

separate minimum of 300 Presorted rate pieces (not qualifying for the barcoded discount) are required. The combined total number of pieces qualifying for and claiming the barcoded discount and the Presorted rate must be used to meet the minimum volume requirements for packages and sacks.

- Each piece in the Presorted rate mailing qualifying for and claiming the barcoded discount must bear a correct and readable ZIP+4 or delivery point barcode (DPBC) under DMM C840. Each piece in the Presorted rate mailing must bear a correct and readable 5-digit barcode under DMM C840.

- Presorted rate pieces qualifying for and claiming the barcoded discount must be sorted together with the Presorted rate pieces, but only one physical package for each logical presort destination is permitted to contain both pieces claiming the barcoded discount and pieces not claiming the discount, unless presented using an approved manifest mailing system under DMM P910.

- Co-packaged pieces must also be co-sacked under DMM M910.

Co-Sacking Standards (Required September 1, 2003)

The new standards for the required co-sacking of BPM flats include the following:

- Packages prepared as part of the Presorted rate mailing qualifying for and claiming the barcoded discount and packages prepared as part of the Presorted rate mailing (not qualifying for the barcoded discount) must be co-sacked, effective September 1, 2003. However, mailers who choose to use the co-packaging standards prior to September 1, 2003, will be required to co-sack.

- Packages of flats qualifying for and claiming the barcoded discount that are co-sacked with packages of Presorted rate flats must be part of the same mailing job.

- Both the Presorted rate mailing qualifying for and claiming the barcoded discount and the Presorted rate mailing must separately meet the applicable rate eligibility and volume requirements.

- Packages that are co-sacked under DMM M910 are not required to be co-packaged.

Documentation Requirements

Standardized documentation as detailed in DMM P012 is required for mailings prepared under the new standards for co-packaging and co-sacking. The following applies:

- Documentation for a co-packaged mailing must indicate by zone (when

applicable) for each package sortation level, the number of Presorted rate pieces qualifying for the barcoded discount and the number of Presorted rate pieces (not claiming the barcoded discount) that are contained in each package.

- Documentation for a co-sacked mailing must indicate by zone (when applicable) for each sack sortation level, the number of Presorted rate pieces qualifying for the barcoded discount and the number of Presorted rate pieces (not claiming the barcoded discount) that are contained in each sack.

Effective Dates

Effective April 3, 2003, mailers may begin using the co-packaging standards for BPM flats. The standards for co-packaging are optional. However, if a mailer chooses to co-package under DMM M950, then the co-packaged pieces must be co-sacked under DMM M910. The required use of the co-sacking preparation standards (for pieces that are not co-packaged) becomes mandatory on September 1, 2003. Regardless of the date presented, all mailings that are co-packaged under DMM M950 must be co-sacked under DMM M910.

Based on the reasons presented in the proposed rule and those noted above, and in consideration that no public comments were received, the Postal Service adopts the following changes to the *Domestic Mail Manual*, which is incorporated by reference in the *Code of Federal Regulations*. See 39 CFR 111.

List of Subjects in 39 CFR Part 111

Administrative Practice and Procedure, Postal Service.

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, 3626, 5001.

■ 2. Amend the following sections of the *Domestic Mail Manual* (DMM) as set forth below:

Domestic Mail Manual (DMM)

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M MAIL PREPARATION AND SORTATION

M000 General Preparation Standards

M010 Mailpieces

M011 Basic Standards

1.0 TERMS AND CONDITIONS

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1.3 Preparation Instructions

For purposes of preparing mail:

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[Revise item ae to read as follows:]

ae. Co-packaging is an alternate preparation method available under M950 for First-Class Mail, Periodicals, and Standard Mail that allows the combining of flat-size automation rate and Presorted rate pieces within the same package under the single minimum package size requirement. Co-packaging is also available for combining within the same package flat-size Bound Printed Matter Presorted rate pieces qualifying for and claiming the barcoded discount and Presorted rate pieces not qualifying for the barcoded discount. Regardless of the class of mail, pieces may not be combined in more than one physical package for each logical presort destination unless presented using an approved manifest mailing system under P910.

1.4 Mailing

Mailings are defined as:

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[Revise the first paragraph of item e by adding references to the advanced preparation options for flat-size Bound Printed Matter in M900 to read as follows (the remainder of 1.4 is unchanged):]

e. Package Services. Except for single-piece rate pieces not otherwise subject to a minimum mailing requirement that are presented under an approved manifest mailing system under P910, the types of Package Services listed below may not be part of the same mailing even if in the same processing category. See M910 and M950 for the advanced preparation options available for flat-size Bound Printed Matter.

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M030 Containers

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M032 Barcoded Labels

1.0 BASIC STANDARDS—TRAY AND SACK LABELS

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Exhibit 1.3a 3-Digit Content Identifier Numbers

[Revise Exhibit 1.3a by adding new categories and content identifier numbers for co-sacked Bound Printed Matter pieces to read as follows:]