

Dated: May 4, 2020.

Maria Strong,

Acting Register of Copyrights and Director of the U.S. Copyright Office.

Approved by:

Carla D. Hayden,

Librarian of Congress.

[FR Doc. 2020-09916 Filed 5-7-20; 8:45 am]

BILLING CODE 1410-30-P

POSTAL SERVICE

39 CFR Part 111

Seamless Changes for Detached Mail Unit (DMU) and Full-Service Mailings

AGENCY: Postal Service™.

ACTION: Final rule.

SUMMARY: The Postal Service™ is revising *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®) to require Detached Mail Unit (DMU) mailers and mailers that enter full-service mailings at a Business Mail Entry Unit (BMEU) to participate in Seamless Parallel by June 1, 2020. In addition, the Postal Service provides advance notice of its intent: To require all mailers with an authorized Detached Mail Unit to enroll in the Seamless Acceptance Program by May 1, 2021; and to verify all BMEU-entered full-service mailings using only automated sampling and verification processes beginning July 1, 2021.

DATES: Effective June 1, 2020.

FOR FURTHER INFORMATION CONTACT:

Lance Bell at (407) 782-2972, or Jacqueline Erwin at (202) 268-2158.

SUPPLEMENTARY INFORMATION:

Background

Seamless Acceptance leverages electronic documentation (eDoc) and the Intelligent Mail® barcodes (IMbs) on all containers, handling units, and mailpieces required under full-service. Mailpiece scans collected from mail processing equipment (MPE) and samples from hand-held scanning devices are reconciled to the mailer eDoc to confirm proper mail preparation for discounts claimed and confirm correct postage payment. This capability avoids the need for verification of mail at acceptance.

The Postal Service published a notice of proposed rulemaking on January 8, 2020 (85 FR 856-859), to require mailers with authorized Detached Mail Units (DMU) and mailers that enter full-service mailings at a Business Mail Entry Unit (BMEU) to participate in Seamless Parallel by March 1, 2020. In addition, the Postal Service provided

advance notice of its intent to require DMU mailers to enroll in the Seamless Acceptance Program by February 1, 2021. Moreover, the Postal Service provided advance notices of its intent to verify all full-service mailings entered at a BMEU using automated sampling and verification processes, beginning July 1, 2021.

The Postal Service received many insightful comments and questions from the mailing community in response to the proposed rule of January 8, 2020. In response to those comments, the Postal Service incorporates the following changes into this final rule, and notes that aside from these changes, Seamless Acceptance plans have not changed in substance from the proposed rule of January 8, 2020:

- Mailers with authorized DMUs and mailers entering full-service mailings at BMEUs must enroll in Seamless Parallel by June 1, 2020 (instead of March 1, 2020).

In addition, the Postal Service intends to propose the following regulatory changes in a future rulemaking:

- Mailers with authorized DMUs, as a condition of their DMU authorization, must participate in Seamless Acceptance by May 1, 2021;
- Full-Service mailings entered at BMEUs will begin to be verified using only automated sampling and verification processes on July 1, 2021.

Comments on Seamless Changes for Detached Mail Unit (DMU) and Full-Service Mailings and USPS Responses

The Postal Service received seven formal responses on the Seamless Changes for Detached Mail Unit (DMU) and Full-Service Mailings proposal. Six formal responses included comments on more than one issue.

Incentive for Mailers To Adopt Seamless Acceptance

Five comments encouraged the USPS® to provide an incentive for mailers to defray costs incurred from migrating to Seamless Acceptance. Respondents claim that there is a significant cost impact to business (above and beyond full-service IMb participation) to participate in Seamless Acceptance, and that the USPS should provide an incentive to offset the investment and ongoing costs incurred by mailers.

USPS Response

USPS will continue to work collaboratively with industry stakeholders to minimize any cost impact to mailers that adopt Seamless Acceptance. The Postal Service notes that new rates, including incentives,

must be authorized by the Governors of the Postal Service and reviewed by the Postal Regulatory Commission.

Piece Weights May Cause Assessments

Four comments stated that varying piece weights may cause a mailer to be susceptible to an assessment. Respondents claim this is especially true for flat-size pieces susceptible to environmental impacts (e.g., humidity).

USPS Response

USPS has initiated the creation of a Task Team (MTAC TT-30) to work collaboratively with industry stakeholders. USPS will consider recommendations from MTAC TT-30.

Images of Mailpieces To Assist With Undocumented Errors

Four comments encourage USPS to provide mailers with images of undocumented pieces and other mailer scorecard errors so they can identify the specific mailer or mailing to investigate and resolve mail quality issues.

USPS Response

USPS will continue to explore the feasibility of this proposal.

The Timeline for Mandating Seamless Acceptance for DMUs

Three comments had concerns that the intended February 1, 2021 date was too close to implementation of the January 2021 price change. Price changes require significant resources and commenters are concerned that their resources will be limited and will not be ready by February 1, 2021.

USPS Response

As previously indicated, the USPS recognizes the industry concern with the proposed dates and has made the following changes:

- Seamless Parallel enrollment must be completed by June 1, 2020.
- Intended date to require DMU sites to Seamless changed to May 1, 2021.
- Verification of BMEU full-service mailings intended to begin on July 1, 2021.

General Overall Timeline and Deadline To Adopt Seamless Acceptance

Three comments voice concerns on the general timeline in terms of USPS ability to provide the necessary education, training, and customer service needed for mailers to adopt Seamless Acceptance.

USPS Response

USPS has provided extensive internal and external training on the Streamlined Mail Entry Programs. The Mail Entry

staff will be able to effectively manage the influx of new Seamless mailers. In addition, USPS has created a centralized Mailing and Shipping Solutions Center (MSSC) with specially trained personnel to answer mailer questions and provide information. USPS continues to emphasize ongoing internal training to ensure USPS staff have the most up-to-date training and tools necessary to assist mailers with any concerns or issues that may arise.

Legacy Verifications at Acceptance To Avoid Assessments

One comment stated that the customer was using legacy verifications as their quality control to avoid unforeseen assessments.

USPS Response

Seamless Acceptance and the automated sampling and verification processes provide mailers with the opportunity to view their mail quality metrics throughout the month utilizing the Mailer Scorecard. The Mailer Scorecard is updated each night with current Mail Quality Metric reporting, enabling mailers to diagnose errors and implement changes prior to being assessed. The Scorecard provides a daily update informing the customer of any potential assessments that could be levied if the mail quality metric continues to exceed the posted error threshold.

“After the Fact” Postage Assessment

One comment expressed a concern of a potential assessment after a mailing has been accepted and entered into the mailstream, without a chance to avoid the assessment by fixing the mailing.

USPS Response

The Postal Service works collaboratively with mailers to provide advice and guidance throughout the month on Mailer Scorecard issues. Mailers start in the Seamless Parallel process to gauge how they would have performed under Seamless verifications; no assessments are imposed during Seamless Parallel. Seamless Parallel provides mailers opportunities to gather information and correct issues prior to moving to Seamless Acceptance. During this Seamless Parallel process USPS works with mailers to mitigate Mailer Scorecard errors and prepare mailers to adopt Seamless Acceptance.

Impact on Exceptional Dispatch Periodicals, Associate Office Acceptance, and Updated Guides

Several other comments mentioned the Seamless Acceptance impact on Exceptional Dispatch for Periodicals

mailings, mailings accepted at local associated offices (AO), and when updated guides would be posted.

USPS Response

There is no impact to Exceptional Dispatch Periodicals mailings. Customers would continue to drop at the sites that are currently established drop locations as part of their Exceptional Dispatch. Mailings at smaller AOs will continue as they currently do today. The updated Guide to the Mailer Scorecard and Publication 685, *Publication for Streamlined Mail Acceptance for Letters and Flats* will be posted on PostalPro in April 2020.

Non-Acceptance Detached Mail Unit (DMU) Duties if DMU Closes

Further comments inquired into the impact Seamless Acceptance will have on the other non-acceptance duties performed at a DMUs like Certificates of Mailing, and questioned whether DMUs may be closed.

USPS Response

Due to the automated verification processes, DMU sites enrolled in Seamless Acceptance will experience a reduced presence of USPS personnel onsite. Other duties such as Certificates of Mailings and non-acceptance duties will be completed when the clerk is on site for Seamless samplings. It is not the intent of the Postal Service to close DMUs but rather to require adoption of Seamless Acceptance by May 1, 2021, as a condition of DMU authorization. When mailers submit the PS Form 3834, *Detached Mail Unit Authorization Application*, they agree to prepare mailings in accordance with applicable standards in the DMM. Any DMU mailer that anticipates they will be unable to comply with Seamless Acceptance requirements by May 1, 2021 will be required to request an extension by February 1, 2021.

Availability of Resources To Navigate Seamless Acceptance

Additional comments related to the available resources for industry to train and educate their staff.

USPS Response

There are tremendous amounts of resources currently available to customers including web based searches on PostalPro and Postal Explorer. Fact sheets, process guides, and publications are available on those sites. Mailers may also reach out to the Mailing and Shipping Solutions Center (MSSC), *PostalOne!* or Facility Access & Shipment Tracking (FAST) helpdesks for information.

“Just in Time” Payment and Auto Finalization Impact

Commenters wondered how auto finalization affects the balance of the permit when some clients of mail preparers pay just prior to mailing. Client’s permits sometimes have insufficient funds on deposit. Is there a way for USPS to alert mail preparers when one of the client permits has insufficient funds?

USPS Response

Auto finalization puts control in the mailers’ hands. The process has not changed and sufficient funds must be in the account at the time of mailing. Under current standards specified in DMM § 705.22.3, mailings accepted under Seamless auto finalize even if one of the permits in the mailing does not have sufficient funds in combined mailings. This allows mailings to be accepted without delay.

eInduction Participation and Container Placard Requirement for Small Mailings

Two different comments were submitted seeking clarity on eInduction requirements for BMEU-entered mailings and potential impact on container requirements.

USPS Response

No, BMEU mailers will not be required to participate in eInduction unless they elect to enroll in Seamless Acceptance. eInduction is a requirement of Seamless Acceptance for all drop shipment mailings. When the hardcopy PS 8125, Plant-Verified Drop Shipment (PVDS) would have been used. This allows mailers to enter mailings without using the hardcopy form. Mailers will continue to follow the current placarding under Publication 685, *Publication for Streamlined Mail Acceptance for Letters and Flats* available on PostalPro.

Undocumented Mail and Postal Automated Redirection System (PARS) Operations

One comment stated that USPS is causing undocumented mail on the mailer’s scorecard by changing the IMb on the mailpiece to start with “93”.

USPS Response

USPS does update mailpieces that go through PARS operations. These pieces will have their IMb “Type” updated to “93” and the Address (Delivery Point) information is changed to the new address. The changed IMb no longer matches the original IMb contained in eDoc. In the past, this resulted in the piece being erroneously reported as

undocumented. However, to keep these pieces from being reporting erroneously as undocumented in mailer scorecards, USPS implemented system logic to recognize that the “93” IMb type indicated a changed IMb. Prior to reporting a piece as undocumented, USPS drops the “93” and New Address portion of the IMb and attempts to match the remainder of the original IMb—STID, MID, Serial Number—combination to an eDoc. Only if a match is not found with the remaining STID, MID, Serial Number combination would the piece be reported as undocumented.

Mailers That Do Not Adopt Seamless Acceptance by July 1, 2021

One comment wanted to know what would happen if they did not adopt Seamless Acceptance by the July 1, 2021 deadline.

USPS Response

USPS clarifies that there is no July 1, 2021 “deadline” for mailers. Rather, that is the date on which the Postal Service intends to begin verifying all Full-Service mailings entered at BMEUs using automated verification processes. BMEU mailers would not be required to prepare or enter their mail differently. All other mailings will continue to be verified using manual verification methods.

USPS Should Create a Roadmap

One comment mentions that there used to be a roadmap and wanted to know if USPS has updated it and where it can be found.

USPS Response

We have an updated Roadmap available, by searching “CIO Roadmap” on PostalPro at: <https://postalpro.usps.com/usps-roadmap#!/category/mail-acceptance-payment>.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

The Postal Service adopts the following changes to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), incorporated by reference in the *Code of Federal Regulations*. See 39 CFR 111.1.

Accordingly, 39 CFR part 111 is amended as follows:

PART 111—[AMENDED]

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

Authority: 5 U.S.C. 552(a); 13 U.S.C. 301–307; 18 U.S.C. 1692–1737; 39 U.S.C. 101, 401, 403, 404, 414, 416, 3001–3011, 3201–3219, 3403–3406, 3621, 3622, 3626, 3632, 3633, and 5001.

■ 2. Revise the *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM) as follows:

Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)

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700 Special Standards

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705 Advanced Preparation and Special Postage Payment Systems

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22.0 Seamless Acceptance Program

22.1 Description

[Revise the text of 22.1 to read as follows:]

Seamless Acceptance leverages electronic documentation (eDoc) and Intelligent Mail barcodes (IMBs) on containers, handling units and mailpieces that full-service provides. Mailpiece scans collected from USPS mail processing equipment (MPE) and samples from hand held scanning devices are reconciled to the mailer eDoc to confirm proper mail preparation for the discounts claimed and postage paid. Seamless Acceptance is available for First-Class Mail cards, letters, and flats, Periodicals, USPS Marketing Mail letters and flats, and Bound Printed Matter flats.

[Revise the title and text of 22.2 to read as follows:]

22.2 Seamless Participation

Mailers may initiate participation in the Seamless Acceptance Program by contacting a local BMEU or the *PostalOne!* Helpdesk at 1–800–522–9085.

22.3 Basic Standards

[Add new heading 22.3.1, General, and move text from 22.3 as new 22.3.1.]

22.3.1 General

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[Revise the text of item c to read as follows:]

c. Participate in the Seamless Parallel Program under 22.3.2

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[Add new subsection 22.3.2 to read as follows:]

22.3.2 Seamless Parallel Program

Detached Mail Unit (DMU) mailers and mailers that enter full-service mailings at a Business Mail Entry Unit (BMEU) must participate in the Seamless Parallel Program. Additional information on the Seamless Parallel Program is available in Publication 685, *Publication for Streamlined Mail*

Acceptance for Letters and Flats, available at: <https://postalpro.usps.com/StreamlinedMailAcceptLettersFlatsPub685>.

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23.0 Full-Service Automation Option

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23.3 Fees

23.3.1 Eligibility for Exception to Payment of Annual Fees and Waiver of Deposit of Permit Imprint Mail Restrictions

Mailers who present automation or presort mailings (of First-Class Mail cards, letters, and flats, USPS Marketing Mail letters and flats, or Bound Printed Matter flats) that contain 90 percent or more full-service eligible mail as full-service, and 75 percent of their total mail is eligible for full-service incentives, are eligible for the following exceptions to standards:

* * * * *

[Revise the text of item c to read as follows:]

c. If any mailing falls under the 90-percent and 75-percent full-service thresholds for qualified full-service mailings, the annual mailing fee will be due and the mailing verification date will become the renewal or anniversary date of the permit fees. The full-service percentage will automatically set to 0 percent on each subsequent anniversary date. The first mailing presented after the anniversary date begins the cumulative process for the full-service percentage calculation. If the first mailing presented after the anniversary date is below 90 percent, the annual fee will need to be paid prior to the mail being finalized. Once the annual fees are paid, the next validation date will be the next anniversary date.

[Delete item c2 in its entirety.]

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We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes.

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[FR Doc. 2020–08625 Filed 5–7–20; 8:45 am]

BILLING CODE 7710–12–P

POSTAL REGULATORY COMMISSION

39 CFR Part 3040

[Docket No. RM2020–8]

Update to Product Lists

AGENCY: Postal Regulatory Commission.

ACTION: Direct final rule.