

POSTAL SERVICE**39 CFR Part 111****Classification Reform; Implementation Standards****AGENCY:** Postal Service.**ACTION:** Proposed rule.

SUMMARY: This represents the third notice concerning Classification Reform published by the Postal Service for public comment. On June 29 and August 30, 1995, the Postal Service published advance notices of proposed rulemaking (60 FR 34056–34069 and 60 FR 45298–45323, respectively). Each provided information about current Postal Service proposals and decisions regarding prospective rate eligibility and mail preparation standards, and opportunities for public comment on those and other important issues related to the Postal Service's pending MC95–1 Classification Reform proposals. This notice reviews the preceding months' activity in this regard, presents extensive discussion of comments received on the second notice, detailed descriptions of proposals that are new or revised and estimates of their affect on the mailing community, overview charts to assist commenters in understanding the implementing standards set forth in the proposed rule, and the full text of the Domestic Mail Manual standards the Postal Service proposes to adopt to implement its Classification Reform proposals.

DATES: Comments on the implementation process or proposed standards must be received on or before January 22, 1996.

ADDRESSES: Mail or deliver written comments to the Manager, Customer Mail Preparation, USPS Headquarters, 475 L'Enfant Plaza SW, Room 6830, Washington DC 20260–2405. Copies of all written comments will be available at the above address for inspection and photocopying between 9 a.m. and 4 p.m., Monday through Friday.

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).

On June 29, 1995, the Postal Service published for public comment in the Federal Register an advance notice of proposed rulemaking (60 FR 34056–34069). That notice included an overview of the Postal Service's proposals in MC95–1, the process that was used in developing them, and the instant process being used to prepare for implementation of classification reform and to begin development of the implementing standards for future use in the Domestic Mail Manual (DMM). The notice also contained detailed information about issues that had been developed for consideration as part of the implementation process, prepared in a format that paralleled the listing of requirements in the Domestic Mail Classification Schedule (DMCS) portion of the MC95–1 filing. Among the purposes for publishing the advance notice was the elicitation of comments on the proposed criteria under consideration for inclusion in DMM implementing standards, many of which had been developed with the advice of the Classification Reform Implementation Advisory Groups (IAGs) convened by the Postal Service as part of the process described in the notice. Readers who are unfamiliar with the content of the Postal Service's MC95–1 filing, or the process that is under way for implementation of MC95–1, should review the June 29 notice.

On August 30, 1995, the Postal Service published for public comment in the Federal Register a second advance notice of proposed rulemaking (60 FR 45298–45323). The second notice reported a summary of the comments received from the earlier notice and invited further comment from interested parties on updated proposed implementing standards and on the implementation process generally. Readers were advised that, following review of comments received for that notice, the Postal Service would revise its proposed implementation criteria as appropriate and use them as the basis for the DMM standards it would propose for adoption if the Classification Reform proposals requested by the Postal Service in PRC Docket No. MC95–1 are adopted. Those proposed DMM standards are set forth after the discussion of comments from the second notice.

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 recommendation is expected in January

1996. Pursuant to 39 U.S.C. 3625, the Governors will act on the PRC's recommendations. If the Governors determine to place the PRC's recommendations into effect, the Board of Governors will set an implementation date for the rate and classification changes to take effect. 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 following the Governors' decision. After reviewing the comments received on this proposed rule in light of the PRC's recommendations and of the Governors' decision, a final rule will be published adopting appropriate DMM implementing standards for the rate and classification changes. Publication of this final rule will be either concurrent with publication of the Governors' decision or as soon thereafter as possible.

Part A of this notice summarizes major changes that have been made to or added to the proposed implementation standards since the second advance notice of proposed rulemaking. Part B provides an analysis of comments received on the second notice and the Postal Service responses. Part C provides a presort summary guide with charts for each proposed rate. Part D contains a table showing ZIP Codes ineligible for Automation Carrier Route rates. Part E summarizes proposed changes to the DMM, followed by the proposed revisions to DMM standards.

A. Major Changes and Additions Since August 30 Notice

This section identifies proposed additions and changes to the DMM mailing standards that were not specifically indicated in the summary of preparation standards presented in the August 30 advance notice of proposed rulemaking. To aid readers in identifying changes which might affect them, this information is provided in the following subject matter groups: (1) Changes to the proposed mailing standards described in the August 30 notice; (2) additional changes for the reformed subclasses of mail not included in the August 30 notice; (3) changes generally affecting all classes of mail; (4) changes reflecting planned adjustments in postal operations; (5) changes affecting address matching for all classes of mail; (6) changes affecting all third-class mail; (7) changes affecting nonprofit third-class mail; (8) changes affecting all second-class mail; (9) changes affecting preferred rate second-