

the State submittal which is the subject of this rule is based on counterpart Federal regulations for which an analysis was prepared and a determination made that the Federal regulation was not considered a major rule.

Unfunded Mandates

This rule will not impose a cost of \$100 million or more in any given year on any governmental entity or the private sector.

List of Subjects in 30 CFR Part 944

Intergovernmental relations, Surface mining, Underground mining.

Dated: January 12, 2001.

Brent Wahlquist,

Regional Director, Western Regional Coordinating Center.

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POSTAL SERVICE

39 CFR Part 111

Preparation Changes for Securing Packages of Mail

AGENCY: Postal Service.

ACTION: Proposed rule.

SUMMARY: The Postal Service is proposing to amend the packaging standards in Domestic Mail Manual (DMM) M020 to help ensure that packages maintain their integrity during transportation and postal processing. DMM M020 will prescribe general standards for preparing and securing all packages and will incorporate standards that pertain individually to packages on pallets, packages in sacks, and packages in trays.

DATES: Comments must be received on or before March 22, 2001.

ADDRESSES: Mail or deliver written comments to the Manager, Operational Requirements, United States Postal Service, 475 L'Enfant Plaza SW., Room 7301, Washington, DC 20260-7031. Copies of all written comments (available for \$0.15 per copy per page) will be available for inspection and photocopying between 9 a.m. and 4 p.m., Monday through Friday, at the following address: Library, United States Postal Service, 475 L'Enfant Plaza SW, Room 11800, Washington, DC 20260-1540. Copies of comments may also be requested via fax or e-mail.

FOR FURTHER INFORMATION CONTACT: Cheryl Beller, 202-268-5166, cbeller1@e-mail.usps.gov.

SUPPLEMENTARY INFORMATION: Many packages of Periodicals and Standard

Mail tendered to the Postal Service on pallets or in sacks do not maintain their integrity during transportation to postal facilities and during postal processing. The Postal Service must redirect the resulting loose packages or broken packages (individual pieces) to higher-cost operations. If packages lose their integrity while being processed on small parcel and bundle sorters (SPBSs), the result can be machine slowdowns and stoppages as well as postal employees manually processing these packages. The increased costs of labor to process loose or broken packages is reflected in higher rates paid by mailers. In addition to rate implications, package breakage also damages mailpieces and has a negative impact on service, results that the mailing industry and the Postal Service would like to avoid.

Data collected by the Mailers' Technical Advisory Committee (MTAC) Package Integrity Work Group, comprising Postal Service and mailing industry representatives, revealed that, during the first handling, packages of Periodicals and Standard Mail in sacks break at a much greater rate than packages on pallets. This data also disclosed that packages of pieces with glossy (coated) cover stock break at higher rates than packages of pieces with covers of uncoated stock. An analysis of the data indicates that additional standards are necessary to improve the integrity of Periodicals and Standard Mail packages prepared in sacks and that some current standards for packages in sacks and on pallets also require clarification to improve packaging in general. Currently, with the exception of Standard Mail and Package Services Mail placed on bulk mail center (BMC) pallets, DMM M020 does not differentiate between packaging standards for mail placed on pallets and mail placed in sacks. Unlike palletized packages, which have maximum weight limits prescribed in DMM M045, there are no existing standards for Periodicals and Standard Mail that limit the size or weight of packages in sacks. Consequently, mailers of Periodicals and Standard Mail may prepare packages that weigh more than 20 pounds and are, as a result, incompatible with processing on SPBSs. Heavier packages are also subject to more breakage if not properly secured. This is particularly true of sacked mail due to the additional handling it receives compared with palletized mail. Under the proposed rules, DMM M020 prescribes general standards for preparing and securing packages of all classes of mail and revises and incorporates standards that

pertain individually to packages on pallets and packages in sacks.

Proposed new standards limit the weight of sacked packages of Periodicals and Standard Mail to a maximum of 20 pounds and the height of these packages to a maximum of 8 inches for pieces of uncoated stock and to maximums ranging from 3 inches to 6 inches, depending on the securing method, for pieces with coated cover stock. As information, new mail preparation standards for Bound Printed Matter flats implemented January 7, 2001, limit the weight of packages in sacks and on pallets to 20 pounds, except that packages placed in 5-digit sacks or on 5-digit/scheme pallets may weigh up to 40 pounds. It is also proposed that the standards for all classes be amended to clarify when pieces should be counter-stacked to create packages of uniform thickness and to provide more emphasis on the standard that requires packages over 1 inch high to be secured with at least two bands or shrinkwrap.

It is also proposed that the current requirement to secure double-banded packages of all classes of mail first around the length and then around the girth be revised to eliminate a required banding sequence. Automated production lines in large printing plants are not designed to secure packages around the length first, and exceptions to the current standard must continually be granted to address this issue. Magazines and flyers are typically bound with stitches or glue and then stacked for packaging in accordance with the applicable presort, generally in groups ranging from 6 to 100 pieces. The stack is ejected and travels directly into a bander that secures the girth first, and then the length if a second band is required. If the first band was placed around the length of the stack, the stack would not be held securely enough to allow the second band to go around the girth because the backbone or spine is thicker than the face or side cut (length). This thickness variation would cause the bundle to fall apart, also affecting transport into another securing operation such as shrinkwrapping.

Data Collection To Determine Package Breakage Rates for Live Mail

The Postal Service and the mailing industry have been working together to better understand the implications of package breakage and to identify opportunities to quantify and improve the current situation. In October and November 1999, the MTAC Package Integrity Work Group collected and analyzed data regarding the condition of packages of nonletter-size Periodicals and Standard Mail flats at the locations

within processing facilities (*e.g.*, SPBS feed belts) where they were initially unloaded by the Postal Service from mailer-prepared sacks and pallets. This data was collected at four Postal Service processing and distribution centers (P&DCs) and two BMCs.

Data collected for this live mail shows that of a total of 78,511 packages on pallets that were observed, 832 packages, or 1.1 percent, were broken when first unloaded from the mailer-prepared pallets by the Postal Service. For mail in sacks, of a total of 11,826 packages that were observed, 2,074 packages, or 17.5 percent, were broken when the sacks were emptied. Broken packages were identified as those with a total loss of integrity resulting in one or more pieces loose or missing. Various characteristics concerning the packages and the mailpieces were recorded to identify key factors affecting package integrity. For all mail in sacks, the breakage rates were statistically very close, ranging from 16.7 to 19.8 percent, when packages were secured with two rubber bands, two plastic straps, or two strings (twine). Shrinkwrapped packages broke at a rate of 13.3 percent while packages secured with shrinkwrap plus one strap broke at the lowest rate of 9.5 percent.

The data shows that coated paper stock leads to significantly greater package breakage than uncoated stock. Coated paper is the slick, shiny paper usually associated with magazines and catalogs while uncoated stock is often associated with newspapers and enveloped mail. For packages in sacks, the breakage rate for mailpieces with covers of coated paper stock was 23.6 percent compared with a breakage rate of 11.6 percent for mailpieces of uncoated stock. For pieces of coated paper stock, shrinkwrap plus one strap proved to be the most effective packaging method. Shrinkwrap alone was the second most effective packaging method, followed by double banding with rubber bands, string (twine), or plastic straps. All methods of double banding caused packages to break at about the same rate. However, as package height increases, the breakage rate for shrinkwrapped packages increases at a greater rate than the breakage rate for packages secured with two plastic straps. As a bundle increases in height, it often becomes more rigid and two plastic straps are likely to maintain package integrity more effectively. Packages secured with shrinkwrap of insufficient strength or durability are less likely to retain their integrity, as the packages become taller (and consequently heavier), particularly when those packages are placed in

sacks. Mail in sacks is subject to additional processing steps before the contents are distributed by the Postal Service (*e.g.*, sacks bedloaded on trucks or dumped on sack sorting equipment) when compared to mail prepared on pallets.

The data collected during the live mail tests in October and November 1999 are contained in USPS-LR-1-297 filed in conjunction with R2000-1.

Results of Controlled Package Integrity Test To Determine Key Drivers of Package Breakage

On the basis of results of the live mail tests, the MTAC Package Integrity Work Group concluded that the most significant reductions in package breakage could be achieved in the near future by improving the integrity of packages currently prepared in sacks, particularly for packages of mailpieces with covers of coated stock. These changes supplement other efforts, described later in this notice, that are underway to move mail out of sacks and onto pallets, when possible. Accordingly, a controlled test of mail prepared in sacks was conducted in August 2000. A variety of packaging methods and mailpiece types, both coated and uncoated, were tested with test packages ranging in height from under 1 inch up to approximately 8 inches. These pieces were representative of the Periodicals and Standard Mail mailstreams. The following mailpiece types and securing methods were tested:

- Unbound, uncoated half-fold newspapers secured with plastic straps and with string (twine).
- Quarter-fold newsprint advertisements secured with plastic straps and with string (twine).
- DVDs prepared in padded plastic containers measuring approximately 7½ inches by 5⅜ inches by ⅝ inch and secured with plastic straps and with rubber bands.
- 9-inch by 12-inch enveloped pieces secured with plastic strap(s), with rubber bands, and with string.
- Individually polywrapped magazines secured with plastic straps.
- Saddle-stitched magazines with coated cover stock secured with shrinkwrap, with plastic straps, with string, and with rubber bands.
- Perfect bound magazines with coated cover stock secured with plastic straps, with rubber bands, and with shrinkwrap.

Sacks containing the test pieces were deposited at the Cincinnati BMC, processed through the sack sorter, and transported to the Philadelphia BMC, where they were processed through that

facility's sack sorter before being unloaded to collect information about the condition of the packages. This was consistent with the transportation and processing of sacked mail that is entered at an origin facility for delivery to addresses outside of the mailer's local BMC service area. A small number of sacks were deposited at the Philadelphia BMC and were not processed through any sack sorter before being unloaded for examination of their contents.

Results from the controlled test show that the average breakage rate for packages of unbound, uncoated newspapers/newsprint advertisements and individually polywrapped pieces combined was approximately 3 percent while the average breakage rate for pieces with coated cover stock was approximately 55 percent. For the pieces with coated cover stock, the breakage rate increased significantly as the height of the packages increased. For pieces with coated cover stock, packages over 3 inches high (4 inches to 6 inches) broke apart at rates ranging from 42 to 100 percent depending on the package height and securing method. The taller packages that were secured with two plastic straps had the lowest breakage rates. Packages secured with shrinkwrap plus one strap had lower breakage rates than packages secured with only shrinkwrap. These data are consistent with the data collected in October and November 1999 for the live mail test which showed that double plastic bands or shrinkwrap plus one band are generally more effective for securing taller packages. It should be noted that various formulations of shrinkwrap were used to secure mail in the controlled test and the shrinkwrap ranged in thickness from 1 to 1.5 mil.

The breakage rate for the 9 inch × 12 inch enveloped mailpieces of uncoated paper stock was approximately 58 percent. The breakage rate for these pieces, which were of irregular thickness due to an insert enclosed in the center of each piece, also increased significantly as the height of the packages increased. This occurred because the packages were thicker in the center (football-shaped) and the straps, if they moved off the thicker package center during transportation or processing, would tend to fall off the thinner edges creating loose or broken packages.

Analysis of Data and Proposed Standards

Analysis of the data gathered from the controlled test described above indicates that increasing package height results in greater breakage rates, with

breakage increasing by approximately 14 percentage points for each additional inch of package height. This results in a very high breakage rate for packages 4 inches and taller. On average, the breakage rate for shrinkwrapped packages was 15 percent higher than for packages secured with two plastic straps. Also, by adding a single plastic strap to shrinkwrapped packages, the breakage rate for shrinkwrapped packages was reduced by 25 percent.

As a result, the MTAC Package Integrity Work Group has identified preparation changes that will improve package integrity and reduce the percent of packages that break. This reduction in breakage will reduce processing costs. The proposed changes contained in this **Federal Register** notice have been drafted based on the data collected during the live mail and controlled tests. The specific proposed changes are described in detail below.

The key focus of the proposed changes is to significantly reduce package breakage for mailpieces with covers of coated stock that are prepared in sacks, identified as a key contributor to the package integrity problem. The proposed standards requiring smaller packages for some sacked mail may result in a greater number of packages in sacks for mail found to currently have exceptionally high breakage rates. However, any costs for handling additional smaller packages will be greatly outweighed by modeled savings that will result from avoiding additional package handlings, recovery costs, and single-piece handlings that are incurred when these packages break prematurely. The proposed revisions to the DMM, in conjunction with other Postal Service/Industry initiatives, are intended to and expected to improve package integrity in general for mail both in sacks and on pallets.

It is important to note that representatives of many Periodicals and Standard Mail associations, serving large and small volume mailers, have been involved in all aspects of test design, data collection and analysis, and development of recommendations to improve package integrity. These mailers produce a wide variety of flat-size mailpieces (and irregulars for Periodicals) using all currently permitted package securing methods.

Additional Efforts To Reduce Package Breakage and Associated Costs

Amending and revising the DMM packaging standards to improve mailer preparation, as proposed in this notice, is one of several efforts underway to reduce costs associated with processing packages of Periodicals non-letters and

Standard Mail flats. Based on analyses of the test data described above and on other studies and discussions between the Postal Service and Periodicals industry representatives, it was determined that other steps, in addition to improvements in packaging by mailers, could help reduce Postal Service handling costs that relate to package breakage. These steps include working with mailers to move mail from sacks to pallets, improving package-sorting methods related to SPBS feed systems, improving Postal Service recovery methods for broken or damaged packages of flats, and working with mailers to develop a process enabling customers to prepare flat-size mail in a manner that supports processing on flat-sorting machines.

Many mailers have indicated that, until recently, they were not aware of the package breakage problem at Postal Service facilities. In response, and at the recommendation of the MTAC Package Integrity Work Group, the Postal Service established the MTAC Feedback Mechanism Work Group to develop effective methods to provide mailers with information about mail that is not properly prepared and that is adding costs to processing operations. The expectation is that when mailers receive feedback about specific package integrity problems, they will take appropriate steps to improve their packaging methods.

The MTAC Package Integrity Work Group also developed a video, produced and disseminated by the Postal Service, to raise mailer awareness of the impact of poor package integrity. Copies are available to mailers and have been shown at Postal Customer Council (PCC) meetings, focus groups, and Postal Forums. The video has also been used as a training tool by mailers to raise the awareness of their employees to the importance of package integrity and to focus on improving packaging. Additional videos are being developed to focus on best practices in packaging for small volume and large volume mailers.

Other efforts are underway by the mailing industry, particularly large printers, to analyze how changing presort parameters affects containerization in order to move mail out of sacks, where it is more vulnerable to package breakage and less likely to be drop shipped, by optimizing palletization.

The Postal Service has made several modifications to SPBS feed systems to reduce package breakage when containers are unloaded and when the packages are transported on belts to keying stations. Broken package

recovery methods have also been modified to reduce costs.

Projected lower Postal Service mail processing costs, due to reduced package breakage, were incorporated into the rates resulting from the R2000-1 rate case. These savings were based, in part, on anticipated improvements in the preparation of packages of Periodicals non-letter-size mail and Standard Mail flats resulting from the activities of the MTAC Package Integrity Work Group and other related efforts that are currently underway. The following proposed DMM changes are attributable to those activities. The Postal Service is proposing to implement these revisions to the current mail preparation standards effective June 1, 2001.

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 of the DMM, incorporated by reference in the Code of Federal Regulations. See 39 CFR part 111.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, 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, 414, 3001—3011, 3201—3219, 3403—3406, 3621, 3626, 5001.

2. Revise the following sections of the DMM as set forth below:

M MAIL PREPARATION AND SORTATION

* * * * *

M020 Packages

* * * * *

1.0 BASIC STANDARDS

[Amend 1.1 by replacing the reference to 1.6 with 1.2 to read as follows:]

1.1 Facing

Except as noted in 1.2, all pieces in a package must be "faced" (*i.e.*, arranged with the addresses in the same read direction), with an address visible on the top piece.

[Amend the heading of 1.2 and revise the text to require counter-stacking of pieces of irregular thickness, when appropriate, to create packages of uniform thickness to read as follows:]

1.2 Counter-Stacking—Sacked and Palletized Mail

Packages of flats and other pieces of nonuniform thickness must be prepared by counter-stacking if counter-stacking will create packages of more uniform thickness. Counter-stacking is appropriate for saddle-stitched mailpieces and pieces where one edge is thicker than other edges or one corner is thicker than other corners. When counter-stacking, pieces must all have the addresses facing up and be divided into no more than four approximately equal groups with each group rotated 180 degrees from the preceding and/or succeeding group(s). When pieces are nonuniform in thickness because they are thicker in the center instead of along an edge or corner, counter-stacking will generally not result in a package of uniform thickness (e.g., a football-shaped package would be created). Instead of counter-stacking such pieces, limit the height/thickness of the package to from 3 to 6 inches to ensure the package will stay together during normal transit and handling.

* * * * *

[Redesignate 1.4, 1.5, and 1.6 as 1.5, 1.6, and 1.7, respectively, and add new 1.4 to read as follows:]

1.4 Securing Packages—General

Package preparation is subject to the following requirements:

a. Packages must be able to withstand normal transit and handling without breakage or injury to Postal Service employees.

b. Packages must be secured with banding, shrinkwrap, or shrinkwrap plus one or more bands. Banding includes plastic bands, rubber bands, twine/string, or similar material. Use of wire or metal banding is not permitted.

c. Where permitted by standard, when one band is used, it must be placed tightly around the girth (narrow dimension).

d. Except under 1.5 and 2.1f, packages over 1 inch thick must be secured with at least 2 bands or with shrinkwrap. When double banding is used to secure packages, it must encircle the length and girth of the package at least once. Additional bands may be used if none lies within 1 inch of any package edge.

e. Banding tension must be sufficient to the point that the bands tighten and depress the edges of the package so pieces will not slip out of the banding

during transit and processing. Loose banding is not allowed.

f. When twine/string is used to band packages, the knot(s) must be secure so the banding does not come loose during transit and processing.

[Amend the heading of redesignated 1.5, add new 1.5a, and redesignate the current content of redesignated 1.5 as 1.5b to read as follows:]

1.5 Packages on Pallets

In addition to 1.1 through 1.4, packages on pallets must meet the following standards:

a. Except as noted in 1.5b, packages up to 1 inch in height (thickness) must be secured with appropriate banding, placed at least once around the girth, or with shrinkwrap. Packages over 1 inch in height must be secured with at least two bands (plastic bands, rubber bands, twine/string, or similar material), one around the length and one around the girth, with shrinkwrap, or with shrinkwrap plus one or two bands.

b. Packages may be secured with heavy-gauge shrinkwrap over plastic banding, only shrinkwrap, or only banding material if they can stay together during normal processing. Except for packages of individually polywrapped pieces, packages on BMC pallets must be shrinkwrapped and machinable on BMC parcel sorters. Packages and bundles of individually polywrapped pieces may be secured with banding material only. Machinability is determined by the Postal Service. If used, banding material must be applied at least once around the length and once around the girth; wire and metal strapping are prohibited.

[Revise the first sentence of redesignated 1.6 to indicate that packages of Bound Printed Matter must also meet the applicable maximum package size standards in M045 and M722 to read as follows. No other changes to text.]

1.6 Package Size—Bound Printed Matter

Each “logical” package (the total group of pieces for a package destination) of Bound Printed Matter must meet the applicable minimum and maximum package size standards prescribed in M045 or M722. * * *

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[Redesignate former 1.7 as 1.9 and add new 1.8 to read as follows:]

1.8 Packages in Sacks—Periodicals and Standard Mail

Periodicals and Standard Mail prepared in sacks must be secured in packages as follows:

a. The maximum weight for all packages is 20 pounds.

b. Packages must be able to withstand normal transit and handling without breakage or injury to Postal Service employees.

c. Packages up to 1 inch in height (thickness) must be secured with appropriate banding, placed at least once around the girth (narrow dimension), or with shrinkwrap. Packages over 1 inch in height must be secured with at least two bands (plastic bands, rubber bands, or twine/string), one around the length and one around the girth, with shrinkwrap, or with shrinkwrap plus one or two bands.

d. Packages of pieces with covers of coated stock that are not individually enclosed in a mailing wrapper (e.g., magazines or catalogs with glossy covers not individually enclosed in an envelope, paper wrapper, or plastic wrapper (polybag)) are subject to these conditions:

(1) Except as noted in d.(2), packages must not exceed 3 inches in height (thickness).

(2) Packages of such pieces secured with shrinkwrap plus one or two plastic straps, or with at least two plastic straps, one around the length and one around the girth, must not exceed 6 inches in height (thickness).

(3) Packages may be measured at the lowest (thinnest) point to determine the package height (thickness).

(4) A package that exceeds the maximum prescribed height by less than the thickness of a single piece meets the standard (e.g., if a glossy piece is 0.625 (⁵/₈) of an inch thick, five pieces may be secured in a package 3.125 inches high).

e. Packages containing pieces with outer surfaces of uncoated stock are subject to these conditions:

(1) Packages must not exceed 8 inches in height (thickness).

(2) Uncoated stock also includes pieces that are individually enclosed in an envelope, paper wrapper, or plastic wrapper (polybag), as well as pieces with outer surfaces composed of material other than paper (e.g., plastic, cloth, fiberboard, or metal).

(3) It is recommended that such packages not exceed 6 inches in height (thickness).

(4) Packages may be measured at the lowest (thinnest) point to determine the package height (thickness).

(5) A package that exceeds the maximum prescribed height by less than the thickness of a single piece meets the standard (e.g., if a piece with uncoated cover stock is 0.75 (³/₄) of an inch thick, 11 pieces may be secured in a package 8.25 inches high).

[Amend the heading of redesignated 1.9 to read as follows. No other changes to text.]

1.9 Exception to Package Preparation—Mail in Trays

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2.0 ADDITIONAL STANDARDS—FIRST-CLASS MAIL, PERIODICALS, AND STANDARD MAIL, AND FLAT-SIZE BOUND PRINTED MATTER

[Amend 2.1 by copying the content of 2.3b to new 2.1f and revising the content to read as follows:]

2.1 Cards and Letter-Size Pieces

* * * * *

f. Packages up to 1 inch thick must be secured with appropriate banding placed once around the girth (narrow dimension). Packages over 1 inch thick must be secured with at least two bands,

one around the length and one around the girth.

[Amend 2.2 by revising the content to read as follows:]

2.2 Flat-Size Pieces

Packages of flat-size pieces must be secure and stable subject to specific weight limits in M045 if placed on pallets, specific weight and height limits in 1.8 for Periodicals and Standard Mail placed in sacks, and, for Bound Printed Matter in sacks, specific weight limits in M720. Flat-size pieces must be prepared in packages except under 1.9 and, for First-Class Mail, under M820.3.0.

[Amend the heading of 2.3, redesignate 2.3a as the content of 2.3, and delete current 2.3b to read as follows:]

2.3 Pieces With Simplified Address

For mail prepared with a simplified address, all pieces for the same post office must be prepared in packages of 50 when possible. If packages of other quantities are prepared, the actual number of pieces must be shown on the facing slip that must be attached to show distribution desired (*e.g.*, rural route, city route, post office boxholder).

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An appropriate amendment to 39 CFR part 111 to reflect these changes will be published if the proposal is adopted.

Stanley F. Mires,

Chief Counsel, Legislative.

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