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Part II

Postal Service

39 CFR Parts 121 and 122

Modern Service Standards for Market-Dominant Products; Proposed Rule

POSTAL SERVICE

39 CFR Parts 121 and 122

Modern Service Standards for Market-Dominant Products

AGENCY: Postal Service.

ACTION: Proposed rule.

SUMMARY: The Postal Service proposes modern service standards for its market-dominant products. Section 301 of the Postal Accountability and Enhancement Act (PAEA) (codified at 39 U.S.C. 3691) requires the Postal Service, in consultation with the Postal Regulatory Commission (PRC), to establish by regulation a set of modern service standards for market-dominant products, no later than December 20, 2007.

DATES: Comments must be received on or before November 16, 2007.

ADDRESSES: Mail written comments to Modern Service Standards for Market-Dominant Products Comments, Post Office Box 23280, Washington, DC 20026–3280. You may inspect and photocopy copies of all written comments between 9 a.m. and 4 p.m., Monday through Friday at the Postal Service headquarters library, 11th Floor North, 475 L'Enfant Plaza, SW., Washington, DC 20260–1540.

FOR FURTHER INFORMATION CONTACT: Wanda Ayala 202–268–5380.

SUPPLEMENTARY INFORMATION: After stating the requirements of the law, the remainder of this notice is divided into five sections. Section 1 recites the objectives that the Postal Service must satisfy and the factors that it must consider in establishing modern service standards, as mandated by the PAEA. The second section summarizes the customer outreach performed to ascertain customers' expectations regarding modern service standards, and describes the Postal Service's consultations with the PRC. The third section describes the Postal Service's proposed modern market-dominant mail product service standards. Section 4 describes how the proposed standards reflect consideration of the objectives and factors listed in the law. The final section gives notice of the specific service standard regulations the Postal Service is proposing to adopt and solicits public comment.

Requirements of the Postal Accountability and Enhancement Act

Section 301 of the Postal Accountability and Enhancement Act (codified at 39 U.S.C. 3691) requires the Postal Service, in consultation with the Postal Regulatory Commission, to establish a set of modern service standards for market-dominant products no later than December 20, 2007. Ordinarily, the Postal Service is required to request an advisory opinion from the Commission regarding proposed changes in service standards of at least a substantially nationwide nature under the terms of 39 U.S.C. 3661. However, section 3691(a) sets forth an alternative process for the required establishment of baseline modern service standards by December 20, 2007, stating that the Postal Service is to consult with the Commission.[1]

Section 3691(b)(1) directs the Postal Service to design modern service standards to achieve the following objectives:

(A) To enhance the value of postal services to both senders and recipients.

(B) To preserve regular and effective access to postal services in all communities, including those in rural areas or where Post Offices are not self-sustaining.

(C) To reasonably assure Postal Service customers delivery reliability, speed, and frequency consistent with reasonable rates and best business practices.

(D) To provide a system of objective external performance measurements for each market-dominant product as a basis for measurement of Postal Service performance. However, with the approval of the Commission, an internal measurement system may be implemented instead of an external measurement system.

See 120 Stat. 3218. Subsection 3691(c) directs the Postal Service to take the following factors into account in establishing these standards:

(1) The actual level of service that Postal Service customers receive under any service guidelines previously established by the Postal Service.

(2) The degree of customer satisfaction with Postal Service performance in the acceptance, processing, and delivery of mail.

(3) The needs of Postal Service customers, including those with physical impairments.

(4) Mail volume and revenues projected for future years.

(5) The projected growth in the number of addresses the Postal Service will be required to serve in future years.

(6) The current and projected cost of serving Postal Service customers.

(7) The effect of changes in technology, demographics, and population distribution on the efficient and reliable operation of the postal delivery system.

(8) The policies of [Title 39, United States Code, as amended by the PAEA] and such other factors as the Postal Service determines appropriate.

120 Stat. 3218–19.

Section 1: General Background Information on Service Standards

According to 39 U.S.C. 3621(a), as amended by the PAEA (120 Stat. 3200), the market-dominant products for which section 3691(a) requires the establishment of modern service standards in consultation with the Commission include the following domestic services: First-Class Mail® Letters and Sealed Parcels, First-Class Mail Cards, Periodicals, Standard Mail™, Single-Piece Parcel Post®, Media Mail, Bound Printed Matter, Library Mail, and Special Services.[2] Section 3621(a) also designates Single-Piece International Mail as a market-dominant product. The Postal Service proposes that outbound Single-Piece First-Class Mail International be included within the market dominant category.[3]

The Postal Service defines service standards as ''[a] stated goal for service achievement for each mail class.'' Publication 32, *Glossary of Postal Terms*, (May 1997, as updated with revisions through July 2007). This definition forms the basis for Postal Service statements and postal customers' expectations concerning the number of days that it should take for the Postal Service to deliver a mailpiece

[1] Section 3691(a) explicitly acknowledges that the Postal Service may, from time to time, by regulation revise the modern service standards for market-dominant products established though this consultative process. Therefore, the service standards that ultimately emerge at the conclusion of this notice-and-comment rulemaking should be regarded as establishing a baseline for any subsequent service changes. The Postal Service recognizes that any such subsequent proposals for service changes that are substantially nationwide in scope could be subject to the requirement that they be submitted to the Postal Regulatory Commission for review in the form of a request for an advisory opinion under the terms of 39 U.S.C. 3661.

[2] Single-Piece Parcel Post, Media Mail, Bound Printed Matter, and Library Mail are separate products under the terms of section 3621(a). The service standards for these products, historically, have been the same. For as long as that remains the case, and for purposes of this notice and the regulations proposed herein, these products are collectively referred to as Package Services Mail.

[3] Docket No. RM2007–1, United States Postal Service Submission of Initial Mail Classification Schedule in Response to Order No. 26, at 22 (September 24, 2007). The Postal Service also proposed that, for a variety of reasons, inbound International Mail should be treated on an exceptional basis and not ''classified'' within the Mail Classification Schedule. Docket No. RM2007–1, Initial Comments of the United States Postal Service in Response to Order No. 26, at 13–24 (September 24, 2007). Accordingly, the Postal Service is not proposing service standards for inbound International Mail.

from its point of entry in the mailstream to its destination.

The service standard for a mail product consists of two related elements: the day range and the business rules. The ''day range'' is the range of days within which all mail of a particular product type is expected to be delivered. For example, the current First-Class Mail service standard is often described as ranging ''from one to three days'' after acceptance. As implemented by the Postal Service, ''business rules'' determine the precise delivery day within the range that applies to a specific origin-destination pair within the postal mail processing network.

Presently, the domestic postal mail processing network includes all 50 states and the territories of Guam, Puerto Rico and the U.S. Virgin Islands. These states and territories are divided into service areas, and each service area is represented by a unique 3-digit ZIP Code® prefix. Currently, the postal network is divided into 915 originating 3-digit ZIP Code areas and 930 destinating 3-digit ZIP Code areas.[4]

As a consequence, there currently are a total of approximately 851,000 3-digit ZIP Code origin-destination pair combinations in the Postal Service network. The different business rules for each mail product determine which of these origin-destination pairs are overnight, 2-day, 3-day, etc., for each product. As a result, for example, a 3-digit ZIP Code origin-destination pair with a 3-day First-Class Mail service standard can have an 8-day delivery expectation for Standard Mail.[5]

For purposes of counting delivery days, the day of entry is ''day-zero,'' if the mailpiece is accepted by the Postal Service before the posted ''critical entry time'' (CET)[6] for that day. Assume, for example, that the application of the current First-Class Mail business rules results in a 2-day standard from a particular origin to a particular destination. Then, a piece of First-Class Mail deposited in a collection box before the last pickup time posted on the collection box at origin on a Monday is expected to be delivered at the destination the following Wednesday, provided that Wednesday is not a holiday.

Currently, the service standard business rules for each domestic mail product (First-Class Mail, Periodicals, Standard Mail, and Packages Services) vary on the basis of applicable statutory postal policies and such factors as:

- The distance from the center of the origin mail processing facility s service area, as measured in great circle miles.
- The relative degree of expedition or deferability intrinsic to the mail product in question.
- Whether the mail product is subject only to surface, or both surface and air transportation.
- The availability, speed, and relative reliability of available modes of transportation between specific nodes in the Postal Service network.
- Whether an objectively determined significant business relationship'' exists between a particular 3-digit ZIP Code origin-destination pair.

All mail designated by the same product name (e.g., First-Class Mail, Periodicals, Standard Mail, or Package Services) receives the same particular service standard day to a given 3-digit ZIP Code origin-destination pair, irrespective of mailpiece shape or level of mailer presortation. Thus, within Standard Mail, the senders of cards and parcels currently expect to receive the same level of service that is provided to Standard Mail flats entered at the same origin and delivered to the same destination.

Section 2: Customer Outreach and Consultations With the Postal Regulatory Commission

The law requires that the Postal Service take customer satisfaction, the needs of customers, and the actual level of service that customers receive into account in the establishment of modern service standards. The law also requires the Postal Service to develop service standards in consultation with the PRC.

Customer satisfaction, needs, and service have always been important to the Postal Service. Therefore, the Postal Service was able to use a combination of long-established methods, as well as efforts undertaken specifically because of the enactment of the PAEA, to reach out to customers. Methods included consultations with the Mailers' Technical Advisory Committee (MTAC), review of the Postal Service's Customer Satisfaction Measurement—Residential/Business surveys (CSM), and the administration of a separate consumer and small business survey. Postal Service representatives also met with and solicited comments from mailers at the National Postal Forum, from postal unions and management associations, and from attendees at the Postal Service/Postal Regulatory Commission Summit on Meeting Customer Needs in a Changing Regulatory Environment. Additionally, the Postal Service reviewed the comments received by the Commission at its three public hearings (Kansas City, Missouri; Los Angeles, California; and Wilmington, Delaware) and in PRC Docket PI2007–1, *Service Standards and Performance Measurement For Market-Dominant Products.*

The main themes that emerged from this outreach were that customers want standards that are reliable, consistent, realistic, and attainable, and that any proposed changes reflect sensitivity to the impact of increased postal costs on rates that they pay. The proposed service standards, described in Section 3, seek to meet these goals by aligning standards with today's operational and logistical realities, while continuing to differentiate among distinct products and minimize any adverse impact on postal costs.

Each of the outreach methods is explained in greater detail below.

1. *MTAC.* The Postmaster General's Mailers' Technical Advisory Committee (MTAC) is a venue for the Postal Service to share technical information with and to receive advice and recommendations from, mailers on matters concerning mail-related products and services. Membership in MTAC is comprised of mailer associations and other associations/organizations related to the mailing industry. The member associations/organizations reflect the mailing community in terms of classes and categories of mail used and include both large and small volume mailers and organizations with significant or unique mailing needs. MTAC has been in existence since 1965.

In early February 2007, a special MTAC workgroup was formed to concentrate specifically on service standards and the requirements of the PAEA. The main workgroup consisted of nearly 200 participants, including representatives from the Postal Service, mail users, mail service providers, and observers from the PRC and the General Accountability Office. This workgroup subdivided into four subgroups, which focused on First-Class Mail, Periodicals, Standard Mail, and Package Services, respectively.

[4] The 930 destinating service areas include the 3-digit ZIP Code prefixes assigned to domestic Army/Fleet Post Office (APO/FPO) gateway processing facilities through which mail originating from or destinating at United States overseas military installations enters and exits the Postal Service network.

[5] Each 3-digit ZIP Code service area is further divided into 5-digit ZIP Code areas that are served by particular Post Offices. Each 5-digit zone is further subdivided into sectors and segments that are represented by the 4-digit suffixes that are elements of the ZIP+4 Codes to which each of the over 145 million domestic delivery points served by the United States Postal Service postal network are assigned. Irrespective of the 5-digit or ZIP+4™ Codes assigned to particular addresses, service standards generally are established on the basis of 3-digit ZIP Code prefixes, and apply to post offices and addresses in a given 3-digit ZIP Code area.

[6] For a definition of Critical Entry Time, see Section 3.

2. *Customer Satisfaction Measurement (CSM)—Residential/Business.* For over a decade, the Postal Service has been conducting surveys to provide ongoing assessments of customer experiences with Postal Service products and services, to provide rating and diagnostic results for important customer issues, to identify opportunities for improvement, to promote positive change by linking management actions with customer satisfaction, and to provide operational and process-related information to the Postal Service. Residential measurement began in 1991, and business measurement was added in 1994. Surveys are redesigned every two or three years, with the survey and analysis conducted independently by The Gallup Organization and IBM Global Business Services, respectively.

For residential customers, the Postal Service surveys, on a continuous basis, randomly selected households across the United States. Customers have the option of completing the survey online or in hard copy. Currently, the Postal Service receives completed survey questionnaires from about 250,000 households per quarter. Responses provide direct feedback from customers on their experiences when they visit a post office, when they send and receive mail, and when they contact the Postal Service for information or to report a problem. When responding, customers are asked to reflect on the service they have received in the past 30 days. Specific to service standards and performance, residential customers rate the Postal Service on: time for local letters to be delivered, time for nonlocal letters to be delivered, overall Postal Service performance, and comparison to other delivery service companies.

For business customers, the Postal Service conducts two types of surveys. One survey is mailed on an ongoing basis to randomly selected medium- and small-size business customers who have the option of responding online or by mail. Approximately 100,000 survey responses are received quarterly from these customers. The Postal Service also surveys its larger business customers via telephone or through an online response option to assess satisfaction with Postal Service products and services. Like residential customers, business customers are asked about their experiences with sending and receiving mail, but questions are tailored by segment to address the way these customers typically interact with the Postal Service. With regard to service standards and performance, business customers are asked more specifically, by type of mail, about their ratings of service.

In addition to its ongoing CSM survey process, the Postal Service has periodically conducted one-time surveys to determine customer expectations of service. Such surveys have been conducted in 2001, 2006, and 2007. The 2007 survey asked residential customers, and small to medium-size business customers, for their opinions on overall Postal Service performance, and about their expectations regarding delivery (both in their local delivery area and outside their local delivery area) for First-Class Mail, Parcel Post, Periodicals (monthly and weekly magazines and national, out-of-town, and local newspapers delivered by mail), advertising mail and flyers, Library Rate Mail, Media Mail, and Bound Printed Matter. Survey responses were received from approximately 6500 residential and 2500 business customers who had recently responded to the Postal Services CSM survey, and then opted to participate in additional Postal Service research by providing an e-mail address.

3. *National Postal Forum Survey.* The National Postal Forum was held on March 25–28, 2007, in Washington, DC. The forum is an annual conference that serves as an educational venue, trade show, and networking event for mailing industry professionals. At this forum, the Postal Service distributed a survey to a group of attendees. The survey asked respondents how closely they pay attention to service standards when planning mailings and what they thought the Postal Service should consider when re-evaluating its service standards.

4. *Briefings to Labor Unions and Management Associations.* On July 17, 2007, representatives from the Postal Service held a briefing on service standards to which representatives from all of its labor unions and management associations were invited. Issues discussed included service standard elements of the Postal Accountability and Enhancement Act and the implications for the Postal Service; the current service standards and the rules to create them; revenue protection; and, how to approach modernization.

5. *PRC Docket No. PI2007–1.* On June 13, 2007, the PRC established Docket No. PI2007–1, to obtain a broad spectrum of public opinion on service standards and service performance measurement issues. The Postal Service reviewed the comments received in this docket as it developed the proposed modern service standards reflected in this notice.

6. *PRC Field Hearings.* On June 12, 2007, the Commission announced that it would hold three public hearings as part of its development of regulations for a modern postal ratemaking system. The Commission invited different segments of the mailing community to testify at three public hearings on their vision for a new ratemaking system and their views on delivery service standards. These hearings were held in Kansas City, Missouri (June 22, 2007); Los Angeles, California (June 28, 2007); and Wilmington, Delaware (July 9, 2007). The Postal Service reviewed the comments made on delivery service standards and took them into account in developing its proposed modern service standards.

7. *Postal Service/Postal Regulatory Commission Summit Meeting on Meeting Customer Needs in a Changing Regulatory Environment.* On March 13, 2007, the Postal Service and the Commission met with mailers and other stakeholders to discuss various aspects of the recently enacted PAEA. Approximately three hundred people attended the summit. The summit included panel discussions on customer needs related to market-dominant and competitive products and services the PRC–USPS-designed regulatory framework, and service standards and measurements.

Beginning in March 2007, the Postal Service initiated a series of regular informational briefings with the Postal Regulatory Commissioners and their technical staff to address service standard issues on an informal basis. Members of the Postal Service Executive Committee met with Commissioners and PRC staff monthly, beginning in May 2007, to discuss preliminary work performed by the Postal Service in developing modern service standards, measurement systems, methods for reporting data, and customer outreach. In September 2007, the Postal Service initiated formal consultations with the Commission for the purpose of developing modern service standard proposals for each market-dominant product. The consultations regarding service standards, which were concluded in October 2007, were very constructive. The Postal Service and the Commission found common ground on many issues and the Postal Service was able to incorporate valuable suggestions offered by the Commission. Equally productive meetings with the Commission regarding the development of external and/or internal service performance measurement systems under the terms of section 3691(b)(2) are ongoing.

Section 3: Proposed Modern Service Standards

The Postal Service began the development of service standards for market-dominant products by examining the existing standards applicable to the matrix of nearly 851,000 origin-destination 3-digit ZIP Code pairs in the Postal Service network for each mail product. For First-Class Mail, Periodicals, Standard Mail, Package Services, and Outbound Single-Piece First-Class Mail International, the delivery service day ranges were reviewed, along with the business rules that determine the precise number of delivery days for each 3-digit ZIP Code origin-destination pair.

As it reviewed the survey data and other information regarding customer preferences described above in Section 2, the Postal Service performed extensive computer modeling to determine how best to match its current mail processing and transportation network capabilities with customer expectations. An internal cross-functional team was organized to define and map standardized mail processing and transportation flows for all market-dominant mail products. The resulting flows were benchmarked against existing network capabilities by utilizing internal mail processing and transportation data systems to ensure accuracy. Computer programs were then written to calculate the resulting days-to-deliver for all of the approximately 851,000 3-digit ZIP Code origin-destination pairs, separately for each product: First-Class Mail, Periodicals, Standard Mail, and Package Services. Numerous iterations of the model were run to test different service standard day ranges and business rules, and the various alternative outputs were carefully analyzed. As refined potential outcomes were developed, they became the subject of consultations with the Commission.

The creation of new business rules was a key step in the modernization of service standards. Business rules define how the mail should move through the network and include precise facility-to-facility highway transportation distance measurements. For example, the business rules for surface products, such as Periodicals, Standard Mail, and Package Services, allow for shared product transportation, which will keep transportation costs down. Where appropriate, the business rules also recognize the deferability of Standard Mail. The proposed service standards maintain the policy of requiring the same service level for each mail class, irrespective of mailpiece shape. And, for the first time, the standards reflect consideration of the logistical challenges associated with providing service to, from, and within the states of Alaska and Hawaii, as well as the territories of Guam, Puerto Rico, and the United States Virgin Islands.

For special services products, each service was examined to determine which services logically could have standards. Then, standards for those services were proposed. As discussed further below, for certain special services, the establishment of a universal service standard would be unnecessary, redundant, or infeasible.

Subsection A, below, highlights some of the key features of the proposed modern service standards for market-dominant mail products. Subsection B describes the modern service standards proposed for domestic special services. In some instances, the business rules for the proposed modern service standards refer to certain postal terminology and types of postal mail processing facilities. For purposes of clarification, the following brief definitions and descriptions are provided:

An *Area Distribution Center* (ADC) is a mechanized or automated Postal Service mail processing facility that receives and distributes mail destined for specific 3-digit ZIP Codes within its service area under a managed mail program. The program identifies, on first handling, First-Class Mail that cannot make next-day delivery owing to destination distance and eliminates a secondary sorting for this mail, so that it can be airlifted to the destination plant for processing during non-rush hours the next day.

An *Automated Area Distribution Center* (AADC) is a Postal Service mail distribution center that uses multiline optical character readers, barcode sorters, and other equipment designed for processing automation-compatible mail.

A *Bulk Mail Center* (BMC) is a highly mechanized Postal Service mail processing plant that distributes Package Services mail in piece and bulk form, as well as Standard Mail parcels, and Standard Mail letters and flats in bulk form. An *Auxiliary Service Facility* (ASF) is a mechanized facility, usually part of a general mail facility, that has its own service area and serves as a satellite processing hub for a particular BMC.

A *Critical Entry Time* (CET) is the latest time a particular type of mail can be accepted by the Postal Service in order for it to undergo the processing and/or dispatch to downstream operations necessary for delivery within the service standard for that mail.

A *Destination Delivery Unit* (DDU) is the downstream Postal Service facility at which mail is dispatched to carriers for delivery on their routes or at which it is sorted to a Post Office box.

Destination entry refers to the qualified drop-shipment of bulk quantities of mail at a designated postal facility, either a Destination Bulk Mail Center (DBMC), Destination Area Distribution Center (DADC), Destination Sectional Center Facility (SCF), or Destination Delivery Unit (DDU).

An *International Service Center* (ISC) is a Postal Service mail processing facility that, among other things, distributes and dispatches outbound International Mail originating from designated 3-digit ZIP Code areas in the United States or its territories. A functionally equivalent *International Mail Processing Unit* (IMPU) may be established to serve a smaller range of origin 3-digit ZIP Code areas.

The *Periodicals Origin Split and First-Class Mail Mixed ADC/AADC DMM Label List (L201)* is a 3-digit origin sortation scheme utilized by Postal Service mail processing plants and referenced in the *Mailing Standards of the United States Postal Service,* Domestic Mail Manual. Periodicals mailers use the scheme to create ''origin'' mixed ADC bundles, sacks, and tubs of mail. Mixed ADC volume is separated into two groups. Pieces and bundles destinating within the 3-digit ZIP Code ranges (surface destinations for First-Class Mail) listed in L201 for the origin mail processing plant serving the customer's mailing location are presorted separately, and can then be combined and processed with First-Class Mail at the origin plant. This allows economies of scale to be realized in mail processing, thereby both maintaining and increasing Postal Service network efficiency.

A *Sectional Center Facility* (SCF) is a Postal Service facility that serves as the processing and distribution center/facility (P&DC/F) for Post Offices in a designated geographic area, as defined by the first three digits of the ZIP Codes of those offices. Some SCFs serve multiple 3-digit ZIP Code areas. *SCF turnaround mail* has its originating and destinating processing occur at the same Sectional Center Facility

A. Service Standards for First-Class Mail, Periodicals, Standard Mail, Package Services, and Single-Piece First-Class Mail International

Current mail product service standards were originally designed to reflect a general end-to-end mailflow through the Postal Service network. However, the proliferation of

destination entry rate discounts in Standard Mail, Periodicals, and Package Services has provided incentives for significant mailer presortation and containerized entry deeper into the network. Today, approximately 75 percent of all Standard Mail and 70 percent of all Periodicals Mail enters the Postal Service network as destination entry mail, bypassing significant portions of the postal processing and transportation network. Over time, the network has adjusted to accommodate the many methods of mailer worksharing and the varying degrees of destination entry. Both the Postal Service and Postal Service customers realize that modern service standards need to reflect destination entry, as well as end-to-end mail flows.

To develop modern service standards, the Postal Service began by examining data generated by the External First-Class (EXFC) measurement system for single-piece First-Class Mail, by the International Mail Measurement System for outbound Single-Piece First-Class Mail International, and by its Product Tracking System for Single-Piece Parcel Post, Media Mail, Bound Printed Matter, and Library Mail. In the absence of systems for the measurement of commercial First-Class Mail, Periodicals, and Standard Mail service performance, the Postal Service examined internal diagnostic data, as well as similar data provided by specific mailers in relation to delivery performance they have experienced. Such data are useful as potential indicators of service performance and in evaluating Postal Service network capability. In addition, the Postal Service designed an internal test which covered over 300,000 random pieces of live First-Class Mail, Periodicals, and Standard Mail, with different preparation levels, to track how mail flows through its network, and to help identify potential operational and logistical barriers to the provision of reliable and consistent service.

Service standards and the underlying business rules are now being adjusted to give appropriate consideration to contemporary mail processing network capabilities and mail entry practices. Business rules for the end-to-end product flow have been developed to accurately depict the need to consolidate and share both processing and transportation resources in order to keep the Postal Service network efficient and cost effective. For mail products with destination entry rate discounts, the Postal Service is proposing a new destination entry service standard dimension to its current origin-destination 3-digit ZIP Code matrices. Destination entry service standards have been integrated with end-to-end service standards. This results in more realistic and accurate delivery expectations for all categories of mailers.

For mail that both originates and destinates within the contiguous 48 states, no changes are proposed in the 1- to 3-day service standard range for First-Class Mail or the 3- to 10-day range for Standard Mail. The outer limit of the Periodicals service standard range has been expanded by 2 days, from 7 to 9 days. This expansion more realistically reflects network capabilities, allows for efficient and economical transportation routing, and will provide customers with more reliable and consistent service. The outer limit of the service standard day range for Package Services is narrowed by 1 day, from 9 to 8 days, for the same reasons. These day ranges are summarized in the table below.

	PROPOSED
Mail Class	**End-to-End Flow Range (days)***
First-Class Mail	1 - 3
Periodicals	1 - 9
Standard Mail	3 - 10
Package Services	2 - 8

*The table above reflects service standard day ranges for the 48 contiguous states. See the table below for the proposed end-to-end service standard day ranges for the states of Alaska and Hawaii, and the territories of Guam, Puerto Rico, and the U.S. Virgin Islands.

Mail Class	PROPOSED								
	End-to-End Flow								
	Intrastate/Territory			To/From 48 Contiguous States			To/From states of Alaska and Hawaii, and the territories of Guam, Puerto Rico, and the U.S. Virgin Islands		
	Alaska	Hawaii & Guam	Puerto Rico & USVI	Alaska	Hawaii	Puerto Rico & USVI	Alaska	Hawaii	Puerto Rico & USVI
First-Class Mail	1 - 3	1 - 3	1 - 2	3 - 4	3 - 5	3 - 4	4 - 5	4 - 5	4 - 5
Periodicals	1 - 4	1 - 4	1 - 2	10 - 16	11 - 17	9 - 14	18 - 21	18 - 23	18 - 23
Standard Mail	3 - 5	3 - 5	3 - 4	11 - 17	12 - 18	10 - 15	19 - 21	19 - 24	19 - 24
Package Services	2 -4	2 - 4	2 - 3	8 - 14	10 - 16	7 - 13	17 - 19	17 - 22	17 - 22

The service standards for mail to and from addresses in the states of Alaska and Hawaii and the territories of Guam, Puerto Rico, and the U.S. Virgin Islands have been designed using the same mail processing concepts. However, transporting mail to and from (and sometimes within) these locations presents significant challenges, many of which the Postal Service cannot control. For mail products that rely exclusively on interstate or interterritorial surface transportation, for example, the proposed service standard day ranges reflect transportation availability and the number of days that it is expected for a ship to travel from port to port between origin and destination. The extended day ranges reflect the limited availability of economical surface transportation options and the logistical challenges present.

The modern service standard day ranges for mail to and/or from these states and territories is depicted above. The lower end of the day range illustrates the service expectation for local mail, while the higher end of the day range represents the expectation for mail traveling between the most extreme origin-destination pairs, for example: between Alaska and the U.S. Virgin Islands (USVI), between Puerto Rico and Hawaii, or between Guam and all points other than Hawaii. Additional transportation time is allotted on a case-by-case basis to reflect the logistics required to serve these areas.

In addition to the end-to-end service standards, a separate matrix has been developed to depict the service standards for those market-dominant mail products that include destination entry mail: Periodicals, Standard Mail, and Package Services. For the contiguous 48 states, these destination entry standards are summarized in the table below.

	PROPOSED			
	Destination Entry			
Mail Class	DDU (Days)	SCF (Days)	ADC (Days)	BMC (Days)
Periodicals	1	1	1 - 2	
Standard Mail	2	3		5
Package Services	1	2		3

The destination entry standards are summarized in the table below for the states of Alaska and Hawaii and the territories of Guam, Puerto Rico, and the U.S. Virgin Islands.

	PROPOSED							
	Destination Entry							
Mail Class	DDU (Days)	SCF (Days)	ADC (Days)			BMC (Days)		
			Alaska	Hawaii & Guam	Puerto Rico & USVI	Alaska	Hawaii & Guam	Puerto Rico & USVI
Periodicals	1	1	2 (AK) 6 (JNU) 6 (KTN)	2 (HI) 7 (GU)	2			
Standard Mail	2	3				9	10	8
Package Services	1	2				7	8	6

AK = Alaska ZIP Codes 995, 996 and 997; JNU = Alaska ZIP Code 998; KTN = Alaska ZIP Code 999; HI = Hawaii ZIP Codes 967 and 968; GU = Guam ZIP Code 969.

The service standard origin or destination for mail to or from the states of Alaska and Hawaii and Guam, Puerto Rico, and the U.S. Virgin Islands, is defined to/from the 3-digit ZIP Code area in which the interstate/interterritorial gateway mail processing facility is located: Anchorage SCF (Alaska); San Juan SCF (Puerto Rico and USVI); and Honolulu SCF (Hawaii and Guam). This is necessary because transportation beyond these entry/exit points becomes increasingly challenging, increasing the variability in service performance achieved. For example, in the state of Alaska, transportation of First-Class Mail letters on a particular flight to a remote area may be deferred in favor of Package Services Mail containing groceries or medicine, where transportation space is insufficient to carry both products.

The proposed service standards for these states and territories also reflect local operating plans developed in

response to different logistical challenges that affect each state or territory. For instance, factors in the state of Alaska that contribute to the need for longer, more realistic, service standard day ranges include: the reliance on infrequently scheduled cargo ships to and from ports in the contiguous 48 states, the absence of intrastate roads to many remote locations, the infrequency of available surface transportation, the extraordinary geographical reach of the 3-digit ZIP Code service areas in the state, and the necessary reliance on irregular air and hovercraft transportation in lieu of standard commercial trucking and air service between many locations. Extraterritorial mail for Guam is routed through Hawaii; extraterritorial mail for the U.S. Virgin Islands is routed through Puerto Rico. The time-in-transit and the limited availability of cargo ship capacity between the contiguous 48 states and Hawaii and Puerto Rico significantly affect end-to-end transit times for mail dependent on surface transportation, as does the availability of interisland shipping within Hawaii.

The service standard day ranges depicted in the tables above must be viewed in the context of the estimated impact. Based on FY 2006 domestic volumes, an estimated 89.7 percent of total market-dominant mail volume will have a service standard in the 1- to 5-day range, 10.1 percent will have a service standard in the 6- to 10-day range, and 0.1 percent will have a service standard greater than 10 days.

Postal Service customers interested in determining what the service standard would be for a mail product from any particular 3-digit ZIP Code origin to any 3-digit ZIP Code destination, assuming the adoption of the service standard day ranges and business rules proposed herein, may examine a file which can be accessed at the following Internet link: *http://ribbs.usps.gov/svcstandardsprop*. By product (First-Class Mail, Periodicals, Standard Mail, and Package Services) and by origin 3-digit ZIP Code service area, the file provides a list of all destination 3-digit ZIP Code service areas for which the service standard would, for example, be 1, 2, 3, or 4, etc., days. In addition, the file contains the applicable service for each destination entry product from point of entry to destination 3-digit ZIP Code.

Whether mail originates or destinates on one of the islands of Hawaii or on Long Island in New York, modern service standards should reflect rational operating plans in light of available, reasonably economical, and efficient logistical options. In that way, customers can have more realistic expectations and more consistent and reliable service.

The following is a summary of the proposed modern service standard day ranges and underlying business rules for market-dominant mail. It bears repeating that, where the application of a particular business rule for a particular mail product indicates a range of possible delivery days, only a single day within that range applies to a particular 3-digit ZIP Code origin-destination pair.

1. First-Class Mail

Domestic First-Class Mail is sealed against inspection and typically consists of such matter as bills, statements of account, solicitations, personal correspondence and greetings, or other personal information that is wholly or partially handwritten or typewritten. The proposed modern First-Class Mail service standard day range appears below. First-Class Mail utilizes both air and surface transportation. The expected delivery day after the Critical Entry Time for any origin-destination 3-digit ZIP Code pair depends on mail processing operating plans, the distance between origin and destination, and transportation times between processing plants.

First-Class Mail	
End to End	
Standard (days)	Business Rule
1	Overnight delivery is provided to the entire intra-Sectional Center Facility (SCF) area for mail entered prior to the established and published Critical Entry Time (CET), except for mail between Puerto Rico and the U.S. Virgin Islands and intra-SCF mail originating and destinating in the following 3-digit ZIP Codes areas in Alaska: 996, 997, 998, and 999. Other 3-digit ZIP Code areas may be considered for overnight delivery from an origin Processing & Distribution

	Center/Facility (OP&DC/F) if sufficient customer need exists (destination receives at least 1.5% of the total annual First-Class Mail volume originating from the OPDC/F) and operational and transportation feasibility permit.
2	All remaining origin-destination 3-digit ZIP Code pairs that are not overnight and for which the OPDC/F to Area Distribution Center (ADC) surface transportation drive time is within 12 hours, unless the origin and destination are in Alaska, and the mail is entered prior to the established and published CET. All mail between Puerto Rico and the U.S. Virgin Islands that is entered prior to the established and published CET. All Alaska intra-SCF mail that is not overnight and that is entered prior to the established and published CET.
3	Mail between all remaining origin-destination 3-digit ZIP Code pairs located wholly within the 48 contiguous states that is entered prior to the established and published CET. All mail originating within the 48 contiguous states and destinating in the following 3-digit ZIP Code areas: 995 (including Anchorage AK); 968 (including Honolulu HI); or 006, 007, or 009 (Puerto Rico) that is entered prior to the established and published CET. All mail originating in 3-digit ZIP Code areas 006, 007, or 009 (Puerto Rico) and destinating within the 48 contiguous states that is entered prior to the established and published CET. All mail between Hawaii and Guam that is entered prior to the established and published CET. All remaining intra-Alaska mail that is entered prior to the established and published CET.
4	All mail originating within the 48 contiguous states, entered prior to the established and published CET, and destinating in (a) that portion of the state of Alaska not in the 995 3-digit ZIP Code area; or (b) that portion of the state of Hawaii not in the 968 3-digit ZIP Code area; or

	(c) the U.S. Virgin Islands. All mail originating in the states of Alaska or Hawaii, or in the territory of the U.S. Virgin Islands, entered prior to the established and published CET and destinating within the 48 contiguous states. All mail, entered prior to the established and published CET, that both originates and destinates outside of the 48 contiguous states, where the origin and destination are in different states or territories, excluding mail to or from Guam, or between Puerto Rico and the U.S. Virgin Islands.
5	All mail entered prior to the established and published CET that originates in Guam and destinates outside of Guam, other than in the state of Hawaii; or that destinates in Guam and originates outside of Guam, other than in the state of Hawaii.

An estimated 99.7 percent of First-Class Mail will have a service standard in the 1- to 3-day range, and 0.3 percent will have a 4- to 5-day service standard.

2. Periodicals

This domestic mail typically consists of qualified newspapers, magazines, and other similar publications. The proposed modern Periodicals service standard day range appears below. Periodicals Mail utilizes surface transportation. The expected delivery day after the Critical Entry Time for any origin-destination 3-digit ZIP Code pair depends on the level of destination entry, mail processing operating plans, distance between origin and destination, and transportation times between processing plants.

Periodicals	
End to End	
Standard (days)	**Business Rule**
1	SCF turnaround mail only where the origin PDC/F and SCF are the same building and the mail is entered prior to the established and published Critical Entry Time (CET), except for mail between Puerto Rico and the U.S. Virgin Islands, and mail originating or destinating in the Alaska 3-digit ZIP Code areas of 996, 997, 998, and 999.
2 - 4	All 3-digit ZIP Code origin-destination pairs where Periodicals are entered prior to the established and published CET and merged with First-Class Mail for surface transportation (as defined by the Periodicals Origin Split and First-Class Mail mixed ADC/Automated Area Distribution Center (AADC) DMM label list (L201)) will take on the First-Class Mail service standard plus one day. All mail between Puerto Rico and the U.S. Virgin Islands that is entered prior to the established and published CET. All mail between Hawaii and Guam that is entered prior to the established and published CET. All remaining intra-Alaska mail that is entered prior to the established and published CET.
5 - 9	All remaining 3-digit ZIP Code origin-destination pairs within the 48 contiguous states where Periodicals are entered prior to the established and published CET will require 4 - 5 days, plus the number of days required for surface transportation (1 to 4 days).
9 - 23	All remaining 3-digit ZIP Code origin-destination pairs outside the 48 contiguous states where Periodicals are is entered prior to the established and published CET will require 4 - 5 days, plus the number of days required for intermodal (surface, boat, air-taxi) transportation.

Destination Entry	
Standard (days)	**Business Rule**
1	All mail that receives a destination entry discount and is dropped at a Destination Delivery Unit (DDU). All mail that receives a destination entry discount and is dropped at a Destination Sectional Center Facility (DSCF) prior to the established and published CET, except for mail dropped at the San Juan SCF and destined for the U.S. Virgin Islands, and intra-SCF mail in the following 3-digit ZIP Codes areas in Alaska: 996, 997, 998 and 999.
2	All mail that receives a destination entry discount and is dropped at the Destination Area Distribution Center (DADC), where the DADC and the DSCF are not in the same building prior to the established and published CET, unless the ADC is located with the 48 contiguous states and the destination is not. All mail that receives a destination entry discount and is dropped at the San Juan SCF and destined for the U.S. Virgin Islands. All Alaska intra-SCF mail in the following 3-digit ZIP Codes areas in Alaska: 996, 997, 998 and 999.
6 - 7	All mail that receives a destination entry discount and is dropped at a destination ADC located within the 48 contiguous states prior to the established and published CET, but destinates in the states of Alaska and Hawaii and Guam, Puerto Rico, or the U.S. Virgin Islands.

An estimated 92.4 percent of Periodicals will have a service standard in the 1- to 4-day range; 7.2 percent will have a service standard in the 5- to 9-day range; and 0.4 percent will have a service standard greater than 9 days.

3. Standard Mail

Any mailable matter weighing less than 16 ounces may be mailed domestically as Standard Mail (except matter that is required to be mailed as First-Class Mail or copies of a publication that is required to be entered as Periodicals Mail). The proposed modern Standard Mail service standard day range appears below. Standard Mail utilizes surface transportation. The expected delivery day after the Critical Entry Time for any origin-destination 3-digit ZIP Code pair depends on the level of destination entry, mail processing operating plans, distance between origin and destination, transportation times between processing plants, and consideration of the deferrable nature of the product. The proposed business rules incorporate determinations defining specifically where in the mail flow for Standard Mail the product may be deferred for up to one day. For origin-entry mail, this occurs at the Postal Service mail processing facility designated as the origin consolidation site; for destination-entry mail, this occurs at the destination delivery unit.

Standard Mail	
End to End	
Standard (days)	**Business Rule**
3	All SCF turnaround mail where the OPDC/F and SCF are the same building, and the mail is entered prior to the established and published Critical Entry Time (CET), except for mail between Puerto Rico and the U.S. Virgin Islands.
4	All remaining 3-digit ZIP Code origin-destination pairs that are ADC-turnaround, where the OPDC/F and the ADC are the same building, and the in the 48 contiguous states and the destination is not. All mail between Puerto Rico and the U.S. Virgin Islands that is entered prior to the established and published CET.
5	All remaining 3-digit ZIP Code origin-destination pairs that are part of the intra-Bulk Mail Center (BMC) area, and the mail is entered prior to the established and published CET, and the mail originates and destinates within the 48 contiguous states. All mail between Guam and Hawaii that is entered prior to the established and published CET. All remaining intra-Alaska mail that is entered prior to the established and published CET.
6 - 10	All mail entered prior to the established and published CET for remaining 3-digit ZIP Code origin-destination pairs will require 6 days plus the number of days required for surface transportation (up to 4 days) within the 48 contiguous states.
10 - 24	All remaining mail entered prior to the established and published CET will require 6 days, plus the number of days required for intermodal (surface, boat, air-taxi) transportation outside the 48 contiguous states.
Destination Entry	
Standard (days)	**Business Rule**
2	All mail that receives a destination entry discount and is dropped at the destination delivery unit (DDU) prior to the established and published Critical Entry Time (CET).
3	All mail that receives a destination entry discount and is dropped at the destination SCF prior to the established and published CET, except for mail dropped at the San Juan SCF and destined for the U.S. Virgin Islands.
4	All mail that receives a destination entry discount and is dropped at the destination ADC prior to the established and published CET, unless the ADC

	is in the 48 contiguous states and the destination is not. All mail that receives a destination entry discount and is dropped at the San Juan SCF and destined for the U.S. Virgin Islands.
5	All mail that receives a destination entry discount and is dropped at the destination BMC prior to the established and published CET, and originates and destinates within the 48 contiguous states.
8 - 10	All mail that receives a destination entry discount and is dropped at a destination ADC or BMC located within the 48 contiguous states prior to the established and published CET, but destinates in the states of Alaska and Hawaii, and Guam, Puerto Rico or the U.S. Virgin Islands.

An estimated 79.6 percent of Standard Mail will have a service standard in the 2- to 5-day range, 20.2 percent will have a service standard in the 6- to 10-day range, and 0.2 percent will have a service standard greater than 10 days.

4. Package Services

Any domestic mailable matter may be entered as Package Services mail, except for matter required to be entered as First-Class Mail, Periodicals, or Standard Mail, as specified by the Postal Service). The proposed modern Package Services (Single-Piece Parcel Post, Media Mail, Bound Printed Matter and Library Mail) service standard day range appears below. Package Services Mail utilizes surface transportation. The expected delivery day after the Critical Entry Time for any origin-destination 3-digit ZIP Code pair depends on the level of destination entry, mail processing operating plans, Bulk Mail Center/Auxiliary Service Facility (BMC/ASF) processing relationships, distance between origin and destination, and inter-BMC/ASF transportation times.

Package Services	
End to End	
Standard (days)	**Business Rule**
2	All SCF turnaround mail where the OPDC/F and SCF are the same building, and the mail is entered prior to the established and published Critical Entry Time (CET), except for mail between Puerto Rico and the U.S. Virgin Islands.
3	All remaining 3-digit origin-destination ZIP Code pairs that are part of the intra-BMC area and the destination is not serviced by an ASF, and the mail is entered prior to the established and published CET, and originates and destinates within the 48 contiguous states. All mail between Puerto Rico and the U.S. Virgin Islands that is entered prior to the established and published CET.
4	All remaining 3-digit origin-destination ZIP Code pairs that are part of the intra-BMC area and the destination is serviced by an ASF, and the mail is entered prior to the established and published CET and originates and destinates within the 48 contiguous states. All remaining intra-Alaska mail that is entered prior to the established and published CET. All mail between Hawaii and Guam that is entered prior to the established and published CET.
5 - 8	All remaining 3-digit origin-destination ZIP Code pairs where the mail is entered prior to the established and published CET will require 4 days plus the number of days required for surface transportation (up to 4 days) within the 48 contiguous states. An additional day is required if the destination is serviced by an ASF.
7 - 22	All remaining 3-digit origin-destination ZIP Code pairs and the mail is entered prior to the established and published CET will require 4 days plus the

	number of days required for inter-modal (surface, boat, air-taxi) transportation outside the 48 contiguous states.
	Destination Entry
Standard (days)	**Business Rule**
1	All mail that receives a destination entry discount and is dropped at the destination DDU prior to the established and published CET.
2	All mail that receives a destination entry discount and is dropped at the destination SCF prior to the established and published CET, except for mail dropped at the San Juan SCF and destined for the U.S. Virgin Islands.
3	All mail that receives a destination entry discount and is dropped at the destination BMC prior to the established and published CET, and that originates and destinates in the contiguous 48 states. All mail that receives a destination entry discount and is dropped at the San Juan SCF and destined for the U.S. Virgin Islands.
6 - 8	All mail that receives a destination entry discount and is dropped at a destination BMC located within the 48 contiguous states prior to the established and published CET, but destinates in the states of Alaska and Hawaii, and Guam, Puerto Rico, or the U.S. Virgin Islands.

An estimated 70.6 percent of Package Services mail will have a service standard in the 1- to 4-day range, 29.1 percent will have a service standard in the 5- to 8-day range, and 0.3 percent will have a service standard greater than 8 days.

5. Outbound Single-Piece First-Class Mail International Letters and Flats

Outbound Single-Piece First-Class Mail International has been defined as a separate product by the Postal Service in its proposed Mail Classification Schedule.[7] The proposed service standard day range for outbound Single-Piece First-Class Mail International letters and flats is equivalent to the service standard for domestic First-Class Mail from the same origin 3-digit ZIP Code to the 3-digit ZIP Code area in which that origin's designated International Service Center or International Mail Processing Unit is located.

B. Domestic Special Services

1. Summary of Services

There are two categories of domestic special services: ancillary, and stand-alone.

Ancillary special services are purchased for a fee in addition to the postage applicable to First-Class Mail, Periodicals, Standard Mail, Single-Piece Parcel Post, Bound Printed Matter, Library Mail, or Media Mail. These optional, ancillary special services are varied in nature. Some may be purchased only for specific mail products or mailpiece shapes. The following is a summary of the ancillary services:

- Address Correction Service involves the transmission of corrected address information to senders, when recipients to whom they have sent a specific mailpiece provide a forwarding address to the Postal Service. Information is provided either through automated or hardcopy notification, depending on the type of service requested.
- Business Reply Mail®, Merchandise Return, and Bulk Parcel Return are alternate postage payment methods established for bulk mail recipients. Postage is paid through a postal account funded by the recipient for pieces that are mailed without postage fixed. Return pieces may be First-Class Mail or Package Services, as allowed for those services. Shipper Paid Forwarding is an alternate postage payment method for bulk mailers who establish accounts to cover postage, when parcels directed to addressees specified by the shipper

[7] PRC Docket No. RM2007–1, United States Postal Service Submission of Initial Mail Classification Schedule in Response to Order No. 26, at 22 (September 24, 2007).

need to be forwarded to different addresses designated by the recipients. Fees in addition to postage are paid for these various accounting related services.

• Certified Mail service™ provides the sender a mailing receipt and access to electronic information regarding the delivery status of a mailpiece.

• A Certificate of Mailing provides a receipt to the sender as evidence that a mailpiece was accepted by the Postal Service.

• Collect on Delivery involves postal collection of payment for merchandise ordered by the recipient, and transmission of the recipient s payment to the sender.

• Delivery Confirmation™ service provides the sender access to electronic information regarding the delivery status of a mailpiece.

• Insurance services provide senders indemnity in the event of loss or damage to the contents of mailpieces.

• Parcel Airlift Service provides for air transportation of Standard Mail parcels on a space available basis to or from U.S. military Post Offices outside the contiguous 48 states.

• Registered Mail service provides added security for a mailpiece from acceptance to delivery, and indemnity in case of loss or damage in transit.

• Return Receipt service provides the sender with evidence that a mailpiece has been received at the delivery address, including the original or copy of the recipient s signature. The receipt is either in the form of a First-Class Mail card returned to the sender or electronically transmitted information.

• Restricted Delivery service permits the sender to direct that a mailpiece be delivered to a particular person at the delivery address (or that person's designated agent for the receipt of mail).

• Signature Confirmation™ service provides delivery status information, plus the name and signature of the recipient who signed for the piece upon delivery.

• Special Handling provides preferential handling to the extent practicable in dispatch and transportation of First-Class Mail and Package Services.

• Stamped Envelopes, Stationery and Cards are articles that can serve as philatelic items or be used as postage-paid mailpieces.

A principal feature of a number of ancillary special services is the electronic provision of information by the Postal Service to the sender regarding the status of a particular mailpiece. That information may consist of confirmation that delivery was either attempted or completed, a copy of the recipient's signature, or information on address corrections of applicable mailpieces.

For a number of these ancillary services, delivery-related information is generated by Postal Service scanning of mailpieces at delivery units or during carrier delivery. Before the completion of daily work shifts, Postal Service delivery personnel dock their portable hand-held scanners, so that delivery information pertinent to each scanned mailpiece can be uploaded and transmitted to appropriate Postal Service data systems. New scanners currently being deployed allow for signatures to be scanned at the time of delivery and transmitted with the delivery information. Automated address correction of applicable mailpieces is performed passively by certain automated Postal Service mail sortation equipment that then transmits information to Postal Service systems. Information from these various Postal Service data systems is then made available to the purchaser of the special service.

In contrast to these ancillary services, stand-alone special services are not contingent upon the sending or receipt of a particular mailpiece:

• Address List Services are available to mailers seeking correction of the addresses or ZIP Codes on their mailing lists, or the sequencing of their addresses. The corrected addresses are then used by mailers to create and send mail.

• Caller Service provides an alternative means of receiving properly addressed mail at a postal facility call window or loading dock, at times arranged between the recipient and the postal facility.

• Change of Address Credit Card Authentication is a service through which a Change of Address notice submitted via the Internet or by telephone is authenticated by reference to the credit card number provided by the requester.

• Confirm is a subscription service that enables customers who apply the appropriate barcode to their mail to receive information concerning passive scans of that mail captured by automated postal mail sortation equipment while the mail is in transit between acceptance and delivery.

• Money Orders are financial instruments that can be used, independently of whether they are mailed, to transfer monetary funds between parties.

• Post Office Box service provides a customer with a locked postal receptacle for the receipt of mail as an alternative to delivery at the recipient s street address.

Many mail products, as well as ancillary and stand-alone special services, are purchased at Post Office retail windows. As described above, some special services are completed during the course of the window transaction. However, retail window transactions do not constitute market-dominant special services within the meaning of subsection 3621(a)(9) for which service standards must be established under section 3691. Accordingly, the Postal Service proposes no service standards in relation to window service transactions during which mail products or special services can be purchased.

2. Proposed Service Standards for Domestic Special Services

The table below, which summarizes the modern service standards proposed for various special services, is followed by a discussion of each.

SERVICES	SERVICE STANDARD
Delivery Confirmation	Availability of delivery information within 24 hours of scan
Signature Confirmation	Availability of delivery information within 24 hours of scan
Certified Mail	Availability of delivery information within 24 hours of scan
Electronic Return Receipt	Availability of delivery information within 24 hours of scan
Registered Mail	Availability of delivery information within 24 hours of scan
Collect on Delivery	Availability of delivery information within 24 hours of scan
Confirm	Availability of en-route information within 24 hours of scan
Address Correction (electronic)	Availability of address data within 24 hours of en-route correction
Insurance	Resolution within 30 days of submission of completed claim
Post Office Boxes	Mail available at locally posted "uptime"
Address List Services	Availability of information within 15 business days of request (except between November 16 and January 1)

a. Address List Services

The Postal Service currently has a standard operating procedure for completing customer requests for Election Board Address Changes, Corrections and ZIP Coding of Lists, and Sequencing of Address Cards. The Postal Service proposes making this standard operating procedure the modern service standard for these services. This standard would require that, except for the period between November 16 and January 1, the Postal Service return the corrected addresses within 15 workdays. The exclusion of the November 16 to January 1 time period is due to the impact of the surge of holiday mail volume on Postal Service personnel ordinarily responsible for fulfilling these requests within the 15-workday period.

b. Information Services for Ancillary and Stand-Alone Services

A critical element of the various mailpiece delivery information services and Confirm is the timely provision of the expected information. Accordingly, modern service standards will include an objective expectation of availability of delivery scan information for the following ancillary special services products: Delivery Confirmation, Signature Confirmation, Certified Mail, Registered Mail, electronic Return Receipt, and Collect on Delivery. For Confirm, the modern service standard will be an objective expectation of availability of Confirm scan information obtained from mailpieces. For Address Correction services provided electronically, the modern service standard will be an objective expectation for availability of address correction information obtained in relation to specific mailpieces from the customer's mailing. For these special services, the Postal Service proposes that delivery information, Confirm scans, or address correction information, as appropriate, be accessible online to the sender within 24 hours of the time-stamp of the scan. The Postal Service emphasizes that the proposed 24-hour standard is not intended to abrogate current arrangements in individual Confirm Service Agreements regarding the frequency of batching, transmission, or earlier availability of such data.

c. Insurance Claims Processing

A vital element of postal insurance is the timeliness of the Postal Service's resolution of indemnity claims filed by customers. Accordingly, as a modern service standard, the Postal Service proposes that a decision should be transmitted to the claimant no later than 30 days after the date on which the Postal Service has received all information from the claimant necessary for resolution of the claim.

d. Post Office Box Service

An essential element of Post Office Box service is the timely availability of mail by the posted ''uptime.'' The ''uptime'' is the time of day by which customers can expect to collect from their Post Office Box the mail that has been received for delivery that day. On the basis of local mail processing plans

and standard operating procedures, each Post Office Box section is required to establish and publicly post its standard ''uptime'' for each delivery day. Accordingly, the Postal Service proposes that the modern service standard for Post Office Box service be mail availability by the posted daily ''uptime.''

3. Special Services Products for Which No Independent Service Standards Are Being Proposed

As explained below, there are certain special services for which the establishment of a universal service standard would be unnecessary, redundant or infeasible. Accordingly, the Postal Service interprets subsection 3691(a) as not requiring the establishment of service standards for the following special services, based upon their present characteristics.

a. Address Correction Service

Mailers seeking to maintain up-to-date mailing lists can purchase Address Correction Service, in order to receive updated forwarding address information submitted to the Postal Service by addressees. Unlike delivery scan data that mailers request at acceptance and expect to receive with every delivery, ACS data are expected by the sender only for those mailpieces which require the Postal Service to use its mail forwarding address database to deliver the mailpiece, and then transmit the new delivery address to the sender. Manual ACS information is batched, and the frequency with which it is transmitted to the purchasers of ACS varies on the methods employed, as well as specific arrangements between the Postal Service and particular customers. Accordingly, unlike delivery scan data, there is no one standard time by which all ACS subscribers expect the requested data to be available. Additionally, there is no one availability standard that applies to all ACS subscribers served by the same Post Office. For these reasons, no service standard is proposed.

b. Alternate Postage Payment Methods

Business Reply Mail, Merchandise Return, and Bulk Parcel Return are alternate postage payment methods established for bulk mail recipients. Shipper Paid Forwarding is an alternate postage payment method for bulk mailers. Mail subject to these alternate postage payment methods has the same delivery service standards for the applicable mail product (e.g., First-Class Mail or Single-Piece Parcel Post) as would any other mailpiece from the same point of entry, forwarding, or return to destination. Accordingly, there is no justification for establishing independent service standards for the reply, returned, or forwarded portions of the respective mailstreams through which such pieces flow.

c. Caller Service

Caller Service provides a means for (usually high volume) mail recipients to receive their mail at a postal retail window or loading dock. From origin to delivery availability, the mail picked up by the customer is subject to the standards for each class.

Daily Caller Service pickup times are arranged between the delivery office and the mail recipient. These pickup times may be pre-arranged or may be on an ''on-call'' basis. They often vary from posted Post Office Box section ''uptimes'' and many Caller Service customers arrange for multiple pickups on a given day. Thus, in contrast to Post Office Box service, there is no one posted daily ''uptime'' standard by which all Caller Service, either system wide or at a particular Post Office, is offered. Accordingly, it is infeasible to establish a service standard for Caller Service pickup.

d. Certificate of Mailing

A Certificate of Mailing is provided to the sender by the Postal Service as an intrinsic element of the acceptance of the mailpiece for which it was purchased. The purchase of the certificate is ancillary to sending a First-Class Mail letter or Single-Piece Parcel Post package, for example, and does not affect the delivery service standards otherwise applicable to those pieces. Provision of the certificate at the time of mailing is a part of the acceptance of the mailpiece for which the certificate is purchased and completes the special service. Accordingly, the Postal Service sees no means or need for a standard measuring the timely completion of this special service.

e. Change of Address Credit Card Authentication

Change of Address Authentication service provides a customer with a means of having the Postal Service verify their address using standard Address Verification Service (AVS), by reference to a credit card number the customer provides when they submit a Change of Address request via telephone or the Internet. This authentication service is an alternative to the customer completing a hard-copy Change of Address request form. The customer pays a fee for the credit card authentication associated with the telephone or Internet Change of Address request, not for the subsequent processing of that request. The authentication service is provided and completed at the time that the credit card is validated and the fee is debited. The Postal Service does not consider it necessary or feasible to establish an objective standard for the timely completion of the authentication which takes place during a telephone or Internet transaction.

f. Money Orders

As with Stamped Cards and Stationery, and entirely at the option of the purchaser, Postal Money Orders may be enclosed in, for example, First-Class Mail pieces. Such enclosures do not affect the application of the First-Class Mail service standards for such mail. Once a Postal Money Order is purchased, the Postal Service does not necessarily have anything further to do. For these reasons, the Postal Service concludes that there is no mandate in section 3691 to establish service standards for Postal Money Orders.

g. Return Receipt (Hard-Copy)

After delivery of the mailpiece to which it was affixed, a hard-copy Return Receipt card is returned by the Postal Service to its purchaser via First-Class Mail. The First-Class Mail service standard for the 3-digit ZIP Code pair in question (from destination back to origin) governs the return transit. Accordingly, no independent service standards should be developed for the Return Receipt portion of the First-Class Mail stream.

h. Special Handling, Restricted Delivery, and Parcel Airlift

A critical element of Parcel Airlift Service, Restricted Delivery, and Special Handling is that each product is purchased subject to the explicit understanding that the requested preferential handling, transportation upgrade, or delivery restriction is subject to availability. At the time when these services are purchased, it cannot be known whether the processing or transportation upgrade can be accommodated, or whether some delivery policy exception or limitation applicable to the delivery address overrides the requested delivery restriction. Accordingly, the establishment of service standards for these conditional service offerings is unwarranted.

i. Stamped Envelopes, Cards, and Stationery

When used, for example, as First-Class Mail pieces or enclosures, Stamped Envelopes, Cards, and

Stationery are subject to the service standards that apply to other First-Class Mail pieces. Accordingly, no independent service standards should be developed for these products.

Section 4: The Proposed Modern Service Standards Reflect Consideration of Relevant Statutory Objectives and Factors

A. The Statutory Objectives

As indicated above, subsection 3691(b)(1) requires the Postal Service to achieve certain specified objectives in establishing its modern service standards. At the same time, subsection 3691(c) requires that the modern service standards reflect consideration of a list of enumerated factors. The proposed service standards reflect limitations inherent in network capabilities, the mail processing environment, and transportation. As such, they reflect customer interest in standards that establish reasonable expectations for when mail should be delivered. Service standard day ranges based on great circle mile zone bands are being set aside in favor of ranges based on precise facility-to-facility highway transportation distance measurements. Destination entry service standards have been created to recognize the impact of major advances in mailer worksharing on Postal Service mail processing and delivery capability. More realistic day ranges have also been established for mail originating from, or destinating to, the states of Alaska and Hawaii and the territories of Guam, Puerto Rico, and the U.S. Virgin Islands. These day ranges more accurately reflect the significant logistical challenges and limited availability of economical transportation options that affect service for these states and territories.

Below, the Postal Service explains how the modern service standards described above and its plans for service performance measurement to achieve the objectives of subsection 3691(b).

(A)—*To enhance the value of Postal Service services to both senders and recipients.*

The value of postal services to both senders and recipients is enhanced when the service standards for those services are clear and reflect a balanced consideration of reasonable customer expectations and the capabilities of the mail processing and transportation networks. By aligning the proposed standards with operational capabilities, the Postal Service can provide reliable, consistent service, and properly fulfill the service expectations of both senders and recipients. Destination entry standards have been created and integrated with ''end-to-end'' mail flows to enhance the value of mailer worksharing, in a clear and easy-to-use format. Standard Mail deferability has been incorporated into the service standard day ranges and business rules, to reduce the potential for cumulative local deferral decisions that can result in unpredictable delivery times. In light of recent mail shifts from First-Class Mail to Standard Mail, preservation of clear distinctions between the service standards for the different mail classes (to reflect different service levels) will enhance value, consistency, and reliability and allow customers to continue to make informed choices regarding the service level desired. The proposed new time-sensitive service standards for many special services will give customers clearer expectations about the services offered, which will enhance the value of those services.

(B)—*To preserve regular and effective access to Postal Service services in all communities including those in rural areas or where Post Offices are not self-sustaining.*

Long-standing Postal Service policy has been to provide regular and effective access to postal services in all communities, whether urban or rural, without regard to whether post offices at particular origins or destinations are self-sustaining. The proposed market-dominant service standards adhere to this objective. Service standard day ranges have been extended for the states of Alaska and Hawaii and the territories of Guam, Puerto Rico, and the U.S. Virgin Islands. These changes reflect the Postal Service's goal of seeking to satisfy customers' desire for greater consistency and reliability on the basis of more realistic mail processing and transportation plans. The proposed day ranges more accurately reflect the significant logistical challenges and limited availability of economical transportation options for these service areas. The consultations with the Postal Regulatory Commission confirmed that both agencies share a sensitivity to the needs of customers in these states and territories. As with the contiguous 48 states, service standard proposals are not influenced by whether any portion of any state or territory may be regarded as urban or rural, or the degree to which any Post Offices are self-sustaining. Additionally, it should be observed that some special services are accessible online 24 hours a day, seven days a week, which allows customers access regardless of the location in the Postal Service network.

(C)—*To reasonably assure Postal Service customers delivery reliability, speed, and frequency consistent with reasonable rates and best business practices.*

The Postal Service proposes to adjust service standard day ranges based on consistent and modern business rules, not only to meet customer needs and expectations, but also to conform to the capabilities of the current mail processing and transportation network. Accordingly, the Postal Service expects that customers will experience more reliable service, with reasonable levels of speed consistent with the relative degrees of expedition and priority in processing that are intrinsic to each market-dominant mail product. Such an approach is consistent with the goal of preserving reasonable rates and conforms to best business practices.

(D)—*To provide a system of objective external performance measurements for each market-dominant product as a basis for measurement of Postal Service performance.*

In accordance with subsection 3691(b)(2), the Postal Service is continuing to meet with the Postal Regulatory Commission regarding the employment of a hybrid mix of external and internal service performance measurement systems.[8] The Postal Service anticipates that these very constructive meetings will lead to the development of systems that generate data sufficiently reliable and robust for the management of its market-dominant mail and special services products, that keep postal customers reasonably informed about the quality of service provided, and that permit the Commission to fulfill its regulatory functions, in a manner that minimizes harm to the Postal Service's commercial interests. Further details regarding the nature of these service performance measurement systems will be reflected in the Postal Service report to Congress detailing its network plan and operational objectives that will be implemented to meet the service standards proposed in this notice. That network plan will be developed after further consultations with the Commission, and the network plan report will be submitted to Congress on or before June 20, 2008, in accordance with PAEA section 302.

B. The Statutory Factors

As is demonstrated below, the proposed modern service standards also reflect a thorough consideration of the

[8] An ''external'' service performance measurement system would be one operated by a non-Postal Service entity; an ''internal'' system would be one operated by the Postal Service. Under the terms of subsection 3691(b)(2), with the approval of the Commission, the Postal Service may employ internal systems.

enumerated factors in subsection 3691(c).

(1)—*The actual level of service that Postal Service customers receive under any service guidelines previously established by the Postal Service or service standards established under this section.*

As described previously, early in its review of current service standards, the Postal Service examined data generated by the External First-Class (EXFC) measurement system for single-piece First-Class Mail, its Product Tracking System for Package Services, as well as data generated by its special services delivery and en-route mailpiece scan data systems, and its Customer Satisfaction Measurement system. In the absence of a system for the measurement of Periodicals and Standard Mail service performance, the Postal Service examined internal diagnostic data, as well as similar data provided by specific mailers in relation to actual delivery performance they have experienced.

Such data are valuable as potential indicators of service performance. In addition, as discussed earlier, the Postal Service tracked over 300,000 live mailpieces to examine how mail flowed through its network and to help identify potential operational bottlenecks and logistical barriers to the provision of reliable and consistent mail service. The Postal Service also gathered information from customers using the methods described in the discussion above in Section 2 of this notice and below in reference to the next factor. All of this information provided a foundation from which the Postal Service could assess current levels of service.

(2)—*The degree of customer satisfaction with Postal Service performance in the acceptance, processing, and delivery of mail.*

The Postal Service used a combination of long-established customer outreach methods and efforts resulting specifically from the enactment of the PAEA to determine the degree of customer satisfaction in the acceptance, processing, and delivery of mail. Regarding service standards, the main recommendations were that service standards should be reliable, consistent, realistic, and attainable, and that any proposed changes reflect sensitivity to the impact of increased postal costs on rates that customer pay. Examples of other suggestions included:

—Existing service standard guidelines should serve as a baseline for developing modern standards.
—Measures should be taken to reduce the ''tail'' of the mail, the percentage of mail delivered later than the applicable standard.
—Destination entry service standards should be incorporated where such rate incentives exist.
—Service standards should vary on the basis of seasonality to accommodate the impact of the holiday mailing season.
—Service standards for deferrable Standard Mail should reflect ''in-home'' delivery day ranges in lieu of specific delivery day targets, and performance should be measured on the basis of compliance with requested ''in-home'' delivery day ranges.
—Service improvements and costs should be balanced.

The proposed service standards take into account technology deployments and destination entry mailing practices that have emerged in the past few decades, as well as standardized mail processing flows that have been developed for each market-dominant mail product. As a result, the proposed standards are based upon current network capabilities. This should ensure better consistency and reliability in the delivery of mail, and give customers a more realistic picture of Postal Service delivery capabilities. By adopting standards based on actual network capabilities and what is realistically attainable, the Postal Service expects to provide more consistent and reliable service, and to reduce the ''tail'' of the mail. For Standard Mail, the Postal Service prefers the establishment of service standards that reflect specific day targets, as opposed to a range of ''in-home'' delivery days for each origin-destination 3-digit ZIP Code pair. The Postal Service will collaborate with a mailing industry workgroup to further explore the needs of mailers who request ''in-home'' delivery dates. And, rather than adopt service standard day ranges or business rules that vary during the year, the Postal Service considers that the concerns underlying such proposals are more appropriate for consideration in the determination of performance goals, one of the subjects of the upcoming network plan consultations under PAEA section 302(b)(1). In the development of those performance goals, the Postal Service will work with mailers to determine what types of goals would best address the issue of seasonality.

The proposed modern standards preserve the differences in service levels among the different market-dominant mail products. In addition, the standards reflect consideration of customer preference for minimizing changes in service levels that could have an adverse impact on Postal Service costs for these mail products.

(3)—*The needs of Postal Service customers, including those with physical impairments.*

The Postal Service serves different types of customers, with varying needs. To ensure that its diverse stakeholders were heard, as explained above in Section 2, the Postal Service used a combination of long-established customer outreach methods, as well as efforts resulting specifically from the enactment of the PAEA. The Postal Service consulted with the Mailers' Technical Advisory Committee (MTAC) and reviewed the Postal Service's Customer Satisfaction Measurement—Residential/Business surveys (CSM). The Postal Service also met with and solicited comments from mailers at the Postal Service/Postal Regulatory Commission Summit on Meeting Customer Needs in a Changing Regulatory Environment, and at the semi-annual National Postal Forum. Additionally, the Postal Service reviewed the comments solicited by the Commission at its three public hearings, held in Kansas City, Missouri; Los Angeles, California; and Wilmington, Delaware. Comments received in PRC Docket PI2007–1, *Service Standards and Performance Measurement For Market-Dominant Products*, also were reviewed. The Postal Service also solicited input from postal unions, management associations, as well as through a consumer and small business survey.

Examples of customers' concerns and how they were addressed are detailed in reference to subsection 3691(c)(2) above. Of course, not every customer proposal could be accepted. Recommendations that ran contrary to the policies of Title 39, or that did not appear to reflect a balanced consideration of all of the factors discussed here, were set aside.

The PAEA also requires that the Postal Service take into account the needs of customers with physical impairments. 39 CFR 255.1 implements section 504 of the Rehabilitation Act of 1973, as amended. Section 504 prohibits discrimination on the basis of disability in programs or activities conducted by the Postal Service. The Postal Service is not proposing to adopt any service standards or service standard changes that work to the disadvantage of customers with a disability.

(4)—*Mail volume and revenues projected for future years.*

The Postal Service examined recent mail volume and revenue trends for each market-dominant product, as reflected in its quarterly Revenue Pieces

& Weight/Origin-Destination Information System. The Postal Service also reviewed its Docket No. R2006–1 test year volume projections. These data suggest that prudent decision-making is necessary if the Postal Service is to meet customer expectations at reasonable costs, especially in light of the price increase constraints on market-dominant products enacted as the centerpiece of modern ratemaking and the alternatives available for all market-dominant mail products.

(5)—*The projected growth in the number of addresses the Postal Service will be required to serve in future years.*

The Postal Service expects continued growth in the number of delivery addresses it must serve. Accordingly, the Postal Service considered this factor in conjunction with the impact that such growth could have on the feasibility of providing service at reasonable costs, in light of the current mail mix and volume trends. In developing the proposed modern service standards, the Postal Service took a conservative approach to change, in light of a shifting mail mix that generates less revenue per piece as First-Class Mail volume declines. Revenue trends affect the Postal Service's ability to expend capital and require it to ensure that its operations are designed to more efficiently deliver fewer pieces per address to a growing number of addresses.

(6)—*The current and projected future cost of serving Postal Service customers.*

As highlighted above, in view of the constraints on price increases that are imposed on market-dominant products, it is more important than ever that costs associated with these services be contained. At the same time, great care must be taken to ensure that necessary cost containment does not disturb customer service expectations. Accordingly, in determining the degree of adjustment to the current service standards for market-dominant products, the Postal Service was mindful of recent cost trends associated with these services, as well as available cost projections for these products. The Postal Service attempted to strike a reasonable balance between desired customer service and the need to contain costs.

(7)—*The effect of changes in technology, demographics, and population distribution on the efficient and reliable operation of the Postal Service delivery system.*

There have been significant advances in mail processing technology and postal transportation over the past several decades. Mail processing procedures have been adjusted over time to reflect those advances. Mail processing capacity in the Postal Service network must constantly be adjusted in response to geographic shifts in both population and the level of mail-generating economic activity. The Postal Service must continue to improve the flexibility of its network for this reason. The proposed service standards reflect reasonable goals in light of the current network and technological advances that are expected in the nearterm. Sophisticated network mapping and transportation management tools now permit the Postal Service to manage and adjust its operations to meet service goals more efficiently. The Postal Service has taken into account the advent of Flats Sequencing System technology and advances in mailpiece scanning technology to continue to refine service management. Careful coordination will be necessary between the implementation of the network plan mandated by PAEA section 302 and the service standard changes proposed here to ensure that efficiency and reliability of service are improved.

(8)—*The policies of this title and such other factors as the Postal Service determines appropriate.*

The Postal Service has been established to operate as a basic and fundamental service to the American public. Management of the national postal system involves the balancing of important service and operational objectives, including promptness, reliability, and efficiency [39 U.S.C. 101(a)]. To achieve these objectives, the Postal Service is empowered to determine the methods and to deploy the personnel necessary to conduct its operations [39 U.S.C. 1001(e)]. At the same time, the Postal Service is charged with operating and maintaining such facilities and equipment as are necessary to pursue these objectives [39 U.S.C. 401(6)]. These considerations have weighed heavily in the development of the modern service standards proposed here. An improved alignment between service standards and current mail processing operational capabilities and limitations should prove beneficial in many respects.

After the establishment of baseline modern service standards as a result of this rulemaking, the Postal Service intends to place a high priority on annual internal review of the service standard day ranges and business rules for its market-dominant products. The Postal Service expects to consider the aforementioned statutory factors as a part of any such internal review. As a part of this review, the Postal Service, at its discretion, may solicit either informal or formal public comment regarding current standards or proposals for change. The Postal Service also will give due consideration to its obligation to formally request advisory opinions from the PRC regarding any changes which may be at least ''substantially nationwide'' in scope, under the terms of 39 U.S.C. 3661.

Section 5: Request for Comment

It is emphasized that the proposed regulations are being published for comments and are subject to revision based on the comments received and further consideration by the Postal Service. Although exempt from the notice and comment requirements of the Administrative Procedure Act [5 U.S.C. 553 (b), (c)] regarding proposed rule making by 39 U.S.C. 410 (a), the Postal Service invites public comments on these proposed regulations.

List of Subjects in 39 CFR Parts 121 and 122

Postal Service.

For the reasons stated in the preamble, the Postal Service proposes to amend 39 CFR Chapter I, Subchapter C, as follows:

1. The heading of subchapter C is revised to read as follows:

Subchapter C—General Information on Postal Products

2. Parts 121 and 122 are added are added to read as follows:

PART 121—SERVICE STANDARDS FOR MARKET-DOMINANT MAIL PRODUCTS

Sec.
121.1 First-Class Mail.
121.2 Periodicals.
121.3 Standard Mail.
121.4 Package Services.
121.5 Outbound Single-Piece First-Class Mail International Letters and Flats.

Authority: 39 U.S.C. 101, 401, 403, 404, 1001, 3691.

§ 121.1 First-Class Mail.

(a) For all intra-Sectional Center Facility (SCF) First-Class Mail properly accepted before the day-zero Critical Entry Time at origin, the service standard is 1-day (overnight), except for mail between the territories of Puerto Rico and the U.S. Virgin Islands and intra-SCF mail originating and destinating in the following 3-digit ZIP Code areas in the state of Alaska: 996, 997, 998, and 999. First-Class Mail addressed to a destination 3-digit ZIP Code area outside of an origin intra-SCF service area may be considered for overnight delivery from that origin SCF, if that mail is accepted before the day-zero Critical Entry Time at origin, if

sufficient customer need exists [the destination SCF receives at least 1.5 percent of the total annual First-Class Mail volume originating from the origin Processing & Distribution Center/ Facility (OPDC/F)], and if operational and transportation feasibility permit.

(b) A 2-day service standard is established for all First-Class Mail properly accepted before the day-zero Critical Entry Time at origin if a 1-day service standard is not required and if the origin PDC/F to Area Distribution Center surface transportation drive time is 12 hours or less, unless the origin and destination are within the state of Alaska; or if the origin and delivery address are separately in the territories of Puerto Rico and the U.S. Virgin Islands; or if the mail is intra-SCF and originating or destinating one of the following 3-digit ZIP Code areas in Alaska: 996, 997, 998, and 999.

(c) A 3-day service standard is established for all remaining First-Class Mail properly accepted before the day-zero Critical Entry Time at origin, if neither a 1-day nor a 2-day service standard is required and:

(1) Both the origin SCF and the delivery address are within the contiguous 48 states;

(2) The origin SCF is in the contiguous 48 states, and the delivery address is in either of the following: the 995 3-digit ZIP Code area (including Anchorage AK), or the 968 3-digit ZIP Code area (including Honolulu, HI), or in the 006, 007, or 009 3-digit ZIP Code areas of the territory of Puerto Rico;

(3) The origin is in the 006, 007 or 009 3-digit ZIP Code areas of the territory of Puerto Rico and the delivery address is in the contiguous 48 states;

(4) The origin SCF is in the state of Hawaii and the delivery address is in the territory of Guam; the origin is in the territory of Guam and the delivery address is in the state of Hawaii; or

(5) Both the origin SCF and the delivery address are within the state of Alaska.

(d) A 4-day service standard is established for all remaining First-Class Mail properly accepted before the day-zero Critical Entry Time at origin, if either a 1-day, 2-day, or 3-day service standard is not required, and if:

(1) The origin SCF is in the contiguous 48 states and the delivery address is in either of the following: any portion of the state of Alaska not in the 995 3-digit ZIP Code area; or any portion of the state of Hawaii not in the 968 3-digit ZIP Code area; or the territory of the U.S. Virgin Islands.

(2) The delivery address is in the contiguous 48 states and the origin is in either of the following: The state of Alaska, the state of Hawaii, or the territory of the U.S. Virgin Islands;

(3) The origin and delivery address are in different states or territories, excluding mail to and from the territory of Guam and mail between the territories of Puerto Rico and the U.S. Virgin Islands.

(e) A 5-day service standard is established for all remaining First-Class Mail properly accepted before the day-zero Critical Entry Time at origin if either the origin or the delivery address is in the territory of Guam.

§ 121.2 Periodicals.

(a) *End-to-End.* (1) For all SCF turnaround Periodicals properly accepted before the established and published day-zero Critical Entry Time at origin, where the origin P&DC/F and SCF are in the same building, the service standard is 1-day (overnight), except for mail between the territories of Puerto Rico and the United States Virgin Islands and mail originating or destinating in the following 3-digit ZIP Code areas within the state of Alaska: 996, 997, 998, and 999.

(2) The Periodicals service standard is the sum of the applicable (1- to 3-day) First-Class Mail service standard plus one day, for each 3-digit ZIP Code origin-destination pair for which Periodicals are accepted before the day-zero Critical Entry Time at origin and merged with First-Class Mail for surface transportation (as defined by the Periodicals Origin Split and First-Class Mail mixed Area Distribution Center/ Automated Area Distribution Center (ADC/AADC) Domestic Mail Manual label list L201). This standard also applies to Periodicals mailed between the territories of Puerto Rico and the U.S. Virgin Islands between the state of Hawaii and the territory of Guam and between SCFs within Alaska.

(3) The Periodicals service standard for each remaining 3-digit ZIP Code origin-destination pair within the 48 contiguous states, for which Periodicals are accepted before the day-zero Critical Entry Time at origin, is the sum of 4 or 5 days, plus the number of additional days (from 1 to 4) required for surface transportation between each 3-digit ZIP Code origin-destination pair.

(4) The Periodicals service standard for each remaining 3-digit ZIP Code origin-destination pair, for which Periodicals are accepted before the day-zero Critical Entry Time at origin, is the sum of 4 or 5 days, plus the number of additional days (from 4 to 18) required for intermodal (highway, boat, air-taxi) transportation outside of the 48 contiguous states for each 3-digit ZIP Code origin-destination pair.

(b) *Destination Entry.* (1) Periodicals that qualify for a Destination Delivery Unit (DDU) or Destination Sectional Center Facility (DSCF) discount, and that are accepted before the day-zero Critical Entry Time at the proper DDU or DSCF, have a 1-day (overnight) service standard, except for mail dropped at the SCF in the territory of Puerto Rico and destined for the territory of the U.S. Virgin Islands, and intra SCF mail in the following 3-digit ZIP Code areas of the state of Alaska: 996, 997, 998 and 999.

(2) Periodicals that qualify for a Destination Area Distribution Center (DADC) discount, and that are accepted before the day zero Critical Entry Time at the proper DADC, unless the ADC is located with the 48 contiguous states and the destination is not, and where the DADC and DSCF are not the same building, have a 2-day service standard, unless the ADC is located within the contiguous 48 states and the destination is not. Mail that qualifies for a Destination Sectional Center Facility (DSCF) discount has a 2-day service standard, if it is accepted before the day-zero Critical Entry Time, and the mail is dropped at the SCF in the territory of Puerto Rico and is destined for the territory of the U.S. Virgin Islands; or if the mail is intra-SCF in the following 3-digit ZIP Code areas of the state of Alaska: 996, 997, 998 and 999.

(3) Periodicals that qualify for a Destination Area Distribution Center (DADC) discount and that are accepted before the day zero Critical Entry Time at the proper DADC in the contiguous 48 states for delivery to addresses in the state of Alaska, or the territories of Guam or the U.S. Virgin Islands, have a service standard of either 6 or 7 days, depending on the origin-destination 3-digit ZIP Code pair. For each such pair, the applicable day within the range is based on the number of days required for transportation outside of the 48 contiguous states.

§ 121.3 Standard Mail.

(a) *End-to-End.* (1) The service standard for Sectional Center Facility (SCF) turnaround Standard Mail accepted at origin before the day zero Critical Entry Time is 3 days when the origin Processing & Distribution Center/ Facility (OPD&C/F) and the SCF are the same building, except for mail between the territories of Puerto Rico and the U.S. Virgin Islands.

(2) The service standard for Area Distribution Center (ADC) turnaround Standard Mail accepted at origin before the day zero Critical Entry Time is 4 days when the OPD&C/F and the ADC are the same building, unless the ADC

is in the contiguous 48 states and the delivery address is not, or when the mail is between the territories of Puerto Rico and the U.S. Virgin Islands.

(3) The service standard for intra-Bulk Mail Center (BMC) Standard Mail accepted at origin before the day zero Critical Entry Time is 5 days for each remaining 3-digit ZIP Code origin-destination pair within the same Bulk Mail Center service area if the origin and destination are within the contiguous 48 states; the same standard applies to mail that is intra-Alaska, intra-Hawaii, or between the state of Hawaii and the territory of Guam.

(4) For each remaining 3-digit ZIP Code origin-destination pair within the 48 contiguous states, the service standard for Standard Mail accepted at origin before the day zero Critical Entry Time is the sum of 6 days plus the number of additional days (from 1 to 4) required for surface transportation between each 3-digit ZIP Code origin-destination pair.

(5) For each remaining 3-digit ZIP Code origin-destination pair, the service standard for Standard Mail accepted at origin before the day zero Critical Entry Time is the sum of 6 days plus the number of additional days (from 4 to 18) required for intermodal (highway, boat, air-taxi) transportation outside of the 48 contiguous states for each 3-digit ZIP Code origin-destination pair.

(b) *Destination Entry.* (1) Standard Mail that qualifies for a Destination Delivery Unit (DDU) discount and that is accepted before the day zero Critical Entry Time at the proper DDU has a 2-day service standard.

(2) Standard Mail that qualifies for a Destination Sectional Center Facility (DSCF) discount and that is accepted before the day zero Critical Entry Time at the proper DSCF has a 3-day service standard, except for mail dropped at the SCF in the territory of Puerto Rico and destined for the territory of the U.S. Virgin Islands.

(3) Standard Mail that qualifies for a Destination Area Distribution Center (DADC) discount, and that is accepted before the day zero Critical Entry Time at the proper DADC, has a 4-day service standard, unless the ADC is in the contiguous 48 states and the destination delivery address is not. Mail that qualifies for a Destination Sectional Center Facility (DSCF) discount, and that is accepted before the day zero Critical Entry Time at the SCF in the territory of Puerto Rico, has a 4-day service standard if it is destined for the U.S. Virgin Islands.

(4) Standard Mail that qualifies for a Destination Bulk Mail Center (DBMC) discount and that is accepted before the day zero Critical Entry Time at the proper DBMC has a 5-day service standard, if both the origin and the destination are in the 48 contiguous states.

(5) Standard Mail that qualifies for a Destination Area Distribution Center (DADC) or Destination Bulk Mail Center (DBMC) discount and that is accepted before the day zero Critical Entry Time at the proper DADC or DBMC in the contiguous 48 states for delivery to addresses in the states of Alaska or Hawaii or the territories of Guam, Puerto Rico, or the U.S. Virgin Islands has a service standard of either 8, 9, or 10 days, depending on the 3-digit origin-destination ZIP Code pair. For each such pair, the applicable day within the range is based on the number of days required for transportation outside of the 48 contiguous states.

§ 121.4 Package Services.

(a) *End-to-End.* (1) The service standard for Sectional Center Facility (SCF) turnaround Package Services mail accepted at the origin SCF before the day zero Critical Entry Time is 2 days when the origin Processing & Distribution Center/Facility and the SCF are the same building, except for mail between the territories of Puerto Rico and the U.S. Virgin Islands.

(2) The service standard for intra-Bulk Mail Center (BMC) Package Services mail accepted at origin before the day zero Critical Entry Time is 3 days, for each remaining (non-intra-SCF) 3-digit ZIP Code origin-destination pair within a Bulk Mail Center service area, where the origin and destination is within the contiguous 48 states and is not served by an Auxiliary Service Facility; for mail between the territories of Puerto Rico and the U.S. Virgin Islands.

(3) The service standard for intra-Bulk Mail Center (BMC) Package Services mail accepted at origin before the day zero Critical Entry Time is 4 days for each remaining 3-digit ZIP Code origin-destination pair within a Bulk Mail Center service area, where the destination delivery address is served by an Auxiliary Service Facility; the same standard applies to all remaining intra-Alaska mail and mail between the state of Hawaii and the territory of Guam.

(4) For each remaining 3-digit ZIP Code origin-destination pair within the 48 contiguous states, the service standard for Package Services mail accepted at origin before the day zero Critical Entry Time is between 5 and 8 days. For each such 3-digit ZIP Code origin-destination pair, this is the sum of 4 days, plus the number of additional days (from 1 to 4) required for surface transportation between each 3-digit ZIP Code origin-destination pair, plus an additional day if the destination delivery address is served by an Auxiliary Service Facility.

(5) For each remaining 3-digit ZIP Code origin-destination pair for which either the origin or the destination is outside of the 48 contiguous states, the service standard for Package Services mail accepted at origin before the day zero Critical Entry Time is between 7 and 22 days. For each such 3-digit ZIP Code origin-destination pair, this represents the sum of 4 days, plus the number of days (ranging between 3 to 18) required for intermodal (highway, boat, air-taxi) transportation between each 3-digit ZIP Code origin-destination pair.

(b) *Destination Entry.* (1) Package Services mail that qualifies for a Destination Delivery Unit (DDU) discount and that is accepted before the day zero Critical Entry Time at the proper DDU has a 1-day (overnight) service standard.

(2) Package Services mail that qualifies for a Destination Sectional Center Facility (DSCF) discount and that is accepted before the day zero Critical Entry Time at the proper DSCF has a 2-day service standard, except for mail dropped at the SCF in Puerto Rico and destined for the U.S. Virgin Islands.

(3) Package Services mail that qualifies for a Destination Bulk Mail Center (DBMC) discount, which is accepted before the day zero Critical Entry Time at the proper DBMC or Destination Auxiliary Service Facility, and that originates and destinates in the contiguous 48 states, has a 3-day service standard. Mail that qualifies for a Destination Sectional Center Facility (DSCF) discount, and that is accepted before the day zero Critical Entry Time at the SCF in Puerto Rico, has a 3-day service standard if it is destined for the U.S. Virgin Islands.

(4) Package Services mail that qualifies for a Destination Bulk Mail Center (DBMC) discount and that is accepted before the day zero Critical Entry Time at the proper DBMC in the contiguous 48 states for delivery to addresses in the states of Alaska or Hawaii, or the territories of Guam, Puerto Rico, or the U.S. Virgin Islands has a service standard of either 6, 7, or 8 days, depending on the 3-digit ZIP Code origin-destination pair. For each such pair, the applicable day within the range is based on the number of days required for transportation outside of the 48 contiguous states.

§ 121.5 Outbound Single-Piece First-Class Mail International Letters and Flats.

The service standard for properly accepted outbound Single-Piece First-Class Mail International letters and flats is equivalent to the service standard for domestic First-Class Mail from the same origin 3-digit ZIP Code to the 3-digit ZIP Code area in which that origin's designated International Service Center or International Mail Processing Unit is located.

PART 122—SERVICE STANDARDS FOR MARKET-DOMINANT DOMESTIC SPECIAL SERVICES PRODUCTS

Sec.
122.1 Ancillary Special Services.
122.2 Stand-Alone Special Services.

Authority: 39 U.S.C. 101, 401, 403, 404, 1001, 3691.

§ 122.1 Ancillary Special Services.

(a) For the domestic market-dominant mail products identified in part 121 of this chapter, mailers may purchase various ancillary special services products, which are designed to provide electronic access to information regarding delivery-related events or forwarding addresses for individual mailpieces.

(1) For the following special services, the service standard for the electronic provision of delivery-related information is that it be made available to the sender no later than 24 hours after the time of the recorded delivery-related scan performed by the Postal Service: Certified Mail, Delivery Confirmation, Registered Mail, electronic Return Receipt, and Signature Confirmation.

(2) For electronic Address Correction Service, the service standard for the electronic provision of forwarding address information is that it be made available to the sender no later than 24 hours after the time of the recorded forwarding of the mailpiece by the Postal Automated Redirection System.

(b) For the domestic market-dominant mail products identified in part 121 of this chapter, mailers may purchase insurance from the Postal Service to provide indemnity against loss or damage to the contents of a mailpiece. The service standard for the administrative resolution of insurance claims is that a final agency decision must be transmitted to the claimant no later than 30 days after the date on which the Postal Service has received all information from the claimant necessary for analysis of the claim.

§ 122.2 Stand-Alone Special Services.

(a) The service standard for Post Office Box service is that mail be available for pickup at the box each delivery day no later than the daily ''up-time'' publicly posted at the Post Office in which the box section is located.

(b) The service standard for completion of Address List Services (change-of-address information for election boards and registration commissions, correction and ZIP Coding of mailing lists, and address sequencing) is transmission of the corrected addresses within 15 workdays of receipt to the requester, except for the period from November 16 through January 1.

(c) For the domestic market-dominant mail products identified in part 121 of this chapter, Confirm service allows subscribing customers to obtain electronic information regarding when and where mailpieces undergo barcode scans in mail processing operations. The service standard for the electronic provision of Confirm scan information is that it be made available to the sender no later than 24 hours after the recorded time of the Confirm scan performed by the Postal Service.

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