

Par. 2. Section 4.21 is amended by revising the third sentence of paragraph (e)(5) to read as follows:

§ 4.21 The standards of identity.

\* \* \* \* \*

(e) Class 5; fruit wine \* \* \* (5) \* \* \* Fruit wines which are derived wholly (except for sugar, water, or added alcohol) from apples or pears may be designated "cider" and "perry," respectively, and shall be so designated if lacking in vinous taste, aroma, and characteristics. \* \* \*

\* \* \* \* \*

PART 24—WINE

Par. 3. The authority citation for 27 CFR part 24 continues to read as follows:

Authority: 5 U.S.C. 552(a); 26 U.S.C. 5001, 5008, 5041, 5042, 5044, 5061, 5062, 5081, 5111-5113, 5121, 5122, 5142, 5143, 5173, 5206, 5214, 5215, 5351, 5353, 5354, 5356, 5357, 5361, 5362, 5364-5373, 5381-5388, 5391, 5392, 5511, 5551, 5552, 5661, 5662, 5684, 6065, 6091, 6109, 6301, 6302, 6311, 6651, 6676, 7011, 7302, 7342, 7502, 7503, 7606, 7805, 7851; 31 U.S.C. 9301, 9303, 9304, 9306.

Par. 4. Section 24.4 is amended by adding a reference to part 16 between the references to parts 9 and 18, to read as follows:

§ 24.4 Related Regulations.

\* \* \* \* \*

27 CFR Part 16—Alcoholic Beverage Health Warning Statement

\* \* \* \* \*

Par. 5. Section 24.257 is amended by revising paragraph (a) to read as follows:

§ 24.257 Labeling wine containers.

(a) The proprietor must label each bottle or other container of beverage wine prior to removal for consumption or sale. The minimum type size for information required by this section is: 2 millimeters for containers of more than 187 milliliters and 1 millimeter for containers of 187 milliliters or less. The maximum type size for alcohol content statements is 3 millimeters unless the container is larger than 5 liters. The label must be securely affixed and show:

(1) The name and address of the wine premises where bottled or packed;

(2) The brand name, if different from above;

(3) The alcohol content as percent by volume or the alcohol content stated in accordance with 27 CFR part 4. For wine with less than 7 percent alcohol by volume stated on the label there is allowed an alcohol content tolerance of plus or minus .75 percent by volume; and

(4) The kind of wine, shown as follows:

(i) If the wine contains 7 percent or more alcohol by volume and must have label approval under 27 CFR part 4, the kind of wine is the class, type, or other designation provided in that part.

(ii) If the wine has an exemption from label approval, an adequate statement of composition may be used instead of the class and type in 27 CFR part 4.

(iii) If the wine contains less than 7 percent alcohol by volume, an adequate statement of composition may be used instead of the class and type in 27 CFR part 4. The rules in 27 CFR part 4 pertaining to label approval and standards of fill do not apply to wine under 7 percent alcohol by volume. The rules in 27 CFR part 16 requiring a Health Warning Statement do apply to all wines over 1/2 percent alcohol. Except for the rules noted in this section, labeling of wines under 7 percent alcohol is under the jurisdiction of the Food and Drug Administration.

(iv) The statement of composition must include enough information to identify the tax class when viewed with the alcohol content. First, the wine should be identified by the word "wine," "mead," "cider" or "perry," as applicable. If the wine contains more than 0.392 grams of carbon dioxide per 100 milliliters, the word "sparkling" or "carbonated," as applicable, must be included in the statement of composition. If the statement of composition leaves doubt as to the tax class of the wine, the wine must be marked "tax class 5041(b)(1) IRC" or an equivalent phrase. For example, a still wine marked "wine" and "16 percent alcohol by volume" is adequately marked to identify its tax class as 5041(b)(2). A still wine marked "hard cider" and "9 percent alcohol by volume" is adequately marked to identify its tax class as 5041(b)(1). A still wine marked "raspberry hard cider" and "9 percent alcohol by volume" is adequately marked to identify its tax class as 5041(b)(1). A still wine eligible for the hard cider tax rate marked "cider" or "hard cider" and "6 percent alcohol by volume" is adequately marked to identify its tax class as 5041(b)(6). However, if a still wine that is not eligible for the hard cider tax rate is marked "cider" or "hard cider" and "6 percent alcohol by volume" it is not adequately marked to identify its tax class as 5041(b)(1), so the tax class must be shown.

(5) The net content of the container unless the net content is permanently marked on the container as provided in 27 CFR part 4.

\* \* \* \* \*

Signed: July 13, 2001.

Bradley A. Buckles, Director.

Approved: October 26, 2001.

Timothy E. Skud,

Acting Deputy Assistant Secretary (Regulatory, Tariff and Trade Enforcement).

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POSTAL SERVICE

39 CFR Part 111

Domestic Mail Manual Changes to Allow Co-Packaging of Automation Rate and Presorted Rate Flats

AGENCY: Postal Service.

ACTION: Final rule.

SUMMARY: This final rule provides a new preparation option that allows mailers to place flat-size automation rate mailpieces together in packages with flat-size Presorted rate mailpieces of the same mail class. This new option is called "co-packaging" and will be available beginning March 31, 2002 for use with First-Class Mail, Periodicals, or Standard Mail.

EFFECTIVE DATE: March 31, 2002.

FOR FURTHER INFORMATION CONTACT: Jane Stefaniak, 703-292-3548; or Cheryl Beller, 202-268-5166.

SUPPLEMENTARY INFORMATION: In this rulemaking, the Postal Service announces the adoption of a new preparation option named "co-packaging," which was initially proposed in a Federal Register notice dated August 28, 2001. The new co-packaging preparation option will allow mailers to combine flat-sized automation rate pieces and flat-sized Presorted rate pieces of the same mail class within the same package.

As information, this rule is an outgrowth of two related preparation standards the Postal Service previously adopted. The first of those two standards was adopted on January 7, 2001. It provided new preparation standards in Domestic Mail Manual (DMM) M910 that required mailers of Periodicals nonletters, and permitted mailers of First-Class Mail and Standard Mail flats, to co-sack (Periodicals and Standard Mail) or co-tray (First-Class Mail) packages of automation rate mail with packages of Presorted rate mail. The second of those two previously adopted standards was published on May 24, 2001 (66 FR 28659), and required mailers to begin co-traying First-Class Mail flats and co-sacking

Standard Mail flats within certain conditions, effective September 1, 2001.

The adoption of the new co-packaging rule is justified since most of the same operational justifications for allowing packages of automation rate and Presorted rate flats to be combined in the same container (co-sacking and co-traying) also support allowing the combining of flats within the same package (co-packaging). Currently, automation rate flats (ZIP+4 or delivery point barcoded) and Presorted rate flats (no barcode required) are usually processed by the Postal Service within the same operation.

It can also be noted that the Postal Service's prior need for segregating barcoded and nonbarcoded pieces no longer exists due to advances that include an optical character reader (OCR) on the flat sorting machine (FSM) 881 and the OCR/image lift capabilities of the new automated flat sorting machine (AFSM) 100. Beginning in 2002, the Postal Service plans to retrofit FSM 1000s with OCR capabilities. Therefore, continuing to require the separate preparation of automation rate and Presorted rate pieces results in more packages, which reduces the average depth of sort. This causes additional workhours for the Postal Service associated with sorting, opening, and prepping flats for processing.

The Postal Service requested that comments on the proposed rule for co-packaging (published in the **Federal Register** on August 28, 2001) be submitted by September 27, 2001. Comments were received from a total of seven interested parties that included two mailers, three mailing agents, and two industry organizations.

One of the mailing agents and both of the industry organizations supported the proposal and generally noted that it should reduce package handlings for the Postal Service. One industry organization agreed that a 5-digit barcode would be needed on Presorted rate pieces that are co-packaged. The Postal Service agrees with those comments.

One of the mailing agents maintained that the proposal should be made mandatory, while one of the industry organizations felt the proposal should remain optional. The Postal Service will adopt the rule as a mail preparation option.

One mailing agent, the two mailers, and one industry organization commented that they saw no benefit to limiting the co-packaging of automation rate and Presorted rate pieces to one physical package per logical presort destination. The other mailing agent contended that mailings presented

under a manifest mailing system should not be subject to this requirement.

Contrary to those comments, the second industry organization stated the limitation was reasonable. In this final rule, the Postal Service will limit the co-packaging of automation rate and Presorted rate pieces to one physical package for each "logical" destination. This is necessary in order to assist Postal Service personnel during the mail verification and acceptance processes.

The two mailers requested clarification of the rate eligibility requirements for pieces that are co-packaged, and one industry organization asked for clarification on the requirements for firm packages. The Postal Service believes the eligibility rules adopted for co-packaging and the existing rules for firm packages provide sufficient explanation.

However, in order to avoid confusion, we are providing this further clarification of the rate eligibility standards for co-packaged mail. Postage for Presorted rate and automation rate pieces will continue to be determined under DMM E130 and E140 for First-Class Mail; under E220 and E240 for Periodicals; and under E620 and E640 for Standard Mail. For example, a Periodicals mailer would prepare packages when there are a total of 6 or more Presorted rate and automation rate pieces to the same presort destination. First-Class Mail and Standard Mail users would prepare packages when there are a total of 10 or more Presorted rate and automation rate pieces to the same presort destination. The package level would always determine the automation rates.

For Periodicals and Standard Mail Presorted rate pieces, the rates will continue to be based on the sack level for mail in sacks, and on the package level for packages prepared on pallets. For example, in a sacked Periodicals or Standard Mail mailing, if a 5-digit package placed in a 5-digit sack contains 5 automation rate pieces and 5 Presorted rate pieces, the automation and Presorted 5-digit rates for Periodicals, or 3/5-digit rates for Standard Mail, would apply as appropriate. However, if that 5-digit package is placed in an SCF (Periodicals), ADC, or mixed ADC sack, the 5 Presorted rate pieces would be subject to the Presorted basic rate and the 5 automation rate pieces would still be subject to the automation 5-digit rate for Periodicals or the automation 3/5 rate for Standard Mail, as appropriate.

Periodicals firm packages claimed as a single piece will continue to be subject to the applicable Presorted rate based on the presort level of the logical package

with which they are associated (e.g., 5 other pieces to the same destination whether automation rate or Presorted rate) and the sack level, if sacked.

One mailer requested an implementation date for co-packaging that would be earlier than the proposed date of March 31, 2002. In order to allow presort software vendors enough time to update, test, and distribute software to their clients, and because of Postal Service needs associated with the certification process for Presort Accuracy, Validation, and Evaluation (PAVE)-certified software, the Postal Service keeps the implementation date of March 31, 2002.

Both of the mailers commented that they preferred the third option for placing mail on pallets. Under the final rule in DMM M930.1.4e, M930.2.3e, M940.1.4e, and M940.2.3e, mailers may elect to use any one of the three options identified for placing mail on pallets.

One industry organization suggested that a 5-percent "re-order" tolerance be extended to co-packaged pieces. Presently, a 1-percent tolerance is applied to ink jet re-order pieces prepared under an authorized Optional Procedure (OP) agreement. As such, that comment falls outside the scope of this rulemaking. However, if necessary, the Postal Service can consider the need to include appropriate provisions in a mailer's OP agreement.

Finally, one industry organization asked that the Postal Service be tolerant of mailers who cannot follow these complex rules by issuing gentle treatment (i.e., education) rather than revenue deficiencies. That comment also falls outside the scope of this rulemaking and therefore will not be addressed at this time.

After full consideration of the comments received and for the reasons cited above, the Postal Service believes it appropriate to adopt a rulemaking for "co-packaging" as follows:

#### List of Subjects in 39 CFR Part 111

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. Amend the following sections of the Domestic Mail Manual (DMM) as set forth below:

**M MAIL PREPARATION AND SORTATION**

*M000 General Preparation Standards*

*M010 Mailpieces*

*M011 Basic Standards*

**1.0 TERMS AND CONDITIONS**

\* \* \* \* \*

**1.3 Preparation Instructions**

For purposes of preparing mail:

\* \* \* \* \*

[Insert new 1.3ad and ae, as follows:]

ad. A "logical" presort destination represents the total number of pieces that are eligible for a specific presort level based on the required sortation, but which might not be contained in a single package or in a single container (i.e., sack, pallet) due to applicable preparation requirements or the size of the individual pieces. For example, there may be 42 mailpieces for ZIP Code 43112 forming a Standard Mail "logical" 5-digit package, and they are prepared in three physical 5-digit packages because of the applicable weight and height restrictions on packages. For pallets, 2,800 pounds of mail may be destined to an SCF destination, and these would form the "logical" SCF pallet, but the mail is placed on two physical SCF pallets each weighing 1,400 pounds because of the 2,200 pound maximum pallet weight requirement.

ae. Co-packaging is an alternate preparation option available under M900 for First-Class Mail, Periodicals, and Standard Mail that allows the combining of flat-size automation rate and Presorted rate pieces within the same package under the single minimum package size requirement. Pieces may not be combined in more than one physical package for each logical presort destination.

**1.4 Mailing**

Mailings are defined as:

\* \* \* \* \*

[Revise 1.4b, d, and e by adding references to the advanced preparation options for flat-sized mail in M910, M920, M930, M940, and M950 as follows (the remainder of 1.4 is unchanged):]

b. *First-Class Mail*. Except as provided by standard, the types of First-Class Mail listed below may not be part of the same mailing despite being in the same processing category. See M910 and M950 for advanced preparation options for flat-size mail.\* \* \*

\* \* \* \* \*

d. *Periodicals*. Mail qualifying for the In-County rates may be part of a mailing

that includes pieces eligible for the Outside County rates. Mail at carrier route rates, nonautomation Presorted rates, and automation rates must each be sorted as separate mailings. However, each of these mailings may be reported on the same postage statement if the pieces are for the same publication and edition. See M041, M045, M210, and M220 for copalletized, combined, and mixed rate mailings. See M910, M920, M930, M940, and M950 for advanced preparation options for nonletter-size mail.

e. *Standard Mail*. Except as provided in E620.1.2 and M900, the types of Standard Mail listed below may not be part of the same mailing. See M041, M045, M610, and M620 for copalletized, combined, and mixed rate mailings. See M910, M920, M930, M940, and M950 for advanced preparation options for flat-size mail.\* \* \*

\* \* \* \* \*

*M040 Pallets*

\* \* \* \* \*

*M045 Palletized Mailings*

\* \* \* \* \*

**2.0 PACKAGES ON PALLETS**

\* \* \* \* \*

[Revise 2.2 by adding a sentence at the end to refer to the co-packaging option for Periodicals nonletters and Standard Mail flats, as follows (the remainder of 2.2 is unchanged):]

**2.2 Basic Packaging Standards**

\* \* \* If palletized mailing jobs of nonletter-size Periodicals or palletized mailing jobs of flat-size Standard Mail contain both automation rate and Presorted rate pieces, the automation rate and Presorted rate pieces may be co-packaged under the standards in M950.

\* \* \* \* \*

**M100 First-Class Mail (Nonautomation)**

\* \* \* \* \*

*M130 Presorted First-Class Mail*

**1.0 BASIC STANDARDS**

\* \* \* \* \*

[Revise the title of 1.6 and add a new sentence at the end to refer to the co-packaging option in M950, as follows (the remainder of 1.6 is unchanged):]

**1.6 Co-Traying and Co-Packaging With Automation Rate Mail**

\* \* \* Flat-size Presorted rate pieces may be co-packaged with flat-size

automation rate pieces under the standards in M950.

\* \* \* \* \*

**M200 Periodicals (Nonautomation)**

*M210 Presorted Rates*

**1.0 BASIC STANDARDS**

\* \* \* \* \*

[Revise the title and text of 1.2 a and b to refer to the new co-packaging option in M950, as follows (the remainder of 1.2 is unchanged):]

**1.2 Additional Standards for Nonletter-Size Sacked Mailing Jobs Containing More Than One Mailing**

The following standards apply:

a. Mailings prepared in sacks that are part of a mailing job that includes a carrier route mailing, an automation rate mailing, and a presorted rate mailing must be prepared under one of the following options:

(1) the carrier route mailing must be prepared under E230 and M220, and the automation rate and Presorted rate mailing must be prepared under M910; or

(2) all three mailings in the mailing job must be prepared under M920.

Presorted rate pieces may be co-packaged with automation rate pieces under the standards in M950.

b. Mailings prepared in sacks that are part of a mailing job that includes an automation rate mailing under E240 and a Presorted rate mailing under E220 must be prepared under the co-sacking standards in M910. Presorted rate pieces may be co-packaged with automation rate pieces under the standards in M950.

\* \* \* \* \*

[Revise 1.6 to show that merging is optional and to refer to the co-packaging option in M950, as follows:]

**1.6 Merged Containerization of Nonletter-Size Carrier Route, Automation Rate, and Presorted Rate Mail**

Under the optional preparation method in M920, Presorted rate firm and 5-digit packages prepared under 1.0 and under 2.2a and b must be co-sacked with firm and carrier route packages prepared under M220 and with automation rate 5-digit packages prepared under M820 in merged 5-digit and 5-digit scheme sacks. Under the optional preparation methods in M920, M930, or M940, Presorted rate firm and 5-digit packages prepared under 1.0 and under 2.2a and b must be copalletized with firm and carrier route packages prepared under M220 and with automation rate 5-digit packages prepared under M820 on merged 5-digit

and 5-digit scheme pallets. See 1.2a for information on when preparation under M920 may be required. Presorted rate pieces may be co-packaged with automation rate pieces under M950.

\* \* \* \* \*

#### *M220 Carrier Route Rates*

##### 1.0 BASIC INFORMATION

\* \* \* \* \*

[Revise 1.6 to show that merging is optional and to refer to the co-packaging option in M950, as follows:]

##### **1.6 Merged Containerization of Nonletter-Size Carrier Route, Automation Rate, and Presorted Rate Mail**

Under the optional preparation method in M920, firm and carrier route packages prepared under 1.0 and 2.4 must be co-sacked with Presorted rate 5-digit packages prepared under M210 and with automation rate 5-digit packages prepared under M820 in merged 5-digit and 5-digit scheme sacks. For sacked mailing jobs that contain an automation rate and a Presorted rate mailing as well as a carrier route mailing, the automation rate and the Presorted rate mailings must be prepared under M910 (see M210) and the carrier route mailing must be prepared under M220, unless the mailings are prepared under M920. Under the optional preparation methods in M920, M930, or M940, firm and carrier route packages prepared under 1.0 and 2.4 must be copalletized with Presorted rate 5-digit packages prepared under M210 and with automation rate 5-digit packages prepared under M820 on merged 5-digit and 5-digit scheme pallets. Presorted rate pieces may be co-packaged with automation rate pieces under M950.

\* \* \* \* \*

##### **M600 Standard Mail (Nonautomation)**

#### *M610 Presorted Standard Mail*

##### 1.0 BASIC STANDARDS

\* \* \* \* \*

[Revise the title of 1.5 and add a new sentence at the end to refer to the co-packaging option in M950, as follows (the remainder of 1.5 is unchanged):]

##### **1.5 Co-Traying and Co-Packaging With Automation Rate Mail**

\* \* \* Flat-size Presorted rate pieces may be co-packaged with flat-size automation rate pieces under the standards in M950.

[Revise the title and text of 1.6 to refer to the new co-packaging option in M950, as follows:]

##### **1.6 Merged Containerization of Flat-Size Carrier Route, Automation Rate, and Presorted Rate Mail**

When the conditions and preparation standards in M920 are met, Presorted rate 5-digit packages prepared under 4.3a may be co-sacked with carrier route rate packages prepared under M620 and with automation rate 5-digit packages prepared under M820 in merged 5-digit and 5-digit scheme sacks. When the conditions and preparation standards in M920, M930, or M940 are met, Presorted rate 5-digit packages prepared under 4.3a may be copalletized with carrier route rate packages prepared under M620 and with automation rate 5-digit packages prepared under M820 on merged 5-digit and 5-digit scheme pallets. Presorted rate pieces may be co-packaged with automation rate pieces under M950.

\* \* \* \* \*

#### *M620 Enhanced Carrier Route Standard Mail*

##### 1.0 BASIC STANDARDS

\* \* \* \* \*

[Revise the title and text of 1.6 to refer to the co-packaging option in M950, as follows:]

##### **1.6 Merged Containerization of Flat-Size Carrier Route, Automation Rate, and Presorted Rate Mail**

When the conditions and preparation standards in M920 are met, carrier route rate packages prepared under 2.0 may be co-sacked with Presorted rate 5-digit packages prepared under M610 and with automation rate 5-digit packages prepared under M820 in merged 5-digit and 5-digit scheme sacks. When the conditions and preparation standards in M920, M930, or M940 are met, carrier route rate packages prepared under 2.0 may be copalletized with Presorted rate 5-digit packages prepared under M610 and with automation rate 5-digit packages prepared under M820 on merged 5-digit and 5-digit scheme pallets. Presorted rate pieces may be co-packaged with automation rate pieces under M950.

\* \* \* \* \*

##### **M800 All Automation Mail**

\* \* \* \* \*

#### *M820 Flat-Size Mail*

##### 1.0 BASIC STANDARDS

\* \* \* \* \*

[Revise the title of 1.9 and add a new sentence at the end to refer to the co-packaging option in M950, as follows (the remainder of 1.9 is unchanged):]

##### **1.9 Co-Traying, Co-Sacking, and Co-Packaging With Presorted Rate Mail**

\* \* \* Automation rate pieces may be co-packaged with Presorted rate pieces under the standards in M950.

[Revise the title and text of 1.10 to be consistent with M210.1.6 and M610.1.6 to refer to the options for merged containerization and co-packaging, as follows:]

##### **1.10 Merged Containerization of Flat-Size Carrier Route, Automation Rate, and Presorted Rate Mail**

Under the optional preparation methods in M920, 5-digit packages of Periodicals or Standard Mail automation rate flats must be co-sacked with 5-digit packages of Periodicals Presorted rate nonletters or Standard Mail Presorted rate flats prepared under M210 or M610, as applicable, and with packages of Periodicals carrier route nonletters or Standard Mail carrier route flats in merged 5-digit and 5-digit scheme sacks. Under the optional preparation methods in M920, M930, or M940, 5-digit packages of Periodicals or Standard Mail automation rate flats must be copalletized with 5-digit packages of Periodicals Presorted rate nonletters or Standard Mail Presorted rate flats prepared under M210 or M610, as applicable, and with packages of Periodicals carrier route nonletters or Standard Mail carrier route flats on merged 5-digit and 5-digit scheme pallets. Presorted rate nonletter-size Periodicals pieces or Presorted rate flat-size Standard Mail pieces may be co-packaged with flat-size automation rate pieces under M950.

\* \* \* \* \*

##### **M900 Advanced Preparation Options for Flats**

#### *M910 Co-Traying and Co-Sacking Packages of Automation and Presorted Mailings*

##### 1.0 FIRST-CLASS MAIL

##### 1.1 Basic Standards

[Revise 1.1c, d, and g by changing the reference to tray preparation standards from "1.3" to "1.4" (the remainder of 1.1 is unchanged).]

\* \* \* \* \*

[Revise 1.2 to refer to the co-packaging option in 1.3, as follows:]

##### 1.2 Package Preparation

Except for mail prepared under the co-packaging option in 1.3, the automation rate mailing must be packaged and labeled under M820 and the Presorted rate mailing must be packaged and labeled under M130.

[Renumber current 1.3 as 1.4 and insert new 1.3, as follows:]

**1.3 Optional Co-Packaging Preparation**

As an option to the basic packaging requirements in 1.2, a mailer may choose to co-package (see M011) automation rate and Presorted rate flat-size pieces, subject to the conditions in M950.

[Revise the first sentence of the renumbered 1.4 to refer to the co-packaging option in 1.3, as follows (the remainder of 1.4 is unchanged):]

**1.4 Tray Preparation and Labeling**

Presorted rate and automation rate packages prepared under 1.2 or 1.3 must be presorted together into trays (co-trayed) in the sequence listed below.

\* \* \* \* \*

**2.0 PERIODICALS**

**2.1 Basic Standards**

[Revise 2.1c, d, and f by changing the reference to sack preparation standards from "2.4" to "2.5" (the remainder of 2.1 is unchanged).]

\* \* \* \* \*

[Revise 2.2 to refer to the co-packaging option in 2.3, as follows:]

**2.2 Package Preparation**

Except for mail prepared under the co-packaging option in 2.3, the automation rate mailing must be packaged and labeled under M820 (all package levels) and the Presorted rate mailing must be packaged and labeled under M210 (excluding carrier route level).

[Renumber current 2.3 and 2.4 as 2.4 and 2.5, respectively, and insert new 2.3 as follows:]

**2.3 Optional Co-Packaging Preparation**

As an option to the basic packaging requirements in 2.2, a mailer may choose to co-package (see M011) automation rate and Presorted rate nonletter-size pieces, subject to the conditions in M950.

[Revise the renumbered 2.4 by adding references to packages prepared under the co-packaging option in 2.3, as follows:]

**2.4 Low-Volume Packages in Sacks or on Pallets**

Periodicals 5-digit and 3-digit packages prepared under M210 and M820 or under 2.3 may contain fewer than six pieces when the publisher determines that such preparation improves service. These low-volume

packages may be placed in 5-digit, 3-digit, and SCF sacks or on 5-digit, 3-digit, or SCF pallets. Presorted rate pieces in such low-volume packages must be claimed at the applicable basic Presorted rate. Automation rate pieces in such low-volume packages must be claimed at the applicable basic automation rate.

[Revise the first sentence of the renumbered 2.5 to refer to the co-packaging option in 2.3, as follows (the remainder of 2.5 is unchanged):]

**2.5 Sack Preparation and Labeling**

Presorted rate and automation rate packages prepared under 2.2 and 2.4 must be presorted together in sacks (co-sacked) in the sequence listed below.

**3.0 STANDARD MAIL**

**3.1 Basic Standards**

[Revise 3.1c, d, and g by changing the references to sack preparation standards from "3.3 and 3.4" to "3.4 and 3.5" (the remainder of 3.1 is unchanged).]

\* \* \* \* \*

[Revise 3.2 to refer to the co-packaging option in 3.3, as follows:]

**3.2 Package Preparation**

Except for mail prepared under the co-packaging option in 3.3, the automation rate mailing must be packaged and labeled under M820 and the Presorted rate mailing must be packaged and labeled under M610. Loose packing under M610 is not permitted.

[Renumber current 3.3 and 3.4 as 3.4 and 3.5, respectively, and insert new 3.3, as follows:]

**3.3 Optional Co-Packaging Preparation**

As an option to the basic packaging requirements in 3.2, a mailer may choose to co-package (see M011) automation rate and Presorted rate flat-size pieces, subject to the conditions in M950.

\* \* \* \* \*

*M920 Merged Containerization of Packages Using the City State Product*

[Revise the summary in M920 to refer to the co-packaging option in M950, as follows:]

**Summary**

M920 describes the eligibility and preparation requirements for co-sacking or copalletizing 5-digit automation rate packages, 5-digit Presorted packages, including automation and Presorted rate pieces co-packaged under M950, and carrier route packages of Periodicals

nonletter-size mailings and Standard Mail flat-size mailings in merged 5-digit and 5-digit scheme containers using the City State Product.

[Revise the heading of 1.0, as follows:]

**1.0 PERIODICALS**

[Revise the first sentence in 1.1 to refer to the co-packaging option in M950, as follows:]

**1.1 Basic Standards**

Carrier route packages in a carrier route rate mailing may be placed in the same sack or on the same pallet (in a merged 5-digit or 5-digit scheme sack or pallet) as 5-digit packages from an automation rate mailing and 5-digit packages from a Presorted rate mailing, including automation and Presorted rate pieces co-packaged as permitted in M950, under the following conditions:

\* \* \* \* \*

[Revise the first sentence in 1.1e to refer to the co-packaging option in M950, as follows (the remainder of 1.1e is unchanged):]

e. Carrier route packages must be co-sacked or copalletized with automation rate 5-digit packages and Presorted rate 5-digit packages, including automation and Presorted rate pieces co-packaged under M950, only for those 5-digit ZIP Codes that have an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product showing they are eligible for co-sacking or copalletization.

\* \* \* \* \*

**1.2 Package Preparation**

Packages must be prepared as follows:

[Revise 1.2a to refer to the co-packaging option in M950, as follows:]

a. *Sacked Mailings.* The carrier route mailing must be packaged and labeled under M220. Except when prepared under the co-packaging option in M950, the automation rate mailing must be packaged and labeled under M820 and the Presorted rate mailing must be packaged and labeled under M210.

\* \* \* \* \*

**1.3 Low-Volume Packages in Sacks or on Pallets**

[Revise 1.3 to refer to the co-packaging option by adding "or M950" after the reference to M820 in the first sentence (the remainder of 1.3 is unchanged).]

\* \* \* \* \*

**2.0 STANDARD MAIL**

[Revise the first sentence in 2.1 to refer to the co-packaging option in M950, as follows:]

**2.1 Basic Standards**

Carrier route packages of flat-size pieces in a carrier route rate mailing may be placed in the same sack or on the same pallet (a merged 5-digit or 5-digit scheme sack or pallet) as 5-digit packages from an automation rate mailing and 5-digit packages from a Presorted rate mailing, including automation and Presorted rate pieces co-packaged as permitted in M950, under the following conditions:

\* \* \* \* \*

[Revise the first sentence in 2.1e to refer to the co-packaging option in M950, as follows (the remainder of 2.1e is unchanged):]

e. Carrier route rate packages must be co-sacked or copalletized with automation rate 5-digit packages and Presorted rate 5-digit packages, including automation and Presorted rate pieces co-packaged under M950, only for those 5-digit ZIP Codes with an "A" or "C" indicator in the Carrier Route Indicators field in the City State Product indicating they are eligible for such co-sacking or copalletization.\* \* \*

\* \* \* \* \*

**2.2 Package Preparation**

Packages must be prepared as follows: [Revise 2.2a to refer to the co-packaging option in M950, as follows:]

a. *Sacked Mailings*. The carrier route mailing must be packaged and labeled under M620. Except when prepared under the co-packaging option in M950, the automation rate mailing must be packaged and labeled under M820 and the Presorted rate mailing must be packaged and labeled under M610.

\* \* \* \* \*

*M930 Merged Palletization of Packages Using a 5% Threshold*

[Revise the summary in M930 to refer to the co-packaging option in M950, as follows:]

**Summary**

M930 describes the eligibility and preparation requirements for copalletizing 5-digit automation rate packages; 5-digit Presorted rate packages, including automation and Presorted rate pieces co-packaged under M950; and carrier route rate packages of Periodicals nonletter-size mailings and Standard Mail flat-size mailings in merged 5-digit and 5-digit scheme pallets using only the 5% threshold (not the City State Product).

[Revise the heading of 1.0, as follows:]

**1.0 PERIODICALS**

[Revise the heading and first sentence of 1.1 to refer to the co-packaging option in M950, as follows:]

**1.1 Basic Standards**

5-digit packages from an automation rate mailing and 5-digit packages from a Presorted rate mailing, including automation and Presorted rate pieces co-packaged under M950, may be placed on the same pallet (a merged 5-digit or 5-digit scheme pallet) as carrier route rate packages from a carrier route mailing under the following conditions:

\* \* \* \* \*

[Revise the first sentence of 1.1d to refer to the co-packaging option in M950, as follows (the remainder of 1.1d is unchanged):]

d. Automation rate 5-digit packages and Presorted rate 5-digit packages, including automation rate and Presorted rate pieces co-packaged under M950, must be copalletized with carrier route rate packages only when the pieces in the 5-digit packages do not exceed the 5% limit described in 1.4.\* \* \*

\* \* \* \* \*

**1.3 Low-Volume Packages on Pallets**

[Revise 1.3 to refer to the co-packaging option by adding "or M950" after the reference to M820 in the first sentence (the remainder of 1.3 is unchanged).]

\* \* \* \* \*

[Revise the first sentence of 1.4, as follows:]

**1.4 5% Threshold Standard**

5-digit packages and carrier route packages may be placed on the same merged 5-digit or 5-digit scheme pallet under 1.5 if all of the following conditions are met:

\* \* \* \* \*

[Revise 1.4c by replacing the first sentence with the following new sentence; then delete the last four sentences beginning at the word "Example" (the remainder of 1.4c is unchanged):]

c. Except when packages are prepared under the co-packaging option in M950, all mail in a logical 5-digit package must be able to be placed on the logical pallet using the 5% limit. \* \* \*

[Insert the following clause at the beginning of 1.4d (the remainder of 1.4d is unchanged):]

d. Except for packages prepared under the co-packaging option in M950, \* \* \*

[Insert new 1.4e to permit mailers using the co-packaging option in M950 to place a portion of a "logical" 5-digit package on a merged 5-digit scheme or merged 5-digit pallet with carrier route mail; renumber current 1.4e and f as 1.4f and g, respectively; and change the references in renumbered 1.4f and g

from "1.4a through 1.4d" to "1.4a through 1.4e," as follows:]

e. For mailing jobs prepared using the co-packaging option in M950, if the total number of pieces prepared in a logical 5-digit package (containing automation rate and Presorted rate pieces) exceeds the 5% limit for a 5-digit ZIP Code in 1.4a, a mailer may, for each 5-digit ZIP Code, choose to place a portion of the pieces prepared in the logical 5-digit package on a merged 5-digit or 5-digit scheme pallet using one of the options below. Regardless of the option selected, a minimum of 6 pieces must be prepared in 5-digit package(s) placed on the merged pallet and a minimum of 6 remaining pieces prepared in 5-digit package(s) not placed on the merged pallet, with the total number of pieces not exceeding the 5% limit. The options are:

(1) Place either all automation rate pieces or all Presorted rate pieces for the 5-digit ZIP Code on the merged pallet.

(2) Place a portion of either the automation rate pieces or the Presorted rate pieces for the 5-digit ZIP Code on the merged pallet.

(3) Place either all the automation rate pieces plus a portion of the Presorted rate pieces or all the Presorted rate pieces plus a portion of the automation rate pieces for the 5-digit ZIP Code on the merged pallet.

\* \* \* \* \*

**2.0 STANDARD MAIL**

[Revise the first sentence in 2.1 to refer to the co-packaging option in M950, as follows:]

**2.1 Basic Standards**

5-digit packages from an automation rate mailing and 5-digit packages from a Presorted rate mailing, including automation rate and Presorted rate pieces co-packaged under M950, may be placed on the same pallet (a merged 5-digit or 5-digit scheme pallet) as carrier route rate packages from a carrier route rate mailing under the following conditions:

\* \* \* \* \*

[Revise the first sentence in 2.1d to refer to the co-packaging option in M950, as follows (the remainder of 2.1d is unchanged):]

d. Automation rate 5-digit packages and Presorted rate 5-digit packages, including automation and Presorted rate pieces co-packaged under M950, must be copalletized with carrier route packages only when the pieces in the 5-digit packages do not exceed the 5% limit in 2.3.\* \* \*

\* \* \* \* \*

[Revise the first sentence of 2.3, as follows:]

2.3-5% Threshold Standard

5-digit packages and carrier route packages may be placed on the same merged 5-digit pallet under 2.4 or on the same merged 5-digit or 5-digit scheme pallet under 2.5 if all of the following conditions are met:

\* \* \* \* \*

[Revise the first sentence in 2.3c as follows; then delete the last four sentences beginning at the word "Example" (the remainder of 2.3c is unchanged):]

c. Except when packages are prepared under the co-packaging option in M950, all mail in a logical 5-digit package must be able to be placed on the logical pallet using the 5% limit.\* \* \*

[Revise 2.3d by inserting the following clause at the beginning (the remainder of 2.3d is unchanged):]

d. Except for packages prepared under the co-packaging option in M950, \* \* \*

[Insert new 2.3e to permit mailers using the co-packaging option in M950 to place a portion of a logical 5-digit package on a merged 5-digit scheme or merged 5-digit pallet with carrier route mail, as follows:]

e. For mailing jobs prepared using the co-packaging option in M950, if the total number of pieces prepared in a logical 5-digit package (containing automation rate and Presorted rate pieces) exceeds the 5% limit for a 5-digit ZIP Code in 2.3a, a mailer may, for each 5-digit ZIP Code, choose to place a portion of the pieces prepared in the logical 5-digit package on a merged 5-digit or 5-digit scheme pallet using one of the options below. Regardless of the option selected, a minimum of 10 pieces must be prepared in 5-digit package(s) placed on the merged pallet and a minimum of 10 remaining pieces prepared in 5-digit package(s) not placed on the merged pallet, with the total number of pieces not exceeding the 5% limit. The options are:

- (1) Place either all automation rate pieces or all Presorted rate pieces for the 5-digit ZIP Code on the merged pallet.
(2) Place a portion of either the automation rate pieces or the Presorted rate pieces for the 5-digit ZIP Code on the merged pallet.
(3) Place either all the automation rate pieces plus a portion of the Presorted rate pieces or all the Presorted rate pieces plus a portion of the automation rate pieces for the 5-digit ZIP Code on the merged pallet.

\* \* \* \* \*

M940 Merged Palletization of Packages Using the City State Product and a 5% Threshold

[Revise the summary in M940 to refer to the co-packaging option in M950 and 3.3, as follows:]

Summary

M940 describes the eligibility and preparation requirements for copalletizing 5-digit automation rate packages; 5-digit Presorted rate packages, including automation rate and Presorted rate pieces co-packaged under M950; and carrier route packages of Periodicals nonletter-size mailings and Standard Mail flat-size mailings in merged 5-digit scheme and merged 5-digit pallets using both the City State Product and a 5% threshold, as applicable.

[Revise the title of 1.0, as follows:]

1.0 PERIODICALS

[Revise the first sentence of 1.1 to refer to the co-packaging option in M950, as follows:]

1.1 Basic Standards

5-digit packages from an automation rate mailing and 5-digit packages from a Presorted rate mailing, including automation rate and Presorted rate pieces co-packaged under M950, may be placed on the same pallet (a merged 5-digit or 5-digit scheme pallet) as carrier route packages from a carrier route rate mailing under the following conditions:

\* \* \* \* \*

[Revise the first sentence in 1.1e to refer to the co-packaging option in M950, as follows (the remainder of 1.1e is unchanged):]

e. Automation rate 5-digit packages and Presorted rate 5-digit packages, including automation rate and Presorted rate pieces co-packaged under M950, must be copalletized with carrier route packages on merged 5-digit and 5-digit scheme pallets as follows:

\* \* \* \* \*

1.3 Low-Volume Packages on Pallets

[Revise 1.3 to refer to the co-packaging option by adding "or M950" after the reference to M820 in the first sentence (the remainder of 1.3 is unchanged).]

\* \* \* \* \*

[Revise the first sentence of 1.4, as follows:]

1.4 5% Threshold Standard

5-digit packages and carrier route packages for 5-digit ZIP Codes with a "B" or "D" indicator in the City State Product, may be placed on the same merged 5-digit or 5-digit scheme pallet

under 1.5 if all of the following conditions are met:

\* \* \* \* \*

[Revise the first sentence of 1.4c, as follows: then delete the last four sentences beginning at the word "Example" (the remainder of 1.4c is unchanged):]

c. Except when packages are prepared under the co-packaging option in M950, all mail in a logical 5-digit package for a 5-digit ZIP Code with a "B" or "D" indicator must be able to be placed on the logical pallet under the 5% limit.\* \* \*

[Insert the following clause at the beginning of 1.4d (the remainder of 1.4d is unchanged):]

d. Except for packages prepared under the co-packaging option in M950, \* \* \*

[Insert new 1.4e to permit mailers using the co-packaging option in M950 to place a portion of a logical 5-digit package on a merged 5-digit scheme or merged 5-digit pallet with carrier route mail; renumber current 1.4e and f as 1.4f and g, respectively; and change the references in renumbered 1.4f and g from "1.4a through 1.4d" to "1.4a through 1.4e," as follows:]

e. For mailing jobs prepared using the co-packaging option in M950, if the total number of pieces prepared in a logical 5-digit package (containing automation rate and Presorted rate pieces) exceeds the 5% limit for a 5-digit ZIP Code in 1.4a, a mailer may, for each 5-digit ZIP Code, choose to place a portion of the pieces prepared in the logical 5-digit package on a merged 5-digit or 5-digit scheme pallet using one of the options below. Regardless of the option selected, a minimum of 6 pieces must be prepared in 5-digit package(s) placed on the merged pallet and a minimum of 6 remaining pieces prepared in 5-digit package(s) not placed on the merged pallet, with the total number of pieces not exceeding the 5% limit. The options are:

- (1) Place either all automation rate pieces or all Presorted rate pieces for the 5-digit ZIP Code on the merged pallet.
(2) Place a portion of either the automation rate pieces or the Presorted rate pieces for the 5-digit ZIP Code on the merged pallet.

(3) Place either all the automation rate pieces plus a portion of the Presorted rate mail or all the Presorted rate pieces plus a portion of the automation rate pieces for the 5-digit ZIP Code on the merged pallet.

\* \* \* \* \*

2.0 STANDARD MAIL

[Revise the first sentence in 2.1 to refer to the co-packaging option in M950, as follows:]

## 2.1 Basic Standards

5-digit packages from an automation rate mailing and 5-digit packages from a Presorted rate mailing, including automation and Presorted rate pieces co-packaged under M950, may be placed on the same pallet (a merged 5-digit or 5-digit scheme pallet) as carrier route packages from a carrier route rate mailing under the following conditions:

\* \* \* \* \*

[Revise the first sentence of 2.1e to refer to the co-packaging option in M950, as follows (the remainder of 2.1e is unchanged):]

e. Automation rate 5-digit packages and Presorted rate 5-digit packages, including automation rate and Presorted rate pieces co-packaged under M950, must be copalletized with carrier route packages on merged 5-digit scheme and merged 5-digit pallets as follows:

\* \* \* \* \*

[Revise the first sentence of 2.3, as follows:]

## 2.3 5% Threshold Standard

5-digit packages and carrier route packages for 5-digit ZIP Codes with a "B" or "D" indicator in the City State Product, may be placed on the same merged 5-digit pallet under 2.4 or on the same merged 5-digit or 5-digit scheme pallet under 2.5 if all of the following conditions are met:

\* \* \* \* \*

[Revise the first sentence of 2.3c, as follows (the remainder of 2.3c is unchanged):]

c. Except when packages are prepared under the co-packaging option in M950, all mail in a logical 5-digit package must be able to be placed on the logical pallet using the 5% limit.\* \* \*

[Insert the following clause at the beginning of 2.3d (the remainder of 2.3d is unchanged):]

d. Except for packages prepared under the co-packaging option in M950, \* \* \*

[Insert new 2.3e to permit mailers using the co-packaging option in M950 to place a portion of a logical 5-digit package on a merged 5-digit scheme or merged 5-digit pallet with carrier route mail, as follows:]

e. For mailing jobs prepared using the co-packaging option in M950, if the total number of pieces prepared in a logical 5-digit package (containing automation rate and Presorted rate pieces) exceeds the 5% limit for a 5-digit ZIP Code in 2.3a, a mailer may, for each 5-digit ZIP Code, choose to place a portion of the pieces prepared in the logical 5-digit package on a merged 5-digit or 5-digit scheme pallet using one of the options below. Regardless of the option selected, a minimum of 10 pieces must be

prepared in 5-digit package(s) placed on the merged pallet and a minimum of 10 remaining pieces prepared in 5-digit package(s) not placed on the merged pallet, with the total number of pieces not exceeding the 5% limit. The options are:

(1) Place either all automation rate pieces or all Presorted rate pieces for the 5-digit ZIP Code on the merged pallet.

(2) Place a portion of either the automation rate pieces or the Presorted rate pieces for the 5-digit ZIP Code on the merged pallet.

(3) Place either all the automation rate pieces plus a portion of the Presorted rate pieces or all the Presorted rate pieces plus a portion of the automation rate pieces for the 5-digit ZIP Code on the merged pallet.

\* \* \* \* \*

[Add new section M950 to provide requirements for co-packaging of automation rate and Presorted rate First-Class Mail, Periodicals, and Standard Mail, to read as follows:]

### *M950 Co-Packaging Automation Rate and Presorted Rate Pieces*

#### Summary

M950 describes the eligibility and preparation requirements for co-packaging flat-size automation rate and Presorted rate First-Class Mail, nonletter-size automation rate and Presorted rate Periodicals, and flat-size automation rate and Presorted rate Standard Mail.

## 1.0 FIRST-CLASS MAIL

### 1.1 Basic Standards

Effective March 31, 2002, mailers may choose to co-package (see M011) automation rate and Presorted rate pieces as an option to the basic packaging requirements in M910, subject to the following conditions:

a. The pieces in the automation rate mailing and the Presorted rate mailing must be part of the same mailing job and must be reported on the appropriate postage statement.

b. The pieces in the mailing job must be flat-size and meet any other size and mailpiece design requirements applicable to the rate category for which they are prepared.

c. The basic standards in M910 must be met.

d. A minimum of 500 automation rate pieces and 500 Presorted rate pieces are required. The total number of automation rate and Presorted rate pieces must be used to meet the minimum volume requirements for packages and containers to a presort destination.

e. Presorted rate pieces must contain a 5-digit barcode and be co-packaged with automation rate pieces for the same presort destination. If this optional preparation method is used, all automation rate and Presorted rate pieces in the same mailing job and reported on the same postage statement must be co-packaged.

f. Within a package, all pieces must meet the FSM 881 requirements or all pieces must meet the FSM 1000 requirements described in C820.

g. Mailers must sort automation rate pieces and Presorted rate pieces for each presort destination so that only one physical package for each logical presort destination (see M011) includes both automation rate pieces (containing a ZIP+4 or delivery point barcode) and Presorted rate pieces (containing a 5-digit barcode).

## 1.2 Package Preparation

Package size, preparation sequence, and labeling:

a. 5-digit: required (10-piece minimum, fewer not permitted); red Label D or optional endorsement line (OEL).

b. 3-digit: required (10-piece minimum, fewer not permitted); green Label 3 or OEL.

c. ADC: required (10-piece minimum, fewer not permitted); pink Label A or OEL.

d. Mixed ADC: required (no minimum); tan Label MXD or OEL.

## 2.0 PERIODICALS

### 2.1 Basic Standards

Effective March 31, 2002, mailers may choose to co-package (see M011) automation rate and Presorted rate pieces as an option to the basic packaging requirements in M210 and M820, subject to the following conditions:

a. The pieces in the automation rate mailing and the Presorted rate mailing must be part of the same mailing job and must be reported on the appropriate postage statement.

b. The pieces in the mailing job must be nonletter-size and meet any other size and mailpiece design requirements applicable to the rate category for which they are prepared.

c. Mailings prepared in sacks must meet the basic standards in M910 or M920.

d. Mailings prepared on pallets must meet the basic standards in M045, M920, M930, or M940.

e. The total number of automation rate and Presorted rate pieces must be used to meet the minimum volume requirements for packages and containers.



f. Presorted rate pieces must contain a 5-digit barcode and be co-packaged with automation rate pieces for the same presort destination. If this optional preparation method is used, all automation rate and Presorted rate pieces in the same mailing job and reported on the same postage statement must be co-packaged.

g. Within a package, all pieces must meet the FSM 881 requirements or all pieces must meet the FSM 1000 requirements described in C820.

h. Mailers must sort Presorted rate pieces and automation rate pieces for each presort destination so that only one physical package for each logical presort destination (see M011) includes both automation rate pieces (containing a ZIP+4 or delivery point barcode) and Presorted rate pieces (containing a 5-digit barcode).

## 2.2 Package Preparation

Package size, preparation sequence, and labeling:

a. Firm: optional (for Presorted rate pieces only under M210.1.4) (two-piece minimum); blue Label F or optional endorsement line (OEL).

b. 5-digit: required (six-piece minimum, fewer not permitted except under 2.3); red Label D or OEL.

c. 3-digit: required (six-piece minimum, fewer not permitted except under 2.3); green Label 3 or OEL.

d. ADC: required (six-piece minimum, fewer not permitted); pink Label A or OEL.

e. Mixed ADC: required (no minimum); tan Label MXD or OEL.

## 2.3 Low-Volume Packages in Sacks or on Pallets

Periodicals 5-digit and 3-digit packages prepared under 2.2, may contain fewer than six pieces when the publisher determines that such preparation improves service. These low-volume packages may be placed in merged 5-digit scheme, merged 5-digit, 5-digit, 3-digit, and SCF sacks or on merged 5-digit scheme, merged 5-digit, 5-digit, 3-digit, or SCF pallets. Presorted rate pieces in such low-volume packages must be claimed at the applicable basic Presorted rate. Automation rate pieces in such low-volume packages must be claimed at the applicable basic automation rate.

## 3.0 STANDARD MAIL

### 3.1 Basic Standards

Effective March 31, 2002, mailers may choose to co-package (see M011) automation rate and Presorted rate pieces as an option to the basic packaging requirements in M610 and

M820, subject to the following conditions:

a. The pieces in the automation rate mailing and the Presorted rate mailing must be part of the same mailing job and must be reported on the appropriate postage statement.

b. The pieces in the mailing job must be flat-size and meet any other size and mailpiece design requirements applicable to the rate category for which they are prepared.

c. Mailings prepared in sacks must meet the basic standards in M910 or M920.

d. Mailings prepared on pallets must meet the basic standards in M045, M920, M930, or M940.

e. A minimum of 200 pieces or 50 pounds of automation rate pieces are required; the Presorted rate mailing may meet the residual volume requirements in E620. The total number of automation rate and Presorted rate pieces must be used to meet the minimum volume requirements for packages and containers.

f. Presorted rate pieces must contain a 5-digit barcode and be co-packaged with automation rate pieces for the same presort destination. If this optional preparation method is used, all automation rate and Presorted rate pieces in the same mailing job and reported on the same postage statement must be co-packaged.

g. Within a package, all pieces must meet the FSM 881 requirements or all pieces must meet the FSM 1000 requirements described in C820.

h. Mailers must sort Presorted rate pieces and automation rate pieces for each presort destination so that only one physical package for each logical presort destination (see M011) includes both Presorted rate pieces (containing a 5-digit barcode) and automation rate pieces (containing a ZIP+4 or delivery point barcode).

## 3.2 Package Preparation

Package size, preparation sequence, and labeling:

a. 5-digit: required (10-piece minimum, fewer not permitted); red Label D or optional endorsement line (OEL)

b. 3-digit: required (10-piece minimum, fewer not permitted); green Label 3 or OEL.

c. ADC: required (10-piece minimum, fewer not permitted); pink Label A or OEL.

d. Mixed ADC: required (no minimum); tan Label MXD or OEL.

\* \* \* \* \*

An appropriate amendment to 39 CFR part 111 to reflect these changes will be published.

**Stanley F. Mires,**

*Chief Counsel, Legislative.*

[FR Doc. 01-29299 Filed 11-23-01; 8:45 am]

BILLING CODE 7710-12-P

## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 70

[DC-T5-2001-01a; FRL-7107-2]

### Clean Air Act Full Approval of Operating Permit Program; District of Columbia; Withdrawal of Direct Final Rule

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Withdrawal of direct final rule.

**SUMMARY:** Due to an adverse comment, EPA is withdrawing the direct final rule fully approving the operating permit program of the District of Columbia. In the direct final rule published on October 16, 2001 (66 FR 52538), EPA stated that if adverse comments were received by November 15, 2001, the rule would be withdrawn and not take effect. EPA subsequently received adverse comments. EPA will address the comments received in a subsequent final action based upon the proposed action also published on October 16, 2001 (66 FR 52561). EPA will not institute a second comment period on this action.

**EFFECTIVE DATE:** The direct final rule is withdrawn as of November 26, 2001.

**FOR FURTHER INFORMATION CONTACT:** Paresh R. Pandya, Permits and Technical Assessment Branch at (215) 814-2167 or by e-mail at [pandya.perry@epa.gov](mailto:pandya.perry@epa.gov).

### List of Subjects in 40 CFR Part 70

Environmental protection, Air pollution control, Intergovernmental relations, Operating permits, Reporting and recordkeeping requirements.

Dated: November 16, 2001.

**Donald S. Welsh,**

*Regional Administrator, Region III.*

Accordingly, the addition of 40 CFR part 70, Appendix A, "District of Columbia", paragraph (b) is withdrawn as of November 26, 2001.

[FR Doc. 01-29367 Filed 11-23-01; 8:45 am]

BILLING CODE 6560-50-P