

**POSTAL SERVICE****Experimental Nonletter-Size Reply Mail Categories and Fees; Changes in Domestic Classifications and Fees**

**AGENCY:** Postal Service.

**ACTION:** Notice of implementation of changes to the Domestic Mail Classification Schedule and accompanying fee changes.

**SUMMARY:** This notice sets forth the changes to the Domestic Mail Classification Schedule and the accompanying fee changes to be implemented as a result of the May 5, 1997, Decision of the Governors of the United States Postal Service on the Recommended Decision of the Postal Rate Commission on the Experimental Nonletter-Size Business Reply Mail Categories and Fees.

**EFFECTIVE DATE:** June 8, 1997.

**FOR FURTHER INFORMATION CONTACT:** Michael Tidwell, (202) 268-2998.

**SUPPLEMENTARY INFORMATION:** On December 13, 1996, 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 experimental classifications and fees for nonletter-size Business Reply Mail. The PRC designated the filing as Docket No. MC97-1. The PRC published a notice of the filing, with a description of the Postal Service's proposals, on December 24, 1996, in the **Federal Register** (61 FR 67860-67862).

On April 2, 1997, pursuant to its authority under 39 U.S.C. 3624, the PRC issued to the Governors of the Postal Service its Recommended Decision on the Postal Service's Request. The PRC recommended the experimental nonletter-size Business Reply Mail classifications and fees requested by the Postal Service.

Pursuant to 39 U.S.C. 3625, the Governors of the United States Postal Service acted on the PRC's recommendations on May 5, 1997. Decision of the Governors of the United States Postal Service on the Recommended Decision of the Postal Rate Commission on the Experimental Nonletter-Size Business Reply Mail Categories and Fees, Docket No. MC97-1. The Governors determined to approve the PRC's recommendations, and the Board of Governors set an implementation date of June 8, 1997, for the classifications and fee changes to take effect. A copy of the attachments to that Decision, setting forth the classification and fee changes approved by the Governors, is set forth below.

Also on May 5, 1997, the Board of Governors of the Postal Service, pursuant to their authority under 39 U.S.C. 3625(f), determined to make the classification and fee changes approved by the Governors effective at 12:01 a.m. on June 8, 1997 (Resolution No. 97-8).

In accordance with the Decision of the Governors and Resolution No. 97-8, the Postal Service hereby gives notice that the classification and fee changes set forth below will become effective at 12:01 a.m. on June 8, 1997.

Implementing regulations also become effective at that time, as noted elsewhere in this issue.

**Stanley F. Mires,**  
*Chief Counsel, Legislative.*

**Attachment A to the Decision of the Governors of the United States Postal Service on the Recommended Decision of the Postal Rate Commission on the Experimental Nonletter-Size Business Reply Mail Categories and Fees, (May 5, 1997)**

**CHANGES IN THE DOMESTIC MAIL CLASSIFICATION SCHEDULE**

The following material represents changes to the Domestic Mail Classification Schedule (DMCS) approved by the Governors of the United States Postal Service in response to the Commission's Recommended Decision in Docket No. MC97-1. Changes are identified by underlining additions to the DMCS.

*Domestic Mail Classification Schedule SS-2 Business Reply Mail*

**2.01 Definitions**

**2.010** Business reply mail is a service whereby business reply cards, envelopes, cartons and labels may be distributed by or for a business reply distributor for use by mailers for sending First-Class Mail without prepayment of postage to an address chosen by the distributor. A distributor is the holder of a business reply license.

*2.011 A business reply mail piece is nonletter-size for purposes of Classification Schedule SS-2 if it meets addressing and other preparation requirements, but does not meet the machinability requirements prescribed by the Postal Service for mechanized or automated letter sortation.*

*This provision expires June 7, 1999.*

**2.02 Description of Service**

**2.020** The distributor guarantees payment on delivery of postage and fees for all returned business reply mail. Any distributor of business reply cards, envelopes, cartons and labels under any one license for return to several addresses guarantees to pay postage and

fees on any returns refused by any such addressee.

**2.03 Requirements of the Mailer**

**2.030** Business reply cards, envelopes, cartons and labels must be preaddressed and bear business reply markings.

**2.031** Handwriting, typewriting or handstamping are not acceptable methods of preaddressing or marking business reply cards, envelopes, cartons, or labels.

**2.04 Fees**

**2.040** The fees for business reply mail are set forth in Rate Schedule SS-2.

**2.041** To qualify as an active business reply mail advance deposit trust account, the account must be used solely for business reply mail and contain sufficient postage and fees due for returned business reply mail.

**2.042** An accounting fee as set forth in Rate Schedule SS-2 must be paid each year for each advance deposit business reply account at each facility where the mail is to be returned.

**2.043 Experimental Reverse Manifest Fees**

*2.0431 A set-up/qualification fee as set forth in Rate Schedule SS-2 must be paid by each business reply mail advance deposit trust account holder at each destination postal facility at which it applies to receive nonletter-size business reply mail for which the postage and fees will be accounted for through a reverse manifest method approved by the Postal Service for ascertaining and verifying postage.*

*A distributor must pay this fee for each business reply mail advance deposit trust account for which participation in the nonletter-size business reply mail experiment is requested.*

*This provision expires June 7, 1999.*

**2.0432** A nonletter-size reverse manifest monthly fee as set forth in Rate Schedule SS-2 must be paid each month during which the distributor's reverse manifest account is active.

*This fee applies to the (no more than) 10 advance deposit account holders which are selected by the Postal Service to participate in the reverse manifest nonletter-size business reply mail experiment and which utilize reverse manifest accounting methods approved by the Postal Service for ascertaining and verifying postage and fees.*

*This provision expires June 7, 1999.*

**2.044 Experimental Weight Averaging Fees**

*2.0441 A set-up/qualification fee as set forth in Rate Schedule SS-2 must be paid by each business reply mail*

advance deposit trust account holder at each destination postal facility at which it applies to receive nonletter-size business reply mail for which the postage and fees will be accounted for through a weight averaging method approved by the Postal Service for ascertaining and verifying postage.

A distributor must pay this fee for each business reply mail advance deposit trust account for which participation in the nonletter-size business reply mail experiment is requested.

*This provision expires June 7, 1999.*

2.0442 A nonletter-size weight averaging monthly fee as set forth in Rate Schedule SS-2 must be paid each month during which the distributor's weight averaging account is active.

*This fee applies to the (no more than) 10 advance deposit account holders which are selected by the Postal Service to participate in the weight averaging nonletter-size business reply mail experiment.*

*This provision expires June 7, 1999.*

2.05 Authorizations and Licenses

2.050 In order to distribute business reply cards, envelopes, cartons or labels, the distributor must obtain a license or licenses from the Postal Service and pay the appropriate fee as set forth in Rate Schedule SS-2.

2.0501 Except as provided in section 2.0502, the license to distribute business reply cards, envelopes, cartons, or labels must be obtained at each office from which the mail is offered for delivery.

2.0502 If the business reply mail is to be distributed from a central office to be returned to branches or dealers in other cities, one license obtained from the post office where the central office is located may be used to cover all business reply mail.

2.051 The license to mail business reply mail may be canceled for failure to pay business reply postage and fees when due, and for distributing business reply cards or envelopes which do not conform to prescribed form, style or size.

2.052 *Authorization to pay experimental nonletter-size business*

*reply mail fees as set forth in Rate Schedule SS-2 may be canceled for failure of a business reply mail advance deposit trust account holder to meet the standards prescribed by the Postal Service for the applicable reverse manifest or weight averaging accounting method.*

*This provision expires June 7, 1999.*

**Attachment B to the Decision of the Governors of the United States Postal Service on the Recommended Decision of the Postal Rate Commission on the Experimental Nonletter-Size Business Reply Mail Categories and Fees (May 5, 1997)**

#### CHANGES TO RATE SCHEDULE SS-2

The following material represents changes in Rate Schedule SS-2 approved by the Governors of the United States Postal Service in response to the Commission's Recommended Decision in Docket No. MC97-1. Changes are identified by underlining additions to Rate Schedule SS-2.

#### RATE SCHEDULE SS-2

	Fee <sup>1</sup>
Active business reply advanced deposit account:	
Per piece:	
Prebarcoded .....	\$.02
Nonletter-size, using reverse manifest (experimental) .....	.02
Nonletter-size, using weight averaging (experimental) .....	.03
Other .....	.10
Payment of postage due charges if active business reply mail advance deposit account not used: .....	.44
Annual License and Accounting Fees:	
Accounting Fee for Advance Deposit Account .....	205
Permit fee (with or without Advance Deposit Account) .....	85
Monthly Fees for customers using a reverse manifest or weight averaging for nonletter-size business reply:	
Nonletter-size, using reverse manifest (experimental) .....	1,000
Nonletter-size, using weight averaging (experimental) .....	3,000
Set-up/Qualification Fee for customers using a reverse manifest or weight averaging for nonletter-size business reply:	
Nonletter-size, using reverse manifest (experimental) .....	1,000
Nonletter-size, using weight averaging (experimental) .....	3,000

<sup>1</sup> Experimental per piece, monthly and set-up/qualification fees are applicable only to participants selected by the Postal Service for nonletter-size business reply mail experiment. The experimental fees expire on June 7, 1999.

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