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UNITED STATES OF AMERICA  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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Before Commissioners: Edward J. Gleiman, Chairman;  
George W. Haley, Vice Chairman;  
Ruth Y. Goldway; W.H. "Trey" LeBlanc III;  
and George A. Omas

Amendments to Domestic Mail Classification Schedule	<u>Docket No. RM98-1</u>
Bound Printed Matter Weight Limitations	Docket No. MC97-3
Bulk Parcel Return Service and Shipper-Paid Forwarding Classifications and Fees	Docket No. MC97-4

ORDER ADOPTING FINAL RULE

(April 20, 1998)

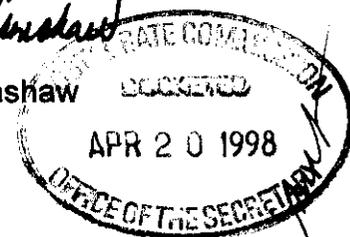
The attached final rule entitled "Amendments to Domestic Mail Classification Schedule" is adopted as Commission Order No. 1212. The full text and substance of the final rule is contained in the attached document.

By the Commission:

(S E A L)

*Margaret P. Crenshaw*

Margaret P. Crenshaw  
Secretary



POSTAL RATE COMMISSION

39 CFR Part 3001

[Docket Nos. RM98-1, MC97-3 and MC97-4; Order No. 1212]

Amendments to Domestic Mail Classification Schedule

AGENCY: Postal Rate Commission.

ACTION: Final Rule.

SUMMARY: This final rule sets forth the changes to the Domestic Mail Classification Schedule (DMCS) as a result of the Governors' Decisions on the Recommended Decisions of the Postal Rate Commission in Docket Nos. MC97-3 and MC97-4. The Commission's Decision in Docket No. MC97-3 (issued September 4, 1997) changed the classification provisions for Bound Printed Matter Weight Limitations. The Commission's Recommended Decision in Docket No. MC97-4 (issued September 4, 1997) established classification provisions for Bulk Parcel Return Service and Shipper-Paid Forwarding. For these reasons, Appendix A to Subpart C has been revised to reflect those changes.

DATES: This rule is effective **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**

FOR FURTHER INFORMATION CONTACT: Stephen L. Sharfman, General Counsel, Postal Rate Commission, 1333 H Street, NW., Suite 300, Washington, DC 20268-0001, (202) 789-6820.

SUPPLEMENTARY INFORMATION: On June 5, 1997, the Commission issued Order No. 1180 exercising its authority under 39 U.S.C. 3623(b) to initiate a

proceeding, designated as Docket No. MC97-3, to consider increasing the maximum weight limitation applicable to the bound printed matter subclass from 10 pounds to 15 pounds. This action was taken in response to a joint filing by the Advertising Mail Marketing Association, the Association of American Publishers, and the Direct Marketing Association. On August 1, 1997, the Postal Service filed testimony in support of the proposed classification change, contemporaneous with the filing of a proposed stipulation and agreement. Notice was published in the FEDERAL REGISTER at 62 FR 32125-32128.

On September 4, 1997, the Postal Rate Commission transmitted to the Governors its Opinion and Recommended Decision approving the stipulation and agreement, which was unopposed. The Decision of the Governors of the United States Postal Service on the Recommended Decision of the Postal Rate Commission on Bound Printed Matter Weight Limitations, Docket No. MC97-3, September 8, 1997, accepted the Recommended Decision of the Postal Rate Commission. Resolution No. 97-11 established October 5, 1997, as the implementation date for changes relating to Bound Printed Matter.

On June 6, 1997, the Postal Service, pursuant to its authority under 39 U.S.C. 3621, *et seq.*, filed a request with the Postal Rate Commission for a recommended decision on certain limited changes affecting the classifications and rates for Standard (A) parcels. Contemporaneous with the filing of the Request, the Postal Service filed a Motion to Establish Procedural Mechanisms Concerning Settlement with an attached stipulation and agreement.

On June 11, 1997, the Commission issued Order No. 1184 designating this filing as Docket No. MC97-4, Bulk Parcel Return Service And Shipper-Paid Forwarding Classifications And Fees, outlining the Postal Service request, allowing interested parties an opportunity to intervene, designating the Director of the Office of the Consumer Advocate to represent the interests of the general public, and appointing the Service as settlement coordinator. Notice was published in the FEDERAL REGISTER at 62 FR 32832-32837.

The Commission issued its recommended decision on the Postal Service Request on September 4, 1997. The recommended decision adopted the revised stipulation and agreement, filed on August 12, 1997. The revised agreement was signed by 9 of the 12 participants in this proceeding.

The Decision of the Governors of the United States Postal Service on the Recommended Decision of the Postal Rate Commission on Bulk Parcel Return Service and Shipper-Paid Forwarding, Docket Nos. MC97-4 and C97-1, October 6, 1997, accepted the Recommended Decision of the Postal Rate Commission. Resolution No. 97-15 established October 12, 1997, as the effective date for implementation of changes to the Bulk Parcel Return Service; and January 4, 1998, as the effective date for the changes related to Shipper Paid Forwarding.

#### Regulatory Flexibility Act

Pursuant to 5 U.S.C. 605(b) of the Regulatory Flexibility Act, the Commission certifies that this rulemaking is not expected to have a significant economic

impact on a substantial number of small entities. Accordingly, regulatory flexibility analysis is not required.

#### List of Subjects in 39 CFR Part 3001

Administrative practice and procedure, Confidential business information, Freedom of information, Postal Service, Sunshine act.

For the reasons stated in the preamble, 39 CFR part 3001 is amended as follows:

#### PART 3001 – RULES OF PRACTICE AND PROCEDURE

1. The authority citation for part 3001 continues to read as follows:

Authority: 39 U.S.C. 404(b), 3603, 3622-24, 3661, 3662.

#### Subpart C – Rules Applicable to Requests for Establishing or Changing the Mail Classification Schedule

2. Appendix A to Subpart C—Postal Service Rates and Changes is amended as follows:

3. Amend the Table of Contents by adding Classification Schedule SS-21—Bulk Parcel Return Service and Classification Schedule SS-22—Shipper-Paid Forwarding.

4. In section 322.31, remove the number “10” and replace it with “15”.

5. Amend section 353.1 by revising it to read as follows:

**353.1 Single Piece, Regular, Enhanced Carrier Route, Nonprofit and Nonprofit Enhanced Carrier Route Subclasses (section 321)**

Undeliverable-as-addressed Standard Mail mailed under section 321 will be returned on request of the mailer, or forwarded and returned on request of the

mailer. Undeliverable-as-addressed combined First-Class and Standard pieces will be returned as prescribed by the Postal Service. Except as provided in Schedule SS-21, the Single Piece Standard rate is charged for each piece receiving return only service. Except as provided in Schedule SS-22, charges for forwarding-and-return service are assessed only on those pieces which cannot be forwarded and are returned. Except as provided in Schedules SS-21 and SS-22, the charge for those returned pieces is the appropriate Single Piece Standard rate for the piece plus that rate multiplied by a factor equal to the number of section 321 Standard pieces nationwide that are successfully forwarded for every one piece that cannot be forwarded and must be returned.

6. Add new section 363 to read as follows:

363 Regular and Nonprofit

Regular and Nonprofit subclass mail will receive the following additional services upon payment of the appropriate fees.

	Service	Schedule
a.	Bulk Parcel Return Service	SS-21
b.	Shipper-Paid Forwarding	SS-22

7. Amend section 2033 by adding, after "450", the words "and schedules SS-21 and SS-22".

8. Classification Schedules SS-21 and SS-22 are added to read as set forth below:

## CLASSIFICATION SCHEDULE SS-21 — BULK PARCEL RETURN SERVICE

### 21.01 Definition

21.010 Bulk Parcel Return Service provides a method whereby high-volume parcel mailers may have undeliverable-as-addressed machinable parcels returned to designated postal facilities for pickup by the mailer at a predetermined frequency prescribed by the Postal Service or delivered by the Postal Service in bulk in a manner and frequency prescribed by the Postal Service.

### 21.02 Description of Service

21.020 Bulk Parcel Return Service is available only for the return of machinable parcels, as defined by the Postal Service, initially mailed under the following Standard Mail subclasses: Regular and Nonprofit.

### 21.03 Requirements of the Mailer

21.030 Mailers must receive authorization from the Postal Service to use Bulk Parcel Return Service.

21.031 To claim eligibility for Bulk Parcel Return Service at each facility through which the mailer requests Bulk Parcel Return Service, the mailer must demonstrate receipt of 10,000 returned machinable parcels at a given delivery point in the previous postal fiscal year or must demonstrate a high likelihood of receiving 10,000 returned parcels in the postal fiscal year for which the service is requested.

21.032 Payment for Bulk Parcel Return Service is made through advance deposit account, or as otherwise specified by the Postal Service.

- 21.033 Mail for which Bulk Parcel Return Service is requested must bear endorsements prescribed by the Postal Service.
- 21.034 Bulk Parcel Return Service mailers must meet the documentation and audit requirements of the Postal Service.
- 21.04 Other Services
- 21.040 The following services may be purchased in conjunction with Bulk Parcel Return Service:

	Classification Schedule
a. Address Correction Service	SS-1
b. Certificate of Mailing	SS-4
c. Shipper-Paid Forwarding	SS-22

- 21.05 Fee
- 21.050 The fee for Bulk Parcel Return Service is set forth in Fee Schedule SS-21.
- 21.06 Authorizations and Licenses
- 21.060 A permit fee as set forth in Fee Schedule 1000 must be paid once each calendar year by mailers utilizing Bulk Parcel Return Service.
- 21.061 The Bulk Parcel Return Service permit may be canceled for failure to maintain sufficient funds in an advance deposit account to cover postage and fees on returned parcels or for failure to meet the specifications of the Postal Service.

## CLASSIFICATION SCHEDULE SS-22 — SHIPPER-PAID FORWARDING

### 22.01 Definition

22.010 Shipper-Paid Forwarding provides a method whereby mailers may have undeliverable-as-addressed machinable parcels forwarded at Standard Mail Single Piece rates for up to one year from the date that the addressee filed a change-of-address order. If the parcel, for which Shipper-Paid Forwarding is elected, is returned, the mailer will pay the appropriate Standard Mail Single Piece rate, or the Bulk Parcel Return Service fee, if that service was elected.

### 22.02 Description of Service

22.020 Shipper-Paid Forwarding is available only for the forwarding of machinable parcels, as defined by the Postal Service, initially mailed under the following Standard Mail subclasses: Regular and Nonprofit.

### 22.03 Requirements of the Mailer

22.030 Shipper-Paid Forwarding is available only in conjunction with automated Address Correction Service in Schedule SS-1.

22.031 Mail for which Shipper-Paid Forwarding is purchased must meet the preparation requirements of the Postal Service.

22.032 Payment for Shipper-Paid Forwarding is made through advance deposit account, or as otherwise specified by the Postal Service.

22.033 Mail for which Shipper-Paid Forwarding is requested must bear endorsements prescribed by the Postal Service.

22.04 Other Services

22.040 The following services may be purchased in conjunction with Shipper-Paid Forwarding:

	Classification Schedule
a. Certificate of Mailing	SS-4
b. Bulk Parcel Return Service	SS-21

22.05 Applicable Rates

22.050 Except as provided in Schedule SS-21, Standard Mail Single Piece Rates, set forth in Rate Schedule 321.1, apply to pieces forwarded or returned in connection with Shipper-Paid Forwarding.

9. Add Rate Schedule SS-21 to read as follows:

SCHEDULE SS-21

Bulk Parcel Return Service                      Per Returned Piece

10. Amend Schedule 1000 by adding after "Business Reply Mail Permit", a new entry for "Authorization to Use Bulk Parcel Return Service".

Issued by the Commission on April 20, 1998.



Margaret P. Crenshaw,

Secretary.