

Application Process

Parties interested in participating as consolidators in the experiment must request approval from the Postal Service. Requests must be sent to the Manager, Mail Preparation and Standards, at 1735 N. Lynn St., Room 3025, Arlington, VA 22209-6037. The request must be accompanied by the following information, which will be treated as confidential by the Postal Service:

1. A completed application form. Application forms will be available from the Manager, Mail Preparation and Standards, beginning February 3, 2003. Application forms may be requested via email to jwalke13@email.usps.gov.

2. A process map and narrative describing mail movement from production through the co-palletization process to dispatch to destination entry postal facilities.

3. Samples of presort documentation (before and after co-palletization), and a description of when and how presort documentation and postage statements are generated.

4. An explanation of how data for mailings included under the co-palletization experiment will be collected and reported to the Postal Service, including whether the model spreadsheet provided by the Postal Service can be used.

5. A list of the publications to be included in the test initially and evidence that each publication has obtained the appropriate authorizations at the office(s) where mailings will be verified and postage paid. If the applicant is not a printer and/or is consolidating publications for other printers, a list of these printers must also be included with the application. If the location where mail will be consolidated currently does not have a detached mail unit (DMU), arrangements must be made to establish one with the local post office responsible for the acceptance and verification of mailings.

Requests to participate will be accepted beginning February 10, 2003. Applicants meeting all requirements for the co-palletization test will receive a 90-day conditional authorization. Final approval will be given after the successful completion of the 90-day conditional period.

The effective date of implementation is April 20, 2003.

Accordingly, the Postal Service hereby adopts the following regulations on an interim basis. Although exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 410 (a)), the

Postal Service invites comments on the following revisions to the Domestic Mail Manual, incorporated by reference in the Code of Federal Regulations. See 39 CFR part 111.

PART 111—[AMENDED]

1. The authority citation for 39 CFR part 111 continues to read as follows:

Authority: U.S.C. 552(a); 39 U.S.C. 101, 401, 403, 404, 414, 3001-3011, 3201-3219, 3403-3406, 3621, 3626, 5001.

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

G General Information

G000 The USPS and Mailing Standards

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G090 *Experimental Classifications and Rates*

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[Add new G092 to read as follows:]

G092 *Outside-County Periodicals Co-Palletization Drop-Ship Classification*

1.0 ELIGIBILITY

1.1 Description

The standards in G092 apply to mailings that are produced by mailers and consolidators who are approved to participate in the Outside-County Periodicals Co-Palletization Drop-Ship Classification experiment.

1.2 Rate Application

The Outside-County Co-Palletization Drop-Ship Classification discounts apply to pieces meeting the standards in G092.

1.3 Basic Standards

The basic standards for co-palletized mailings are as follows:

- a. Each mailing must consist of at least two different Periodicals publications or two different editions, segments, or versions of a Periodicals publication.

- b. Each mailing must be presented with the correct postage statement(s). Mailings consisting of different Periodicals publications must be accompanied by a separate postage statement for each publication. Mailings consisting of different editions or versions of the same Periodicals publication must be accompanied by one consolidated postage statement and a register of mailings.

- c. Each mailing must meet the documentation and postage payment standards outlined in 2.0 and P200.

- d. Each mailing must be entered and postage paid at the post office where

consolidation takes place, except that postage for publications authorized under the Centralized Postage Payment (CPP) system may be paid to the New York Rates and Classification Center (RCSC). Each publication included in a mailing under these standards must be authorized for original entry or additional entry at the post office where the consolidated mailing is entered.

1.4 Discount Eligibility

To be eligible for one of the discounts, mailpieces must be:

- a. Part of a Periodicals mailing meeting the standards in M200, M820, or M900.

- b. Part of a mailing segment with less than 250 pounds per title or version per ADC destination, if independently presorted. This includes mail for an ADC service area that remains after finer levels of pallets are prepared.

- c. Prepared as bundles (packages) on pallets under M041 and M045, or under M900.

- d. Prepared on either an ADC or SCF pallet of co-palletized pieces. Mailers may build on ADC or SCF pallets of 250 or more pounds prepared as part of the original presort. However, the pieces originally on these pallets (250 or more pounds per title or edition) do not qualify for the co-palletization discounts.

- e. Drop-shipped to the appropriate DADC or DSCF.

2.0 DOCUMENTATION

Each mailing must be accompanied by documentation meeting the standards in P012, as well as any other mailing information requested by the Postal Service to support the postage claimed (e.g., advertising percentage and weight per copy). Documentation must be presented by title and version, segment, or edition; or by codes representing each title and version, segment, or edition included in the co-palletized mailing. In addition, documentation for the co-palletized mailing must:

- a. Upon request, include presort reports showing how the pieces would have been prepared prior to co-palletization.

- b. Include presort and pallet reports showing how the co-palletized pieces are prepared and where they will be entered (DADC or DSCF).

- c. Distinguish publications or segments that do not qualify for the co-palletization discounts (e.g., because there are 250 or more pounds to an ADC destination) from those that do qualify for the discounts.

- d. Allow easy reconciliation with reports prepared to reflect how mail would have been prepared prior to co-