

2. In appendix B, a new entry is added to Table I, and Rate Set 49 is

added to Table II, as set forth below. The introductory text of each table is

republished for the convenience of the reader and remains unchanged.

Appendix B to Part 4044—Interest Rates Used to Value Annuities and Lump Sums

TABLE I.—ANNUITY VALUATIONS

[This table sets forth, for each indicated calendar month, the interest rates (denoted by i_1 , i_2 , * * *, and referred to generally as i_t) assumed to be in effect between specified anniversaries of a valuation date that occurs within that calendar month; those anniversaries are specified in the columns adjacent to the rates. The last listed rate is assumed to be in effect after the last listed anniversary date.]

For valuation dates occurring in the month—			The values of i_t are:			
			i_1	for $t =$	i_2	for $t =$
*	*	*	*	*	*	*
November 19970570	1–25	.0500	>25 N/A N/A

TABLE II.—LUMP SUM VALUATIONS

[In using this table: (1) For benefits for which the participant or beneficiary is entitled to be in pay status on the valuation date, the immediate annuity rate shall apply; (2) For benefits for which the deferral period is y years (where y is an integer and $0 < y \leq n_1$), interest rate i_1 shall apply from the valuation date for a period of y years, and thereafter the immediate annuity rate shall apply; (3) For benefits for which the deferral period is y years (where y is an integer and $n_1 < y \leq n_1 + n_2$), interest rate i_2 shall apply from the valuation date for a period of $y - n_1$ years, interest rate i_1 shall apply for the following n_1 years, and thereafter the immediate annuity rate shall apply; (4) For benefits for which the deferral period is y years (where y is an integer and $y > n_1 + n_2$), interest rate i_3 shall apply from the valuation date for a period of $y - n_1 - n_2$ years, interest rate i_2 shall apply for the following n_2 years, interest rate i_1 shall apply for the following n_1 years, and thereafter the immediate annuity rate shall apply.]

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		i_1	i_2	i_3	n_1	n_2
*	*	*	*	*	*	*	*	*
49	11–1–97	12–1–97	4.50	4.00	4.00	4.00	7	8

Issued in Washington, D.C., on this 9th day of October 1997.

David M. Strauss,

Executive Director, Pension Benefit Guaranty Corporation.

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POSTAL SERVICE

39 CFR Part 111

Bulk Parcel Return Service and Shipper Paid Forwarding

AGENCY: Postal Service.

ACTION: Final rule.

SUMMARY: This final rule sets forth the Domestic Mail Manual (DMM) standards adopted by the Postal Service to implement the decision of the Governors of the Postal Service in Postal Rate Commission Docket No. MC97–4, Bulk Parcel Return Service and Shipper Paid Forwarding.

EFFECTIVE DATES: The amendments to section S concerning Bulk Parcel Return Service are effective October 12, 1997, and the amendments to sections F and

R concerning Shipper Paid Forwarding are effective January 4, 1998.

FOR FURTHER INFORMATION CONTACT: Tom DeVaughan, (202) 268–4491.

SUPPLEMENTARY INFORMATION: On June 6, 1997, the United States Postal Service filed a Request with the Postal Rate Commission pursuant to sections 3622 and 3623 of the Postal Reorganization Act, 39 U.S.C. 101 et seq., for a recommended decision on proposed changes to the Domestic Mail Classification Schedule (DMCS). The proposed revisions also included proposed new fees. The Postal Service requested the consideration of two changes affecting the forwarding and return of Standard Mail (A) parcels that were initially considered in Docket No. MC97–2. It requested that Bulk Parcel Return Service (BPRS) and Shipper Paid Forwarding (SPF) be established.

Pursuant to 39 U.S.C. 3624, on September 4, 1997, the PRC issued its Recommended Decision in Docket MC97–4, to the Governors of the United States Postal Service. That decision adopted the BPRS and SPF classifications and fees proposed in a Revised Stipulation and Agreement submitted by most of the parties in the

proceeding. Pursuant to 39 U.S.C. 3625, the Governors acted on the PRC's Recommendation on October 6, 1997.

The Governors approved the PRC's recommendations, and set an implementation date of October 12, 1997, for BPRS. Due to software and other support modifications needed for Computer Forwarding Sites and the Address Change Service network to support SPF, the Governors set January 4, 1998, for the effective date of SPF.

Under current practice, forwarding and return of bulk Standard Mail (A) parcels are obtained by endorsing pieces "Forwarding Service Requested" (or until December 31, 1997, "Forwarding and Return Postage Guaranteed") or "Address Service Requested" (or until December 31, 1997, "Forwarding and Return Postage Guaranteed, Address Correction Requested"). The postage charged at the time that a parcel is returned is a weighted fee that is 2.472 times the applicable single-piece rate. This fee indirectly pays for forwarding service of other parcels: 1.472 is the average number of pieces forwarded for

every piece that is returned. Multiplying 1.472 by the single-piece rate is intended to cover the cost of the forwarding service.

BPRS and SPF will provide mailers other options. SPF allows mailers to pay forwarding postage (the applicable single-piece rate) directly through the use of the tracking capabilities of the existing electronic Address Change Service (ACS). Only mailers authorized to participate in ACS and who mail machinable parcels with the required endorsement will be eligible. An advance postage due deposit account is required. BPRS, through bulk handling of returned parcels, lowers the average cost of the return service. BPRS mailers must arrange for pickup of their returned parcels in bulk at a specified frequency at a designated postal facility(s), or arrange to have their returned parcels delivered to them in bulk by the Postal Service. Only machinable parcels weighing less than one pound, with the required endorsements, are eligible for BPRS. A minimum requirement of 10,000 returned parcels per year at each site (return address) is required. BPRS mailers must document their returned parcel volume and maintain an advance deposit account. A flat \$1.75 per-piece

fee for each returned parcel and an annual permit fee of \$85.00 are required at each designated facility. BPRS and SPF can be combined, beginning with the January 4, 1998, effective date for SPF.

This final rule contains the DMM standards adopted by the Postal Service to implement the Governors decision. Appropriate clarifications are included.

Lists of Subjects in 39 CFR Part 111

Postal Service.

For the reasons discussed above, the Postal Service hereby adopts the following amendments to the Domestic Mail Manual, which is incorporated by reference in the Code of Federal Regulations (see 39 CFR part 111).

PART 111—[AMENDED]

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, 3001–3011, 3201–3219, 3403–3406, 3621, 3626, 5001.

Revise the following sections of the Domestic Mail Manual as noted below:

* * * * *

F FORWARDING AND RELATED SERVICES

F010 Basic Information

* * * * *

5.0 CLASS TREATMENT FOR ANCILLARY SERVICES

* * * * *

5.3 Standard Mail (A)

* * * * *

[Redesignate existing 5.3c through 5.3e as 5.3d through 5.3f, respectively; redesignate existing 5.3g as 5.3i. Amend 5.3 by adding a new 5.3c and new 5.3h to read as follows:].

* * * * *

c. Effective January 4, 1998, mail that qualifies for Shipper Paid Forwarding (F020) under the applicable standards is forwarded (and if necessary) returned at the Standard Mail (A) single-piece rate.

* * * * *

h. Mail that qualifies for Bulk Parcel Return Service (BPRS) under the applicable standards in S924 is returned at the BPRS per piece fee, if the mailer uses one of the endorsements that includes “— BPRS.” Until January 4, 1998, when SPF becomes effective, mailers using BPRS will not be able to request forwarding services.

“Return Service Requested—BPRS”

(Effective January 4, 1998)

“Address Service Requested—BPRS”

Piece returned with new address or reason for nondelivery attached; only the Bulk Parcel Return Service fee charged (address correction fee not charged).

Months 1 through 12: piece forwarded; no charge to addressee; separate ACS notice of new address provided; ACS address correction fee and postage at single-piece Standard Mail (A) rate charged via ACS participant code.

Months 13 through 18: piece returned with new address attached; only the Bulk Parcel Return Service fee charged (address correction fee not charged).

After month 18, or if undeliverable: piece returned with reason for nondelivery attached; only Bulk Parcel Return Service fee charged (address correction fee not charged).

* * * * *

F020 Forwarding

* * * * *

3.0 POSTAGE FOR FORWARDING

* * * * *

3.5 Standard Mail (A)

[Amend 3.5 to read as follows:]

Generally, Standard Mail (A) is subject to collection of additional postage from the mailer when forwarding service is provided by charging the Standard Mail (A) weighted fee on all returns. Shipper Paid Forwarding, used in conjunction with Address Change Service (F030), provides mailers of Standard Mail (A) machinable parcels an option of paying forwarding postage at the Standard Mail (A) single-piece rate. Mail that qualifies for Bulk Parcel Return Service (BPRS) is

returned at the BPRS per piece charge if the mailer uses one of the ancillary service endorsements that specifies BPRS (e.g., “Return Service Requested—BPRS”). * * *

* * * * *

F030 Address Correction, Address Change, FASTforwardSM and Return Services

* * * * *

2.0 ADDRESS CHANGE SERVICE (ACS)

2.1 Description

[Amend 2.1 to read as follows:]

Address Change Service (ACS) centralizes, automates, and improves the processing of address correction requests for mailers. ACS involves transmitting address correction information to a central point where the

changes are consolidated electronically by unique publication or mailer identifier. These records are sequentially organized by USPS-assigned codes and distributed to each participating mailer. ACS can also be used to pay forwarding postage on most Standard Mail pieces using Shipper Paid Forwarding under 2.5.

* * * * *

[Add new 2.5 to read as follows:]

2.5 Shipper Paid Forwarding

Shipper Paid Forwarding (SPF) is an ACS fulfillment vehicle. It allows mailers of Standard Mail (A) machinable parcels (effective January 4, 1998), and most Standard Mail (B) to pay forwarding charges via approved ACS participant code(s). For information, write to the National

Customer Support Center (see G043 for address).

* * * * *

R RATES AND FEES

* * * * *

R600 Standard Mail

* * * * *

10.0 FEES

10.1 Mailing

[Redesignate current 10.1b and 10.1c as 10.1c and 10.1d respectively; add new 10.1b to read as follows]

b. Bulk Parcel Return Service Permit Fee: \$85.00

* * * * *

[Add new 10.4 to read as follows:]

10.4 Bulk Parcel Return Service Fee

Bulk Parcel Return Service fee per piece returned: \$1.75

* * * * *

S900 Special Postal Services

* * * * *

S920 Convenience

* * * * *

[Add new S924 to read as follows:]

S924 Bulk Parcel Return Service

1.0 BASIC INFORMATION

1.1 Description

Bulk Parcel Return Service (BPRS) provides a method whereby high-volume parcel mailers may have undeliverable-as-addressed machinable parcels returned to designated postal facilities for bulk pickup by the mailer at a predetermined frequency prescribed by the Postal Service, or delivered by the Postal Service in bulk in a manner and frequency prescribed by the Postal Service. Mailers using this service pay only the BPRS per piece fee for each parcel returned.

1.2 Availability

BPRS is available only for the return of machinable parcels, as defined in C050, initially prepared and mailed as Regular or Nonprofit Standard Mail (A) machinable parcels. Mail for which BPRS is requested must bear one of the BPRS endorsements in F010 and a return address that is in the delivery area of the post office that issued the BPRS permit. Effective January 4, 1998, BPRS may also be combined with the Shipper Paid Forwarding service (F030). Any Standard Mail (A) parcel that qualifies for a single-piece Standard Mail (B) rate under the applicable standards, and that contains the name of the Standard Mail (B) rate in the

mailer's ancillary service endorsement is not eligible for BPRS.

1.3 Payment Guarantee

The permit holder guarantees payment of fees on all returned parcels from a centralized advance deposit postage due account.

1.4 Where Service Established

BPRS may be established at any post office in the United States and its territories and possessions or at any U.S. military post office overseas (APO/FPO). It is not available in any foreign country.

2.0 PERMITS

2.1 Application Process and Participation

To participate in BPRS, the mailer must make a written request to the postmaster at each post office where parcels are to be returned. The request must:

- Demonstrate receipt of 10,000 returned machinable Standard Mail (A) parcels at a given delivery point during the previous 12 months, or
- Demonstrate a high likelihood of receiving a minimum of 10,000 returned machinable Standard Mail (A) parcels at a given delivery point in the coming 12 months.

The written request must be submitted with the annual permit fee, a description of the mail (e.g., size, packaging), a sample of the documentation to be used to substantiate individually, the number of parcels returned each day, and the requested frequency and location of the pickup or delivery of the parcels. If the mailer's request is approved, the USPS issues the mailer an authorization letter and agreement with the BPRS permit number (which will be used solely for account and annual fee tracking). The BPRS permit number is not to appear on the mail. The mailer must have a valid postage due advance deposit account and pay the annual BPRS permit fee to participate in BPRS.

2.2 Permit Renewal

An annual renewal notice is provided to each BPRS permit holder. The notice must be returned to the post office that issued the permit with the fee payment or authorization for the postmaster to deduct the fee from the advance deposit account by the expiration date of the permit. Written authorization is not needed for permit renewal if there is no change to the authorization on file at the post office where the parcels are to be returned. If, after notice, the permit holder does not renew a BPRS permit, the USPS endorses the mail "Bulk Parcel Return Service Canceled" and

charges postage due at the single-piece Standard Mail (A) rate. If the single-piece Standard Mail (A) rate is not paid, the mail is then forwarded to the nearest mail recovery center for final disposition.

2.3 Procedure

An approved BPRS permit and fee payment must be on file at every post office to which parcels are returned.

2.4 Permit Cancellation

The USPS may cancel a permit if the permit holder fails to meet the minimum requirements, refuses to accept and pay the required fee for parcels returned, fails to keep sufficient funds in the advance deposit account to cover fees due for returned parcels, or fails to meet terms of the authorization (e.g., fails to pickup mail on agreed upon frequency).

2.5 Reapplying After Cancellation

To receive a new permit at the same post office after a BPRS permit is canceled, the applicant must resubmit a letter to that office; pay a new permit fee; provide evidence that the reasons for the permit cancellation are corrected; and provide and keep funds in an advance deposit account to cover normal returns for at least 2 weeks.

3.0 POSTAGE AND FEES

3.1 Permit Fee

A permit fee is charged once each 12-month period on the anniversary date of the permit. The fee may be paid in advance only for the next year and only during the last 30 days of the current service period. The fee charged is that which is in effect on the date of payment.

3.2 Payment

The permit holder must pay BPRS per piece fees by an advance deposit account. The post office delivers parcels under this service only when estimated sufficient funds are in the account to pay all applicable fees. The permit holder may establish a unique advance deposit account or use an existing one to pay postage under BPRS.

* * * * *

An appropriate amendment to 39 CFR 111.3 will be published to reflect these changes.

Neva R. Watson,

Alternate Liaison Officer.

[FR Doc. 97-27299 Filed 10-10-97; 11:50 am]

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