USPS to provide detailed diagnostic information based on data obtained when pieces are processed. The USPS will provide address correction information and start-the-clock information as part of the full-service option. The USPS will consider offering additional mail quality diagnostics in the future.

#### **Confirm**

Several commenters requested that the USPS maintain Confirm service in its current state, allowing all mailers

who use either Intelligent Mail barcodes or PLANET Code barcodes to access mailpiece tracking information. Several commenters requested an expanded ability to distribute scan data to third parties. One mailer requested that the USPS expand pricing options to accommodate fewer scans for a subscription price lower than the current Silver price level.

We agree that Confirm provides information that improves the value of mail for customers; this is consistent with the Intelligent Mail vision. Any changes in the pricing or availability of Confirm would be pursued separately. This notice reiterates the availability of OneCode Confirm through the use of a Service Type ID in the Intelligent Mail barcode, and does not change the existing ability of authorized third parties to receive Confirm data. Expanded data distribution capabilities are discussed in the Guide.

One commenter asked if OneCode Confirm will supply forwarding scans. The USPS does not plan to offer this at this time.

#### **Data Security**

Commenters requested information regarding USPS plans to provide security for data transmitted by mailers and data captured under the full-service option use of Intelligent Mail. The Intelligent Mail implementation will be in compliance with its comprehensive security standards as published in the USPS Handbook, AS-805, *Information Security*. The AS-805 handbook and its related documents are based upon industry and government standards and best practices.

#### **Customer/Supplier Agreements**

##### *Containerization Standards*

Commenters noted that our proposal lacked standards for containerization of First-Class Mail letters and flats. Several commenters requested that we finalize containerization standards and publish them as part of the final rule, rather than possibly publishing them as a separate notice. We continue to work with the mailing industry on containerization of large, origin entered mailings through customer/supplier agreements.

##### *Variations by Site*

Some commenters expressed concern about local agreements varying by site, and three commenters requested a defined resolution process. One commenter suggested that containerization requirements should translate into price discounts. Customer/supplier agreements are the result of cooperation between mailers

and USPS plant managers to establish appropriate separation of mailing containers related to critical mail acceptance times. Customer/supplier agreements will be used for origin-entered mailings verified at a mailer's facility, for mail presented at the BMEU requesting later entry times, and for time-sensitive dropshipped Periodicals mailings requesting later entry times. The nature of customer/supplier agreements is one of a mutually beneficial agreement. The process for establishing customer/supplier agreements is outlined in the Guide and these will be established as needed for eligible customers.

##### *Special Postage Payment Agreements*

Several commenters asked if optional procedure agreements or other special postage payment agreements would be replaced with customer/supplier agreements. Special postage payment agreements will remain as they are currently, with customer/supplier agreements supplementing special postage payment agreements rather than replacing them.

##### *Miscellaneous*

One mailer requested that the USPS allow First-Class Mail mailers to retain scheduled pickups. There are no plans to discontinue current local transportation schedules. One mailer asked that the USPS not require multiple mailings to be combined. This is not required now and the Postal Service has no plans to require it in the future. A vendor association stated that more information on transportation routes and handling of First-Class Mail is needed. There are no planned changes in current transportation requirements.

#### **Reply Mail**

Most commenters appreciated the longer time provided in our proposal to use POSTNET barcodes on reply mail, but some asked us to rethink whether we needed Intelligent Mail barcodes on all reply mail. One mailer asked that we not require Mailer IDs in Intelligent Mail barcodes on Business Reply Mail (BRM).

BRM or Courtesy Reply Mail™ (CRM) pieces will not be required to have Intelligent Mail barcodes until May, 2011. However, letters claiming Qualified Business Reply Mail (QBRM) prices and Permit Reply Mail (PRM) pieces will be required to use Intelligent Mail barcodes, including Mailer IDs, as of May 2010. We will continue to allow, until May 2011, either POSTNET or Intelligent Mail barcodes on other reply

mail that is enclosed within automation mailpieces.

Two commenters asked for a 5 percent rebate on postage for Courtesy Reply Mail bearing Intelligent Mail barcodes and enclosed in full-service mailings. Courtesy Reply Mail pieces are entered into the mail system as single-piece items and are fully processed by the USPS; therefore we do not plan to offer a rebate on postage for Courtesy Reply Mail pieces.

#### **Verification of Full-Service Mailings**

##### *Mixed Mailings*

Many commenters asked if, under the full-service option, the USPS would allow mailpieces with POSTNET barcodes and basic option Intelligent Mail barcodes to be commingled with full-service pieces. We will allow full-service and basic option mailpieces with Intelligent Mail barcodes as well as pieces with POSTNET barcodes to be combined in a single mailing, including copalletized mailings, when appropriate documentation is provided. As a reminder, when there are full-service pieces in a mailing, mailers must use Intelligent Mail tray labels and Intelligent Mail container placards (if the mail is containerized) and provide the USPS with electronic mailing documentation which includes piece level documentation for all mailpieces in those mailings. The Guide provides detailed information concerning documentation for mixed and copalletized mailings that include pieces with different types of barcodes.

##### *Verification Procedures*

Several commenters asked about continuation of current verification procedures, as well as proposed tolerances and penalties for failure to maintain mailpiece uniqueness or other errors. Current verification procedures, including use of MERLIN and established levels of error tolerances, will apply to basic and full-service mailings. Failure to meet qualifications for the full-service option, such as not maintaining mailpiece uniqueness, would result in a mailing being ineligible for full-service benefits; however, it may still be eligible for automation prices. A mailer association asked if hard copy documentation will be required for full-service mailings. Full-service mailings require the submission of electronic documentation; use of hard copy documentation for full-service mailings is not an option.

Miscellaneous

One commenter asked for the flexibility to enter a full-service mailing as a Standard Mail mailing, but upgrade it to a First-Class Mail mailing via electronic notification. There are no provisions for this type of change at this time.

Another commenter asked if the unique serial number in barcodes on pieces mailed under the full-service option would replace the printed unique mailpiece identification required for manifest mailings. The USPS will consider this option in the future, as mailers and the USPS determine that validation and verification procedures are adequate without the printed identifiers.

One mailer requested that the USPS publish a list of approved full-service vendors. We are not planning to certify or formally pre-approve vendors for full-service capabilities.

**FAST**

Several commenters expressed appreciation that Facility Access and Shipment Tracking (FAST®) appointments would not be generally needed for First-Class Mail mailings and for origin-entered mailings of other mail classes. We received several requests for clarification regarding the method needed to update files after the original appointment is made. Updates for recurring appointments may be provided via Mail.dat or Mail.XML, whereas updates to one-time appointments would be provided only via Mail.XML. One commenter asked if consolidators were responsible for updating appointment information. Whoever makes the appointment is responsible for updating the logistics information. Appointment content information may be updated by the appointment creator (scheduler) or may also be updated by the mail owner or mail preparer in joint scheduling scenarios.

One commenter asked how FAST accommodates customer/supplier agreements. FAST will be used, as defined in the customer/supplier agreement, to create appointments for origin entered mail that is transported by the mailer. The FAST system is also used to schedule appointments for dropshipment mailings, which typically do not require a customer/supplier agreement.

One mailer asked if FAST will be integrated with the Surface Air Management System (SAMS). SAMS and FAST serve different functions, and under the full-service option they will continue to function as they do today.

There are no plans for a SAMS-FAST link.

**Other Comments**

Miscellaneous

Many commenters requested a technology roadmap for the next three to five years. The USPS will share the timeline for Intelligent Mail implementation with the mailing industry.

Several commenters requested that the USPS establish online and human technical support systems. USPS help desks are being resourced and trained to support the Intelligent Mail implementation in May 2009. Personnel across various USPS functions such as business mail acceptance, business service network, and sales are being trained. The USPS will provide webinars, training and educational material for vendors and customers after publication of this final rule.

Current Standards

We also received questions about issues that are already covered by mailing standards in the current DMM. For instance, barcode placement standards are in DMM 202.5, 302.4, and 708.4. We currently allow and encourage mailers to use Intelligent Mail barcodes on their letters and flats to qualify for automation prices according to standards in DMM 202.5, 302.4, and 708.4, with technical specifications available at [ribbs.usps.gov/OneCodeSolution/](http://ribbs.usps.gov/OneCodeSolution/). Standards regarding the use of Intelligent Mail barcodes with Confirm service are in DMM 503.13.3 and, with OneCode ACS™ in DMM 507.4.2. Standards for using Intelligent Mail barcodes on BRM are in DMM 507.9.9 and 708.4.0. We have a frequently asked questions (FAQs) section on our Intelligent Mail Web site at [ribbs.usps.gov](http://ribbs.usps.gov).

**Summary**

In May 2009, we will implement the following:

- Updated requirements for Intelligent Mail barcodes and POSTNET barcodes, with delivery point routing information required in barcodes on automation letters and flats and carrier route letters.
- Two options for using Intelligent Mail barcodes—the basic option and the full-service option.
  - For full-service implementation, we will require:
    - Unique identification in Intelligent Mail barcodes on letters and flats.
    - Intelligent Mail tray labels, with unique barcodes, used on trays and sacks.

- Intelligent Mail container placards, with unique barcodes, affixed on the outside of pallets and placed on containers (if the mail is containerized).

- Electronic postage statements and documentation (when documentation is required).

- Full-service mailers will enjoy the following benefits:

- Address correction information for letters and flats using OneCode ACS at no charge (subject to approval by the Governors).

- “Start-the-clock” information that will document when the Postal Service has taken possession of each mailing.

In May 2010, we will require the Intelligent Mail barcode on QBRM letters and on Permit Reply Mail pieces.

As part of the annual price adjustment announcement in 2009, we will recommend to the Board of Governors that letters and flats requiring a barcode and mailed under the full-service option of Intelligent Mail pay lower automation prices in the Fall of 2009 than pieces mailed under the basic option or with POSTNET barcodes.

The Postal Service will adopt the following changes to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), incorporated by reference in the *Code of Federal Regulations*. See 39 CFR 111.1.

**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:

**Authority:** 5 U.S.C. 552(a); 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)**

\* \* \* \* \*

**200 Commercial Letters and Cards**

\* \* \* \* \*

**230 First-Class Mail**

**233 Prices and Eligibility**

\* \* \* \* \*



**5.0 Additional Eligibility Standards for Automation First-Class Mail Letters****5.1 Basic Standards for Automation First-Class Mail Letters**

All pieces in a First-Class Mail automation mailing must:

\* \* \* \* \*

[Revise item e of 5.1 as follows:]

e. Bear an accurate delivery point POSTNET barcode or an Intelligent Mail barcode encoded with the correct delivery point routing code, matching the delivery address and meeting the standards in 202.5.0, and 708.4.0. Mailers must apply the barcode either on the piece or on an insert showing through a window.

\* \* \* \* \*

[Renumber current 233.5.2 through 233.5.5 as new 233.5.3 through 233.5.6.]

[Add a new 233.5.2 as follows:]

**5.2 Additional Eligibility Standards for Full-Service Automation First-Class Mail Letters**

All pieces entered under the full-service automation option 705.22, must:

a. Bear a unique Intelligent Mail barcode.

b. Be part of a mailing using unique Intelligent Mail tray labels on all trays and sacks.

c. Be part of a mailing using unique Intelligent Mail container barcodes on all destination-entry pallets and other containers prepared under 705.8.0 or as part of a customer/supplier agreement.

d. Be part of a mailing using an approved electronic method to transmit a postage statement and mailing documentation to the *PostalOne!* system.

\* \* \* \* \*

**234 Postage Payment and Documentation**

\* \* \* \* \*

**4.0 Mailing Documentation**

\* \* \* \* \*

[Renumber current 234.4.4 through 234.4.9 as 234.4.5 through 234.4.10 and add a new 234.4.4 as follows:]

**4.4 Documentation Submission—Full-Service Automation Option**

Mailers entering First-Class Mail pieces under the full-service automation option must electronically submit postage statements and mailing documentation to the *PostalOne!* system as described in 705.22.3.4.

\* \* \* \* \*

**235 Mail Preparation**

\* \* \* \* \*

**4.0 Tray Labels**

\* \* \* \* \*

**4.9 Barcoded Tray Labels****4.9.1 Basic Standards for Barcoded Tray Labels**

[Revise 4.9.1 by adding a new second sentence as follows:]

\* \* \* Intelligent Mail tray labels must be used with mailings entered under the full-service automation option. \* \* \*

\* \* \* \* \*

**240 Standard Mail****243 Prices and Eligibility**

\* \* \* \* \*

**6.0 Additional Eligibility Standards for Enhanced Carrier Route Standard Mail Letters****6.1 General Enhanced Carrier Route Standards**

\* \* \* \* \*

**6.1.2 Basic Eligibility Standards**

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

\* \* \* \* \*

[Revise item g of 6.1.2 as follows:]

g. Meet the requirements for automation compatibility in 201.3.0 and bear an accurate delivery point POSTNET barcode or Intelligent Mail barcode encoded with the correct delivery point routing code matching the delivery address and meeting the standards in 202.5.0, and 708.4.0. Letters with Intelligent Mail barcodes entered under the full-service automation option also must meet the standards in 705.22. Pieces prepared with a simplified address format are exempt from this requirement.

\* \* \* \* \*

**6.3 Basic Price Enhanced Carrier Route Standards**

\* \* \* \* \*

**6.3.2 Basic Price Eligibility**

\* \* \* Basic prices also apply under these conditions:

[Revise item a of 6.3.2 as follows:]

a. Basic letter prices apply to each piece that is automation-compatible according to 201.3.0, and has an accurate delivery point POSTNET barcode or Intelligent Mail barcode encoded with the correct delivery point routing code matching the delivery address and meeting the standards in 202.5.0 and 708.4.0.

\* \* \* \* \*

**6.4 High Density Enhanced Carrier Route Standards****6.4.1 Basic Eligibility Standards for High Density Prices**

[Revise the first sentence of 6.4.1 as follows:]

High density prices apply to each piece that is automation-compatible according to 201.3.0, and has an accurate delivery point POSTNET barcode or Intelligent Mail barcode encoded with the correct delivery point routing code matching the delivery address and meeting the standards in 202.5.0, and 708.4.0. \* \* \*

\* \* \* \* \*

**6.5 Saturation ECR Standards****6.5.1 Basic Eligibility Standards for Saturation Prices**

[Revise the first sentence of 6.5.1 as follows:]

Saturation prices apply to each piece that is automation-compatible according to 201.3.0, and has an accurate delivery point POSTNET barcode or Intelligent Mail barcode encoded with the correct delivery point routing code matching the delivery address and meeting the standards in 202.5.0, and 708.4.0. \* \* \*

\* \* \* \* \*

**7.0 Eligibility Standards for Automation Standard Mail****7.1 Basic Eligibility Standards for Automation Standard Mail**

All pieces in a Regular Standard Mail or Nonprofit Standard Mail automation mailing must:

\* \* \* \* \*

[Revise item e of 7.1 as follows:]

e. Bear an accurate delivery point POSTNET barcode or Intelligent Mail barcode encoded with the correct delivery point routing code, matching the delivery address and meeting the standards in 202.5.0, and 708.4.0. Mailers must apply the barcode either on the piece or on an insert showing through a window.

\* \* \* \* \*

[Renumber current 243.7.2 through 243.7.6 as new 243.7.3 through 243.7.7] [Add a new 243.7.2 as follows:]

**7.2 Additional Eligibility Standards for Full-Service Automation Standard Mail Letters**

All pieces entered under the full-service automation option according to standards in 705.22 must:

a. Bear a unique Intelligent Mail barcode.

b. Be part of a mailing using unique Intelligent Mail tray labels on all trays and sacks.

c. Be part of a mailing using unique Intelligent Mail container barcodes on all destination-entry pallets and other containers prepared under 705.8.0 or as part of a customer/supplier agreement.

d. Be part of a mailing using an approved electronic method to transmit a postage statement and mailing documentation to the *PostalOne!* system.

e. Be scheduled for an appointment through the Facility Access and Shipment Tracking (FAST) system when deposited as a DBMC or DSCF drop-shipment.

\* \* \* \* \*

**244 Postage Payment and Documentation**

\* \* \* \* \*

**4.0 Mailing Documentation**

\* \* \* \* \*

[Renumber current 244.4.4 through 244.4.9 as 244.4.5 through 244.4.10] [Add a new 244.4.4 as follows:]

**4.4 Documentation Submission—Full-Service Automation Option**

Mailers entering Standard Mail pieces under the full-service automation option must electronically submit postage statements and mailing documentation to the *PostalOne!* system as described in 705.22.3.4.

\* \* \* \* \*

**245 Mail Preparation**

\* \* \* \* \*

**4.0 Tray Labels**

\* \* \* \* \*

**4.9 Barcoded Tray Labels**

**4.9.1 Basic Standards for Barcoded Tray Labels**

\* \* \* Barcoded labels must meet these general standards:

[Revise 4.9.1 by adding a new item e as follows:]

e. Intelligent Mail tray labels must be used with mailings entered under the full-service automation option.

\* \* \* \* \*

**300 Commercial Flats**

**330 First-Class Mail**

**333 Prices and Eligibility**

\* \* \* \* \*

**5.0 Additional Eligibility Standards for Automation Price First-Class Mail Flats**

**5.1 Basic Standards for Automation First-Class Mail**

All pieces in a First-Class Mail automation mailing must:

\* \* \* \* \*

[Revise item e of 5.1 to require a delivery point barcode as follows:]

e. Bear an accurate delivery point POSTNET barcode or Intelligent Mail barcode encoded with the correct delivery point routing code, matching the delivery address and meeting the standards in 302.4.0, and 708.4.0, either on the piece or on an insert showing through a barcode window.

\* \* \* \* \*

[Renumber current 333.5.2 through 333.5.5 as 333.5.3 through 333.5.6.]

[Add a new 333.5.2 as follows:]

**5.2 Eligibility Standards for Full-Service Automation First-Class Mail Flats**

All pieces entered under the full-service automation option according to standards in 705.22 must:

a. Bear a unique Intelligent Mail barcode.

b. Be part of a mailing using unique Intelligent Mail tray labels on all trays and sacks.

c. Be part of a mailing using unique Intelligent Mail container barcodes on all destination-entry pallets and other containers prepared under 705.8.0 or as part of a customer/supplier agreement.

d. Be part of a mailing using an approved electronic method to transmit a postage statement and mailing documentation to the *PostalOne!* system.

\* \* \* \* \*

**334 Postage Payment and Documentation**

\* \* \* \* \*

**4.0 Mailing Documentation**

\* \* \* \* \*

[Renumber current 334.4.4 through 334.4.9 as 334.4.5 through 334.4.10.]

[Add a new 334.4.4 to reflect electronic submission standards at the full-service automation price as follows:]

**4.4 Documentation Submission—Full-Service Automation Option**

Mailers entering First-Class Mail flats under the full-service automation option must electronically submit postage statements and mailing documentation, including qualification and container reports, to the *PostalOne!* system as described in 705.22.3.4.

\* \* \* \* \*

**335 Mail Preparation**

\* \* \* \* \*

**4.0 Tray Labels**

\* \* \* \* \*

**4.9 Barcoded Tray Labels**

**4.9.1 Basic Standards for Barcoded Tray Labels**

\* \* \* Barcoded labels must meet these general standards:

[Revise 4.9.1 by adding a new item e as follows:]

e. Intelligent Mail Tray labels must be used with mailings entered under the full-service automation option.

\* \* \* \* \*

**340 Standard Mail**

**343 Prices and Eligibility**

\* \* \* \* \*

**7.0 Additional Eligibility Standards for Automation Standard Mail Flats**

**7.1 Basic Eligibility Standards for Automation Standard Mail**

All pieces in a Regular Standard Mail or Nonprofit Standard Mail automation mailing must:

\* \* \* \* \*

[Revise item e to require a delivery point barcode as follows:]

e. Bear an accurate delivery point POSTNET barcode or Intelligent Mail barcode encoded with the correct delivery point routing code, matching the delivery address and meeting the standards in 302.4.0, and 708.4.0, either on the piece or on an insert showing through a barcode window.

\* \* \* \* \*

[Re-number current 343.7.2 through 343.7.4 as 343.7.3 through 343.7.5.]

[Add a new 343.7.2 as follows:]

**7.2 Eligibility Standards for Full-Service Automation Standard Mail Flats**

All pieces entered under the full-service automation option, according to standards in 705.22, must:

a. Bear a unique Intelligent Mail barcode.

b. Be part of a mailing using unique Intelligent Mail tray labels on all trays and sacks.

c. Be part of a mailing using unique Intelligent Mail container barcodes on all destination-entry pallets and other containers prepared under 705.8.0 or as part of a customer/supplier agreement.

d. Be part of a mailing using an approved electronic method to transmit a postage statement and mailing documentation to the *PostalOne!* system.

e. Be scheduled for an appointment through the Facility Access and Shipment Tracking (FAST) system when deposited as a DBMC or DSCF dropshipment.

\* \* \* \* \*

**344 Postage Payment and Documentation**

\* \* \* \* \*

**4.0 Mailing Documentation**

\* \* \* \* \*

[Renumber current 344.4.4 through 344.4.9 as 344.4.5 through 344.4.10.]

[Add a new 344.4.4 as follows:]

**4.4 Documentation Submission—Full-Service Automation Option**

Mailers entering Standard Mail pieces under the full-service automation option must electronically submit postage statements and mailing documentation, including qualification and container reports, to the *PostalOne!* system as described in 705.22.3.4.

\* \* \* \* \*

**345 Mail Preparation**

\* \* \* \* \*

**4.0 Sack and Tray Labels**

\* \* \* \* \*

**4.8 Use of Barcoded Sack and Tray Labels**

\* \* \* Barcoded labels must meet these general standards:

[Revise 4.8 by adding a new item e as follows:]

e. Intelligent Mail tray labels must be used on all trays and sacks for mailings entered under the full-service automation option.

\* \* \* \* \*

**360 Bound Printed Matter****363 Prices and Eligibility****1.0 Prices and Fees for Bound Printed Matter****1.1 Nonpresorted Bound Printed Matter**

\* \* \* \* \*

**1.1.4 Barcoded Discount—Flats**

[Revise 363.1.1.4 to require BPM claiming a barcode discount price to be automation-compatible and bear a delivery point barcode as follows:]

The barcoded discount applies only to BPM flat-size pieces that meet the requirements for automation compatibility in 301.3.0 and bear a delivery point POSTNET barcode or Intelligent Mail barcode encoded with the correct delivery point routing code, matching the delivery address and meeting the standards in 302.4.0 and 708.4.0. The pieces must be part of a nonpresorted mailing of 50 or more flat-size pieces.

\* \* \* \* \*

**4.0 Price Eligibility for Bound Printed Matter Flats****4.1 Price Eligibility**

\* \* \* Price categories are as follows:  
\* \* \* \* \*

[Revise item d of 363.4.1 to require BPM claiming a barcode discount price to be automation-compatible and bear a delivery point barcode as follows:]

d. Barcoded Discount—Flats. The barcoded discount applies only to BPM flat-size pieces that meet the requirements for automation compatibility in 301.3.0 and bear an accurate delivery point POSTNET barcode or Intelligent Mail barcode encoded with the correct delivery point routing code, matching the delivery address and meeting the standards in 302.4.0 and 708.4.0. The pieces must be part of a nonpresorted mailing of 50 or more flat-size pieces or part of a presort mailing of at least 300 BPM flat-size pieces prepared under 705.8.0, and 365.7.0. The barcoded discount is not available for flat-size pieces mailed at Presorted DDU prices or carrier route prices.

\* \* \* \* \*

**6.0 Additional Eligibility Standards for Barcoded Bound Printed Matter Flats****6.1 Basic Eligibility Standards for Barcoded Bound Printed Matter**

[Revise 6.1 by revising the first sentence as follows:]

The barcode discount applies only to BPM flat-size pieces that bear a delivery point POSTNET barcode or an Intelligent Mail barcode encoded with the correct delivery point routing code, matching the delivery address and meeting the standards in 302.4.0 and 708.4.0. \* \* \*

[Renumber current 363.6.2 through 363.6.3 as 363.6.3 through 363.6.4.]  
[Add a new 363.6.2 as follows:]

**6.2 Eligibility Standards for Full-Service Automation Bound Printed Matter Flats**

All pieces entered under the full-service automation option, according to standards in 705.22, must:

a. Bear a unique Intelligent Mail barcode.

b. Be part of a mailing using unique Intelligent Mail tray labels on all trays and sacks.

c. Be part of a mailing using unique Intelligent Mail container barcodes on all destination-entry pallets and other containers prepared under 705.8.0 or as part of a customer/supplier agreement.

d. Be part of a mailing using an approved electronic method to transmit

a postage statement and mailing documentation to the *PostalOne!* system.

e. Be scheduled for an appointment through the Facility Access and Shipment Tracking (FAST) system when deposited as a DBMC or DSCF dropshipment.

\* \* \* \* \*

**364 Postage Payment and Documentation**

\* \* \* \* \*

**2.0 Mailing Documentation**

\* \* \* \* \*

[Renumber current 364.2.4 through 364.2.9 as 364.2.5 through 364.2.10.]

[Add a new 364.2.4 as follows:]

**2.4 Documentation Submission—Full-Service Automation Option**

Mailers entering BPM pieces under the full-service automation option must electronically submit postage statements and mailing documentation to the *PostalOne!* system as described in 705.22.3.4.

\* \* \* \* \*

**365 Mail Preparation**

\* \* \* \* \*

**4.0 Sack Labels**

\* \* \* \* \*

**4.9 Basic Standards for Barcoded Sack Labels**

\* \* \* Barcoded labels must meet these general standards:

[Revise 4.9 by adding a new item e as follows:]

e. Intelligent Mail tray labels (see 708.6.0) must be used on sacks for mailings entered under the full-service automation option.

\* \* \* \* \*

**500 Additional Services**

\* \* \* \* \*

**507 Mailer Services**

\* \* \* \* \*

**9.0 Business Reply Mail (BRM)**

\* \* \* \* \*

[Revise the title and text of 9.9 to allow Intelligent Mail barcodes on letter-size and flat-size BRM, except QBRM letters, to omit a Mailer ID as follows:]

**9.9 Additional Standards for Letter-Size and Flat-Size BRM**

In addition to the format standards in 9.8, letter-size BRM enclosed in automation mailings and all QBRM must be barcoded with a ZIP+4 POSTNET barcode or an Intelligent Mail barcode. Intelligent Mail barcodes on all

BRM must contain the barcode ID, service type ID, and correct ZIP+4 routing code, as specified under 708.4.3. QBRM letters must bear Intelligent Mail barcodes with a USPS-assigned Mailer ID, effective May 2010. Other BRM letters and flats may be barcoded at the permit holder's option. Barcoded BRM must meet the barcode standards in 708.4.0, the envelope basis weight standards in 9.7.1, all other mailpiece design standards in 201.3.0 (including thickness) or 301.3.0, and these standards:

\* \* \* \* \*

**10.0 Permit Reply Mail**

\* \* \* \* \*

**10.3 Format Elements**

\* \* \* \* \*

**10.3.6 Delivery Address**

*[Revise 10.3.6 as follows:]*

The complete address (including the permit holder's name, delivery address, city, state, and ZIP + 4 code) must be printed on the piece. PRM pieces must bear a delivery point POSTNET (until May 2010) or Intelligent Mail barcode. Effective May 2010, PRM pieces must bear Intelligent Mail barcodes (under 708.4.3) with delivery point routing codes and USPS-assigned Mailer IDs.

**700 Special Standards**

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**705 Advanced Preparation and Special Postage Payment Systems**

\* \* \* \* \*

**8.0 Preparing Pallets**

\* \* \* \* \*

*[Re-title 705.8.6 as follows:]*

**8.6 Pallet Placards**

**8.6.1 Placement**

*[Revise 8.6.1 by adding a new second sentence as follows:]*

\* \* \* Pallets prepared through plant-load or drop-shipment agreements must be placed on transportation so that a pallet placard on each pallet faces toward the rear of the vehicle.

**8.6.2 Specifications**

*[Revise 8.6.2 to reference Intelligent Mail container barcoded pallet placards as follows:]*

Pallet placards must be pink for Periodicals mailpieces or white for Standard Mail, Package Services, and Parcel Select. Pallet placards must measure at least 8 inches by 11 inches, except that pallet or other USPS container placards bearing Intelligent Mail container barcodes may measure 4 inches by 7 inches when prepared

under 708.6.6.6. Placards bearing Intelligent Mail container barcodes must meet the standards for Intelligent Mail container placards in DMM 708.6.6 and at *ribbs.usps.gov*.

\* \* \* \* \*

*[Add new 705.22 to describe the conditions for the full-service automation option as follows:]*

**22.0 Full-Service Automation Option**

**22.1 Description**

Access to full-service automation option benefits requires the use of Intelligent Mail barcodes to uniquely identify each mailpiece. In addition to the standards described in 22.2, all pieces entered under the full-service option must individually meet the eligibility requirements for automation prices according to their class and shape. Full-service automation mailings require Intelligent Mail barcodes on mailpieces; Intelligent Mail tray labels on trays and sacks; and Intelligent Mail container placards on pallets or similar containers (when created). Additional requirements include the use of an approved electronic method to transmit postage statements and mailing documentation to the USPS (describing how mailpieces are linked to trays or sacks, and containers, if applicable), and scheduling dropship appointments through the Facility Access and Shipment System (FAST) for destination bulk mail center, destination area distribution center, and destination sectional center facility dropshipments.

**22.1.1 Basic Option Pieces Included in Full-Service Automation Mailings**

Full-service automation option mailings may include pieces prepared under the basic automation option, but the basic automation option pieces will not be used to meet the eligibility standards for the full-service option and will not receive full-service benefits. Basic automation option pieces bear Intelligent Mail barcodes (under 708.4.0) and meet all eligibility requirements for automation prices.

**22.1.2 POSTNET Pieces Included in Full-Service Automation Mailings**

Full-service automation option mailings may include automation-compatible pieces bearing POSTNET barcodes. These pieces may not be used to meet the eligibility standards for the full-service option and will not receive full-service benefits.

**22.2 Eligibility Standards**

First-Class Mail, Periodicals, and Standard Mail letters and flats and Bound Printed Matter flats meeting

eligibility requirements for automation prices, and Standard Mail letters meeting eligibility requirements for enhanced carrier route letter prices are eligible for the full-service automation option. All pieces entered under the full-service automation option must:

- a. Bear a unique Intelligent Mail barcode.
- b. Be part of a mailing using unique Intelligent Mail tray labels on all trays and sacks.
- c. Be part of a mailing using unique Intelligent Mail container barcodes on all destination-entry pallets and other containers prepared under 705.8.0 or as part of a customer/supplier agreement. A customer/supplier agreement is authorized with a service agreement signed by the mailer, the USPS District Manager, Customer Service, and the USPS Processing and Distribution Center manager. The service agreement contains provisions regarding mailer and USPS responsibilities.
- d. Be part of a mailing using an approved electronic method to transmit a postage statement and mailing documentation to the *PostalOne!* system.
- e. Be scheduled for an appointment through the Facility Access and Shipment Tracking (FAST) system when deposited as a DBMC, DADC, or DSCF drop-shipment.

**22.3 Preparation**

**22.3.1 Intelligent Mail Barcodes**

Mailers must include an Intelligent Mail barcode on each mailpiece as described in 708.4 that accurately encodes the following fields:

- a. Barcode ID.
- b. Service Type ID.
- c. Mailer ID. At the option of the mail owner, the Mailer ID field can be populated with the Mailer ID of the mail owner or mail preparer.
- d. Serial number. Except for mail prepared under 22.4.3, each mailpiece must be encoded with a unique serial number. Mailers must ensure that these numbers remain unique for a period of at least 45 days. Serial numbers associated to an individual Mailer ID must not be duplicated within this 45-day period, regardless of the entry location.
- e. Delivery point routing code. All Intelligent Mail barcodes must include an accurate delivery point routing code.

**22.3.2 Intelligent Mail Tray Labels**

All trays and sacks must contain accurately encoded Intelligent Mail tray labels as described in 708.6.5. Mailing documentation, when required, must associate each mailpiece to a

corresponding tray or sack, if applicable, as described in 22.3.4. Each tray or sack must be encoded with a unique serial number. Tray or sack serial numbers associated to an individual Mailer ID cannot be duplicated within a 45-day period, regardless of the acceptance location.

### 22.3.3 Intelligent Mail Container Placards

All required pallets and similar containers (such as all-purpose containers, hampers, and gaylords) and all containers prepared under 705.8.0 in full-service mailings must display container placards that include accurately encoded Intelligent Mail container barcodes as described in 708.6.6. Mailing documentation, when required, must associate each mailpiece (and tray or sack, if applicable) to a corresponding container as described in 22.3.4, unless otherwise authorized by the USPS. Each container must be encoded with a unique serial number. Container barcodes must not be duplicated within a 45-day period, regardless of the acceptance location.

### 22.3.4 Electronic Documentation

Mailers must electronically submit postage statements and mailing documentation (when required) to the *PostalOne!* system. Unless otherwise authorized, documentation must describe how each mailpiece is linked to a uniquely identified tray or sack, if applicable, and how each mailpiece and tray or sack is linked to a uniquely identified container (if applicable). The documentation must also meet the requirements in *A Guide to Intelligent Mail for Letters and Flats* (available at [ribbs.usps.gov/](http://ribbs.usps.gov/)). Mailers must transmit postage statements and mailing documentation to the *PostalOne!* system using Mail.dat, Mail.XML, or Postal Wizard (see 22.4.3).

### 22.3.5 Scheduling Appointments

Mailers must schedule appointments using the Facility Access and Shipment Tracking (FAST) system for dropship mailings (except for mailings entered at a DDU) or as required in a customer/supplier agreement. Mailers may schedule appointments online using the FAST Web site at [fast.usps.com](http://fast.usps.com) or they may submit appointment requests through *PostalOne!* FAST Web Services at [www.uspspostalone.com](http://www.uspspostalone.com), using Mail.XML or Mail.XML with Mail.dat.

### 22.3.6 Preparation of Containers

Mailings under the full-service automation option may be containerized, when volume warrants, in uniquely identified containers by

palletizing bundles, sacks, or trays under standards in 705.8. Mailers required to containerize must make all separations when the volume for any presort level meets a required sortation level, as described in 705.8.5.2 or in the customer/supplier agreement. Full-service mailings containerized under 705.8.0 or as part of a customer/supplier agreement must have Intelligent Mail container placards (under 708.6.6) on the containers.

## 22.4 Additional Standards

### 22.4.1 Induction Data

Mailers presenting mailings under the full-service automation option will receive mail induction information (start-the-clock data corresponding to the date and time when the USPS receives the mailing) at no additional charge.

### 22.4.2 Address Correction Notices

Mailers presenting mailpieces that qualify for the full-service option will receive automated address correction notices at no additional charge when the pieces are encoded with Intelligent Mail barcodes with "Address Service Requested" or "Change Service Requested" under standards for OneCode ACS and under the conditions noted below.

a. Mailpieces must include the appropriate service type ID in the Intelligent Mail barcode to match the ancillary service requested. See 507.1.5 for mail disposition and address correction combinations by class of mail.

b. A complementary ancillary service request option also must be recorded in the mailer's Address Change Service (ACS) mailer profile. See 507.4.2 for more information about ACS. Address correction notices for mailpieces in full-service mailings are available for:

1. First-Class Mail letters and flats (printed endorsement not required for letters).
2. Periodicals letters and flats (printed endorsement not required).
3. Standard Mail letters and flats and Bound Printed Matter (BPM) flats. Standard Mail and BPM pieces must include a printed on-piece endorsement in addition to encoding the ancillary service request into the Intelligent Mail barcode. See 507.4.2 for additional standards.

c. Mailers must use the address correction information provided by the USPS to update their address records in order to receive notices without paying additional fees.

### 22.4.3 Special Standards—Small Volume Mailings

For mailings of fewer than 10,000 pieces, and postage is affixed to each piece at the correct price or each piece is of identical weight and the mailpieces are separated by price, the serial number field of each Intelligent Mail barcode can be populated with a mailing serial number that is unique to the mailing but common to all pieces in the mailing. This unique mailing serial number must not be reused for a period of 45 days from the date of mailing. These mailings are not required to submit electronic documentation for full-service, only an electronic postage statement. Unique mailing serial numbers must be populated in the Postal Wizard entry screen field or in the Mail.XML messages. Mailers must populate the serial number field of all Intelligent Mail tray or sack labels, and Intelligent Mail container barcodes (when mailings are containerized) with the unique mailing serial number.

\* \* \* \* \*

### 707 Periodicals

\* \* \* \* \*

## 14.0 Barcoded (Automation) Price Eligibility

### 14.1 Basic Standards

#### 14.1.1 General

All pieces in a Periodicals barcoded (automation) price mailing must:

*[Revise item c of 14.1.1 to describe new standards for barcoded Periodicals mailings as follows:]*

c. Bear an accurate delivery point POSTNET barcode or an Intelligent Mail barcode encoded with the delivery point routing code, matching the delivery address and meeting the standards in 202.5.0 (for letters), 302.4.0 (for flats), and 708.4.0. Mailers must apply the barcode either on the piece or on an insert showing through a window.

\* \* \* \* \*

*[Renumber current 14.2 through 14.4 as 14.3 through 14.5 and add new 14.2 as follows:]*

### 14.2 Eligibility Standards for Full-Service Automation Periodicals

All pieces entered under the full-service automation option, according to standards in 705.22, must:

a. Bear a unique Intelligent Mail barcode.

b. Be part of a mailing using unique Intelligent Mail tray labels on all trays and sacks.

c. Be part of a mailing using unique Intelligent Mail container barcodes on all destination-entry pallets and other

containers prepared under 705.8.0 or as part of a customer/supplier agreement.

d. Be part of a mailing using an approved electronic method to transmit a postage statement and mailing documentation to the *PostalOne!* system.

e. Be scheduled for an appointment through the Facility Access and Shipment Tracking (FAST) system when deposited as a DBMC, DADC, or DSCF dropshipment.

\* \* \* \* \*

**17.0 Documentation**

\* \* \* \* \*

**17.3 Basic Standards for Documentation**

\* \* \* \* \*

**17.3.3 Presenting Documentation**

[Revise 17.3.3 by adding a new third sentence as follows:]

\* \* \* Mailers entering Periodicals pieces under the full-service barcoded (automation) option must electronically submit postage statements and mailing documentation to the *PostalOne!* system as described in 705.21.3.4.

\* \* \* \* \*

**21.0 Sack and Tray Labels**

\* \* \* \* \*

**21.4 Use of Barcoded Sack and Tray Labels**

\* \* \* Barcoded labels must meet these general standards:

[Revise 21.4 by adding a new item e as follows:]

e. Intelligent Mail tray labels must be used on all trays and sacks for mailings entered under the full-service automation option.

\* \* \* \* \*

**708 Technical Specifications**

\* \* \* \* \*

**4.0 Standards for POSTNET and Intelligent Mail Barcodes**

\* \* \* \* \*

**4.3 Intelligent Mail Barcodes**

**4.3.1 Definition**

\* \* \* Mailers may use Intelligent Mail barcodes as follows:

[Revise the first sentence in item b to require delivery point routing codes in Intelligent Mail barcode on automation flats as follows:]

b. When used on flat-size pieces for automation-price eligibility purposes, the barcode must contain a delivery point routing code that accurately matches the delivery address. \* \* \*

[Revise item c of 4.3.1 to exempt certain reply mailpieces from the Mailer

*ID requirement by adding a new first sentence and revising the second sentence as follows:]*

c. Reply mail pieces, except QBRM and Permit Reply Mail (PRM) pieces, using origin Confirm Service do not require a Mailer ID to be encoded into the Mailer Identifier field. All other mailpieces, including QBRM letters and PRM pieces as of May 2010, bearing Intelligent Mail barcodes must include the Mailer ID in the Mailer Identifier field. \* \* \*

\* \* \* \* \*

[Revise the title of 708.6 to reflect new container placard options as follows:]

**6.0 Standards for Barcoded Tray Labels, Sack Labels, and Container Placards**

[Renumber current 6.1 through 6.3 as new 6.2 through 6.4.]

[Add new 6.1 as follows:]

**6.1 General**

**6.1.1 Tray and Sack Labels**

Intelligent Mail tray labels (see 6.5), barcoded 2-inch tray and sack labels, and barcoded 1-inch sack labels are the USPS-approved methods to encode routing, content, origin, and mailer information on trays and sacks. Intelligent Mail tray labels are designed for use with Intelligent Mail barcoded mail and have the capacity to allow tracking through USPS systems, providing key information to mailers and the USPS.

**6.1.2 Container Placards**

Mailer-generated container placards bearing Intelligent Mail container barcodes identify the mail owner or agent and uniquely identify the unit load (pallet, container, or rolling stock). Intelligent Mail container placards are designed to be used with Intelligent Mail barcoded mail and Intelligent Mail tray labels.

[Revise the title of renumbered 6.2 as follows:]

**6.2. Specifications for Barcoded Tray and Sack Labels**

\* \* \* \* \*

[Revise title of renumbered Exhibit 6.2.1 as follows:]

**Exhibit 6.2.1 Required Barcoded Tray and Sack Labels**

\* \* \* \* \*

[Add new 6.5 as follows:]

**6.5 Intelligent Mail Tray Label**

**6.5.1 Definition**

Intelligent Mail tray labels are 2-inch labels used on all trays and sacks to uniquely identify each tray and sack in

addition to each mailer or mail preparer. See Exhibit 6.5.1 for an example of the Intelligent Mail tray label. Detailed specifications for Intelligent Mail tray labels and barcode formats are available under the Intelligent Mail barcodes link at *ribbs.usps.gov*.

**Exhibit 6.5.1 Intelligent Mail Tray Label**

[Exhibit located on the Postal Explorer Web site at *pe.usps.com* under Federal Register notices].

**6.5.2 Intelligent Mail Tray Label Format**

The core data elements for the Intelligent Mail tray label are as follows:

- a. Printer Line.
- b. Tray or Sack Destination (Postal Destination Name).
- c. Content Identifier Number (CIN) description (tray or sack content).
- d. Office of mailing or mailer information.
- e. Destination ZIP Code (the ZIP Code of the trays' or sacks' final destination).
- f. Carrier Route information.
- g. Mailer ID (unique identifier of the mailer).
- h. 24-digit, ISS Code 128 subset C barcode numeric line.
- i. Mailer's Area (set aside for mailer-generated human-readable information).

**6.5.3 Barcode Format**

The barcode format that a mailer uses depends on the Mailer ID assigned by the USPS. Upon request by the mailer, the USPS assigns a 6-digit or 9-digit Mailer ID based on the mailer's mail volume. Intelligent Mail tray barcodes contain the following elements:

- a. Destination ZIP Code.
- b. Content Identifier Number (CIN), as listed in Exhibit 6.2.4.
- c. Processing Code, identifying the system or facility generating the label.
- d. Mailer ID.
- e. Serial Number, a unique number assigned to each tray or sack.
- f. Label Type, a default digit.

**6.5.4 Unique Barcode Requirement**

The Intelligent Mail tray barcode encodes a unique ID for each tray and sack. Mailers must ensure that serial numbers in barcodes remain unique for 45 days.

**6.5.5 Quality Assurance Provisions**

Mailers printing Intelligent Mail tray labels are responsible for the inspection and testing of the labels prior to submission to USPS and for maintaining the overall quality of the labels they produce. It is recommended that inspection and testing of Intelligent Mail tray labels be performed

periodically. Mailers and label vendors are encouraged to submit samples to the National Customer Service Center (NCSC) in Memphis for certification (see 608.8.0 for address).

*[Add new 6.6 as follows:]*

## **6.6 Intelligent Mail Container Placards (Labels)**

### **6.6.1 Definition**

Mailer-generated container placards bearing Intelligent Mail container barcodes can be used to identify all pallets and other rolling stock, such as all-purpose containers. Intelligent Mail container barcodes uniquely identify each container and may be scanned at induction points. Detailed specifications for Intelligent Mail container barcodes and placards are available under the Intelligent Mail barcodes link at [ribbs.usps.gov](http://ribbs.usps.gov).

### **6.6.2 Intelligent Mail Container Placard Configurations**

Intelligent Mail container placards can be produced in two configurations:

a. *Self-adhesive placard measuring at least 8 inches by 11 inches.* Placards must be affixed to the outside of any shrinkwrap or plastic by a self-adhesive or other adhesive means that will not obscure any required element of the placard, and remain secure throughout USPS processing. See 6.6.3 for specifications.

b. *Optional self-adhesive placard measuring at least 4 inches by 7 inches.* Placards also may be prepared in the alternate format (see 6.6.6) when affixed to the outside of any shrinkwrap or plastic by a self-adhesive or other adhesive means that will not obscure any required element of the placard and remain secure throughout USPS processing. This optional configuration does not accommodate a "mailer area," such as the one supported by the larger configuration in 6.6.3. Mailers wishing to include their own information in a defined "mailer area" of the placard must use a placard with a minimum size of 8 inches by 11 inches under 6.6.3.

### **6.6.3 Intelligent Mail Container Placard Format**

In addition to the general requirements for pallet placards in 705.8.6, Intelligent Mail container placards (see Exhibit 6.6.3) must retain the top portion of the placard for USPS-required elements. The USPS banner, identification bars, and human-readable text are required elements related to the Intelligent Mail container barcode and will serve as a guide to distinguish the barcode from the other information on the container placard. Components and their required elements include:

a. *USPS Banner.* "USPS SCAN REQUIRED" must be printed in all uppercase letters centered above the barcode and embedded within the upper Identification bar. Clear zone and font size are as follows:

1. A clear zone of at least 0.125 inch, but no more than 0.5 inch, must be maintained between the bottom edge of the text and the top of the barcode.

2. The banner must be printed in a boldface sans-serif font of at least 14-point type.

b. *Identification Bars.* Horizontal black bars of at least 0.10 inch thick must be printed above and below the barcode. At a minimum, the bars must extend the length of the barcode. Clear zone and other requirements are as follows:

1. The upper bar must be printed at least 0.125 inch above the top edge of the barcode.

2. The upper bar must have a void in the middle sufficient to insert the USPS banner without any element being obscured.

3. The lower bar must be printed at least 0.125 inch below the human-readable representation of the barcode string.

c. *Human-Readable Representation of Barcode Data.* The human-readable representation of barcode data (text) must be printed in a boldface sans-serif font of at least 12-point type. The text must not exceed the length of the barcode. To enhance readability, the text must be or separated by data field. Two blank character spaces must be left between each field. The text must be centered at least 0.125 inch, but no more than 0.25 inch, below the barcode.

d. *Barcode Location.* The barcode, along with the corresponding USPS banner and identification bars, must be printed on the front side of the pallet placard. When the identification bars extend beyond the length of the barcode, the barcode must be horizontally centered.

e. *Minimum size.* The minimum size of this placard is 8 inches high by 11 inches long. See additional specifications at [ribbs.usps.gov](http://ribbs.usps.gov) under the Intelligent Mail link. Mailers using placards larger than this minimum size must ensure the barcode conforms to the published specification and the human-readable content is provided as illustrated in Exhibit 6.6.3 and as published on the RIBBS Web site.

### **Exhibit 6.6.3 Intelligent Mail Container Placard**

*[Exhibit located on the Postal Explorer Web site at [pe.usps.com](http://pe.usps.com) under Federal Register notices].*

### **6.6.4 Barcode Format**

Intelligent Mail container barcodes are 21 characters in length and contain a USPS-assigned Mailer ID. The format depends on the Mailer ID assigned by the USPS. Intelligent Mail container barcodes contain the following elements:

a. Application Identifier, identifying the source of the barcode.

b. Type Indicator, identifying internal or external label generation.

c. Mailer ID.

d. Serial Number, a unique number assigned to each container.

### **6.6.5 Placard Requirements**

Mailers using container placards bearing Intelligent Mail container barcodes must:

a. Place two placards on pallets, one on each adjacent side, on the outside of shrinkwrap or plastic. Placards must be affixed by self-adhesive or other adhesive means that will not obscure any required element of the placard, and remain secure throughout USPS processing.

b. Place one label in the designated area on other USPS containers.

### **6.6.6 Optional Placard Format**

Mailers may prepare pallet and container placards bearing Intelligent Mail container barcodes (see Exhibit 6.6.6) in a smaller alternate format when affixed to the outside of any shrinkwrap or plastic as follows:

a. Placards must include the required elements described in 705.8.6. Mailers wishing to include information in a defined "mailer area" must use the larger size placard specified in 6.6.3.

b. Placards must be securely affixed on two adjacent sides on the outside of pallets and may measure no less than 4 inches high by 7 inches long.

c. Placards containing Intelligent Mail container barcodes must meet the specifications for placards located under the Intelligent Mail barcodes link at [ribbs.usps.gov](http://ribbs.usps.gov).

### **Exhibit 6.6.6 Intelligent Mail Container Placard—Optional Format Without Mailer Area**

*[Exhibit located on the Postal Explorer Web site at [pe.usps.com](http://pe.usps.com)]*

### **6.6.7 Unique Barcode Requirement**

The Intelligent Mail container barcode encodes a unique ID for each container. Mailers must ensure that serial numbers in barcodes remain unique for 45 days.

### **6.6.8 Quality Assurance Provisions**

Mailers printing Intelligent Mail container placards are responsible for the inspection and testing of the

placards prior to submission to the USPS and for maintaining the overall quality of the placards they produce. It is recommended that inspection and testing of Intelligent Mail container placards be performed periodically. Mailers are encouraged to work with their local Mailpiece Design Analyst to validate the accuracy and quality of their placards.

\* \* \* \* \*

**Neva R. Watson,**  
*Attorney, Legislative.*  
[FR Doc. E8-19339 Filed 8-20-08; 8:45 am]  
BILLING CODE 7710-12-P

**POSTAL SERVICE™**

**39 CFR Part 111**

**Waiver of Signature Delivery Process**

**AGENCY:** Postal Service.

**ACTION:** Final rule.

**SUMMARY:** The Postal Service is revising the *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®) to update the standards regarding delivery of Express Mail® items with waiver of signature and return receipt for merchandise items with waiver of signature. Delivery employees deliver these items to the addressee's mail receptacle or other secure location without first attempting to obtain a signature from the addressee.

**DATES:** *Effective Date:* August 21, 2008.

**FOR FURTHER INFORMATION CONTACT:** Monica Grein at 202-268-8411.

**SUPPLEMENTARY INFORMATION:** Waiver of signature authorizes delivery to be made without obtaining the signature of the addressee or addressee's agent as long as the delivery employee establishes the article can be left in the addressee's mail receptacle or other secure location. By waiving signature, the sender agrees to accept the delivery time and date scan information as valid record of delivery.

When Express Mail® items with waiver of signature and return receipt for merchandise items with waiver of signature are delivered, the delivery employee will sign the PS Form 3849, *Sorry We Missed You*, without attempting to obtain a signature from the addressee. After signing the PS Form 3849, the delivery employee delivers the item to the addressee's mail receptacle or other secure location. This process expedites delivery time because the delivery employee is not required to try to obtain a signature from the addressee or addressee's agent, when a waiver of signature is indicated.

*Comments Received:* We received one comment on the proposal, from an attorney. The commenter expressed concerns about our process for handling disputes regarding mail delivery when the sender has authorized a waiver of signature.

The delivery employee has always signed the Form 3849 when "waiver of signature" was indicated and we have never provided the delivery employee's name. The only change from the previous process is that the delivery employee no longer needs to attempt to obtain a signature from the addressee first when "waiver of signature" is indicated. Therefore, the manner in which we handle delivery disputes has been well established and will not be changed.

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

**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:

**Authority:** 5 U.S.C. 552(a); 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:

\* \* \* \* \*

**100 Retail Letters, Cards, Flats, and Parcels**

\* \* \* \* \*

**110 Express Mail**

**113 Prices and Eligibility**

\* \* \* \* \*

**4.0 Service Features of Express Mail**

**4.1 General**

The service features are as follows:

\* \* \* \* \*

*[Revise the text of the first and second sentences in item b as follows:]*

b. When a signature is waived by the mailer, the delivery employee signs upon delivery. The item is delivered to the addressee's mail receptacle or other secure location. \* \* \*

\* \* \* \* \*

**115 Mail Preparation**

\* \* \* \* \*

**2.0 Express Mail Next Day and Second Day**

\* \* \* \* \*

**2.2 Waiver of Signature**

*[Revise the text of 2.2 as follows:]*

A mailer sending an Express Mail item may instruct the USPS to deliver an Express Mail Next Day Delivery or Express Mail Second Day Delivery item without obtaining the signature of the addressee or the addressee's agent by checking and signing the waiver of signature on Label 11-B or Label 11-F, *Express Mail Post Office to Addressee*, or indicating waiver of signature is requested on single-ply commercial label. Completion of the waiver of signature authorizes the delivery employee to sign upon delivery. The item is delivered to the addressee's mail receptacle or other secure location. Mailers who waive signature will be provided only the delivery date and time, and not an image of the signature when accessing delivery information on the Internet or when calling the toll-free number.

\* \* \* \* \*

**400 Commercial Parcels**

\* \* \* \* \*

**410 Express Mail**

**413 Prices and Eligibility**

\* \* \* \* \*

**4.0 Service Features of Express Mail**

**4.1 General**

The service features are as follows:

\* \* \* \* \*

*[Revise the text of the first and second sentences in item b as follows:]*

b. When waiver of signature is indicated by the mailer, the delivery employee signs upon delivery. The item is delivered to the addressee's mail receptacle or other secure location.

\* \* \*

\* \* \* \* \*

**415 Mail Preparation**

\* \* \* \* \*

**2.0 Express Mail Next Day and Second Day**

\* \* \* \* \*

**2.2 Waiver of Signature**

*[Revise the text of 2.2 as follows:]*

A mailer sending an Express Mail item may instruct the USPS to deliver an Express Mail Next Day Delivery or Express Mail Second Day Delivery item without obtaining the signature of the