

mailings of 5,000 pieces or less mailed at Outside-County prices, Periodicals flats mailed at saturation, High Density prices, or otherwise excepted Periodicals flats mailings, all Periodicals flats (including nonmachinable flats up to 1-inch thick may be included if they meet the standards in 705.14) destined to FSS zones as shown in L006, must be prepared under 705.14. Mailings of In-county Periodicals flats, Outside-county Periodicals flats mailings of 5,000 pieces or less, and Periodicals qualifying for High-Density prices may be included in FSS 5-digit scheme pools.

\* \* \* \* \*

## 29.0 Destination Entry

\* \* \* \* \*

## 29.4 Destination Sectional Center Facility

\* \* \* \* \*

### 29.4.2 Price Eligibility

Determine price eligibility as follows:

\* \* \* \* \*

*[Delete the last sentence of the introductory text of 29.4.2b, and delete 29.4.2b1 and b2 in their entirety, so that item b reads as follows:]*

b. Container Prices. Mailers may claim the DSCF container price for SCF and more finely presorted containers that are entered at and destined within the service area of the SCF at which the container is deposited.

\* \* \* \* \*

*[Renumber current 29.5. as new 29.6, and add a new 29.5 as follows:]*

## 29.5. Destination Flat Sequencing System (DFSS) Facility Entry

### 29.5.1 Definition

For this standard, destination Flat Sequencing System Facility (DFSS) refers to the facilities listed in L006, Column C.

### 29.5.2 Eligibility

DFSS prices apply to pieces deposited at a USPS-designated FSS processing facility and correctly placed in a flat tray, sack, or on a pallet, labeled to a FSS sort plan or labeled to a 5-digit destination processed by that facility, under labeling list L006. These pieces must include a full delivery address and meet the physical standards for FSS-machinability in 705.14.0.

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## 708 Technical Specifications

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## 6.0 Standards for Barcoded Tray Labels, Sack Labels, and Container Placards

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## 6.2 Specifications for Barcoded Tray and Sack Labels

### 6.2.1 Use

Exhibit 6.2.1 shows the types of mail requiring barcoded tray or sack labels. Barcoded labels must meet these general standards:

\* \* \* \* \*

*[Revise the text of item 6.2.1b as follows:]*

b. Mailer-produced barcoded labels must meet the standards in 6.0, and tray labels must be non-adhesive.

\* \* \* \* \*

## 6.2.4 3-Digit Content Identifier Numbers

\* \* \* \* \*

## Exhibit 6.2.4 3-Digit Content Identifier Numbers

CLASS AND MAILING.	CIN	HUMAN-READ-ABLE CONTENT LINER
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### PERIODICALS (PER)

\* \* \* \* \*

### PER Flats —

### Merged Carrier Route, Barcoded, and Nonbarcoded

\* \* \* \* \*

*[Add a new third row as follows:]*

FSS scheme and FSS facility 349  
PER FLTS 5D FSS SCH BC

\* \* \* \* \*

### PERIODICALS (NEWS)

\* \* \* \* \*

### NEWS Flats —

### Merged Carrier Route, Barcoded, and Nonbarcoded

\* \* \* \* \*

*[Add a new third row as follows:]*

FSS scheme and FSS facility 449  
NEWS FLTS 5D FSS SCH BC

\* \* \* \* \*

### STANDARD MAIL

\* \* \* \* \*

### STD Flats —

### Merged Carrier Route, Automation, and Presorted

\* \* \* \* \*

*[Add a new third row as follows:]*

FSS scheme and FSS facility 549  
STD FLTS 5D FSS SCH BC

\* \* \* \* \*

## PACKAGE SERVICES

\* \* \* \* \*

## BPM Flats—Cosacked Barcoded and Presorted

\* \* \* \* \*

*[Add a new second row as follows:]*

FSS scheme and FSS facility 638  
PSVC FLTS 5D FSS SCH BC

\* \* \* \* \*

We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes.

Stanley F. Mires,

Attorney, Legal Policy & Legislative Advice.

[FR Doc. 2013-29879 Filed 12-17-13; 8:45 am]

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## POSTAL SERVICE

### 39 CFR Part 111

## New Standards To Enhance Package Visibility

AGENCY: Postal Service™.

ACTION: Final rule.

**SUMMARY:** The Postal Service is revising *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®) to require the use of Intelligent Mail® package barcodes (IMpb) on all commercial parcels, and to require the transmission of supporting electronic documentation including piece-level address or ZIP+4® Code information. Included in these new requirements is a per-piece price adjustment for mailpieces not complying with the IMpb standards. The Postal Service is also adding DMM reference to a future requirement to use a complete destination delivery address or an 11-digit delivery point validated ZIP Code™ in the mailer's electronic documentation.

**DATES:** *Effective date:* January 26, 2014.

### FOR FURTHER INFORMATION CONTACT:

Juliaann Hess at 202-268-7663 or Rachel Devadas at 202-268-3881.

**SUPPLEMENTARY INFORMATION:** The Postal Service takes the next step in the development of its package strategy by enhancing its operational capability to scan Intelligent Mail package barcodes (IMpb) and other extra services barcodes via automated processing equipment and Intelligent Mail scanning devices. Full implementation of the Postal Service's package strategy relies on the availability of piece-level information provided through the use of IMpb.

IMpb offers a number of benefits to mailers by providing piece-level visibility throughout USPS™ processing and delivery operations. Benefits of IMpb use include:

- Access to the best prices for the mailing of parcel products.
- A routing code to facilitate the processing of packages on automated sorting equipment.
- A channel-specific Application Identifier (AI) that associates the barcode to the payment method, supporting revenue assurance.
- A 3-digit service type code, which will identify the exact mail class and service combination, eliminating the need for multiple barcodes on a package.
- An option to use a 6-digit or 9-digit numeric Mailer ID (MID), to accommodate all mailers.
- The ability to nest packages to containers and sacks, increasing visibility for aggregate units as well as packages moving through the network.
- Access to tracking information at no additional charge for most products.
- Access to new products, services and enhanced features.

Mailing standards currently require an IMpb on all commercial parcels, except Standard Mail® parcels, claiming presort or destination-entry prices and all parcels of any class including tracking, and all mailpieces of any shape requesting extra services. The Postal Service now advances its package strategy by implementing new standards requiring an IMpb on all remaining commercial parcels, and requiring the transmission of supporting electronic documentation, including piece-level address or ZIP+4 Code information, to the USPS.

Included in these new requirements is a per-piece price adjustment for mailpieces not complying with the IMpb standards. If approval is granted in response to Postal Regulatory Commission (PRC) Docket No. CP2014–5, this price adjustment will become effective for Competitive products concurrent with the effective date of this Final Rule. In addition, the Postal Service intends to apply the noncompliance price adjustment to Market Dominant mailpieces at a future date, after filing with, and receiving approval from, the PRC.

### Background

On January 27, 2013, the Postal Service implemented the initial phase of its package strategy by requiring IMpb use, including use of version 1.6 of the electronic Shipping Services File, for all commercial parcels (except Standard Mail parcels) claiming presort or

destination-entry pricing and all mailpieces including a trackable extra service.

On February 26, 2013, the Postal Service published a **Federal Register**, advanced notice of proposed rulemaking (78 FR 13006–13007) in which it announced its intention to require an IMpb on all remaining commercial parcels.

On July 11, 2013, the Postal Service published a proposed rule in the **Federal Register** (78 FR 41721–41731) to announce its proposal to require an IMpb on all commercial parcels and to require the transmission of supporting electronic documentation including piece-level address or ZIP+4 Code information. In addition, the Postal Service proposed to implement compliance thresholds for IMpb requirements and to assess a per-piece price adjustment for non-compliant pieces. The Postal Service received comments in response to this proposed rule, which are summarized later in this notice.

### General IMpb Requirements

Technical and general specifications for IMpb use are provided in Publication 199, *Intelligent Mail Package Barcode (IMpb) Implementation Guide for: Confirmation Services and Electronic Verification System (eVS) Mailers*, and DMM 708.5.1. Mailing standards require mailings of mailpieces bearing an IMpb to:

1. Use a unique tracking barcode, prepared in accordance with DMM 708.5.1, on each mailpiece,
2. Be accompanied by a version 1.6 of the electronic Shipping Services File (or subsequent versions) including required data elements, and to
3. Include the correct destination delivery address or ZIP+4 Code for each record in the Shipping Services File.

The Postal Service will now require an IMpb on all commercial parcels. For the purposes of this notice, commercial parcels are defined as any item meeting the physical description of a parcel in DMM 401, or a Priority Mail Express™ or Priority Mail® piece of any shape, size, or price category entered through any commercial channel. This includes pieces with postage paid by permit imprint, postage meter, PC Postage® or precanceled stamps, and would include pieces paying postage through the Official Mail Accounting System (OMAS) and franked mail. All parcels mailed at Commercial Base® or Commercial Plus® prices will also be required to bear an IMpb. The Postal Service considers PC Postage stamp products to be similar to imprints

generated by postage meter systems. As a result, mailpieces bearing postage paid by PC Postage stamp products will generally be subject to the same IMpb requirements as those applicable to mailpieces bearing postage meter imprints. As provided in the July 11, 2013 proposed rule, parcels paid at the retail price and inducted through a retail transaction, Periodicals parcels, and Standard Mail Marketing parcels sent as product samples that bear a simplified address or those that use a detached address label (DAL) would not be required to bear an IMpb. Priority Mail letters and flats using stamps for postage payment and mailpieces using Priority Mail Forever Prepaid Flat Rate packaging will also not be subject to IMpb requirements.

The Postal Service will allow, with USPS approval, domestic Priority Mail letters and flats that are prepared in a high-speed environment to use an Intelligent Mail barcode (IMb™) in lieu of an IMpb provided each of these pieces bear a unique IMb, that cannot be reused for 45 days, and are supported by Mail.dat or Mail.XML electronic documentation. Mailers should note that mailpieces entered under this authorization must not include any extra service, including USPS Tracking™. However, mailers should also note that Priority Mail pieces entered under this exception will not be eligible for automatic insurance coverage. Mailers interested in obtaining authorization under this process can contact USPS Shipping Information Systems at [IMPB@usps.gov](mailto:IMPB@usps.gov).

The Postal Service expects to implement an exception process for Bound Printed Matter (BPM) parcels and Priority Mail that would allow mailers to use Mail.dat instead of Shipping Services File version 1.6 or higher. This exception process will be tied to the scheduled upgrades to USPS systems that will allow for this functionality. These upgrades are expected to be completed by November 2013 for BPM and in April 2014 for Priority Mail. Once implemented, BPM and Priority Mail parcel mailers using Mail.dat may use this file format to submit electronic documentation to the Postal Service to fulfill their IMpb documentation requirements. The use of Mail.dat will not be authorized when mailers ship products and services that exclusively require use of Shipping Services File version 1.6 or higher.

The Postal Service anticipates that the majority of mailers will be prepared for the transition to general IMpb use by the January 26, 2014 implementation date. As a result, the Postal Service expects a limited need for exceptions to the basic

IMpb requirements. Requests for exceptions will be evaluated on a case-by-case basis. Mailers requesting an exception must provide a plan to assure compliance with standards within a defined timeframe. Beginning on January 26, 2014, any such requests must be directed to the Vice President of Sales for consideration.

#### Destination Delivery Addresses

The Postal Service will require all parcels required to include an IMpb to be accompanied by a complete destination delivery address in the Shipping Services File. This information is critical to the Postal Service package strategy, specifically the implementation of dynamic routing processes and processes to enable package distribution without scheme-trained employees. Effective January 25, 2015, mailers must include the complete destination delivery address or an 11-digit ZIP Code (validated by USPS delivery point validation (DPV®) system, or an approved equivalent) in their Shipping Services File, or other approved electronic documentation. For the purpose of the standard, the Postal Service will require a complete delivery address to include:

- Addressee name or other identifier and/or firm name, when needed to support the requirements of an Extra Service (e.g. Adult Signature, Restricted Delivery service, etc.). Inclusion of the addressee name is strongly encouraged for all products.
- Private mail box designator and number (PMB 300 or #300).
- Urbanization name (Puerto Rico only, ZIP Code prefixes 006 to 009, if area is so designated).
- Street number and name (including predirectional, suffix, and postdirectional as shown in USPS ZIP+4 Product for the delivery address or rural route and box number (RR 5 BOX 10), highway contract route and box number (HC 4 BOX 45), or Post Office box number (PO BOX 458), as shown in USPS ZIP+4 Product for the delivery address). ("PO Box" is used incorrectly if preceding a private box number, e.g., a college mailroom.)
- Secondary address unit designator and number (such as an apartment or suite number (APT 202, STE 100)). Note that when secondary address elements are used, these elements must be included in the same field of the Shipping Services File as that used for the primary address elements.
- City and state (or authorized two-letter state abbreviation). Use only city names and city and state name abbreviations as shown in USPS City State Product. (City and state is not

required when the correct ZIP Code is provided in detail 1 record of Shipping Services File version 1.7 or 2.0.)

- Correct 5-digit ZIP Code or ZIP+4 Code. If a firm name is assigned a unique ZIP+4 code in the USPS ZIP+4 Product, the unique ZIP+4 Code must be used in the delivery address.

#### Returns

The Postal Service will require a unique IMpb on all parcels using a Merchandise Return Service (MRS) label. The USPS will continue to provide a cloud-based application to allow less sophisticated permit holders to generate unique IMpb-compliant MRS labels with a minimal level of technological capability and software support. This tool is expected to adequately assist MRS permit-holders and their customers in the generation of IMpb-compliant labels. Except for permit holders using MRS as part of a PC Postage-based returns solution, MRS permit holders will not generally be required to submit shipping manifests to support these mailpieces. MRS labels will be required to use a concatenated IMpb construct that includes the ZIP+4 routing code. To assure that mailers have adequate time to prepare their systems and to notify their customers, the Postal Service will provide an extended transitional period for this new requirement until July 27, 2014.

The Postal Service is also eliminating the option for any mailpiece meeting the physical characteristics of a parcel in DMM 401 to include postage paid by Business Reply Mail® (BRM). Over time, BRM service has evolved into a product that is operationally aligned to accommodate cards, letters and flats. As a result, BRM is no longer an ideal product for use with parcel-shaped mailpieces. BRM permit holders who routinely receive parcel-shaped BRM returns will be required to discontinue this practice and to transition to MRS or a USPS Returns product for their parcel returns. The Postal Service will provide a 12-month transitional period until January 25, 2015, to allow mailers to obtain a MRS or USPS Returns permit. The Postal Service will file notice with the Postal Regulatory Commission (PRC) of its intent to modify the Mail Classification Schedule to reflect this change.

#### Priority Mail Express

The Postal Service will generally require all Priority Mail Express pieces entered through any commercial channel to be IMpb-compliant. This requirement would exclude Priority Mail Express pieces entered as part of a retail transaction, those mailpieces with

postage paid through a postage meter imprint and using a Label 11–B, and those entered under a Priority Mail Express Manifesting Agreement (EMM) system with postage paid by a USPS Corporate Account (USPSCA). However, Priority Mail Express pieces with postage paid through a postage meter imprint and using a Label 11–B will not be eligible for Commercial Base or Commercial Plus pricing. As announced in the July 11, 2013, proposed rule, at a future date, the Postal Service expects to transition EMM mailers to the Electronic Verification System (eVS®), including an IMpb-compliance requirement. The Postal Service is signaling its intention to require eVS for EMM systems and anticipates publishing the applicable standards in the 2014 calendar year.

#### Standard Mail Parcels

The Postal Service will require all Standard Mail Marketing parcels (including those paid at nonprofit prices) and all Nonprofit Standard Mail parcels to bear an IMpb, or a unique IMb. Regular and Nonprofit Standard Mail parcels mailed as product samples under DMM 443.6.0 would also be required to bear an IMpb or a unique IMb, with the exception of those using detached address labels (DAL) and those bearing simplified addresses. The Postal Service will also offer an option to use an IMb in lieu of an IMpb for all Standard Mail parcels which are presorted and containerized in 5-digit sacks or other approved containers prepared to the 5-digit level. When the IMb option is selected, each parcel must bear a unique IMb that cannot be reused for 45 days. In situations where the IMb is used in lieu of the IMpb, a Mail.dat or Mail.XML file will be accepted in lieu of a Shipping Service File.

Mailers requesting USPS Tracking service with Standard Mail parcels will continue to be assessed the electronic fee. Mailers will also have the option of affixing an IMpb-compliant mail class only tracking barcode to their Standard Mail parcels at no charge. Under either of these IMpb options, mailers must use version 1.6 or higher of the Shipping Services File, including required data elements, and must include the destination delivery address or ZIP+4 Code in the file.

Although Standard Mail parcels will be required to meet the IMpb requirements effective January 26, 2014, mailers will be provided an extended transitional period until July 27, 2014, to allow additional time for mailers to modify their systems to prepare for these new requirements. During this transitional period noncompliant

Standard Mail pieces will not be subject to a monetary noncompliance fee.

### Package Services

The Postal Service will require all commercial BPM, Media Mail® and Library Mail parcels to bear an IMpb. When Media Mail and Library Mail parcels are entered at retail, pay the retail price and are entered through a retail transaction the Postal Service will apply an IMpb-compliant barcode, if one is not already affixed. Mailers requesting USPS Tracking service for their Package Services parcels would continue to be assessed the electronic fee. Mailers would also have the option of affixing an IMpb-compliant mail class only tracking barcode to their Package Services mailpieces at no charge.

The Postal Service is also clarifying the DMM to specify that BPM pieces including USPS Tracking may also bear an exceptional address format.

Similar to the IMpb compliance process for Standard Mail parcels, Package Services parcels will also be required to meet the IMpb requirements effective January 26, 2014, but will also be subject to an extended transitional period until July 27, 2014, to allow additional time for mailers to modify their systems. Noncompliant Package Services pieces will also not be subject to a monetary noncompliance fee during the transitional period. The Postal Service acknowledges delays in implementing enhancements to translate Mail.dat files to Shipping Services files impacted some mailers' ability to change their systems to meet IMpb requirements and is therefore affording this extended transitional period.

### Postage Meters

The Postal Service will require all parcels bearing metered postage to bear a unique IMpb, meet the Shipping Services File requirements, and to include the correct destination delivery address or ZIP+4 Code for each record in the file to be eligible for commercial plus or commercial base pricing. To support the less sophisticated meter mailers, the Postal Service will continue to provide pre-printed IMpb-compliant labels to mailers who are unable to print their own labels. A special version of the IMpb label will be made available to customers who ship parcels but do not use a postage meter capable of transmitting electronic manifest and address information. This special version of the IMpb label does not qualify for commercial plus or commercial base pricing, or automatic insurance for Priority Mail (unless accompanied by acceptance

information); however use of these preprinted USPS labels or other IMpb-compliant barcodes will be a requirement for eligibility to ship USPS parcel products.

To afford meter mailers who currently receive commercial base pricing additional time to prepare for this new requirement, the Postal Service will provide a transitional period for these mailers until January 25, 2015. Effective January 25, 2015, meter mailers must meet all IMpb requirements to qualify for commercial base prices. After January 25, 2015, meter mailers unable to comply with these requirements may continue to mail at retail prices, but must affix a USPS tracking label (Special IMpb or Label 400) other IMpb-compliant label to each mailpiece. However, these mailers will not be required to transmit a Shipping Services File for mailpieces paid at retail prices. Whether claiming commercial or retail prices, postage meter mailers must affix preprinted USPS labels or other IMpb-compliant barcodes as a requirement for eligibility to ship USPS parcel products using a postage meter. However, Priority Mail pieces must include Priority Mail IMpb shipping labels or those special IMpb labels supported by a Shipping Services file to qualify for automatic insurance.

Metered Priority Mail pieces using IMpb labels that are not supported by a Shipping Services file must have a full acceptance scan at a retail location in order to qualify for automatic insurance coverage.

### Use of Non-IMpb Barcodes

As stated in the July 11, 2013 proposed rule, the Postal Service has implemented a process to allow mailers to temporarily use unique tracking barcodes, prepared in a legacy format, on parcels and mailpieces that include extra services. Any such authorization would be granted via an exception process. Mailers requesting an exception must be able to demonstrate their ability to transmit piece-level documentation to the Postal Service through a Shipping Services File and to include a destination delivery address or ZIP+4 code for each record in the file. These exceptions are intended to provide additional time, when needed, to transition to the use of IMpb. Requests for exceptions must be directed to the Vice President of Sales. All mailers must be fully IMpb-compliant, including use version 1.6 or higher of the Shipping Services File, by January 25, 2015.

Effective July 28, 2013, the Postal Service provided automatic insurance coverage, at no additional charge, on

domestic Priority Mail pieces bearing an IMpb. Mailers should note that Priority Mail pieces bearing barcodes prepared in the legacy format are not eligible for automatic insurance coverage.

### Electronic Documentation

In response to input from the mailing industry, the Postal Service will modify the requirements described in the July 11, 2013, proposed rule relative to the identification of the mail owner, mailing agent By/For relationship. After consultation and discussion with multiple industry groups, mailers, and other stakeholders, the Postal Service will strongly encourage, but not require, mailing agents (mail service providers and consolidators) to include information in their electronic documentation that identifies both the mailing agent and mail owner (i.e. By/For mailing relationship) for all mailings made on behalf of mail owners who mail, or are expected to mail, more than 7,500 parcels per year. As part of past and current visibility initiatives, onboarding processes, and payment programs, the Postal Service notes that package mailing agents generally provide By/For information at a relatively high level. In recognition of this fact and in consideration of its recent discussions with the mailing industry, the Postal Service now believes it to be mutually beneficial to work collaboratively toward maintaining and improving the level of disclosure of By/For relationships without introducing formalized requirements and compliance enforcements. The Postal Service is generally pleased with the progress made in providing this information for package mailings.

Going forward, the Postal Service expects By/For identification to continually improve for all mailing agents, and will monitor each mailing agent's performance to ensure the level of disclosure of the mail owner information consistently increases towards the thresholds provided in this **Federal Register** Notice for Shipping Services File versions 1.6 or higher. The Postal Service intends to examine the progress of disclosure of the By/For information 6 months following the implementation of this final rule. In the event the level of By/For disclosures degrades below these thresholds, the Postal Service will consider making By/For information a compliance requirement.

When mailing agents make mailings on behalf of one or more clients (mail owners) the Postal Service expects agents to continue to make requests for a unique mailer ID (MID) for each client

to designate package ownership. Both eVS and non-eVS mailing agents are to use this process to assign a unique MID for each client. This unique MID will be used exclusively for that client, for mailings with that particular mailing agent, and shall not be reassigned to other clients.

In addition, mailing agents may include a unique Customer Registration ID (CRID) for the mail owner in the electronic documentation to identify By/For relationships. Fields are provided in Shipping Services File version 1.6 or higher, Mail.dat and Mail.XML for this purpose.

However, the Postal Service will require mail owners who claim commercial plus prices or Nonprofit Standard Mail prices and mail owners of parcels containing hazardous material to disclose the By/For mailing relationship regardless of volume.

The Postal Service defines these entities as follows:

- *Mail Owner*: The mail owner is the business entity, organization, or individual who makes business decisions regarding the parcel or mailpiece content, directly benefits from the mailing, and ultimately pays for postage on the mailpiece directly or by way of a mailing agent.
- *Mailing Agent*: The mailing agent is a business entity, consolidator, organization, or individual acting on behalf of one or more mail owners by providing mailing services for which the mail owners compensate the mailing agent. A business entity, organization, or individual whose services define it as a mailing agent may also be considered a mail owner, but only for its own mail or the mail of its subsidiaries. Mailing agents include, but are not limited to parcel consolidators, printers, address list providers/managers mail preparers, postage payment providers, mailing logistics providers, mailing tracking providers, ad agencies, and mailing information managers.

#### Conforming Mailer Identification Numbers

Mailers using an IMpb will be required to use a conforming MID. Mailers who are not currently compliant with this requirement must obtain and use a conforming MID as soon as possible and must use a conforming MID by January 26, 2014.

A MID is considered to be compliant when the following requirements are met:

- A conforming six-digit MID must begin with 0 through 8.
- A conforming nine-digit MID must begin with 9.

Questions in regard to converting to conforming MIDs may be directed to the National Customer Support Center (NCSC) by calling 877-264-9693 and selecting option 3 or by sending an email to [IMpb@usps.gov](mailto:IMpb@usps.gov).

#### Shipping Services File

Electronic documentation requirements in support of IMpb include the use of Shipping Services File version 1.6 or higher, identifying serialization of each parcel or trackable Extra Services mailpiece supported by the file and destination delivery address information or accurate ZIP+4 code for each record in the file. Shipping Services Files must be transmitted to the Postal Service prior to the physical presentation of the mailing for acceptance. Mailers will be required to correctly populate Shipping Services electronic manifest files with the piece level detail information that describes the parcels and mailpieces being shipped. Furthermore, to simplify the processing and coding requirements for mailers, the Postal Service itself and software vendors, the rules for populating fields (e.g. required versus optional fields, defaults, content values) in file type 2 will now be the same as for file type 1. Mailers can reference Publication 199 for details on Shipping Services Files Types 1 and 2.

In addition to accurate piece level information, the proper definition of the mailing By/For relationship and the use of a conforming MID, Shipping Services Files include, but are not limited to, the following fields:

- *Transaction ID (TID)*. This is a unique 12-digit number assigned to associate Shipping Services File manifests to file transmissions. The TID must also be included on the Postage Statement and must match the Shipping Services manifest file for the corresponding mailing. The TID field must follow the format of YYYYMMDD####, where YYYY is the year, MM is the month, DD is the date of mailing, and '####' is the numeric sequence number to support multiple postage statements on the same day. For example, TID 201311130001 represents the first postage statement created for November 13, 2013.
- *Payment Account number*. This is the USPS account number from which the mailing will be paid.
- *Method of payment*. This is the approved payment method (permit imprint, postage meter, PC Postage, OMAS, franked mail and stamps) for the mail being entered.
- *Post Office of Account*. This is the 5-digit ZIP Code of the Post Office™ issuing the permit number, meter

license, or precanceled stamp, and should agree with the information on the postage statement. The Transaction ID (TID) in conjunction with the Payment Account Number, Method of Payment, and Post Office of Account, enable the Postal Service to calculate IMpb compliance for each mailing at the postage statement level. If any of these fields are missing or inaccurate, an IMpb compliance fee will be assessed for each competitive product mailpiece.

#### Electronic Nesting Data

As stated in the July 11, 2013 proposed rule, the Postal Service will strongly encourage, but not require, mailers to provide an electronic association between IMpb piece-level record and Intelligent Mail tray labels and/or Intelligent Mail container placards. However, the Postal Service may require these electronic associations for certain products, price categories or value added services. Technical requirements for the electronic association of parcels to containers will be provided in Publication 199.

#### Noncompliant Mailpieces

The Postal Service will adopt the recommendations of the mailing industry, and will implement a schedule of gradually increasing compliance thresholds for mailings including mailpieces without IMpb-compliant barcodes, without a compliant destination delivery address or ZIP+4 code in the electronic documentation for each mailpiece or not supported by an approved Shipping Services File (or a Shipping Services File with missing or erroneous data elements), or authorized alternative documentation and will implement a per-piece price adjustment for non-compliant pieces. The Postal Service will apply these compliance thresholds at the manifest level for PC Postage and postage meter mailings, and at the postage statement level for permit imprint or precanceled stamp mailings. A new sampling procedure for barcode evaluation will be added to the current acceptance process for the purpose of evaluating compliance with these new barcode thresholds. Barcode and file compliance will be measured against the specifications defined in Publication 199. Each record in Shipping Services Files will be subject to data evaluation for file version and required elements within the file. Assessments for non-eVS packages are expected to be due at the time of mailing. eVS mailers will be assessed monthly for non-compliant mailpieces in excess of the established thresholds. For any mailing, compliance

can be calculated separately for each of the three compliance categories. MRS and other returns mailpieces will be sampled for compliance under these new compliance thresholds at the facility where the pieces are rated and/

or prepared for shipment to the permit holder. When a mailing fails more than one compliance category, a per-piece price adjustment will be assessed against the category yielding the highest number of noncompliant pieces.

Noncompliant pieces will be assessed the per-piece price adjustment only once, even when failing more than one compliance category. The Postal Service will enforce compliance thresholds as follows:

Compliance category	January 2014 (%)	July 2014 (%)	January 2015 (%)
Unique Trackable Barcode .....	98	99	99
Destination Delivery Address or ZIP+4 Code in the File .....	93	95	*98
Shipping Services File 1.6 or Higher, Including Required Data Elements .....	90	95	97

\* Destination delivery address or 11-Digit DPV ZIP Code required effective January 25, 2015.

For competitive products (i.e. Priority Mail Express, Priority Mail, First-Class Package Service® and Parcel Select®), the Postal Service will implement the thresholds and per-piece price adjustments described above for noncompliant pieces. In conformance with the recently filed competitive price case (PRC Docket No. CP2014–5) the Postal Service will begin enforcement of the thresholds and per-piece price adjustments on January 26, 2014.

For market-dominant products (i.e. First-Class Mail® parcels, Standard Mail parcels, and Package Services parcels), the Postal Service intends to apply the thresholds and noncompliance price adjustment to Market Dominant mailpieces at a future date, after filing with, and receiving approval from, the PRC. Regulatory review will take up to 45 days from the date of that filing. The proposed effective date for the per-piece price adjustments for Market Dominant products will be predicated on the PRC's decision.

#### **Hazardous, Perishable and Restricted Materials**

Effective January 26, 2014, mailers inducing parcels containing mailable hazardous material or mailable live animals will be required to include an indicator in the appropriate field of the Shipping Services File, or other authorized electronic documentation, identifying each applicable mailpiece as containing either hazardous material or live animals. MRS and other returns mailpieces containing hazardous materials will be required to bear a unique IMpb barcode, including a specific 3-digit service type code specifying the class of mail and identifying the mailpiece as containing hazardous material. For the purposes of this requirement mailpieces containing hazardous material would include any package containing material requiring hazardous material markings, requiring special packaging, contents limitations or transportation restrictions provided for in DMM 601 or Publication 52,

*Hazardous, Restricted or Perishable Mail.* Mailers will be provided an extended transitional period until July 27, 2014, to allow additional time for mailers to modify their systems for these new requirements.

The Postal Service has also developed similar identifying indicators to provide enhanced visibility of shipments containing cremated remains. Mailer use of the cremated remains indicators is strongly recommended, but will not be required.

#### **Certified Mail and Registered Mail Service**

In response to feedback from the mailing industry, the Postal Service will not adopt its proposal to limit Certified Mail® service to use with only First-Class Mail. Effective July 27, 2014, the Postal Service expects to provide a new option for mailers to combine restricted delivery service with Signature Confirmation™ service. The combination of restricted delivery service with Signature Confirmation service will provide an option for mailers to restrict delivery of Priority Mail, First-Class Package Service, Package Services, Standard Post and Parcel Select pieces without also having to purchase insurance for more than \$200 to obtain this service.

The Postal Service will also provide a transitional period for IMpb compliance with Certified Mail and Registered Mail™ until January 25, 2015. This transitional period will provide additional time for mailers to prepare their systems, change label and envelope stock and deplete their inventories of preprinted forms.

The Postal Service expects to provide new Registered Mail and Certified Mail “banner only” labels for mailer use early in the 2014 calendar year. These “banner only” labels will help identify these specific products when used in an IMpb-compliant barcode format, and will meet USPS mailing standards for privately printed forms when used as specified.

#### **Comments and USPS Responses**

The Postal Service received a total of eight comments in response to the July 11, 2013, **Federal Register** proposed rule, with some comments addressing more than a single issue. In general, commenters relate concern with the penalties for noncompliance and the policies relating to the electronic transmission of Shipping Services Files. These comments are summarized as follows:

##### *Noncompliance Adjustments and Thresholds*

*Comment:* Several commenters state that both the starting and ending compliance thresholds provided in the proposed rule are unrealistically high and are arguably unachievable by industry. These commenters request more liberal thresholds.

*USPS Response:* Many mailers are currently meeting or exceeding the January 2014 IMpb compliance thresholds communicated in the July 11, 2013, proposed rule, and others are rapidly closing their compliance gaps. However, in response to mailer concerns, the Postal Service has revised the January 2015 threshold levels. In addition, the Postal Service will provide an extended transitional period for IMpb compliance for all Market Dominant parcels until July 27, 2014. This extended transitional period will afford mailers of market dominant parcels more time to prepare their systems and to take advantage of USPS enhancements that support Mail.dat file conversion to Shipping Services Files.

*Comment:* A commenter states that ad hoc reports are not available on a basis consistent enough to allow mailers to determine if they are meeting compliance thresholds. This commenter asks how the USPS will prove noncompliance and how will the USPS will be able to determine if noncompliance results from a failure on the part of the mailer or from some USPS related problem.

*USPS Response:* The Postal Service recognizes that adhoc reports could have been provided on a more consistent basis. In November 2013, the Postal Service will be enhancing its systems to measure compliance for each record transmitted through Shipping Services Files or received in scan event data. These enhancements will identify pieces that fail to meet IMpb requirements at the record level. Mailers not entering parcels under an approved exception will automatically receive compliance performance feedback in the context of Confirmation Error/Warning reports. In addition, new Scan Event Extract file versions will be available in November 2013. These optional, upgraded versions of the Scan Event Extract file provide new data fields with IMpb compliance results at the piece level.

The Postal Service will also implement processes to mitigate file receipt and posting delays that may be caused by system issues. The Postal Service will continue to work with mailers to improve file transmission timeliness. In addition, the Postal Service has provided a new option to advance electronic package level detail address information earlier in the creation/fulfillment process through the new Shipping Partner Event File Version 3.0. This option is available to mailers who want to send address information at earlier stages in the order/fulfillment process where this information is initially captured.

*Comment:* A commenter asks what the noncompliance per-piece price adjustment will be for January 2014.

*USPS Response:* The Postal Service expects to provide a per-piece price adjustment for IMpb noncompliant competitive products effective January 26, 2014. If this adjustment factor is implemented as expected, the price will be included in the **Federal Register** notice announcing the 2014 prices for competitive products. This **Federal Register** notice is expected to publish in November 2013.

*Comment:* A commenter suggests that the Postal Service set penalties for noncompliance at a price reasonably related to the cost of the work required by the Postal Service to handle these noncompliant pieces, and specifically suggests that the original industry thresholds as recommended by the Task Team (TT #19) be adopted for the January 2014 implementation.

*USPS Response:* The IMpb Compliance Fee is intended to be reflective of the work required to apply barcodes and capture piece level detail information about parcels failing to meet IMpb requirements. The

compliance thresholds will be set at the levels described earlier in this **Federal Register** notice. Although several key recommendations from MTAC Task Team #19 were adopted, including the concept of using compliance threshold levels, the numerical values for those thresholds were not adopted.

#### *Meter Users*

*Comment:* Several commenters request that the Postal Service clarify its intent with regard to postage meter mailers. These commenters ask whether payment by postage meter will be an option for packages in the future, and if the Postal Service plans to develop a special IMpb label for postage meter mailers. These commenters further suggest that the Postal Service develop a methodology that can accommodate postage meter customers and that provides an IMpb option that is not predicated on the entry of a 9- or 11-digit zip code.

*USPS Response:* The Postal Service will continue to allow mailers to use meters to pay postage for parcels. However, this Final Rule will require all metered parcels to bear an IMpb barcode. The Postal Service is developing a new version of the IMpb specifically for postage meter mailers that will be available to mailers by January 26, 2014. These labels will be made available both through meter vendors and the Postal Service at no additional charge. Effective January 25, 2015, postage meter mailers who are unable to meet all IMpb requirements, including transmission of electronic documentation and use of a complete destination delivery address or DPV 11-digit ZIP Code, will not be eligible for Commercial Base or Commercial Plus pricing but will be allowed to ship parcels that bear IMpb barcodes at retail prices, when these pieces bear a USPS tracking label (Label 400) or other IMpb-compliant label.

*Comment:* Three commenters requested clarification on how to create a Shipping Services file when using a postage meter and what Mailer ID would be used when affixing metered postage to a package.

*USPS Response:* Publication 199, *Intelligent Mail Package Barcode (IMpb) Implementation Guide for: Confirmation Services and Electronic Verification System (eVS) Mailers*, provides information on how to create and transmit Shipping Services electronic manifest files to USPS. The Mailer ID (MID) used in the barcode may be either that of the meter vendor or the mail owner. Of equal importance for meter users is the two-digit Source ID which is uniquely assigned to meter, online,

and PC Postage vendors. This two-digit code must also be included in the barcode to identify the respective vendor. Unless otherwise required, a unique MID identifying the mail owner should generally be provided when the mail owner ships more than 7,500 parcels per year, without regard to the method of postage payment used. However, mailers claiming Commercial Plus Pricing must use a unique MID to identify the mail owner.

*Comment:* One commenter requests clarification of when a mailer using detached address labels (DALs) will be required to meet the new IMpb standards.

*USPS Response:* Parcels using DALs in compliance with DMM standards are not subject to IMpb requirements.

#### *Certified Mail*

*Comment:* Three commenters expressed concern with the proposal to limit Certified Mail to First-Class Mail only. These commenters request the Postal Service to ensure that a comparable set of services are available for Priority Mail pieces that today use the Certified Mail service, and that these services provide the same acceptable capabilities and options as Certified Mail service.

*USPS Response:* The Postal Service will continue to offer Certified Mail service for use with Priority Mail pieces. The Postal Service will proceed with the enhancement to Signature Confirmation service to include Restricted Delivery.

*Comment:* Several commenters state that the Postal Service should communicate details regarding the specific requirements for the proposed use of Certified Mail and Registered Mail Service. These commenters ask if there is an alternate method to replace the function of Certified Mail service for packages.

*USPS Response:* Registered Mail and Certified Mail users are required to meet IMpb requirements, including the use of electronic documentation and the inclusion of the destination delivery address or ZIP+4 Code (or an 11-digit delivery point validated ZIP Code effective January 25, 2015). These mailers will be provided with an extended transitional period until January 25, 2015 to prepare their systems to comply with IMpb requirements. During this transitional period, mailers may continue to use barcodes prepared in legacy formats.

*Comment:* One commenter asks if the Postal Service plans to provide a green Certified Mail indicator label that can be used in conjunction with an IMpb shipping label. This commenter asks if mailer-generated shipping labels will be



required to be nearly identical in design and color as PS Form 3800, or to have an additional green label affixed and if these labels must be placed at the top of the mailpiece, similar to the requirements for the use of Certified Mail labels today. This commenter also asks if the proposed standards will impact a vendor's ability to create privately-printed Certified Mail labels.

**USPS Response:** The Postal Service expects to distribute Registered Mail and Certified Mail banner only labels during the 2014 calendar year. These labels can be used on mailpieces where the barcode is printed on a shipping label or location other than near the top edge of a mailpiece. These labels will allow for greater visibility of Registered Mail or Certified Mail articles, while also allowing the barcode to be placed in a location separate from the applicable colored label. Mailer-generated labels are required to be nearly identical in design and color to their corresponding Extra Service retail labels; however Registered Mail or Certified Mail banner only labels may be used to fulfill this requirement when used in conjunction with IMpb shipping labels. Vendors are allowed to continue to create their own labels; however IMpb requirements must be met.

#### *Commercial Mail Pieces at Retail Prices*

**Comment:** One commenter states that the Postal Service should specify whether or not the proposed standards would require commercial parcels paying postage at retail prices to have a corresponding record in the Shipping Services File, including a valid ZIP+4 or delivery address information.

**USPS Response:** Generally, all commercial parcels are required to meet IMpb standards, including those mailed at retail prices. This requirement will be modified for parcels using postage meter imprints, provided these mailpieces bear label 400 or a similar IMpb-compliant barcode.

**Comment:** One commenter asks why retail-priced parcels included in a commercial mailing would be required to meet additional requirements above and beyond that required for similarly prepared priced and processed retail parcels.

**USPS Response:** All mailers and their customers will benefit from the visibility and additional features provided by a fully IMpb barcoded package environment. Parcels presented at retail will have an IMpb applied as part of the retail transaction. Therefore, mailers unable or unwilling to present parcels as part of a retail transaction will be required to meet IMpb standards.

#### *Communication Plans*

**Comment:** One commenter requests the Postal Service to improve its communication plans. This commenter states that communication plans should be both coordinated and collaborative in order to mitigate the impact of these new requirements on mailers.

**USPS Response:** The Postal Service plans to increase and better target its communications and outreach efforts regarding IMpb implementation and its timing through all available channels. The Postal Service plans to collaborate with its shipping partners and industry to communicate requirements in this regard.

#### *Shipping Services File Transmission*

**Comment:** Several commenters request the Postal Service to make accommodations to avoid adjustments, and to ensure parcels are processed expeditiously, when Shipping Services Files are unavailable. With regard to the timing for transmittal of electronic documentation, these commenters state that allowances must be made to account for system outages, either on the USPS or mailing industry side. These commenters request the Postal Service to recognize that system outages do occur and ensure that penalties are not charged for system outages beyond a shipper's control. These commenters specifically ask what the Postal Service will do when the Shipping Services File is not yet available for a parcel mailing already in acceptance and ready for processing and delivery. These commenters state that there should be some kind of mitigation policy to offset or remove the fees when the noncompliance is not the fault of the shipper.

**USPS Response:** The Postal Service will evaluate the specific circumstances of late arriving Shipping Services files on a case-by-case basis. Mailers submitting late files through no fault of their own will generally be accommodated.

**Comment:** One commenter asks if the Postal Service will hold packages until the Shipping Services File is received or will it proceed with the sortation and delivery of the mailing.

**USPS Response:** Although Postal Service processes are dependent on the receipt of Shipping Services files prior to the actual arrival of the mailpieces, the Postal Service will make every effort to process parcels in an operationally effective manner. The Postal Service response in these situations may vary according to particular circumstances of the case and the resources available to the Postal Service at the time of the occurrence.

**Comment:** One commenter requests clarification as to what was meant by the statement "to simplify the requirements to populate the field" with regard to populating the fields within the Shipping Services File.

**USPS Response:** The Postal Service currently uses different business rules for processing type 1 and type 2 Shipping Services files. Furthermore, to simplify the processing and coding requirements for mailers, the Postal Service itself and software vendors, the rules for populating fields (e.g. required versus optional fields, defaults, content values) in file type 2 will now be the same as for file type 1. Mailers may reference Publication 199 for details on Shipping Services Files, type 1 and type 2.

#### *Electronic Documentation*

**Comment:** One commenter states that there should be symmetry in how the Postal Service will require the identification of the mailing agent/mail owner relationship for IMb and IMpb mailings. This commenter states that currently the processes relating to IMb and IMpb mailings are disconnected.

**USPS Response:** The Postal Service recognizes that the business model for package mailers is typically different from that for mailers of letters and flats. In response and after consultation with customers, industry groups, and stakeholders, the Postal Service has modified the By/For disclosure process for parcel mailers. The Postal Service will strongly encourage and work with mailing agents (mail service providers and consolidators) to include information in their electronic documentation that identifies both the mailing agent and mail owner (i.e. By/For mailing relationship) for all mailings made on behalf of mail owners who are expected to mail more than 7,500 parcels per year. As part of past and current visibility initiatives, onboarding, and payment programs, package mailing agents already provide By/For information at a high level. Given this information and discussions, it is in our mutual best interest to collaboratively work toward provision of By/For relationships without adding more requirements, rules and compliance enforcements. In addition, mailers who claim commercial plus pricing (CPP) or Nonprofit Standard Mail prices and the mail owners of parcels containing hazardous material must disclose the By/For relationship regardless of volume.

**Comment:** One commenter requests the Postal Service to change the requirements for IMpb and allow either a Mailer ID (MID) or customer



registration ID (CRID) to identify the mail owner/mailing agent relationship in the electronic documentation. This commenter states that this change is important for Mail.dat applications.

**USPS Response:** In response to this and other comments, the Postal Service will provide an option for mailing agents to include a unique Customer Registration ID (CRID) for the mail owner in the electronic documentation on an exception basis. Exception requests must be submitted to the Vice President of Sales. Submit exception requests to [IMpb@usps.gov](mailto:IMpb@usps.gov).

**Comment:** One commenter suggests that the Postal Service follow the model set by letters and flats mailings, following an order of precedence to allow fields (CRID and MID) available in the eDocumentation to identify Mail Owner. When the CRID field is populated it would take precedence over the Mailer ID in the piece barcode. This commenter states that this approach would provide greater functionality and flexibility to mailers, and establish consistency among USPS product lines.

**USPS Response:** As mentioned in response to a previous comment, the Postal Service will provide an option for mailing agents to include a unique Customer Registration ID (CRID) for the mail owner in the electronic documentation on an exception basis. Exception requests must be submitted to the Vice President of Sales. Submit exception requests to [IMpb@usps.gov](mailto:IMpb@usps.gov).

**Comment:** One commenter suggests that if the Postal Service insists on collecting By/For information in connection with IMpb use, they should keep the same requirements for IMpb as for Full Service IMb.

**USPS Response:** As previously discussed, the business model for package mailers is generally dissimilar from that of letters and flats mailers. As a result of consultations with the industry, the Postal Service will strongly encourage and work with service providers to identify By/For relationships for customers shipping 7,500 pieces per year. In addition, an exception process will be implemented that allows use of the By/For CRID in electronic documentation to identify mail owners.

#### *Destination Delivery Address vs. 11-Digit ZIP Code*

**Comment:** Several commenters request the Postal Service to define what is meant by a "complete destination delivery address."

**USPS Response:** The elements of a complete address are described in DMM 602.1.4.2 and are summarized earlier in

this **Federal Register** notice. Generally, a complete destination delivery address should be able to successfully undergo the delivery point validation process.

**Comment:** Two commenters ask what evidence the Postal Service would require to demonstrate a validity of an address, other than the use of CASS™ software. These commenters ask if CASS certification and destination delivery addresses will be required for IMpb use, both on the physical mail piece and within the version 1.6 upload field.

**USPS Response:** Although strongly encouraged, the Postal Service will not require mailers to demonstrate CASS certification. The Postal Service will instead require and confirm addressing elements, Delivery Point Validation 11-digit ZIP Code, and ZIP+4 Code information as part of its validation processes.

**Comment:** Several commenters request clarification as to whether the Postal Service prefers a destination delivery address or an 11-digit Zip Code. These commenters ask if the Postal Service plans to develop an 11-Digit IMpb format for packages and how this would impact the Shipping Services File. A commenter asks if the Postal Service requires the addressee name in the file, will the 47-space requirement be changed to reflect the additional space needed.

**USPS Response:** For parcel mailings, the Postal Service permits several variations in regards to supplying address information. These options, in order of preference by the USPS, are as follows:

- Destination Delivery Address and DPV 11-digit ZIP Code
- DPV 11-Digit ZIP Code
- Destination Delivery Address and DPV 9-digit ZIP Code
- Destination Delivery Address
- 9-digit ZIP Code

The Postal Service originally considered requiring an IMpb barcode format with an 11-digit ZIP Code; however upon investigation determined that this would not be a practical requirement given the increased risks for barcode readability problems. Readability problems would negatively impact operational costs, visibility, and revenue assurance.

**Comment:** One commenter asks why the complete delivery address is needed for package sortation or dynamic routing. This commenter asks for further clarification on the exact information needed to enable these processes.

**USPS Response:** The electronic representation of full address or DPV 11-digit ZIP Code is required prior to

the actual receipt of the mailing. This information is required to facilitate the dynamic sortation and assignment of delivery territory based on parcel volume, distance, and other factors that optimize costs and efficiencies.

#### *Timing for New Requirements*

**Comment:** Several commenters request the Postal Service to remove the proposed standards relating to hazardous, perishable, and restricted materials from the IMpb final rule and make a separate proposed rule to address these additional requirements. These commenters also request the Postal Service to adjust the timing for the implementation of the new requirements introduced in the proposed rule to provide sufficient preparation time for mailers to comply.

**USPS Response:** The visibility of mailpieces containing hazardous, perishable and restricted materials is essential to the Postal Service for a number of reasons, including regulatory concerns and the determination of volume and acceptance characteristics of these materials. The Postal Service will extend the transitional period for identifying hazardous, perishable, and restricted materials until July 27, 2014, to allow customers more time to modify their systems to meet these requirements. However, mailpieces must bear markings as required by current mailing standards.

#### *MRS Labels*

**Comment:** One commenter states that because their documents are handled by two different entities, they will be unable to comply with the new requirement to include the transaction ID, payment account number, method of payment and Post Office account number in the Shipping Services File. This commenter asks if they will be able to obtain an exception for this process.

**USPS Response:** In general, MRS mailers are not expected to provide a Shipping Services File for returned parcels. MRS mailers must concatenate IMpb barcode constructs that include a 9-digit routing ZIP Code. This mailer is encouraged to contact USPS shipping information systems at [IMPB@usps.gov](mailto:IMPB@usps.gov) if they believe an exception is needed.

**Comment:** Four commenters request information on how the Postal Service plans to educate MRS customers on the new requirement to include a unique IMpb on each MRS mailpiece, and the tools available to mailers to create barcoded MRS labels.

**USPS Response:** The Postal Service will be developing a communication plan to advise mailers of the new IMpb requirements, including those for MRS

mailers, and to provide details on the enhanced services provided by the USPS to assist mailers on meeting these requirements.

*Comment:* Two commenters ask how the Postal Service will reach out to small and medium-size MRS mailers that are not connected through the Mailers Technical Advisory Council. These commenters ask if tracking will be free and what type of service codes would apply for the unique barcode on MRS.

*USPS Response:* The Postal Service will be developing a communication plan that separately targets mailers of all types, including MRS mailers. MRS will be eligible for free tracking, dependent on the mail class selected by the permit holder. Service type codes specifically for MRS parcels are outlined in Publication 199. In addition, the Postal Service will extend the transitional period for MRS mailers to July 27, 2014.

#### Transaction ID

*Comment:* One commenter asks for the reason why the Postal Service is requiring a Transaction ID (TID) in the Shipping Services File.

*USPS Response:* The Transaction ID electronically identifies and links the Shipping Services Electronic File(s) and associated data to the corresponding postage statement for shipments presented at BMEUs and DMUs. The TID in conjunction with the Payment Account Number, Method of Payment, and Post Office of Account, enable the Postal Service to calculate IMpb compliance for each mailing at the postage statement level. If any of these fields are missing or inaccurate, an IMpb compliance fee will be assessed for each competitive product mailpiece.

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

Administrative practice and procedure, Postal Service.

The Postal Service adopts the following changes to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), which is incorporated by reference in the *Code of Federal Regulations*. See 39 CFR part 111.1. Accordingly, 39 CFR part 111 is amended as follows:

#### PART 111—[AMENDED]

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

**Authority:** 5 U.S.C. 552(a); 13 U.S.C. 301–307; 18 U.S.C. 1692–1737; 39 U.S.C. 101, 401, 403, 404, 414, 416, 3001–3011, 3201–3219, 3403–3406, 3621, 3622, 3626, 3632, 3633, and 5001.

■ 2. Revise the following sections of *Mailing Standards of the United States*

*Postal Service*, Domestic Mail Manual (DMM), as follows:

#### Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)

\* \* \* \* \*

#### 200 Commercial Letters and Cards

\* \* \* \* \*

#### 210 Priority Mail Express

#### 213 Prices and Eligibility

\* \* \* \* \*

#### 3.0 Basic Standards for Priority Mail Express

\* \* \* \* \*

#### 3.2 IMpb Standards

*[Revise 3.2 as follows:]*

All Priority Mail Express pieces, unless inducted through a retail transaction or a USPS self-service kiosk, those bearing postage meter imprints and using Label 11–B, or those pieces paying postage through USPSCA, must bear an Intelligent Mail package barcode (IMpb) prepared under 708.5.0. Unless otherwise excepted, mailpieces not meeting the requirements for use of unique Intelligent Mail package barcodes or extra services barcodes as outlined in Publication 199 will be assessed an IMpb noncompliance fee. For details see the RIBBS Web site at <https://ribbs.usps.gov>.

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#### 220 Priority Mail

#### 223 Prices and Eligibility

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#### 3.0 Basic Standards for Priority Mail

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#### 3.3 IMpb Standards

*[Revise 3.3 as follows:]*

Unless authorized to use a unique IMb on Priority Mail letters and flats prepared in high-speed environments, all Priority Mail pieces (except Critical Mail pieces without an extra service) must bear an Intelligent Mail package barcode prepared under 708.5.0. To obtain information on how to acquire an authorization to use an IMb on Priority Mail letters and flats, mailers can contact USPS Shipping Information Systems at [IMPB@usps.gov](mailto:IMPB@usps.gov). Mailpieces not meeting the requirements for use of unique Intelligent Mail package barcodes or extra services barcodes as outlined in Publication 199 will be assessed an IMpb noncompliance fee. For details see the RIBBS Web site at <https://ribbs.usps.gov>.

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#### 300 Commercial Flats

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#### 310 Priority Mail Express

#### 313 Prices and Eligibility

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#### 3.0 Basic Standards for Priority Mail Express

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#### 3.2 IMpb Standards

*[Revise 3.2 as follows:]*

All Priority Mail Express pieces, unless inducted through a retail transaction or a USPS self-service kiosk, those bearing postage meter imprints and using Label 11–B or those pieces paying postage through USPSCA, must bear an Intelligent Mail package barcode (IMpb) prepared under 708.5.0. Unless otherwise excepted, mailpieces not meeting the requirements for use of unique Intelligent Mail package barcodes or extra services barcodes as outlined in Publication 199 will be assessed an IMpb noncompliance fee. For details see the RIBBS Web site at <https://ribbs.usps.gov>.

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#### 320 Priority Mail

#### 323 Prices and Eligibility

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#### 3.0 Basic Standards for Priority Mail

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#### 3.3 IMpb Standards

*[Revise 3.3 as follows:]*

Unless authorized to use a unique IMb on Priority Mail letters and flats prepared in high-speed environments, all Priority Mail pieces (except Critical Mail pieces without an extra service) must bear an Intelligent Mail package barcode prepared under 708.5.0. To obtain information on how to acquire an authorization to use an IMb on Priority Mail letters and flats, mailers can contact USPS Shipping Information Systems at [IMPB@usps.gov](mailto:IMPB@usps.gov). Mailpieces not meeting the requirements for use of unique Intelligent Mail package barcodes or extra services barcodes as outlined in Publication 199 will be assessed an IMpb noncompliance fee. For details see the RIBBS Web site at <https://ribbs.usps.gov>.

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#### 400 Commercial Parcels

\* \* \* \* \*

#### 401 Physical Standards

#### 1.0 Physical Standards for Parcels

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**1.5 Machinable Parcels**

\* \* \* \* \*

**1.5.2 Criteria for Lightweight Machinable Parcels**

A parcel that weighs less than 6 ounces (but not less than 3.5 ounces) is machinable if it meets all of the following conditions:

\* \* \* \* \*

*[Delete 1.5.2b and renumber the current 1.5.2c and 2d as the new 2b and 2c.]*

\* \* \* \* \*

**2.0 Additional Standards by Class of Mail**

\* \* \* \* \*

**2.5 Parcel Select****2.5.1 General Standards**

These standards apply to Parcel Select:

\* \* \* \* \*

*[Delete 2.5.1c in its entirety.]*

\* \* \* \* \*

**410 Priority Mail Express****413 Prices and Eligibility**

\* \* \* \* \*

**3.0 Basic Standards for Priority Mail Express**

\* \* \* \* \*

**3.2 IMpb Standards**

*[Revise 3.2 as follows:]*

All Priority Mail Express pieces, unless inducted through a retail transaction or a USPS self-service kiosk, those bearing postage meter imprints and using Label 11-B or those pieces paying postage through USPSA, must bear an Intelligent Mail package barcode (IMpb) prepared under 708.5.0. Unless otherwise excepted, mailpieces not meeting the requirements for use of unique Intelligent Mail package barcodes or extra services barcodes as outlined in Publication 199 will be assessed an IMpb noncompliance fee. For details see the RIBBS Web site at <https://ribbs.usps.gov>.

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**420 Priority Mail****423 Prices and Eligibility**

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**3.0 Basic Standards for Priority Mail**

\* \* \* \* \*

**3.2 IMpb Standards**

*[Revise 3.2 as follows:]*

All Priority Mail pieces, unless inducted through a retail transaction or a USPS self-service kiosk, must bear an

Intelligent Mail package barcode (IMpb) prepared under 708.5.0. Mailpieces not meeting the requirements for use of unique Intelligent Mail package barcodes or extra services barcodes as outlined in Publication 199 will be assessed an IMpb noncompliance fee. For details see the RIBBS Web site at <https://ribbs.usps.gov>.

\* \* \* \* \*

**430 First-Class Package Service****433 Price and Eligibility****1.0 Prices and Fees for First-Class Package Service**

\* \* \* \* \*

**1.4 Commercial Plus Prices**

First-Class Package Service machinable parcels less than 16 ounces and Merchandise Return Service parcels are eligible for Commercial Plus prices for customers that:

\* \* \* \* \*

*[Delete 1.4f in its entirety and renumber 1.4g as new 1.4f.]*

**1.5 Surcharge**

*[Delete 1.5b, restructure and revise 1.5 as follows:]*

Unless prepared in 5-digit/scheme containers, a surcharge applies for presorted parcels that are irregularly shaped, such as rolls, tubes, and triangles.

\* \* \* \* \*

**3.0 Basic Standards for First-Class Package Service Parcels**

\* \* \* \* \*

**3.3 Additional Basic Standards**

All presorted First-Class Package Service parcels must:

\* \* \* \* \*

*[Delete 3.3c in its entirety.]*

**3.4 IMpb Standards**

*[Revise 3.4 as follows:]*

All First-Class Package Service parcels must bear an Intelligent Mail package barcode (IMpb) prepared under 708.5.0. Mailpieces not meeting the requirements for use of unique Intelligent Mail package barcodes or extra services barcodes as outlined in Publication 199 will be assessed an IMpb noncompliance fee. For details see the RIBBS Web site at <https://ribbs.usps.gov>.

\* \* \* \* \*

**440 Standard Mail****443 Prices and Eligibility**

\* \* \* \* \*

**3.0 Basic Standards for Standard Mail Parcels**

\* \* \* \* \*

**3.3 Additional Basic Standards for Standard Mail**

Each Standard Mail mailing is subject to these general standards:

\* \* \* \* \*

*[Revise 3.3g as follows:]*

g. The IMpb applied to each Standard Mail parcel must be correct for the delivery address and must meet the standards in 708.5.0.

\* \* \* \* \*

*[Renumber the current 3.4 through 3.9 as the new 3.5 through 3.10, and add a new 3.4 as follows:]*

**3.4 IMpb Standards**

*[Revise 3.4 as follows:]*

All Standard Mail parcels, except Standard Mail Marketing parcels mailed as product samples, except those using detached address labels (DAL) and those bearing simplified addresses, must bear an Intelligent Mail package barcode (IMpb) prepared under 708.5.0. Standard Mail parcels may optionally use an IMb in lieu of an IMpb when parcels which are presorted and containerized in 5-digit sacks or other approved containers prepared to the 5-digit level, provided each parcel bears a unique IMb that cannot be reused for 45 days. In situations where the IMb is used in lieu of the IMpb, a Mail.dat or Mail.XML file will be accepted in lieu of a Shipping Service File.

\* \* \* \* \*

**4.0 Price Eligibility for Standard Mail**

\* \* \* \* \*

*[Delete 4.4 in its entirety and renumber the current 4.5 as the new 4.4.]*

\* \* \* \* \*

**450 Parcel Select**

\* \* \* \* \*

**453 Prices and Eligibility**

\* \* \* \* \*

*[Renumber the current section 453.3 as the new 453.4, and add a new section 453.3 as follows:]*

**3.0 Basic Standards for Parcel Select Parcels****3.1 Service Objectives**

The USPS does not guarantee the delivery of Parcel Select mailpieces within a specified time. Parcel Select mailpieces might receive deferred service. The local Post Office can provide more information concerning delivery times within its area.

**3.2 Delivery and Return Addresses**

All Parcel Select mailpieces must bear a delivery address. The delivery address on each piece must include the correct ZIP Code or ZIP+4 code. Alternative addressing formats under 602.3.0 may be used. Each piece must bear the sender's return address.

**3.3 IMpb Standards**

All Parcel Select mailpieces must bear an Intelligent Mail package barcode (IMpb) prepared under 708.5.0. Mailpieces not meeting the requirements for use of unique Intelligent Mail package barcodes or extra services barcodes as outlined in Publication 199 will be assessed an IMpb noncompliance fee. For details see the RIBBS Web site at <https://ribbs.usps.gov>.

\* \* \* \* \*

**4.0 Price Eligibility for Parcel Select and Parcel Select Lightweight****4.1 Destination Entry Price Eligibility**

\* \* \* \* \*

**4.1.2 Basic Standards**

For Parcel Select destination entry, pieces must meet the applicable standards in 455.4.0 and the following criteria:

\* \* \* \* \*

*[Delete renumbered 4.1.2f in its entirety.]*

\* \* \* \* \*

**4.2 Parcel Select NDC and ONDC Presort Price Eligibility**

*[Delete the last two sentences of renumbered 4.2 in their entirety.]*

**4.3 Parcel Select Nonpresort Price Eligibility**

*[Delete the first sentence of the introductory paragraph of renumbered 4.3.]*

\* \* \* \* \*

**4.4 Parcel Select Lightweight**

\* \* \* \* \*

**4.4.1 General Eligibility**

Parcel Select Lightweight parcels are presorted machinable or irregular parcels. The following also applies:

\* \* \* \* \*

*[Delete renumbered 4.41e in its entirety, and renumber the renumbered 4.4.1f as the new renumbered 4.4.1e.]*

\* \* \* \* \*

**460 Bound Printed Matter****463 Prices and Eligibility**

\* \* \* \* \*

**2.0 Basic Eligibility Standards for Bound Printed Matter**

\* \* \* \* \*

*[Add a new 2.4 and 2.5 as follows:]*

**2.4 USPS Tracking**

BPM parcels with alternative address formats may be mailed with USPS Tracking, but must not bear an ancillary service endorsement (see 602.3.1.2).

**2.5 IMpb Standards**

All BPM parcels must bear an Intelligent Mail package barcode (IMpb) prepared under 708.5.0.

\* \* \* \* \*

**4.0 Price Eligibility for Bound Printed Matter Parcels****4.1 Price Eligibility**

\* \* \* Price categories are as follows:

\* \* \* \* \*

*[Revise 4.1b and 4.1c as follows:]*

b. Presorted Price. The Presorted price applies to BPM prepared in a mailing of at least 300 BPM pieces, prepared and presorted as specified in 465.5.0, 705.8.0, or 705.22.0.

c. Carrier Route Price. The Carrier Route price applies to BPM prepared in a mailing of at least 300 pieces presorted to carrier routes, prepared and presorted as specified in 465.6.0, or 705.8.0.

\* \* \* \* \*

**470 Media Mail and Library Mail****473 Prices and Eligibility**

\* \* \* \* \*

*[Revise the title of 2.0 as follows:]*

**2.0 Basic Standards for Media Mail and Library Mail Parcels**

\* \* \* \* \*

*[Add a new 2.5 as follows:]*

**2.5 IMpb Standards**

All Media Mail and Library Mail parcels, unless inducted through a retail transaction or a USPS self-service kiosk, must bear an Intelligent Mail package barcode (IMpb) prepared under 708.5.0.

\* \* \* \* \*

**6.0 Price Eligibility for Media Mail and Library Mail Parcels**

\* \* \* \* \*

**6.2 Price Eligibility Standards**

*[Delete the second and third sentences of 6.2 in their entirety.]*

\* \* \* \* \*

**6.3 Price Categories for Media Mail and Library Mail Parcels**

*[Delete 6.3c in its entirety.]*

\* \* \* \* \*

**475 Mail Preparation**

\* \* \* \* \*

**5.0 Preparing Media Mail and Library Mail Parcels**

\* \* \* \* \*

**5.2 Preparing Machinable Parcels**

\* \* \* \* \*

*[Delete 5.2.3 in its entirety.]*

\* \* \* \* \*

**500 Additional Mailing Services****503 Extra Services**

\* \* \* \* \*

**3.0 Insured Mail**

\* \* \* \* \*

**3.2 Insurance Coverage—Priority Mail**

Priority Mail pieces bearing an Intelligent Mail package barcode (IMpb) or USPS retail tracking barcode (see 10.3.1) are insured against loss, damage, or missing contents, up to a maximum of \$50.00 or \$100.00, subject to the following:

\* \* \* \* \*

*[Renumber the current 3.2d as the new 3.2e and add a new 3.2d as follows:]*

b. Priority Mail pieces meeting the requirements under 3.2, but not supported by a Shipping Services file must have a full acceptance scan in order to qualify for automatic insurance coverage.

\* \* \* \* \*

**5.0 Return Receipt**

\* \* \* \* \*

**5.2 Basic Information****5.2.2 Eligible Matter**

Return receipt service is available for:

\* \* \* \* \*

*[Renumber the current 2c and 2d as the new 2d and 2e, and revise 2b and add a new 2c as follows:]*

c. First-Class Mail when purchased with Certified Mail, COD, insured mail (for more than \$200.00) or Registered Mail service.

d. First-Class Package Service, and Priority Mail (excluding Critical Mail) when purchased at the time of mailing with COD, insured mail (for more than \$200.00), or Registered Mail service.

\* \* \* \* \*

**7.0 Restricted Delivery**

\* \* \* \* \*

**7.2 Basic Information**

\* \* \* \* \*

**7.2.2 Eligible Matter**

Restricted Delivery service is available for:

*[Renumber the current 2b and 2c as the new 2c and 2d, and revise 2a and add a new 2b as follows:]*

a. First-Class Mail when purchased with Certified Mail, COD, insured mail (for more than \$200.00) or Registered Mail service.

b. First-Class Package Service, and Priority Mail (excluding Critical Mail) when purchased at the time of mailing with COD, insured mail (for more than \$200.00), or Registered Mail service.

\* \* \* \* \*

**505 Return Services****1.0 Business Reply Mail (BRM)**

\* \* \* \* \*

**1.4 General Information****1.4.1 Description**

*[Revise the second sentence of, and add a new sentence to, 1.4.1 as follows:]*

Business Reply Mail (BRM) service enables a permit holder to receive First-Class Mail and Priority Mail back from customers and pay postage and a per-piece fee for only the pieces returned. BRM cards, envelopes, self-mailers, flats, and labels may be distributed by a BRM permit holder in any quantity for return to any Post Office in the United States and its territories and possessions, including military Post Offices overseas. Only card-, letter- and flat-sized pieces are eligible for BRM service. \* \* \*

\* \* \* \* \*

**3.0 Merchandise Return Service**

\* \* \* \* \*

**3.2 Basic Standards**

\* \* \* \* \*

*[Renumber the current 3.2.5 through 3.2.13 as the new 3.2.6 through 3.2.14, and add a new 3.2.5 as follows:]*

**3.2.5 IMpb Standards**

All MRS labels must bear a unique Intelligent Mail package barcode (IMpb) prepared under 708.5.0.

\* \* \* \* \*

**3.3 Additional Standards for Permit Holder**

\* \* \* \* \*

**3.3.3 USPS Tracking**

*[Revise 3.3.3 as follows:]*

USPS Tracking service is optional, but provided without charge for mailpieces bearing authorized MRS labels. MRS labels requesting USPS Tracking must meet the standards in 503.10.0. USPS

Tracking may be combined with insurance and special handling, or both.

\* \* \* \* \*

**3.5 Preparation**

\* \* \* \* \*

**3.5.13 Format Elements**

Format standards required for the merchandise return label are shown in Exhibit 3.5.13a through Exhibit 3.5.13d, and described as follows:

\* \* \* \* \*

Exhibit 3.5.13a Merchandise Return Label With No Extra Services or With Insurance, Special Handling, or Pickup on Demand Service (\*see 3.5.13d)

*[Placeholder for revised Exhibit 3.5.13a]*

\* \* \* \* \*

Exhibit 3.5.13b Merchandise Return Label With Registered Mail Service

*[Placeholder for revised Exhibit 3.5.13b]*

\* \* \* \* \*

Exhibit 3.5.13c Merchandise Return Label With Mailing Acknowledgment (\*see 3.5.13d)

*[Placeholder for revised Exhibit 3.5.13c]*

\* \* \* \* \*

Exhibit 3.5.13d Merchandise Return Label With USPS Tracking Service

*[Placeholder for revised Exhibit 3.5.13d]*

\* \* \* \* \*

**507 Mailer Services****1.0 Treatment of Mail**

\* \* \* \* \*

**1.5 Treatment for Ancillary Services by Class of Mail**

\* \* \* \* \*

**507.1.5.4 Standard Post, Package Services and Parcel Select**

Undeliverable-as-addressed (UAA) Standard Post, Package Services, and Parcel Select mailpieces are treated as described in Exhibit 1.5.4, with these additional conditions:

\* \* \* \* \*

*[Revise the first sentence of 1.5.4b as follows:]*

b. Except for Bound Printed Matter pieces including USPS Tracking, the exceptional address format under 602.3.0 may not be used on mail with any ancillary service endorsement or mail with any extra service (see 463.2.4). \* \* \*

\* \* \* \* \*

**700 Special Standards**

\* \* \* \* \*

**705 Advanced Preparation and Special Postage Payment Systems**

\* \* \* \* \*

**7.0 Combining Package Services and Parcel Select Parcels for Destination Entry****7.1 Combining Parcels—DSCF and DDU Entry****7.1.1 Qualification**

*[Delete the last three sentences of 7.1.1 in their entirety.]*

\* \* \* \* \*

**708 Technical Specifications**

\* \* \* \* \*

**5.0 Standards for Package and Extra Service Barcodes****5.1 Intelligent Mail Package Barcode**

\* \* \* \* \*

**5.1.7 Electronic File**

\* \* \* Electronic files must include the following elements:

\* \* \* \* \*

*[Revise 5.1.7d as follows:]*

d. Version 1.6 (or subsequent versions) of the electronic shipping services manifest files including each destination delivery address or ZIP + 4 Code. Effective January 25, 2015, shipping services manifests, or other approved electronic documentation, must include the destination delivery address or delivery point validated (DPV) 11-digit ZIP Code for each record in the file.

*[Delete the current 5.1.7e in its entirety and add a new 7e as follows:]*

e. Electronic shipping manifest files, or approved alternative electronic documentation, must include data identifying the mailing agent and mail owner, as applicable.

\* \* \* \* \*

**5.2 Other Package Barcodes****5.2.1 Basic Standards for Postal Routing Barcodes**

*[Revise the first sentence of 5.2.1 as follows:]*

A separate postal routing barcode may be used on parcels to provide routing information, when used in conjunction with an IMpb.

\* \* \* \* \*

We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes.

**Stanley F. Mires,**

*Attorney, Legal Policy and Legislative Advice.*

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