New Address Requirements for Automation, Presorted, and Carrier Route Flat-Size Mail

AGENCY: Postal Service™.

ACTION: Final rule.

SUMMARY: The Postal Service adopts new address placement and formatting requirements for Periodicals, Standard Mail®, Bound Printed Matter, Media Mail®, and Library Mail flat-size pieces sent at automation, presorted, or carrier route prices. We also adopt related revisions for automation and presorted First-Class Mail® flats.

EFFECTIVE DATE: March 29, 2009.

FOR FURTHER INFORMATION CONTACT: Carrie Witt, 202-268-7279.

SUPPLEMENTARY INFORMATION:
The Postal Service is implementing a new technology, the Flats Sequencing System (FSS), to automate delivery sequencing for flat-size mail. Currently, flat-size mail is sorted mechanically only to the 9-digit ZIP Code™ or carrier level, and then manually sorted into delivery order by carriers. FSS can sort flat-size mailpieces into delivery sequence, increasing efficiency by reducing carriers’ time sorting mail, and allowing carriers to begin delivering mail earlier in the day.

Similar technology boosted postal efficiencies in processing and delivering letter mail in the 1990s. We can significantly increase efficiency and reduce delivery costs for flat-size mail with FSS technology. FSS can sequence flat mail at a rate of approximately 16,500 pieces per hour. Scheduled to operate 17 hours per day, each machine will be capable of sequencing 280,500 mailpieces daily to more than 125,000 delivery addresses.

As we move toward national deployment of FSS, we are working closely with the mailing industry to make the most of this investment and achieve the lowest combined costs for handling flat-size mail, including developing new standards for optimal addressing. Unlike letter mail, which is fairly uniform in size and address location, flat mail covers a broad range of sizes and has highly variable address placement. We need new mailing standards for this diverse mailstream to promote consistent addressing for all flat-size pieces and increase efficiency in flats processing and delivery operations.

Toward this goal, we are adopting new standards to require the delivery address in the upper portion of all Periodicals, Standard Mail, Bound Printed
Matter, Media Mail, and Library Mail flat-size pieces mailed at automation, presorted, or carrier route prices. Mailers may place the address parallel or perpendicular to the top edge, but not upside down as read in relation to the top edge. The new standards define “upper portion” as the top half of a mailpiece, but we encourage mailers to place the address as close to the top edge as possible (while still maintaining a 1/8-inch clearance from the edge).

Mailers must also address all presorted, carrier route and automation flat-size mailpieces using a minimum of 8-point type or, if the mailpiece bears a POSTNET™ or Intelligent Mail® barcode with a delivery point routing code, a minimum of 6-point type in all capital letters. In addition, for all automation price pieces, the characters in the address must not overlap, the address lines must not touch or overlap, and each address element may be separated by no more than five blank character spaces.

The new standards will enable FSS to process flat-size pieces in delivery sequence at high speeds and output the pieces in vertical bundles that are optimized for carrier delivery. The new placement criteria will take advantage of the vertical bundle output and significantly reduce the time carriers spend reorienting pieces to read the address — whether the mail is held, pulled from a mailbag, or removed from a tray. The new standards for type size and line spacing will ensure carriers can read the addresses and delineate delivery stops. With over a quarter million carriers delivering mail six days a week, there are substantial opportunities to gain efficiency.

As we transition to the new addressing standards, mailers can take advantage of the Intelligent Mail barcode to save space within the address block. For example, the Intelligent Mail barcode can include tracking and routing information that currently requires human-readable ACS™ codes and keylines. We also reduced the amount of clear space required under the Intelligent Mail barcode to 0.028 inch (mailers can access the full technical specification for the Intelligent Mail barcode at ribbs.usps.gov/onecodesolution).

The Intelligent Mail barcode will be required on all pieces claiming automation prices in the future. Mailers can find more information in the Federal Register notice, “Implementation of Intelligent Mail Barcodes,” published on January 7, 2008 (available on Postal Explorer® at pe.usps.com; click “Federal Register Notices” in the left frame). Because the new barcode requirements are laid out in a separate Federal Register proceeding, we removed them from this final rule.

**Summary of Comments**

We published a proposal for comment in the Federal Register (72 FR 57507) on October 10, 2007. We received comments from 24 mailers; seven associations, four presort bureaus, three large printers, and two consultants. We appreciate the time these commenters took to detail their questions, concerns,
and suggestions. We also appreciate the sample mailpieces that many mailers included to illustrate their feedback.

**Comments on Address Placement**

Twenty-eight commenters objected to the proposed standards for address placement that would require the delivery address to be 3 inches (for horizontal addresses) or 2.5 inches (for vertical addresses) from the top of a mailpiece. These commenters objected for creative reasons, financial reasons, or both.

Twenty-five of these commenters cited a loss of design options, on a mailpiece cover or coverwrap, or on an insert showing through polywrap. These commenters said the new address placement would compromise their cover designs and result in mailpieces that look “tacky” or “cheap.”

We did not intend to compromise mailpiece design. In response to these concerns, we revised our standards to allow mailers to place the delivery address within the top half of their mailpieces. While we strongly prefer the address as close to the top as possible; the top half provides additional design options for most mailpieces. For example, on a typical 8- by 11-inch magazine with an address positioned parallel to the top edge, our proposal would have required the address within the top 3 inches. The revised standards allow this address anywhere within the top half — 5.5 inches in this example — providing an additional 2.5-inch band for the address.

For pieces addressed vertically, we will allow the delivery address to run into the bottom half of the mailpiece if the address is placed within 1 inch of the top edge. This caveat will ensure that mailers can use vertical addresses on shorter pieces, where the delivery address might not fit entirely within the top half, and provides many design options overall for these types of flats.

We note that many mailpieces already comply with the new address placement standards. We have also received publications from mailers who successfully moved their addresses into compliance with our proposal. These mailers did not indicate that the design of their mailpieces had been compromised as a result.

Several commenters objected to the standards that prohibit a horizontal address from appearing upside-down as read in relation to the top edge. These commenters point out that the address would be upside down on an unenveloped piece when the spine is to the left, as a publication is normally held. They raise concerns about response cards that appear on the front of a publication (usually on a cover wrap) that include the delivery address and solicit a reply. These commenters foresee a loss of revenue from decreased subscriber renewal rates and decreased advertising response rates if they place the address upside down on their reply cards.
We note that the new standards still provide mailers with the option to position a response card vertically on a mailpiece, with the address reading either to the left or to the right. A horizontal address, which would appear upside down when the spine is positioned on the left, is not required.

A total of 21 commenters objected to the address placement standards for financial reasons, stating that the new requirements would adversely affect their costs or their ability to generate revenue. In addition to the concerns about response rates noted above, these commenters explained that the new requirements would add costs for spot-glue on inserts and onserts; new or reconfigured equipment and mailing software; and larger address labels or new window envelopes.

The revised standards, which allow the delivery address within the top half of a mailpiece, provide additional options for many mailpieces and should lessen the impact of the change across the flats mailstream. We are providing a year-long implementation timeframe to allow mailers to prepare for the new standards, adjust mailpiece design if needed, and obtain any new mailing supplies and equipment. We are committed to working with mailers to reduce the total cost of the flats mailstream. Matching mail preparation requirements to processing and delivery needs will help the Postal Service and the mailing industry achieve a lowest-combined-cost system.

Flats mail volume exceeded 52 billion pieces in 2007 and represented about one-quarter of the total volume. The new address standards provide a significant opportunity to improve efficiency and save costs for both mailers and the Postal Service.

Four commenters objected to placing delivery addresses over their magazine titles. Our standards do not require or encourage mailers to place the delivery address over their publication titles. To clarify, publications mailed in polybags have three options to avoid covering the title: at the foot of the front cover, the foot of the back cover, or at the head of the back cover. For publications that are not mailed in polybags, our standards specifically prevent mailers from placing an address in the traditional title area of a magazine or catalog (the head of the front cover). See illustration titled, "Front of Flat-Size Mailpiece." Existing mailing standards for Periodicals publications specify that the publication title must be displayed prominently on the publication and any protective cover. Our new address standards do not change this practice.
Two commenters explained that their addresses may not comply on letter-size pieces that become flats if filled to more than 1/4-inch thick. While some mailers may need to adjust their mailpieces if they are used for mailing at both the letter and the flats prices, major changes are not needed in many instances. The new standards allow the delivery address in all but the center of a letter-size piece, and many mailers might make an adjustment by moving the address area to the right or the left (the “top” is either of the shorter edges on an enveloped piece, meaning the right or left edge on a typical letter). The postage and return address areas are not affected by our new standards. For mailers who must make adjustments, we are providing a year to meet the new standards and exhaust existing mailpiece stock.

Comments on Address Characteristics

Thirteen commenters objected to the 8-point type size requirement because it will require larger address labels than the labels they are currently using. In response to these concerns, we reduced the requirement to 6-point type.
(using all capital letters) on pieces that bear a POSTNET or an Intelligent Mail barcode that contains a delivery point routing code. In our models, we were able to place an Intelligent Mail barcode, the barcode clear zone, and at least six lines of text on a 1-inch label.

We are also shortening optional endorsement lines and allowing mailers to place mailer-specified information (such as customer numbers) to the left of the optional endorsement line when OneCode ACS™ is used. We will publish more information about these initiatives in a separate DMM® revision. In addition, the Intelligent Mail barcode will give mailers new opportunities to save space in the address block.

Six commenters objected to addressing automation pieces with individual characters and address lines that do not touch or overlap. These commenters said that the proposed standards would exclude handwriting and script fonts from automation pricing.

We developed these standards on the basis of engineering tests of our optical character reader systems, which showed a significant drop in read rates for addresses with elements that touch or overlap. Some results showed as much as a 50 percent drop in read rates when the characters and lines are not clearly separated. Our processing systems must be able to read the recipient name in addition to the address (or barcode) to accurately route mailpieces.

We do agree that many machine-printed script fonts will process adequately on our systems, even though these addresses will not achieve the highest read rates. To assist mailers who need these types of fonts to personalize or stylize their mailpieces, we changed the standard to specify that the individual characters in the address can touch, but cannot overlap. This standard will allow machine-printed script addresses. While we strongly prefer a sans-serif type of font, two script fonts that we have observed with adequate read rates are Monotype Corsiva and Bradley Hand ITC.

Our revised standards still exclude most handwritten addresses, because we cannot process pieces with overlapping characters and undelineated address lines with acceptable read rates. In addition, our carriers rely on legible addresses to accurately sort their mail and delineate delivery stops on their routes. Handwriting is often difficult to read and impacts delivery efficiency.

Five commenters objected to the requirement that each address element be separated by no more than three blank character spaces. These commenters stated that this standard is too limiting for software systems that use fixed field lengths. We revised the standard to allow mailers to separate address elements by a maximum of five blank spaces. The new standard will ensure readability and routing accuracy by keeping all address elements associated to the core address block, and not mistaken for extraneous information.
Five commenters asked us to clarify our measurements for type size. We revised the standards to specify that each character in the delivery address must be at least 0.080 inch tall (0.065 inch for pieces bearing a POSTNET or an Intelligent Mail barcode that contains a delivery point routing code). These minimums apply to the height of the actual printed letter or figure (sometimes referred to as the “figure set” or “font set”). Four commenters asked us to clarify our definition of “blank character spaces.” We specify that a “blank” character space can equal the width of the widest character in the address.

Two commenters objected to our preferred Arial font. We agree that many sans-serif fonts are similar to Arial and will process with acceptable read rates. We expanded our preference to “a sans-serif font.” We also added a preference for all capital letters to further define best addressing practices.

Two commenters asked us to clarify indicia placement, and one commenter asked us to allow additional options. The new address standards do not change the existing four options for indicia placement listed in DMM 604.5.3.4, and we are not considering new options at this time. We will continue to evaluate indicia placement and modify the standards as needed.

Comments Related to Implementation

Ten commenters objected to the implementation date, stating that FSS volumes will be minimal next year and the new rules should coincide with fuller deployment. We disagree with these commenters. We need the new address standards as FSS is deployed across the country, not after, and we need new standards for carrier readability today. We can capture these efficiencies as soon as these changes are implemented, and we will continually evaluate the requirements and work with mailers to ensure that mail processing and mail preparation are aligned in the future.

Nine commenters asked for information about acceptance procedures, tolerances, and penalties. We are still developing the policies that will apply to mailpieces that do not comply. We clarified the standards to specify a minimum measurement for type size, simplified the address placement standards, and broadened the spacing requirements. These changes eliminate uncertainty about these issues at acceptance and give mailers as much latitude as possible as they design and print their mailpieces.

Five commenters asked for a second proposal to clarify the requirements, extend the implementation timeframe, and specify acceptance procedures and penalties. We do not agree that a second proposal is needed. Our final rule gives more options for most mailpieces, clarifies the new standards, and provides a full year for mailers to prepare for the changes. We will continue to work with mailers during this time to ensure a smooth transition to the new standards. We will also re-evaluate the new address criteria as the mailstream changes, and strengthen or lessen the requirements if needed, as we do with all of our mailing standards.
Presort Bureau Comments

Four commenters sent similar letters on behalf of presort bureaus that use multi-line optical character reader (MLOCR) technology, explaining that they consolidate mailpieces from many mailers into large mailings that may be mailed at discounted prices. These mailpieces are addressed before they reach the presort bureau, and commenters stated that they cannot ensure that all pieces are addressed correctly. We note that presort bureaus consolidate mailings that must meet many standards for the postage prices claimed.

These commenters also stated that, if their MLOCR technology can read an address and spray a barcode; postal technology should also be able to read the address and the resulting barcode. We agree that pieces bearing an accurate POSTNET or Intelligent Mail barcode with a delivery point routing code can use a smaller address type size. We lessened the requirement to 6-point type (using all capital letters) for these pieces. We cannot eliminate the other address requirements. For acceptable read rates, our tests indicate that we need delivery addresses in 8-point type, with distinguishable characters and address lines, and with each element associated to the core address block.

These commenters also raised concerns about how we will verify address format and the penalties for noncompliance in a combined mailing. They explained that sampling a consolidated mailing might reveal a disproportionate number of noncompliant addresses, since a given customer’s mailpieces may not be randomly distributed throughout a mailing. We plan to verify addressing the same way we verify other standards in a combined mailing today. When an error is discovered, we attempt to trace the error back to an individual mailing and assess any additional postage on that portion only.

Five commenters assert that the new address placement and formatting requirements should not apply to mail entered by presort bureaus and other mailers with similar business models. The new standards will apply to all flats mailed at automation, presorted, or carrier route prices.

Summary of Changes from Proposed to Final Rule

We specified in DMM 302.1.2 and 2.4 that each character in the address must be at least 0.080 inch high. We changed our font preference to “sans-serif” and added another preference for using all capital letters.

We revised the standards for automation pieces in DMM 302.2.4 to allow the individual characters in the address to touch but not overlap, to allow up to five blank character spaces between each address element, and to allow addresses in 6-point type (using all capital letters) when a POSTNET or an Intelligent Mail barcode with a delivery point routing code is used. We also defined a “blank” space as equal to the width of the widest character in the address.
We changed the terminology in DMM 302.2.0 from “address block” to “delivery address” for clarity. We revised the address placement standards in DMM 302.2.2 and 2.3 to require the entire delivery address within the top half of the mailpiece. We made related changes to the illustrations. We added a caveat that vertical addresses may cross the midline of a mailpiece if they are placed within 1 inch of the top edge.

We revised DMM 302.2.2 to specify that when the delivery address is placed on an insert and polywrapped with the host piece, the address “must meet the placement standards throughout processing and delivery.” We removed the word “secured” because some inserts may meet this standard without being affixed. We revised DMM 707.3.2.3 and 3.3.10 for clarity.

We removed the proposed barcode standards for automation pieces, because those standards are now handled in a separate Federal Register proceeding.


List of Subjects in 39 CFR Part 111
Administrative practice and procedure, Postal Service.
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:

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

300 Discount Mail: Flats

302 Elements on the Face of a Mailpiece

1.0 All Mailpieces

[Revise 1.2 as follows:]

1.2 Delivery Address
The delivery address specifies the location to which the USPS is to deliver a mailpiece. Except for mail prepared with detached address labels under 602.4.0,
the mailpiece must have the address of the intended recipient, visible and legible, only on the side of the piece bearing postage (Periodicals do not display postage and the address may appear on either side). Use at least 8-point type (each character must be at least 0.080 inch high). A sans-serif font is preferred. Addresses printed in all capital letters are also preferred. Additional standards apply to presorted, automation-compatible, and carrier route flats mailed at First-Class Mail, Periodicals, Standard Mail, Bound Printed Matter, Media Mail, and Library Mail prices (see 2.0).

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[Renumber 2.0 through 4.0 as 3.0 through 5.0. Insert new 2.0 as follows:]

2.0 Address Placement

2.1 Basic Standards
On all Periodicals, Standard Mail, Bound Printed Matter, Media Mail, and Library Mail flats mailed at presorted, automation, or carrier route prices, mailers must place the delivery address at least 1/8 inch from any edge of the mailpiece. For the purposes of these standards, the “delivery address” is defined as the recipient’s name or other identification; the company information line; the street and number, and any necessary secondary information; and the city, state, and ZIP Code. The delivery address may appear on the front or the back of the mailpiece (but must be on the side bearing postage, except for Periodicals), parallel or perpendicular to the top edge, but it cannot be upside down as read in relation to the top edge. See 2.2 for additional standards for enveloped or polywrapped pieces, and 2.3 for bound or folded pieces not in envelopes or polywrap.

2.2 Address Placement on Enveloped or Polywrapped Pieces
The following standards apply to enveloped or polywrapped Periodicals, Standard Mail, Bound Printed Matter, Media Mail, and Library Mail flats mailed at presorted, automation, or carrier route prices:
   a. The “top” of the mailpiece is either of the shorter edges.
   b. The entire delivery address must be within the top half of the mailpiece (see Exhibit 2.2). Optimal placement is at the top edge (while maintaining the 1/8-inch clearance requirement). If a vertical address will not fit entirely within the top half, the address may cross the midpoint if it is placed within 1 inch of the top edge.
   c. When the delivery address is placed on an insert polywrapped with the host piece, the address must meet the placement standards throughout processing and delivery.
2.3 Address Placement on Bound or Folded Pieces

The following standards apply to bound or folded Periodicals, Standard Mail, Bound Printed Matter, Media Mail, and Library Mail flats mailed at presorted, automation, or carrier route prices not in envelopes or polywrap:

a. The “top” is the upper edge of the mailpiece when the bound or final folded edge is vertical and on the right side of the piece. Exception: For Carrier Route (or Enhanced Carrier Route) saturation pieces, the “top” of the mailpiece is either of the shorter edges.

b. The entire delivery address must be within the top half of the mailpiece (see Exhibit 2.3). Optimal placement is at the top edge (while maintaining the 1/8-inch clearance requirement). If a vertical address will not fit entirely within the top half, the address may cross the midpoint if it is placed within 1 inch of the top edge.
2.4 Type Size and Line Spacing
On all First-Class Mail, Periodicals, Standard Mail, Bound Printed Matter, Media Mail, and Library Mail flats mailed at presorted, automation, or carrier route prices, mailers must print the delivery address using at least 8-point type (each character must be at least 0.080 inch high). A sans serif font is preferred.

Addresses printed in all capital letters are also preferred. These additional standards apply to automation price pieces:

a. The individual characters in the address cannot overlap. The individual lines in the address cannot touch or overlap. A minimum 0.028-inch clear space between lines is preferred.

b. Each element on each line of the address may be separated by no more than five blank character spaces. One or two blank spaces is preferred.

For example, “ANYTOWN US 12345,” not “ANYTOWN US 12345.” A “blank” character space can equal the width of the widest character in the address.

2.3 Delivery Address on Bound or Folded Pieces

Exhibit 2.3 Delivery Address on Bound or Folded Pieces

Address cannot read upside down and must be within top half of mailpiece

Mr. John A. Sample
39 Oak St.
Apt. 205
Anytown, WA 98765-4321

Address can read right or left and must be within top half of mailpiece

Mr. John A. Sample
39 Oak St.
Apt. 205
Anytown, WA 98765-4321

Spine or final fold (piece not in envelope or polybag)
minimum of 6-point type (each character must be at least 0.065 inch high) when all capital letters are used.

330 First-Class Mail

333 Prices and Eligibility

3.0 Eligibility Standards for First-Class Mail Flats

3.3 Additional Basic Standards for First-Class Mail
All presorted First-Class Mail must:

[Revise introductory text in item f to reference the new address standards as follows (no change to items 1, 2, or 3):]

f. Bear a delivery address formatted according to 302.2.4 that includes the correct ZIP Code or ZIP+4 code and that meets these address quality standards:

340 Standard Mail

343 Prices and Eligibility

3.0 Basic Standards for Standard Mail Flats

3.3 Additional Basic Standards for Standard Mail
Each Standard Mail mailing is subject to these general standards:

[Revise item e to reference the new address standards as follows:]
e. Each mailpiece must bear the addressee's name and delivery address, including the correct ZIP Code or ZIP+4 code, except as allowed when using alternative addressing formats under 602.3.0 or detached address labels under 602.4.0. Format and position the delivery address according to 302.2.0.

360 Bound Printed Matter

363 Prices and Eligibility
2.0 Basic Eligibility Standards for Bound Printed Matter

2.3 Delivery and Return Addresses
[Revise 2.3 to reference the new address standards as follows:] All BPM mail must bear a delivery address formatted and positioned according to 302.2.0. The delivery address must include the correct ZIP Code or ZIP+4 code. Alternative addressing formats under 602.3.0 may be used. Except for unendorsed BPM, each mailpiece must bear the sender's return address.

370 Media Mail

373 Prices and Eligibility

3.0 Price Eligibility for Media Mail Flats

3.3 Delivery and Return Addresses
[Revise 3.3 to reference the new address standards as follows:] All Media Mail must bear a delivery address formatted and positioned according to 302.2.0. The delivery address must include the correct ZIP Code or ZIP+4 code. Alternative addressing formats under 602.3.0 or detached address labels under 602.4.0 may be used. Each mailpiece must bear the sender's return address.

380 Library Mail

383 Prices and Eligibility

3.0 Price Eligibility for Library Mail Flats

3.3 Delivery and Return Addresses
[Revise 3.3 to reference the new address standards as follows:] All Library Mail must bear a delivery address formatted and positioned according to 302.2.0. The delivery address must include the correct ZIP Code or ZIP+4 code. Alternative addressing formats under 602.3.0 or detached address labels under 602.4.0 may be used. Each mailpiece must bear the sender's return address.
3.2 Addressing

3.2.3 Address Placement

[Revise 3.2.3 to reference the new address standards as follows:] The delivery address must be clearly visible on or through the outside of the mailpiece, whether placed on a label or directly on the host publication, a component, or the mailing wrapper. The following standards apply:

a. For flat-size pieces, mailers must follow the additional address placement and formatting standards in 302.2.0.
b. If the address is placed on the mailing wrapper, the address must be on a flat side, not on a fold.
c. If a polybag is used:
   1. The address must not appear on a component that rotates within the bag.
   2. The address must remain visible throughout the addressed component's range of motion.
   3. The address must maintain placement according to 302.2.0 throughout processing and delivery. The address must not shift into a noncompliant position.

3.3 Permissible Mailpiece Components

3.3.10 Label Carrier

A label carrier may be used to carry the delivery address for the mailpiece and must consist of a single unfolded, uncreased sheet of card or paper stock, securely affixed to the cover of the publication or large enough so that it does not rotate inside the wrapper, subject to these conditions:

[Insert new item e as follows:]
e. For flat-size pieces, the label carrier must maintain address placement according to 302.2.0 throughout processing and delivery. The address on the label carrier must not shift into a noncompliant position.

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Neva R. Watson,
*Attorney, Legislative.*

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