

weekly or more often or if authorized such treatment as of March 1, 1984. In general, such publications include daily or weekly newspapers and newsmagazines published and distributed locally or nationally.

The "NEWS" designation helps the Postal Service ensure consistent service and handling for such Periodicals publications from entry into the mailstream, through successive operations in mail processing, to delivery to the intended recipient.

Current label standards for containers, as specified in DMM M031.1.7, M031.4.11, and M032.1.3 stipulate that the "NEWS" designation may be used on labels for sacks, trays, and pallets for a Periodicals publication only if either one of the following two conditions is met:

(1) The Periodicals publication is published weekly or more frequently.

(2) The Periodicals publication has been continuously authorized such newspaper treatment since March 1, 1984, or earlier, regardless of publication frequency.

All other publications use "PER"—designation for the class name "Periodicals"—as part of the information on Line 2 (the content line) of mail processing labels. These labels are affixed by the mailer to pallets or inserted into label holders attached to sacks and trays to identify Periodicals publications that do not meet either of the conditions required for the "NEWS" designation.

The use of these two distinct designations is carried forward for all container labeling, with two separate but parallel series of three-digit content identifier numbers (CINs). One CIN series is for those publications that are eligible to use "NEWS," and the second series is for those publications that are not eligible to use "NEWS" and must use "PER." Each series contains nearly 50 different CINs to meet all possible rate combinations available and all permitted containers.

It should be pointed out, however, that the use of "NEWS" is optional for those publications eligible to use that designation. A publisher, for example, who issues and distributes publications eligible for the "NEWS" designation and other publications not eligible for "NEWS" has the flexibility to label all containers as "PER" in order to achieve greater production efficiencies (and greater postage savings) if combined mailings or copalletized mailings are prepared.

On the other hand, the same publisher following mailing standards before this final rule did not have the flexibility of using the "NEWS" designation for all

containers in a combined mailing or copalletized mailing under any condition. This final rule provides limited conditions that permit the use of "NEWS" for combined mailings and copalletized mailings consisting of publications eligible for "NEWS" and those not eligible for that designation.

#### Combined and Copalletized Mailings

Mailing standards have been introduced over the years to promote the consolidation of different Periodicals publications or different editions of the same publication into larger volume mailings. These standards, however, have not prevented customers from combining copies in containers labeled as "PER" with copies labeled as "NEWS" as a way to improve the depth of sort and to reduce the overall number of containers prepared.

These consolidations represent an effective means for Periodicals mailers and the Postal Service to improve customer service, promote greater production efficiencies, reduce the number of containers used to prepare mailings, and stabilize rates by eliminating additional mail processing steps. For Periodicals mailers, the primary benefit is greater postage savings.

#### Comments

The Postal Service requested in its proposed rule published on October 30, 2002, in the **Federal Register** (67 FR 66094–66096) that comments on the proposed labeling standards for Periodicals combined mailings and copalletized mailings be submitted by November 29, 2002. Comments were received from only one interested party: a publisher of a biweekly publication.

The publisher, whose publication is issued every two weeks, expressed concern about the extension of newspaper or "NEWS" treatment to publications that are not eligible for such treatment under the long-standing standards presented in the DMM if those publications were mailed separately and not included as part of a combined mailing or a copalletized mailing. The commenter also inquired about the number of publications permitted to use "NEWS" on container labels. Furthermore, the publisher wanted to know how many publications that enjoyed "NEWS" treatment were published less frequently than once a week and received such treatment as a result of an authorization issued on March 1, 1984, or earlier, as provided in the DMM.

Postal Service records show, as of December 13, 2002, that 35,695 publications were authorized

Periodicals mailing privileges. Of this total, 10,259 or nearly 29 percent are published weekly or more frequently. The Postal Service maintains no centralized records, however, that indicate whether a publication that is eligible to use "NEWS" actually uses that designation or "PER." Moreover, there is no national system of records that indicates which publications are eligible to use "NEWS" based on authorizations permitted on or before March 1, 1984. Postmasters of the various authorized original offices would have access to that specific information, which is outside the scope of this rulemaking.

Most of the weekly or more frequently published publications fall into two categories: small and large local newspapers and large national newsmagazines and similar news publications. In both categories, the use of combined mailings or copalletized mailings is limited in potential scope. For example, local newspapers often have sufficient volumes and densities to achieve lower postage rates and destination discounts without being combined or copalletized with other publications. As a consequence, only a small percentage of those publications authorized "NEWS" treatment are likely to be combined with those publications not authorized such treatment.

This final rule, however, affords publishers the additional flexibility of combining and copalletizing Periodicals mailings whenever warranted by production efficiencies, postage savings, and improved service. Publishers of Periodicals publications that are generally not eligible for "NEWS" treatment can now determine whether it is advantageous to be combined or copalletized with other publications eligible for such treatment. This is an option for which publications such as the one issued by the commenter previously could not be considered.

The publisher commenting on the proposed rule also believed that the reasoning behind the use of the "NEWS" designation was to ensure that time-sensitive publications were processed and delivered in a consistent and timely manner. He believed that factors other than the frequency of publication should be considered when determining whether a publication is time-sensitive and eligible for the "NEWS" designation for mail processing and delivery. The publisher noted that the adoption of the proposed standards would extend that privilege to publications that were perhaps not time-sensitive whereas publications such as his publication, which he stated was issued 26 times a year and which he