

company, a promotional products company, and a Postal Service employee.

One of the commenters expressed a general objection to CMM. This comment is outside the scope of the final rule.

Three of the commenters praised the Postal Service for its proposed changes to mailing standards that currently prohibit nonrectangular pieces that are 1/4 inch thick or less. They stated that this minor classification change will provide new and more creative opportunities for advertising mailers to reach their customers and, at the same time, strengthen the viability of mail as an advertising medium.

These same three commenters expressed their concern about potential cost barriers for some mailers wishing to use this new service. In particular, these commenters stated that, because of the necessary requirement to enter mail at the delivery unit under a limited set of methods, many mailers would not be able to afford the production costs, postage costs, and then the transportation costs in order to consider CMM a viable choice for either ongoing business needs or occasional marketing campaigns.

The same three commenters believed that adding both Parcel Post drop shipment and First-Class Mail drop shipment (open and distribute at destination office) would provide two more effective and, in many cases, more economical means to enter CMM pieces at the required delivery unit. Parcel Post would provide lower costs than either Priority Mail or Express Mail drop shipment, and First-Class Mail drop shipment would allow sending either one piece or a handful of pieces to a particular delivery unit.

The Postal Service contemplated that this minor classification change would complement existing rates and services and only existing Postal Service infrastructures for mail processing, transportation, and delivery would be used for this high-end service. By using the current transportation networks and mail processing and delivery systems already in place, the Postal Service would be able to introduce this product efficiently. In addition, the Postal Service established simpler and less stringent preparation standards than those required for other types of Standard Mail, including the

elimination of the minimum required number of pieces per package and container.

Mindful of the need to make this new service competitive, the Postal Service will offer four practical methods to reach the delivery unit:

- *Normal entry procedures for mailers who already have paid the appropriate fees (including the annual mailing fee) at the Post Office of mailing.* If the Post Office of mailing is also the site from which carriers deliver the destinating mail or the site in which distribution is made to Post Office boxes, the mail can be verified and accepted at that office like any other mailing. This method is especially useful for local mailers taking CMM to small Post Offices. If the Post Office has multiple stations and branches, the mailer could handle the mail similarly to a plant-verified drop shipment (PVDS) as long as the applicable documents are used. In either case, this entry method is useful and inexpensive for local mailers either preparing the mail themselves or working with a third-party mail preparation house. It eliminates the need for using Express Mail or Priority drop shipment altogether and adds only the transportation costs to the total mailing expenditures.

- *Plant-verified drop shipment for either local mailers or national mailers (or mailers working with a third party).* Here the mail is verified at origin either in the mailer's plant or at the business mail entry unit (BMEU) at the origin post office serving the mailer's plant. Postage and fees are paid under a valid permit at the post office generally serving the mailer's plant. The shipments are then shipped on the mailer's or agent's transportation to the various destination Postal Service facilities, where the shipments are compared with the proper drop shipment form and then accepted as mail by the Postal Service. For small mailings, a mailer can certainly engage the services of an agent who makes regular drops either locally or nationally, saving considerable costs associated with this method.

- *Priority Mail drop shipment for budget-conscious mailers needing an efficient and effective entry method that generally provides two- to three-day service.* Mailers can prepare the pieces

either directly into Priority Mail sacks or use Postal Service letter trays that are properly labeled. Moreover, mailers can obtain special Priority Mail mailing boxes, envelopes, tape, and labels from the Postal Service at no additional charge. Mailers may also use their own mailing cartons and envelopes for this drop shipment method.

- *Express Mail drop shipment for mailers needing a fast entry method that generally provides overnight service with tracking and tracing.* This entry method, though more expensive than Priority Mail, also provides a postage refund for the Express Mail portion if the drop shipment fails to be delivered by the guaranteed delivery time. Moreover, mailers can obtain special Express Mail mailing boxes, envelopes, tape, and labels from the Postal Service at no additional charge. Mailers may also use their own mailing cartons and envelopes for this drop shipment method.

First-Class Mail as a drop shipment method may not have widespread use owing to the 13-ounce maximum weight limit imposed on that class of mail. For example, if a mailer prepared 3-ounce CMM pieces, that mailer could place no more than four such pieces in one First-Class Mail envelope. Postal Service drop shipment services—both Express Mail and Priority Mail—were originally designed to carry large quantities of lower rate mail such as Standard Mail letter or small parcels.

In regard to the pricing between Priority Mail drop shipment and any proposal to use a Parcel Post drop shipment alternative, see the following table. Taking an average of zone 4 for lighter weight categories, the differences between the two subclasses of mail are not always significant. Mailers wanting to use Parcel Post would likely select the inter-bulk mail center (BMC) machinable rates rather than the less expensive intra-BMC rates for pieces entering and destinating in the service area of the same BMC. The lower intra-BMC rates would be more likely only for localized mailings. Furthermore, when the postage cost for the Priority Mail portion is divided by the actual number of enclosed pieces and thus spread out over each piece, the price differences can be as small as a few extra cents per piece.