
DMM Revision: New Mailing Standards for Domestic Mailing Services Products

Effective January 22, 2017, the Postal Service™ will revise *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®) in various sections to implement the changes coincident with the price adjustments and other minor DMM changes. Prices are available under Docket No. R2017-1 on the Postal Regulatory Commission's website at www.prc.gov.

In addition to the price adjustments, the following changes are being implemented:

Flats Sequencing System (FSS)

As background, on December 18, 2013, the Postal Service began to require bundle and pallet preparation of flat-size Standard Mail®, Periodicals, and Bound Printed Mat-

ter mailpieces for delivery within ZIP Codes™ served by FSS processing (78 FR 76533-76548). This requirement was incorporated into the DMM on January 26, 2014. Subsequently, on May 31, 2015, the Postal Service introduced FSS specific price structures for flat-sized Bound Printer Matter, Standard Mail, and Periodicals mailpieces, pursuant to PRC Order No. 2472, issued on May 7, 2015. This final rule removed all FSS specific pricing structures from Periodicals, Standard Mail, and Bound Printed Matter. One change, for example, requires mailers to add Optional Endorsement Lines (OELs) on each FSS scheme mailpiece. For FSS preparation, mailers place qualifying mailpieces from all price categories into a separate pool for each individual 5-digit FSS scheme combination.

All carrier route Bound Printed Matter (BPM), carrier route Periodicals, and carrier route (except saturation) Standard Mail flats meeting the standards in DMM 201.6.2 must be sorted to FSS schemes, properly bundled, and placed on or in pallets, trays, sacks, or approved containers, for FSS scheme ZIP Code combinations within the same facility. Mailings (excluding saturation mailings of Standard Mail) with non-presorted BPM flats may be included in FSS preparation, but will continue to be ineligible for presorted or carrier route prices.

To reiterate, all mailpieces in a 5-digit scheme FSS bundle must be identified with an OEL, as described in DMM 708.7.0. Mailpieces entered under a combined mailing of Standard Mail and Periodicals flats (DMM 705.15.0) still include class and price markings, applicable to the price paid, in addition to the OEL.

Periodicals, Standard Mail, and Bound Printed Matter flats properly included in a FSS scheme bundle qualify for the piece price applied prior to inclusion in the FSS scheme pool with the following exceptions for Standard Mail:

1. A carrier route mailpiece in a FSS bundle on a FSS scheme pallet will receive the Basic CR-Bundles/Pallet price.
2. A carrier route mailpiece in a FSS bundle on a FSS facility pallet will receive the Basic CR price.

Additional information on each mail class affected is under the Bound Printed Matter, Periodicals, and Standard Mail sections.

First-Class Mail – Combine First-Class Mail (FCM) Commercial Automation Automated Area Distribution Center (AADC) and 3-digit Sortations for Letters and Cards into One Combined Sortation Level Known as AADC

Currently, there are four presort levels for FCM Commercial Automation Letters and Cards: Mixed AADC, AADC, 3-Digit, and 5-Digit. To help simplify the pricing structure, the Postal Service implemented the same price for AADC Automation Letters (Cards) and 3-Digit Automations Letters (Cards) in Docket No. R2012-3. The Postal Service is now combining AADC and 3-Digit presort levels into one sortation. The new sortation name will be AADC. The existing Labeling List 801 will drive the FCM AADC separations, and origin entry separations, based on Labeling List 002, will be modified to reflect origin entry AADC separations.

First-Class Mail – Increase the Weight Standard for First-Class Mail (FCM) Commercial Automation and Machinable Letters and Cards from up to 3.3 ounces to up to 3.5 ounces

Currently, the “up to” weight standard for FCM Commercial Machinable Letters is 3.3 ounces. This lower

weight break of up to 3.3 ounces is being increased due to mail processing improvements. Since machinable letters must follow the standards for Automation Letters (except for IMb), the same weight maximum should apply. Based on this, the Postal Service will increase the weight maximum from 3.3 ounces to 3.5 ounces. This change does not apply to the maximum weight of Booklets, which are capped at 3.0 ounces.

First-Class Mail – One Price for up to 3.5 Ounces for First-Class Mail (FCM) Commercial Automation Letters

Currently, the same price applies for one- and two-ounce pieces for each individual mail sortation level for FCM Commercial Automation Letters. With this final rule, there will be one price for up to 3.5 ounces for each individual mail sortation level for FCM Commercial Automation Letters. This will also apply to mixed-weight FCM Residual mailings up to 3.5 ounces. The current preparation requirements for non-blended trays, such as one ounce, up to two ounces, and now extending to 3.5 ounces will continue. This change does not include FCM single-piece letters (non-residual) or FCM Flats.

First-Class Mail – Simplifying and Renaming FCM Alternate Postage as FCM Share Mail

The Postal Service will rename Alternate Postage as Share Mail™. This implements a proposal published in the June 9, 2016, *Postal Bulletin* (Issue #22443). Share Mail allows Postal Service customers to distribute single-piece FCM letters or cards to consumers, who may in turn mail those pieces to any domestic address, without having to affix postage. Share Mail pieces are permitted to weigh up to one ounce each. Payment is collected electronically from the customer’s Postage Due and Centralized Accounting Postage System (CAPS) Account. Invoicing is performed manually, by the Postal Service’s Share Mail Program Office in Marketing. To continue the Postal Service’s efforts to simplify its product line, the Share Mail payment tiers will be collapsed into one, and upfront postage payment requirements will be eliminated. Unique Intelligent Mail® barcodes are no longer required nor is a signed marketing agreement. Picture Permit will no longer be available in order to help expedite the approval process. A customer who wishes to participate must submit a request to the Share Mail Program Office along with production pieces to ensure readability for postal processing. Share Mail relies on Intelligent Mail barcode (IMb) technology and scan data collected as the mailpiece travels through the mailstream to determine piece counts, so readability is paramount.

Periodicals — Eliminate Flats Sequencing System (FSS) Pricing

The Postal Service will eliminate the FSS specific price structures for Periodicals Outside-County. FSS preparation will still be required and all FSS marking requirements will remain as is. Outside-County Periodicals flats properly included in a FSS scheme bundle will qualify for the price applied prior to inclusion in the FSS scheme pool. If a FSS scheme pallet is drop-shipped to a DFSS facility, the pallet will receive carrier route pallet pricing. If a FSS facility pallet is drop-shipped to a DFSS facility, the pallet will receive DSCF pallet pricing. Qualifying FSS scheme pieces entered at a DFSS facility will receive DSCF pound pricing. FSS scheme bundles on an FSS scheme pallet will receive carrier route bundle prices. FSS scheme bundles on an FSS facility pallet will receive 3-digit/SCF bundle pricing. FSS scheme and facility sack/trays or other authorized container will receive 3-digit/SCF sack/tray prices.

Standard Mail — Renaming Standard Mail as USPS Marketing Mail

The Postal Service will rename Standard Mail as USPS Marketing Mail™. This name change will better communicate to our customers the message that Standard Mail fits into their marketing mix.

To help smooth the transition for this change, the Postal Service will modify postage statements and the DMM for January 2017 and implement other changes to postal forms or documents during the normal update cycles. The initial implementation date for mailers to adopt the new USPS Marketing Mail abbreviations (such as MKT in lieu of STD) is July 1, 2018. Abbreviations and examples of permit imprints will be available in a future *Postal Bulletin*.

Bound Printed Matter — Eliminate Flat Sequencing System (FSS) Pricing

The Postal Service is eliminating FSS specific price structures for Bound Printed Matter Flats. FSS preparation will still be required, and all FSS marking requirements will remain in place. Bound Printed Matter flat pieces included in an FSS scheme bundle will qualify for the zone and entry piece pricing and pound pricing applicable to the mailing piece before inclusion in the FSS scheme pool. If an FSS container is drop shipped to a DFSS facility, those pieces will receive DSCF pricing.

Standard Mail — Combine AADC and 3 Digit Automation Sorts for Letters into One Sort Level

Currently, there are four presort levels for Standard Mail and Standard Mail Nonprofit Automation Letters: Mixed AADC Automation Letters, AADC Automation Letters, 3-Digit Automation Letters, and 5-Digit Automation Letters. To simplify the pricing structure, the Postal Service implemented the same price for AADC Automation Letters and 3-Digit Automation Letters in Docket No. R2013-1. The

Postal Service is combining these two presort levels (AADC and 3-Digit) into one new sortation which will be named AADC.

Standard Mail — Increase the Weight Standard for Standard Mail and Standard Mail Nonprofit Nonautomation Machinable Letters from up to 3.3 ounces to up to 3.5 ounces

Currently, the “up to” weight standard for Standard Mail and Standard Mail Nonprofit Machinable Letters is 3.3 ounces. This lower “weight break” is no longer needed due to improvements in mail processing equipment. Since machinable letters must follow the standards for Automation Letters (except for the IMb standards), the weight maximum should also apply. Accordingly, the Postal Service will increase the weight maximum from 3.3 ounces to 3.5 ounces. This change does not include Standard Mail Ride-Along mailpieces which are capped at 3.3 ounces and inserted into a host Periodicals mailpiece.

It is important that both the Industry and the Postal Service evaluate the effects of higher weight breaks for First-Class Mail® automation letters and cards along with Standard Mail letters. Collaboration and feedback throughout calendar year 2017 will be critical in helping to determine whether higher weights cause processing or address quality metrics to be put at risk.

Standard Mail — Reduce the Number of Simple Sample Tiers

There are currently six volume tiers for Standard Mail Commercial and Nonprofit Simple Samples. Based on the volume thresholds currently used by most customers, the Postal Service will collapse the existing six tiers into two new tiers: volumes up to and including 200,000 pieces, and volumes greater than 200,000 pieces.

Standard Mail — Eliminate Flat Sequencing System (FSS) Pricing

The Postal Service will eliminate the FSS-specific price structures within Standard Mail and Standard Mail Nonprofit. FSS preparation will still be required and all FSS marking requirements will remain intact.

Standard Mail and Standard Mail Nonprofit flats properly included in a FSS scheme pool will qualify for the price applied prior to the FSS scheme pool with the following exceptions:

1. A carrier route mailpiece in an FSS bundle on an FSS scheme pallet will receive the Basic CR-Bundles/Pallet price, and
2. A carrier route mailpiece in a FSS bundle on an FSS facility pallet will receive the Basic CR price.

If an FSS pallet is drop shipped to a DFSS facility, those pieces will receive DSCF pricing.

Standard Mail — Increase Standard Mail and Standard Mail Nonprofit Flats, Nonautomation Letters, and Nonmachinable Letters Piece-Price Weight Break Structure from 3.3 ounces to 4.0 ounces

The current piece/pound price structure for Standard Mail and Standard Mail Nonprofit Flats, Nonautomation Letters, and Nonmachinable Letters does not provide a simple, clear view of the actual price of a mailing, especially if it includes nonidentical-weight pieces between 3.3 and 4 ounces. The Postal Service will increase the piece price weight break structure from 3.3 ounces to 4.0 ounces for Standard Mail and Standard Mail Nonprofit Flats, and Nonautomation and Nonmachinable Letters. Pieces up to 4 ounces will pay the same price and a pound price will apply over 4 ounces. This will not include Nonautomation Machinable Letters.

Extra Services (Returns Simplification) — Eliminate BRM Parcels Permit and Account Maintenance Fee

Business Reply Mail® (BRM) currently consists of letters, flats, and parcels. Occasionally, BRM customers may choose to use Business Reply Mail for return parcels because they possess a BRM permit for inbound correspondence. The Postal Service will waive the annual permit fee for those customers using BRM exclusively for return parcels. This will align BRM parcels with other returns products. BRM permit fees for letters and flats, and for weight-averaged BRM letters, flats, and parcels, will remain.

Extra Services — Eliminate QBRM Permit Fees

The Postal Service is also eliminating the annual permit fees for Business Reply customers who use only QBRM Basic and High Volume Qualified for letters and cards. All other fees and postage pricing remain intact.

Extra Services — Shipping Services Permit Fees

The Postal Service will eliminate the fees for certain outbound and return permits used for parcel shipments, including associated annual account maintenance fees. This will streamline the application and returns process, and eliminate the need to pay permit application fees for additional entry points. Shipping Products included under this umbrella are outbound shipments of Priority Mail Express®, Priority Mail®, First-Class Package Service®, Parcel Select® (including Parcel Select Lightweight®), Bound Printed Matter (parcels only), Media Mail®, and Library Mail, as well as for return shipments of MRS, Parcel Return Service, and BRM (parcels only).

Extra Services (Address Correction) — Adjust Standard Mail Forwarding Fee to 2 Decimal Places

Standard Mail letters and flats mailers that use this service are charged the Forwarding Fee via Address Correction Service (ACS) billing which is managed by the ACS Department of Address Management Systems in Memphis, TN. The ACS data file, Shipping Notice data file, and the Invoice data file have an implied decimal position that is conducive to 2-decimal places for address correction services. When mailers use these files to track their ACS fees and costs, they must recognize that the Forwarded Fee product codes have an implied 3-decimal place price and must manipulate the data files provided to them through ACS so that the decimal place differences are recognized in all of the data files provided via ACS. This would adjust the Standard Mail Forwarding Fee to 2-decimal point places to allow mailers to track their ACS fees and costs without making adjustments for the Forwarding Fees.

Extra Services — Money Order Redemption Period

To be consistent with Banking Industry Standards and other companies' comparable money order offerings, the Postal Service will change the time limit for claims for improper payment to a limit of one year. This language will be updated on the reverse side of the domestic and international money order form so the purchaser is aware of the time limit.

Extra Services — Enterprise PO Boxes Online (ePOBOL) Payment Process Change

The Postal Service plans to allow Enterprise PO Boxes Online customers to modify their current payment period to align their multiple PO Boxes™, Caller Service, and Reserve payments to one due date per year, when using an Enterprise Payment Account (EPA). Eligible customers will be allowed to pay pro-rated fees on a one-time basis to align all payments to a selected annual renewal date in the future. This method is optional and will be available for all of an eligible customer's PO Boxes and Caller Service numbers. When the true-up date is reached they will continue to pay for the 12-month term as committed when first enrolled in the Enterprise Payment Account.

Extra Services — OMAS Stamp Delivery Fee for Federal Agencies Ordering Stamps from the Stamp Fulfillment Center

Federal agencies have the option today to order stamps from the USPS® Stamp Fulfillment Services in Kansas City and to pay for the stamps through their Official Mail Accounting System (OMAS) accounts. It has been a long-standing practice to charge customers other than federal agencies a nominal handling fee for all purchases ordered

through Stamp Fulfillment Services. Beginning January 1, 2017, these fees will apply to federal agencies using OMAS.

The handling fee schedule can be found in subchapter 1560 of the *Mail Classification Schedule*, under References, on the Postal Regulatory Commission website at <http://www.prc.gov/>.

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

* * * * *

200 Commercial Letters, Cards, Flats, and Parcels

201 Physical Standards

1.0 Physical Standards for Machinable Letters and Cards

* * * * *

1.1.2 Weight Standards for Machinable Letters

[Revise 1.1.2 to read as follows:]

The maximum weight for Presorted First-Class Mail machinable letters is 3.5 ounces (0.2188 pound). The maximum weight for USPS Marketing Mail machinable letters is 3.5 ounces (0.2188 pound).

* * * * *

2.0 Physical Standards for Nonmachinable Letters

* * * * *

Exhibit 4.7b Pricing for Flats Exceeding Maximum Deflection

(see 4.6)

[Revise Exhibit 4.7b to read as follows:]

* * * * *

2.1 Criteria for Nonmachinable Letters

[Revise the last sentence of 2.1 to read as follows:]

***In addition, a letter-size piece is nonmachinable if it weighs more than 3.5 ounces (except Periodicals nonmachinable letters cannot weigh more than 3.3 ounces), unless it has a barcode and is eligible for, and claims, automation letter prices or USPS Marketing Mail Carrier Route (barcoded) letter prices.

* * * * *

3.0 Physical Standards for Machinable and Automation Letters and Cards

* * * * *

3.5 Maximum Weight, Machinable and Automation Letters and Cards

* * * * *

[Revise item b. to read as follows:]

b. Machinable enveloped letters and cards – 3.5 ounces. (see 3.6 for pieces over 3 ounces.)

* * * * *

4.0 Physical Standards for Flats

* * * * *

4.7 Flat-Size Pieces Not Eligible for Flat-Size Prices

* * * * *

<i>Eligibility as presented</i>	<i>Eligibility with failed deflection</i>
Periodicals Outside County	
<i>[Delete Machinable barcoded FSS]</i>	<i>[Delete Nonmachinable barcoded 5-digit flat]</i>

<i>[Delete Machinable nonbarcoded FSS]</i>	<i>[Delete Nonmachinable nonbarcoded 5-digit flat]</i>

USPS Marketing Mail	
<i>[Delete Automation FSS Sch Pallet]</i>	<i>[Delete Nonautomation FSS Sch Pallet]</i>
<i>[Delete Automation FSS Other]</i>	<i>[Delete Nonautomation FSS Other]</i>
<i>[Delete Automation FSS Sch Cont.]</i>	<i>[Delete Nonautomation FSS Sch Cont.]</i>
<i>[Delete Automation FSS Facility Cont.]</i>	<i>[Delete Nonautomation FSS Facility Cont.]</i>

Bound Printed Matter	

<i>[Delete Barcoded/noncoded FSS Sch flat]</i>	<i>[Delete Presorted parcel]</i>
