The Postal Service proposes to revise Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM®), to add a new Address Quality Measurement process for participating mailers, who enter eligible basic and full-service mailings.

### Address Quality Measurement Alternative

**AGENCY:** Postal Service®TM.

**ACTION:** Proposed rule.

**SUMMARY:** The Postal Service proposes to use Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM®), to add a new Address Quality Measurement process for participating mailers, who enter eligible basic and full-service mailings.

**DATES:** Submit comments on or before January 22, 2015.

**ADDRESSES:** Mail or deliver written comments to the manager, Product Classification, U.S. Postal Service, 475 L’Enfant Plaza SW., Room 4446, Washington, DC 20260–5015. You may inspect and photocopy all written comments at USPS® Headquarters Library, 475 L’Enfant Plaza SW., 11th Floor North, Washington, DC, by appointment only, between 9 a.m. and 4 p.m., Monday through Friday by calling 202–268–2906 in advance. Comments by email, containing the name and address of the commenter, may be sent to: ProductClassification@usps.gov, with a subject line of “Address Quality Measurement.” Faxed comments are not accepted.

**FOR FURTHER INFORMATION CONTACT:** Heather Dyer (207) 482–7217, email: heather.l.dyer@usps.gov.

**SUPPLEMENTARY INFORMATION:** The Postal Service continues to look for opportunities to work with mailers on improving address quality and reducing undeliverable-as-addressed (UAA) mail. One key driver of UAA mail is outdated address information resulting from changes when a postal customer moves.

With the advent of Intelligent Mail® barcodes (IMb) and electronic documentation (eDoc), the Postal Service has established new tools to measure address quality pertaining to move-related changes. The Address Quality Measurement Tool is a scorecard that will be used to convey information on address hygiene. This data-driven approach will allow the Postal Service to provide valuable feedback to mailers who enter qualifying mailings.

After an initial period, and subject to the appropriate regulatory approvals, the Postal Service plans to assess an Address Quality Assessment Fee on mailpieces in qualifying mailings that contain change-of-address (COA) errors in excess of a published threshold. The Postal Service is sharing the scorecard now so that mailers will have an opportunity to improve their address quality before the Address Quality Assessment Fee is implemented. The Postal Service proposes to use the Address Quality Measurement Tool for qualifying mailings of Bound Printed Matter (BPM) flats and letter- and flat-size First-Class Mail®, Periodicals, and Standard Mail® pieces. In the future, mailpieces that do not meet address quality compliance would be subject to an Address Quality Assessment Fee.

### Background

Today, when a mailing is entered, Move Update quality and error assessments may be evaluated on a mail sample by use of the Mail Evaluation Readability Lookup Instrument (MERLIN™) process. Since August 2014, USPS technology has further evolved so that, when mailers use an IMb and submit their postage statements and supporting documentation via eDoc, mail stream data collection can be used to evaluate the move-related quality for mail being processed. Therefore, the Postal Service proposes to use this new technology to evaluate address quality on specific mailings.

#### Criteria

The proposed Address Quality Measurement Tool and Assessment Fee will be only for mailings that meet the following requirements:

- Use a Basic or full-service IMb on their mailpieces.
- Use eDoc to submit mailing information.
- Qualify 75 percent or more of their mailpieces per calendar month as full-service.

Once the assessment fee is in place, qualifying mailings will no longer be required to demonstrate or document other USPS-approved Move Update methods that are being used to update their address list. However, the Postal Service recommends that all mailers continue to use a Move Update method to remain below the compliance threshold; expedite the delivery of their customer’s mail by avoiding mail forwarding; and increase the security and privacy of sensitive customer information.

#### Specifications

The following specifications will be used to measure address quality regarding the currency of updating addresses related to customer moves, identify errors, and ultimately assess errors over the specified threshold:

- **Analysis** will be performed on all pieces in the mailing, rather than on a sample.
- **The assessment will be determined by the number of COA errors, in a calendar month, divided by the total number of pieces mailed that were subject to analysis. The resulting percentage is compared to an error threshold established by USPS.**
- **COA errors are those pieces that fail to include the new address for a customer with a COA order on file for more than 95 days and less than 18 months old, as specified below.**

### Mailpiece Results

- **Data collected from the mail stream will be reconciled to eDoc documentation.**
- **The results will be displayed in the Mailer Scorecard on the Electronic Verification tab by accessing the Business Customer Gateway (BCG) at https://gateway.usps.com/bcg/detail.htm.**
- **Mailers will be able to review the Mailer Scorecard and corresponding detailed reports to identify any anomalies or issues.**
- **Issues may be raised to the PostalOne! Help Desk at 1–800–522–9085 or through local Business Mail Acceptance employees.**
- **For the test period, the initial threshold will be set to 0.8%. In the future, the Postal Service plans to assess mailers for errors in excess of the error threshold.**
- **For example, if the error threshold were set to 0.8%, 10,000 pieces are mailed in a calendar month, and one percent (100 pieces) is in error, then 0.2 percent (= 1%–0.8%) or a total of 20 pieces (= 100–80) would be assessed.**

The Postal Service is sharing the scorecard now so that mailers will have an opportunity to improve their address quality before the Address Quality Assessment Fee is implemented.
Implementation of Address Quality Assessment Fee

The Postal Service plans to implement the Address Quality Assessment Fee during the calendar year of 2015, after appropriate regulatory approvals.

Notice about changes regarding the extension of free address correction service and any withdrawal of the requirement for the payment of manual address correction notices for Periodicals will be provided at a later date.

The Postal Service invites all comments and feedback.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Although we are exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 553(b), (c)) regarding proposed rulemaking by 39 U.S.C. 410(a), we invite public comments on the following proposed revisions 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 proposed to be 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:

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

600 Basic Mailing Standards for All Mailing Services

* * * * *

602 Addressing

* * * * *

[Revise the title of 602.5.0 as follows:]

5.0 Move Update and Address Quality Standards

5.1 Basic Standards for Move Update

[Revise the introductory paragraph only of 602.5.1 as follows:]

The Move Update standard requires the periodic matching of a mailer’s address records with customer-filed change-of-address orders maintained by USPS. Each address, except for mail bearing an alternative address format (under 3.0) or meeting the Address Quality Measurement and Assessment Standards (under 5.4), in a mailing at commercial First-Class Mail presorted or automation prices, First-Class Package Service presorted parcel prices, Standard Mail, or Parcel Select Lightweight prices is subject to the Move Update standard and must meet these requirements: * * * * * * * *

5.3 Basis for Move Update Assessment Charges

[Revise 602.5.3b as follows:]

b. Each of the assessed pieces is subject to the per piece assessment charge. See Notice 123—Price List.

* * * * *

[Revise 602.5.4 and rename as 602.5.6 and add entirely new 602.5.4 as follows:]

5.4 Basic Standards for Address Quality Measurement and Assessment

Mailings that meet these requirements will not be subject to the Move Update standards in 1.0 to 4.0. Mailers of mailings that meet the Address Quality Measurement Standards will receive access to data showing the metrics on the currency of address updating. Mailings with sufficient errors to meet the criteria under 5.5 will be subject to the Address Quality Assessment Fee. The following mailings are subject to Address Quality Measurement if they:

a. Use a Basic or full-service IMb on their mailpieces,

b. Use eDoc to submit mailing information, and

c. Qualify at least 75 percent or more of their mailpieces per calendar month

as full-service.

[Add new 602.5.5 as follows:]

5.5 Basis for Address Quality Assessment Fee

Mailings that meet the standards in 5.4 are subject to an Address Quality Assessment Fee if more than [a specified percentage] of the mail has change of address (COA) errors, as determined by an analysis of the data captured during mail processing. Specifically, the mailpieces with addresses containing COA errors in excess of the error threshold will pay a per piece charge as follows:

a. The mailpiece’s processing indicates that it contains a COA’s old address and the COA “Move Effective Date” or “Filed Date...” whichever is later, is between 95 days and up to 18 months of the postage statement finalization date. This is called a Change of Address error.

b. If the percentage of mailpieces with COA errors in a calendar month is greater than the address quality error threshold for all qualifying pieces mailed in a calendar month, any pieces above the threshold are subject to an assessment.

c. Each of the assessed pieces is subject to an Address Quality Assessment Fee.

d. Mail pieces sent to an address determined to be associated with a change of address that is temporary, foreign, Moved, Left No Address (MLNA), or Box Closed No Order (BCNO) will not be included in determining the assessment.

* * * * *

We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes, if our proposal is adopted.

Stanley F. Mires,
Attorney, Federal Requirements.
[FR Doc. 2014–29943 Filed 12–22–14; 8:45 am]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 54

[REG–132751–14]

RIN 1545–BM44

DEPARTMENT OF LABOR

Employee Benefits Security Administration

29 CFR Part 2590

RIN 1210–AB70

DEPARTMENT OF HEALTH AND HUMAN SERVICES

45 CFR Part 146

[CMS–9946–P2]

RIN 0938–AS52

Amendments to Excepted Benefits

AGENCIES: Internal Revenue Service, Department of the Treasury; Employee Benefits Security Administration, Department of Labor; Centers for Medicare & Medicaid Services, Department of Health and Human Services.

ACTION: Proposed rules.

SUMMARY: This document contains proposed rules that would amend the