

**MEMO# 2543**

February 15, 1991

# **POSTAL SERVICE ISSUES FINAL RULE ON ELIGIBILITY REQUIREMENTS FOR AUTOMATED RATE CATEGORIES**

February 15, 1991 TO: MEMBERS - ONE PER COMPLEX NO. 7-91 OPERATIONS MEMBERS NO. 5-91 TRANSFER AGENT ADVISORY COMMITTEE NO. 7-91 RE: POSTAL SERVICE ISSUES FINAL RULE ON ELIGIBILITY REQUIREMENTS FOR AUTOMATED RATE CATEGORIES

The Postal Service has issued the final rule relating to eligibility requirements for automated rate categories which is described in the attached Federal Register release ("Release"). The Institute's comment letter dated November 9, 1990 on the proposed rule is also attached. The rule will become effective on February 24, 1991, except for certain regulations, and will require the following in order to be eligible for automation based rate discounts: 1. Use of the finest level of ZIP+4 code available for an address in the USPS ZIP+4 data file (available by subscription from the National Address Information Center - see page 2614 of the attached Release). 2. Use of complete addresses which include all elements necessary to obtain an exact match to the finest level of ZIP+4 code available. 3. Nonbarcoded ZIP+4 mailings must use addresses standardized in a format prescribed by the Postal Service. (Complete and standardized addresses are defined on page 2606 of the Release.) 4. Software which has been Coding Accuracy Support System ("CASS") certified by the Postal Service must be used to match addresses with the USPS ZIP+4 data file (Certification procedures are on page 2614 of the Release). 5. Address lists must be matched to the USPS ZIP+4 data file within six months of any mailing. A requirement to provide documentation (PS Form 3553, Exhibit 532.2 in the Release) of such matching with each mailing is also included in the final rule. -2- The rule also amends Domestic Mail Manual regulations regarding optical character reader readability, barcode preparation, and the physical characteristics of automated mailpieces including weight, thickness and flexibility. The final rule adopts a number of changes to the proposed rule which are in keeping with recommendations made by the Institute in its comment letter. Those adopted changes are as follows: 1. The final rule adopts the 2.5 ounce maximum weight requirement but provides an exception for pieces weighing up to 3.0 ounces until September 15, 1991. During the seven months until September, the Postal Service will conduct additional testing before deciding on the final rule. 2. Effective February 24, 1991 booklet type mailpieces must be sealed with one tab in the center of the open edge. This is only a slight improvement over the proposed rule which required two tabs. 3. The requirement that CASS certified software be used to match addresses to the USPS ZIP+4 data file will not go into effect until September 1, 1991. 4. Complete addresses and the finest level of ZIP+4 will be phased in between September 1991 and September 1992 to allow mailers time to verify address lists. Apartment numbers and ZIP+4 codes to the apartment number level will not be required until March 1, 1992.

Other changes to the proposed rule which are adopted in the final rule appear on pages 2599-2605 of the Release. We strongly recommend that the individual(s) in your firm responsible for mailpiece preparation examine the final rule thoroughly as the requirements are lengthy and detailed. The Postal Service is welcoming comments on this final rule for consideration in possible future rule proposals. Anyone with comments should submit them to the undersigned by March 29, 1991. We will keep you informed of future developments.  
Diane Butler Director of Operations/ Fund Custody Enclosures

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