response to industry requests for production flexibility, particularly to allow extended forms to be divided into two separate sheets (e.g., order form and related promotional information). See Postal Bulletin 21848 (August 19, 1993). The Postal Service believes that it is inconsistent with the limited nature of loose enclosures to consider allowing any additional material as enclosures. The section is adopted as proposed.

9. Supplements (C200.1.5)

The proposed rule explained in detail the concerns expressed by many publishers over a course of several years regarding the mailing standard requiring that 25% nonadvertising content be included in all loose supplements to bound second-class publications. Publishers have asserted that this requirement is a burden to the industry and unnecessarily restricts publishers from including desired advertising and other supplemental materials with the host publication. At the urging of those publishers, the Postal Service agreed to propose, for public comment, elimination of the 25% nonadvertising requirement for loose supplements to bound second-class publications. Two commenters offered historical reviews of the regulations concerning secondclass supplements to support their position that relaxing the current standard would damage the integrity of second-class mail. These commenters were joined by eight other commenters who also opposed eliminating the 25% nonadvertising requirement. Most often the reason given was that the elimination of this requirement could diminish the distinction between second-class and other classes of mail and eliminate the preferential rate treatment accorded to second-class mail. In one commenter's opinion, postal operations would also be negatively impacted because more publishers would use polywrapping.

On the other hand, seven commenters offered support for the elimination of the 25% nonadvertising requirement, although some expressed concern about the continued viability of second-class mail if safeguards are not taken to monitor second-class mailings strictly to ensure that typical third-class matter not be allowed to be mailed at second-class rates. For the most part, these seven commenters viewed the elimination of the 25% nonadvertising requirement as an improvement and believed that the overall limit on advertising is adequate to protect the integrity of second-class mail.

The comments received on the elimination of the 25% nonadvertising requirement indicate that there is no consensus within the second-class industry on this proposal. Based on this lack of consensus, the Postal Service has concluded that there is insufficient support for a change to the existing standards at this time. Thus, the Postal Service will retain the 25% nonadvertising requirement for loose supplements to bound second-class publications.

Eight commenters supported the retention of the "Supplement to" endorsement requirement as a safeguard against the inclusion of third-class material being carried as a supplement. One commenter favored the complete elimination of the "Supplement to" endorsement. The Postal Service believes that it is necessary to retain the "Supplement to" requirement as an indication that the material was designed for inclusion with the publication. Therefore, this part of the rule is adopted as proposed. Six commenters requested that the Postal Service clarify that supplements to unbound publications do not require the endorsement "Supplement to" unless the supplement is included loose outside the publication. This final rule does so.

Three commenters expressed a concern that the proposed definition of supplements would exclude from second-class eligibility special supplemental advertising materials that are bound into a second-class publication. The Postal Service considers such an advertisement to be an integral part of the publication. It is not a "supplement" within the meaning of this section. Six other commenters requested that the Postal Service better define the term "supplement" to avoid any misunderstanding over its use. Although, as indicated, some publishers use the term "supplement" to refer to items that are either bound into a bound publication or included loose with a bound publication, the Postal Service considers the definition in the proposal to be less confusing than prior definitions and a more accurate description of what is acceptable as a supplement. The proposed definition is adopted in the final rule.

One commenter disagreed with the requirement that the external dimensions of a supplement (its length and height) may not exceed the dimensions of the host publication. The commenter suggested that this restriction be dropped if the publication and its supplement or supplements are polybagged. The Postal Service considers the height and length restriction on supplements to be a necessary requirement to aid in recognizing the second-class piece as the host piece to ensure proper handling as a time-value publication. Additionally, this restriction promotes the production of a mailpiece (i.e., host and supplement) that is easier to process. The proposal is adopted.

10. Covers (C200.1.6)

No comments were received concerning the proposed language in this section. The proposal is adopted.

11. Mailing Wrappers (C200.1.7)

One commenter suggested that the definition of a wrapper include the words "partial wrapper," consistent with the use of this term elsewhere in these standards (see C200.3.4). The Postal Service agrees. This wording is added and the proposal is adopted.

12. Attachments (C200.1.8)

The rule as proposed in C200.1.8a allows for stickers of any size and shape to be attached to the cover, protective cover, or mailing wrapper if no portion of the publication name is obscured. One commenter requested that this reference to stickers as attachments be clarified to state that stickers attached to a page using any manufacturing process are allowable. The Postal Service believes that the suggested reference to "any manufacturing process" is too broad and all inclusive and that the proposed language is sufficiently clear and accommodating. No other comments were received. This section is adopted as proposed.

13. Printed Additions (C200.1.9)

This section consolidates the list of words, characters, figures, and phrases that may be added to a copy of a secondclass publication after it is printed or placed on the protective cover or mailing wrapper. No comments were received. The proposal is adopted.

14. Label Carriers (C200.1.10)

One commenter suggested that a label carrier should be permitted with publications enclosed within polywrap or a partial wrapper (such as a sleeve). The Postal Service believes that there is merit in this suggestion and has amended this section accordingly in the final rule.

Impermissible Components (C200.2.0)

15. General Standard (C200.2.1)

This section describes materials not eligible for second-class rates. No comments were received. The proposal is adopted.

16. Prohibited Matter (C200.2.2)

This section describes those materials that are prohibited from being mailed at