

## RATE COMPARISON: PRIORITY MAIL AND PARCEL POST (ZONE 4)

Weight not over (pounds) (zone 4)	Priority mail	Parcel post Intra-BMC (machinable)	Parcel post Inter-BMC (machinable)
1 .....	\$3.85	\$3.05	\$3.75
2 .....	4.55	3.63	4.14
3 .....	6.05	4.20	5.55
4 .....	7.05	4.72	6.29
5 .....	8.00	5.15	6.94
6 .....	8.85	5.51	7.44
7 .....	9.80	5.84	7.91
8 .....	10.75	6.14	8.30
9 .....	11.70	6.45	8.74
10 .....	12.60	6.74	9.10
15 .....	16.20	7.96	10.73
20 .....	19.75	8.91	11.98

Although at this time the Postal Service does not plan to introduce new services such as Parcel Post drop shipment or First-Class Mail drop shipment, it will study these ideas and determine their merits and their impact on mailer costs, other classes of mail, mail processing changes, software modifications for customers preparing manifested mail and other possible costs resulting from any such addition to current services.

#### Data Collection

One commenter also urged the Postal Service to pursue relaxing or modifying some of the mail preparation standards in the proposed rule as one way of improving the affordability of CMM for mailers wanting to use this new service. Specifically, the mailing association believed that the Postal Service should develop and implement the necessary procedures to identify and track CMM by revenue, volume, and cost. Collecting such data would help in reviewing the various costing components of CMM and possibly inform future proposals for rate changes that would make CMM more economical for a wider range of mailers.

The Postal Service believes that the only stringent mail preparation standards for some mailers might be those requiring destination delivery unit entry. Otherwise, CMM is probably easier to prepare than any other presorted mail at any other rate. Except for the required minimum of 200 pieces for each mailing, CMM does not require that minimum volumes be sent to a single destination delivery unit. In addition, there are no minimums for the number of pieces prepared in packages or placed into containers. Moreover, mailers may use letter trays, flat trays, or sacks, as well as mailer-supplied containers.

As part of the Stipulation and Agreement, the Postal Service will

undertake a data collection and reporting plan. Specifically, the Postal Service will amend the appropriate postage statements to require separate identification of CMM. Data from the postage statements would then be collected and analyzed to estimate both the annual volume and revenue of CMM. Under the terms of the Stipulation and Agreement, the Postal Service would report estimates of CMM volume and revenue annually to the Postal Rate Commission. Data reporting would continue until the conclusion of the next omnibus rate proceeding. As a result of the settlement, participants interested in revisiting the impact of CMM would be equipped with statistics that would aid in framing an analysis of CMM in a future rate case.

#### Counterstacking

One commenter contended that counterstacking nonuniform CMM pieces could pose additional problems and work for the mailer and the Postal Service. The commenter did not believe counterstacking was necessary because CMM mailers are obligated to deliver the mail to the delivery unit using their own transportation. The commenter also noted that counterstacking requires the mailer to reorient the pieces based on their unevenness, which is generally a manual process. The Postal Service employee receiving the counterstacked packages is then required to turn the pieces around for efficient reading and casing. This commenter also questioned how a mailer would counterstack pieces that measured  $\frac{7}{1000}$  inch thick on each edge and  $\frac{3}{4}$  inch thick in the middle.

The Postal Service requires the packaging of all CMM pieces—whether those pieces are transported by the mailer or sent using Express Mail or Priority Mail drop shipment—in order to minimize the potential for damage to the pieces. Moreover, for nonuniform CMM pieces, the mailer must also

counterstack the pieces to ensure stability of packages throughout transportation and processing. Counterstacking is already a widely observed practice by mailers producing certain types of flat-size mailpieces not only to stabilize packages of such pieces but also to create uniform packages that take up less space in the mailing containers. Although it would be permissible to create pieces with extreme dimensions of thickness, packaging of such pieces is still possible because there is no minimum number of pieces for a package. In the case the commenter mentioned, the mailer could line several pieces in a row and then shrinkwrap those pieces to unitize the package.

For the reasons presented in the proposed rule and those noted above in this final rule, and in consideration of the public comments received, the Postal Service adopts the following changes in the *Domestic Mail Manual*, which is incorporated by reference in the *Code of Federal Regulations*. See 39 CFR 111.1.

#### List of Subjects in 39 CFR Part 111

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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