

**POSTAL SERVICE****39 CFR Part 111****Classification Reform; Implementation Standards**

**AGENCY:** Postal Service.

**ACTION:** Advance notice of proposed rulemaking.

**SUMMARY:** This document provides information on the rulemaking process the Postal Service plans to follow to implement pending mail classification reform proposals, and to obtain comments and proposals on current implementation plans.

**DATES:** Comments on the proposed implementation plans must be received on or before July 31, 1995.

**ADDRESSES:** Mail or deliver written comments to the Manager, Mailing Standards, USPS Headquarters, 475 L'Enfant Plaza SW, Room 6800, Washington DC 20260-2419. Copies of all written comments will be available for inspection and photocopying between 9 a.m. and 4 p.m., Monday through Friday, in Room 6800 at the above address.

**FOR FURTHER INFORMATION CONTACT:** Leo F. Raymond, (202) 268-5199.

**SUPPLEMENTARY INFORMATION:** On March 24, 1995, pursuant to its authority under 39 U.S.C. 3621, *et seq.*, the Postal Service filed with the Postal Rate Commission (PRC) a request for a recommended decision on a number of mail classification reform proposals. The PRC designated the filing as Docket No. MC95-1 and proceedings are currently under way before the PRC in accordance with 39 U.S.C. 3624 and the PRC's rules of practice under 39 CFR 3001. A notice of the filing, with a description of the Postal Service's proposals, was published on April 3, 1995, in the **Federal Register** by the PRC. 60 FR 16888-16893.

In its classification reform Request, the Postal Service proposed the reform of four current subclasses of mail: the current regular First-Class Mail and First-Class postal and post cards subclasses would be replaced by Automation and Retail subclasses of First-Class Mail; the current regular rate bulk third-class mail subclass would be replaced by Regular, Automation, and Enhanced Carrier Route subclasses of Standard Mail; and the current regular second-class mail subclass would be replaced by Regular and Publications Service subclasses of a Periodicals class.

These proposals were developed through nearly 4 years of collaborative work by the Postal Service and

approximately 100 customers, many of whom are also representatives on the Mailers Technical Advisory Committee (MTAC), a group of mailing industry and trade association representatives who advise the Postal Service on a variety of mailing issues.

One of the areas on which the Postal Service sought advice was the simplification of mailing rules by, among other things, the standardization of basic requirements and preparation methods for the various classes, subclasses and categories of mail. This effort is reflected in the proposed mailing standards set out below.

The Postal Service also is seeking customer involvement in the development of its classification reform implementation plans and in the development of the mailing standards that it will implement if the classification changes pending before the PRC are adopted. To do so, the Postal Service has again sought the assistance of MTAC in establishing a mechanism to identify and advise the Postal Service on implementation issues.

With the participation of MTAC, the Postal Service established four Implementation Advisory Groups (IAGs), each tasked with a specific area of interest related to the classification reform proposals before the PRC—Letters, Flats, Periodicals, and Addressing. Each IAG is composed of responsible Postal Service managers and staff and members of MTAC and other mailers who have specific interest and expertise in the mailing areas being addressed by the IAG.

Each IAG has been asked to identify and advise the Postal Service on significant implementation issues. Each IAG has met at least twice and has provided advice on the Postal Service's planned implementation proposals and has identified other issues to be considered in the implementation rulemaking process. These issues are included in the discussion of the implementation proposals below.

The next steps in the Postal Service's implementation rulemaking process will be to consider the comments and proposals received in response to this advance notice of proposed rulemaking, along with further input from the IAGs, and formulate and publish a second advance notice that will request further comments and proposals on the planned implementation requirements.

The Postal Service expects to publish this second notice prior to the opening of the National Postal Forum in Philadelphia on August 27, 1995. The National Postal Forum is a semiannual gathering of mailing industry

representatives and representatives of the Postal Service that is sponsored by the National Postal Forum, Inc. This second notice of the planned implementation requirements also will be provided to Forum attendees and will be the subject of Forum presentations.

Following receipt and review of comments on this second notice, the Postal Service will incorporate its proposed implementation requirements, with any revisions made as a result of the comments, into restructured Domestic Mail Manual (DMM) provisions and publish those proposed DMM provisions as a proposed rule for notice and comment.

Assuming that the second advanced notice of proposed rulemaking is published in late August 1995, with 30 days for comments and a reasonable time period for review of those comments and revision of the DMM provisions, the Postal Service expects that the DMM proposed rule will be published in late October or early November 1995. Further comments will be sought and reviewed on this proposed rule, in anticipation of the completion of the classification reform docket before the PRC.

Pursuant to 39 U.S.C. 3624, the PRC will issue a recommended decision on the Postal Service's Request to the Governors of the Postal Service. This recommended decision is expected in January 1996. Pursuant to 39 U.S.C. 3625, the Governors will issue a final decision on the PRC's recommendations.

The Board of Governors then will set an implementation date. Publication of a notice announcing the Governors' decision and the issuance of final Domestic Mail Classification Schedule and Rate Schedule changes will be made immediately after the Governors act. A final rule adopting implementing DMM regulations will be published either with the notice of the Governors' decision or as soon thereafter as possible.

The remainder of this notice sets forth the implementation provisions that the Postal Service is currently considering for adoption if its classification reform proposals are recommended by the PRC and approved by the Governors. For the reasons noted above, the provisions have not yet been drafted in DMM language.

For ease of review, this information is organized by the classes, subclasses, and rate categories proposed by the Postal Service in its classification reform Request to the PRC. Each heading is followed by one or more statements of the pertinent classification language