

POSTAL SERVICE**39 CFR Part 111****Eligibility Requirements for Attachments and Enclosures With Bound Printed Matter****AGENCY:** Postal Service.**ACTION:** Proposed rule.

SUMMARY: This notice proposes a change to the standards in the Domestic Mail Manual governing permissible attachments and enclosures with Bound Printed Matter.

DATES: Comments must be received on or before April 25, 2001.

ADDRESSES: Written comments should be mailed or delivered to Manager, Mail Preparation and Standards, USPS Headquarters, 1735 N Lynn Street, Arlington, VA 22209-6038. Copies of all written comments will be available for inspection and photocopying between 9 a.m. and 4 p.m., Monday through Friday, in the Library, USPS Headquarters, 475 L'Enfant Plaza, SW., Washington, DC 20260-1540. Comments may be submitted via FAX at 703-292-4058, or Email at (jlease@email.usps.gov).

FOR FURTHER INFORMATION CONTACT: Jerome M. Lease, 703-292-4184.

SUPPLEMENTARY INFORMATION:

Under current postal standards, the only attachments and enclosures authorized to be mailed with qualifying Bound Printed Matter (BPM) at BPM rates are printed matter mailable as Standard Mail and merchandise samples meeting prescribed conditions. Recently, representatives of the Postal Service and the Bound Printed Matter mailing industry have met to discuss the changing nature of Bound Printed Matter. These trends include children's books that may be partially constructed of materials other than paper such as plastic attachments, and books with "nonprint" enclosures such as CDs. Additionally, when printed matter is sold and mailed to the purchaser, it is customary to include a "premium" with the Bound Printed Matter. These attachments and enclosures do not qualify for BPM rates under current standards.

There is support among the industry and the Postal Service for non-print attachments and enclosures, not meeting today's standards, to be included with qualifying Bound Printed

Matter at BPM rates. For one, as stated above, the nature of the book publishing industry is changing, especially concerning the publication of children's books. In many instances, there may be a closer relationship between the qualifying Bound Printed Matter and the ineligible attachments and enclosures than some of the "merchandise samples" that accompany Bound Printed Matter at BPM rates under today's standards and precedents. Further, the current standards are subjective and difficult to administer since they consider whether the merchandise sample is an incidental portion of the BPM and not provided exclusively or primarily as a premium or inducement for sale of the BPM. Both the Postal Service and the industry representatives desire objective standards that can be understood and consistently applied.

Accordingly, the Postal Service proposes a change to the standards governing attachments and enclosures eligible to be mailed with qualifying Bound Printed Matter at BPM rates. The change would rescind the provision concerning merchandise samples. In its place, the Postal Service proposes the inclusion of nonprint attachments and enclosures so long as such attachments and enclosures are incidental to the qualifying Bound Printed Matter material and have minimal commercial value. In each case, objective standards would be adopted for application of the tests.

The proposed rule will allow for the inclusion of nonprint attachments and enclosures so long as the combined weight of all nonprint attachments and enclosures in the mailpiece is less than or equal to 25% of the weight of the Bound Printed Matter in the mailpiece. In addition, the individual cost of each nonprint attachment or enclosure must be less than or equal to the cost of a "low cost" item as defined in DMM E670.5.11, and the combined cost of all nonprint attachments and enclosures may not exceed two times the cost of a low cost item as defined in DMM E670.5.11. (Currently, the cost of a low cost item is \$7.60. This amount is determined by the Internal Revenue Service and is adjusted annually for inflation.)

Although exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 553(b), (c)) regarding proposed

rulemaking by 39 U.S.C. 410(a), the Postal Service invites comments on the following proposed revisions to the DMM, incorporated by reference in the Code of Federal Regulations (See CFR part 111).

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, and Postal Service.

PART 111—[AMENDED]

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

Authority: 5 U.S.C. 552(a); 39 U.S.C. 101, 401, 403, 404, 3001-3011, 3201-3219, 3403-3406, 3621, 3626, 5001.

2. Amend Domestic Mail Manual E712.1.2, as follows:

E Eligibility

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E712 Bound Printed Matter

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1.0 BASIC STANDARDS

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1.2 Enclosures and Attachments

[Amend 1.2 to add new standards for attachments and enclosures:]

In addition to the basic standards in E710, BPM may have the following attachments and enclosures:

a. Any printed matter mailable as Standard Mail.

b. Nonprint attachments and enclosures. The combined weight of all nonprint attachments and enclosures in the mailpiece must be less than or equal to 25% of the weight of the Bound Printed Matter in the mailpiece. The individual cost of each nonprint attachment or enclosure must be less than or equal to the cost of a "low cost" item as defined in E670.5.11. In addition, the combined cost of all nonprint attachments and enclosures must not exceed two times the cost of a "low cost" item as defined in E670.5.11.

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An appropriate amendment to 39 CFR part 111.3 to reflect these changes will be published if the proposal is adopted.

Stanley F. Mires,

Chief Counsel, Legislative.

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