

# Mailers. Companion



OCTOBER/NOVEMBER 2002

## USPS Files Two Experimental Cases

*The USPS asks the Postal Rate Commission to recommend the Experimental Periodicals Co-Palletization Dropship Discounts and Experimental Capital One Services, Inc. Negotiated Service Agreement.*

The Governors of the Postal Service approved the filing with the Postal Rate Commission (PRC) of two targeted pricing initiatives designed to encourage greater efficiencies and to take advantage of the Postal Service's existing pricing flexibility. The two initiatives have been filed with the PRC as experiments. The first is a new classification for Periodicals. The other supports a negotiated service agreement (NSA) between the Postal Service and Capital One Services, Inc., its fourth largest customer and the largest single producer of First-Class Mail.

### Periodicals Co-Palletization Dropship Discounts

In an effort to provide mailers of small circulation periodicals a way to achieve worksharing discounts enjoyed by large mailers, the Postal Service is seeking a two-year experimental mail classification for Periodicals co-palletization area distribution center (ADC) and sectional center facility (SCF)

Find information on the filings at the PRC Web site, [www.prc.gov](http://www.prc.gov). Click on **Contents** then **Pending Cases** then **MC2002-2** for the NSA filing and **MC2002-3** for the Co-Palletization filing.

dropship discounts. The discounts are designed to provide an additional incentive for publishers, printers, and consolidators to combine different publications or print runs on pallets. This arrangement avoids the need for sacks, a benefit to mailers and the Postal Service.

### Capital One Services, Inc. NSA

The Postal Service is seeking a three-year experimental mail classification based on a negotiated service agreement (NSA) between the Postal Service and Capital One Services, Inc.

"We are seeking ways to make it easier and more beneficial for postal customers doing business with us. Many postal customers want access to prices and services targeted to their specific needs. One way to accommodate these needs, under current law, is through the pricing flexibility afforded to us with NSAs," said Anita Bizzotto, Chief Marketing Officer for the Postal Service.

NSAs can specify the preparation, presentation, acceptance, processing, transportation, and delivery of mailings under particular rate, classification, and service conditions, and restrictions that go beyond those required of other mailers.

The negotiated service agreement between the Postal Service and Capital One includes discounts for Capital One First-Class Mail volume above an annual threshold of 1.225 billion pieces; and electronic return of undeliverable mail data by the Postal Service to Capital One, eliminating, over the term of the agreement, nearly 200 million physical returns — significantly reducing costs for the Postal Service and increased efficiency for Capital One.

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# RIDE-ALONG

*A ride-along piece is Standard Mail matter (subject to specific eligibility requirements) included in a Periodicals publication that would not otherwise qualify for the Periodicals rates.*

Effective June 30 the experimental Periodicals ride-along rate became a permanent rate. The new \$0.124 rate is still a great bargain when compared to the cost for mailing a letter weighing 3.3 ounces or less at the Standard Mail basic Presort or automation rate of \$0.268 or \$0.219.

The eligibility standards for Periodicals and for the ride-along rate did not change on June 30. Any material that was eligible for the Periodicals rates of postage prior to June 30 is still eligible for these rates. Materials such as supplements and permissible loose enclosures (DMM C200.1) are still eligible to be mailed at the Periodicals Outside-County or In-County rates of postage as long as all other eligibility standards for Periodicals are met.

One frequently asked question is, "When should a loose enclosure in an

unbound publication be paid at the ride-along rate?"

Remember, standards related to loose enclosures and inserts in unbound publications differ from those of bound publications. Unbound publications, such as newspapers, can include any loose printed material as a supplement regardless of the advertising content as long as the material does not contain any of the impermissible components described in DMM C200.2.2.

Examples of impermissible components include material that contains:

- a. A separate price or subscription instructions different from those of the host publication.
- b. A component referred to as a "catalog."
- c. A component bearing a First-Class Mail, Standard Mail, or Package Services permit imprint.

d. An ISBN, ISSN, or USPS number different from that of the host publication.

Periodicals publications containing components with any of the above characteristics must be charged at the applicable Standard Mail or ride-along rates of postage (this applies whether the publication is bound or unbound).

Advertising supplements and other permissible loose supplements in unbound publications may contain 100% advertising and still qualify for the applicable Periodicals rates. Although this type of advertising material could be mailed as Standard Mail (which is one of the requirements of ride-along mailpieces), if included in an unbound publication, it is still eligible for Periodicals rates.

The eligibility standards for ride-along mailpieces are published in DMM E260.



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## Coffee, Donuts, and Parcel Select

Something besides coffee will be brewing at dropship locations. That's because USPS is now offering "early-bird" hours for Parcel Select mailers. The expanded hours — 5 a.m. to 7 a.m. — are only for Parcel Select pieces presented at destination delivery units (DDUs).

"We believe we can increase our market share of the package business via the Parcel Select products while our consolidator and package shipping customers enjoy better service," said COO Pat Donahoe.

The expanded hours will be implemented in two phases. Phase One started October 19 when most of the 1,000 largest DDUs began offering expanded Parcel Select dropship

hours: 5 a.m. to 7 a.m. and 10 a.m. to 4 p.m.

Phase Two will rollout to an additional 7,800 offices in the near future, based on current staffing, scheduling, and facility capacity.

Parcel Select is for high-volume shippers who serve residential customers. It is a service that saves mailers money by offering workshare discounts.

USPS will continue to support current local initiatives to expand Parcel Select dropship hours beyond the standardized minimums based on mailers' requests and current staffing.

Access the new DDU Parcel Select acceptance hours and physical dropship locations at [www.usps.com/shipping/acceptance.htm](http://www.usps.com/shipping/acceptance.htm).

# Mailing Magnets

Mailing refrigerator-type (flexible) magnets is often a source of concern because their design can disrupt or interfere with the efficiency of mail processing equipment.

Over the last 4 years the Postal Service Engineering has conducted extensive testing that has identified guidelines for mailing refrigerator-type magnets. These efforts along with the technical advancement in our processing equipment, now allow some greater flexibility in accepting certain magnets.

The following guidelines should be used when preparing magnetic mailpieces containing magnets:

1. Refrigerator-style magnets may be mailed at First-Class Mail and



Standard Mail machinable or nonmachinable letter or nonletter rates, pending the applicable standards.

2. The maximum size of the magnet cannot exceed 4 1/4 inches in height and 6 inches in length.

3. The magnetic side must face the reverse (nonaddress) side of the

mailpiece, whether prepared as card-style or enclosed in an envelope.

4. The magnet must be right-justified (leading edge) on the mailpiece. If the magnet is enclosed in an envelope it must be secured, right-justified inside the envelope.

5. Magnets prepared as card-style mailpieces must pay the appropriate letter-size rates. These card-style mailpieces are often enclosed in some type of plastic material that can make the mailpiece subject to the nonmachinable surcharge.

## To the Finest Extent...

The preparation for Standard Mail Irregular Parcels as contained in DMM M610.4 has been a source of discussion recently. Specifically the basic packaging standards for 5-digit packages vs. the 125-piece/15 pound minimum for required sacks.

DMM M610.4.3 contains the basic packaging standards for Standard Mail flat-size pieces and irregular parcels. Subsection 4.3a states that a 5-digit package is required when there are 10 parcels to a 5-digit ZIP Code.

Because irregular parcels can create packaging problems because of their shape or size, the mailing standards contained in DMM M610.4.2a allow sacks to be used as a substitution for packaging (i.e., rubber bands, straps, etc.). In particular, subsection 4.2a provides that "*irregular parcels 1/2 inch thick or thicker* [need not be prepared in packages under subsection 4.3] *if they are placed in a sack to the same destination to which they would otherwise be packaged....*" (emphasis added). For example, 10 or more irregular parcels addressed to the same 5-digit destination need not be

packaged if placed in a 5-digit sack; however, they must be packaged if placed in a 3-digit, ADC, or mixed ADC sack. Likewise, if there are 10 or more irregular parcels destined for the same 3-digit area, but not to the same 5-digit ZIP Code, then they do not need to be packaged if placed in a 3-digit sack; however, they must be packaged if placed in an ADC or mixed ADC sack.

The sacking exception to packaging in DMM M610.4.2a may be used notwithstanding the *125-piece or 15-pound* minimum criteria contained in DMM M610.4.7, since the 5-digit sack is the functional substitute for the 5-digit package.

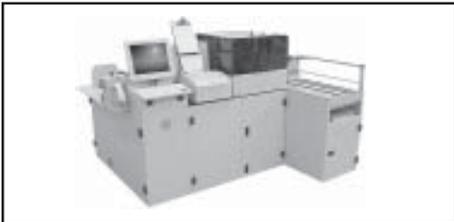
The basic preparation standards for all Standard Mail irregular parcels (i.e., those that require 5-digit preparation when 10 pieces exist for a 5-digit ZIP Code) must accordingly be followed. It should be noted, however, that parcel mailers retain the option of combining certain 5-digit ZIP Codes (DMM L606, column B) into a 5-digit scheme sack as described in DMM M610.4.7, which can assist with reducing the number of sacks prepared.

For example, Customer A has 200 parcels loose packed in a 3-digit sack to ZIP Code 553. There are ten 5-digit ZIP Code destinations to which more than 10 pieces are addressed. There are two options available for preparing these pieces. A separate 5-digit sack may be prepared for each of these destinations resulting in ten 5-digit sacks and one 3-digit sack to ZIP Code 553. Or the pieces for those ten 5-digit destinations must be packaged if placed in the 553 sack. They are not sorted to the finest extent possible if prepared as loose packed parcels in the 3-digit sack. The 5-digit sort (package) is required when there are 10 parcels to a 5-digit ZIP Code.

The rates for which the pieces in this mailing would be eligible are explained in DMM E620.2.0. "Pieces may qualify for the 3/5 rate if they are presented in a 5-digit or 3-digit sack of irregular parcels containing at least 125 pieces or 15 pounds of pieces. Pieces that do not qualify for the 3/5 rate must be paid at the basic rate."

Following is the deployment process for MERLIN equipment, including information about how the USPS will communicate MERLIN information to customers and how they will administer the 60-day grace period for barcode readability postage adjustments based on MERLIN verifications.

The grace period is administered on a site-by-site basis. A site is defined by the USPS finance number assigned to it. One finance number usually includes one business mail entry unit (BMEU) and all detached mail units (DMUs) that report under that finance number. Customers should contact



their local BME manager if they have any questions concerning how many MERLIN machines are being deployed within their finance number.

Information on current USPS deployment schedules can be found on the USPS Web site at [www.usps.com/merlin](http://www.usps.com/merlin).

A listing of USPS district and area MERLIN coordinators is also available on the USPS Web site at [www.usps.com/merlin](http://www.usps.com/merlin). Area MERLIN coordinators are responsible for coordinating MERLIN activities throughout the area and ensuring district offices comply with all actions necessary for MERLIN installation and operation. Customers should first contact their district MERLIN coordinator with questions or concerns. Area MERLIN coordinators should be contacted with any questions or concerns that cannot be addressed by the district coordinator.

In addition to the resources on the USPS Web site, the September issue of *Mailers Companion* provided additional information, including the *Mailer's Guide to MERLIN*, and the

*Industry Best Practices for Barcode Quality*.

### Prior to Deployment

**90 Days Prior to Deployment** — the following actions should occur 90 days prior to the deployment of MERLIN equipment:

- The USPS district office will send a letter to its customers 90 days in advance of MERLIN installation announcing the placement of MERLIN at a BMEU. The letter will explain how to access the USPS MERLIN Web site. It will also advise customers that they will receive a second letter notifying them of the actual date the 60-day grace period will begin.
- The USPS Web site provides information on testing samples at the Chicago Test Center. Customers are encouraged to test as many different printing technologies and mailpiece designs as possible, to help identify potential problems. Refer to the *Mailer's Guide to MERLIN* for more guidance on testing.

**60 Days Prior to Deployment** — the following actions should occur 60 days prior to the deployment of MERLIN equipment:

- The USPS district office will conduct a joint USPS/customer site preparation meeting. Customers receiving MERLIN equipment at their facility will be invited to attend the site preparation meeting. The MERLIN appeals process will be discussed with customers as part of this site preparation meeting.

**30-60 Days Prior to Deployment** — the following actions should occur 30-60 days prior to the deployment of MERLIN equipment:

- The district MERLIN coordinator will review all MERLIN sites for site readiness.
- Customers should attend the USPS MERLIN operator training course offered in Norman, OK. Additional

information is available on the MERLIN Web site at [www.usps.com/merlin](http://www.usps.com/merlin).

### Machine Installation

Machine "installation" refers to the installment of the MERLIN equipment to sites within a USPS finance number. The equipment must be delivered to a site, accepted by the USPS from vendor Bell & Howell, and certified to be in good working order. The time frames noted below are the number of days following delivery of the equipment to a site, and are goals. If any problems are encountered, the USPS will expand the time frames.

**Day 1** — MERLIN machines are delivered to the site and the USPS test director, with a representative from Bell & Howell, begins installation. If a site is receiving multiple machines within the BMEU, one machine per week is installed. As an example, if a site is receiving four machines, it would take four weeks to install all machines.

**Day 2-4** — The Bell & Howell representative and the USPS test director install the machine and conduct acceptance tests to certify its readiness.

**Day 5** — When Bell & Howell and the USPS test director agree that the machine is in good working order and ready to begin use for verification, the USPS sends customers served by that site a letter notifying them of the start date for the 60-day grace period for barcode readability postage adjustments. During this 60-day period, no additional postage is assessed for barcode readability errors based on MERLIN testing.

For all other MERLIN verification tests, there is no grace period, and the USPS will begin assessing additional postage based on MERLIN verifications seven days after the

machine installation is completed for a finance number.

## After Machine Installation

Once the MERLIN machine has been installed as described above, the following actions should occur in the specified time frames outlined below. If any problems are encountered, the USPS may expand these time frames.

### 1-1/2 Days After Machine

**Installation** — USPS employees who have received at least 12 hours of MERLIN training and who have met the competency standards will operate the machines to conduct verifications. In addition, a trained supervisor will be available to provide operator guidance as needed.

**Note:** For finance numbers receiving multiple machines, the 60-day grace period does not begin until one week after the installation of the last machine for that finance number.

### 7 Days After Machine

**Installation** — Seven days after the installation of the last machine for a finance number is completed, **the 60-day grace period for barcode readability begins.** Although no additional postage is assessed for barcode readability errors based on MERLIN testing during this 60-day period, the USPS will provide customers diagnostic information so any necessary corrective action may be taken.

For all other MERLIN verification tests, there is no grace period. The USPS will begin assessing additional postage based on MERLIN verifications seven days after the installation of the last machine for a finance number is completed.

### 30-60 Days After Machine

**Installation** — 30-60 days after the installation is completed for the last machine in a finance number, the

USPS will conduct a site readiness review. This review assesses three critical areas: equipment downtime, number of verification tests being performed, and MERLIN operator competency.

• **Machine downtime (for sites with only one MERLIN machine)** — During the 60-day grace period, the downtime must not exceed 10 percent of its operating window. If that occurs, the 60-day grace period will be extended until the downtime for the MERLIN machine does not exceed 10 percent of its operating window. USPS district offices must maintain a log of machine downtime hours, citing the reason for the downtime and any follow-up action taken.

• **Verification Tests Being Performed (for a Detached Mail Unit)** — The USPS must perform a minimum of 30 verification tests during the 60-day grace period. The USPS district coordinator will be monitoring all facets of MERLIN deployment and will ensure that an appropriate number of verification tests are performed in the first half of the 60-day grace period, rather than having all tests performed in the second half of the grace period. This provides customers with ample time to identify, diagnose, and correct barcode readability problems.

During the 60-day grace period, the USPS will send barcode readability failures to the USPS mailpiece design analyst (MDA) for customer contact to explain the reason for the failure and to provide customers with assistance in diagnosing and correcting deficiencies.

Customers are encouraged to monitor the number and frequency of verification tests being performed and contact the USPS immediately if verification tests are not being performed on a regular basis following the machine installation. If the minimum 30 verification tests have not been performed by the end of the 60-day grace period at a DMU, the

grace period will be extended as deemed necessary by the USPS district coordinator after discussion with the customer. Customers are encouraged to continue using the MERLIN test center to test as many different printing technologies and mailpiece designs as possible during the 60-day grace period. Refer to the *Mailer's Guide to MERLIN* for more guidance on testing.

• **Operator Competency** — During the 60-day grace period, the USPS will evaluate the competency of MERLIN operators within the finance number and take appropriate measures to ensure operator competency prior to the end of the 60-day grace period, including, but not limited to, retraining as necessary and possible extension of the 60-day grace period.

The USPS will notify customers in writing when the 60-day grace period will begin. The length of any extension deemed necessary as a result of the site readiness review will be at the discretion of the USPS area and district MERLIN coordinators, and will be communicated to customers as early as possible.

### 61 Days After Machine Installation — 60-day grace period ends for barcode readability.

On the 61<sup>st</sup> calendar day following the completion of the installation of the last machine within a finance number, the grace period ends for assessing additional postage for barcode readability, unless the USPS extends the grace period. The USPS will begin assessment of additional postage for barcode readability based on MERLIN verifications.

As discussed above, if the site readiness review reveals any other issues or conditions which impact the proper function of the MERLIN machine, an appropriate extension will be determined.

# Online Shipping Label With PC Postage Service

Click-N-Ship — online shipping now on [www.usps.com](http://www.usps.com)

In answer to customers' needs for Internet access to shipping services, the Postal Service has introduced Click-N-Ship, the Print Shipping Label feature on its Web site. From the convenience of their home or office, customers can now pay for PC Postage service and print shipping labels.

Shipping on [www.usps.com](http://www.usps.com) is available for four USPS expedited domestic and international services: Priority Mail, Express Mail, Global Express Mail, and Global Express Guaranteed.

Delivery Confirmation service is included — at no additional cost — with Priority Mail service. Signature Confirmation service is also available at a reduced rate. This is because online shippers qualify for the electronic rate confirmation services, making Priority Mail an even greater value.

Click-N-Ship rolls three popular USPS Web tools into one application: ZIP Code look-up, Rate Calculator, and Address

Standardization. Another handy item is the address book that allows customers to save frequently used addresses online.

It features a quick-print link and allows the user to sort by name, company, or address.

No special equipment is needed — just a personal computer, a printer, and an Internet connection.

Laser jet printers are best, but high quality inkjet printers also work. Labels can be printed on regular 8 1/2" x 11" paper stock or self-adhesive labels can be purchased. Paper stock labels should be glued or taped securely (covering most of the label except the barcode) onto the mailpiece.



## Click-N-Ship

Ease-of-use from desktop to delivery!

### Home or office convenience!

- Print online shipping labels — with or without postage
- Pay for postage with credit card

### Priority Mail labels include no-fee Delivery Confirmation!

Online labels also available for:

- Express Mail
- Global Express Mail
- Global Express Guaranteed

### Easy to Mail

Priority Mail and Express Mail with PC Postage can be mailed in collection boxes, regardless of weight.

Any major credit card is all that is needed to pay for labels with online postage. Labels also can be printed without postage, and have either a meter strip or stamps affixed, or postage purchased at a Post Office.

Mailing convenience is another key to improving access to postal services. Mailpieces with PC Postage shipping labels can be handed to the delivery carrier, scheduled for pickup, or dropped off at a local Post Office.

Most importantly, domestic Express Mail and Priority Mail pieces with PC Postage can be mailed in collection boxes regardless of weight, since the customer registered and paid online with a credit card.

To learn more and create your own online label, simply log on to [www.usps.com/clicknship](http://www.usps.com/clicknship). In a few keystrokes you'll be printing a shipping label.

# Domestic Mail Manual



The following announcements, reminders, and revisions to the *Domestic Mail Manual* will be incorporated into the printed version of DMM 58 and into the monthly update of the online DMM available via Postal Explorer at <http://pe.usps.gov>.

## DMM Revision

### New Specifications for Automated Flats

Effective September 5, 2002, DMM C820.4.1 is revised to clarify the wrapping instructions for AFSM 100 polywrapped automation flats.

Processing mail on the AFSM 100 provides savings opportunities. One of the Postal Service's objectives is to reduce processing costs by moving flat mail processing from the labor-intensive manual/mechanized environment to the more efficient automated mode. The additional machine capacity provided by AFSM 100 deployment enables a reduction

in the overall amount of mail processed in manual/mechanized operations.

We designed the AFSM 100 preliminary test with specific analytical objectives to establish the physical criteria and other preparation requirements for automation flat eligibility. The test data for polywrapped pieces led us to conclude that the seam placement must be parallel to the length of the mailpiece. The placement of the seam on the addressed side versus the

nonaddressed side did not result in significant performance differences.

We revised the wrap instructions contained in DMM Exhibit C820.4.1b(1) for the seam placement on polywrapped AFSM 100 mailpieces. There are no instructions on seam placement for the FSM 1000, other than to ensure the seam placement does not interfere with the address and barcode readability.

We also revised *Quick Service Guide* (QSG) 820 to include these changes.

## DMM Revision

### Mixed ADC Packages, Sacks, and Trays on ASF and BMC Pallets

Effective October 3, 2002, DMM E650.5.4, M013.2.5, M045.3.2, M610.2.2, M610.3.3, M610.4.7, M810.2.2, and M820.5.3 are revised to allow mailers the option of placing onto bulk mail center (BMC) pallets and auxiliary service facility (ASF) pallets the following specially sorted packages, sacks, and trays of mixed area distribution center (ADC) Standard Mail items:

- Packages of flat-size pieces.
- Sacks of flat-size pieces.
- Trays of letter-size pieces.

For editorial consistency and clarity, DMM M610.3.1, M610.4.3, M610.5.2, M820.2.1, M820.4.1, M820.4.2, and M820.5.1 are revised to

correct the order of presentation for the preparation sequence, the package or container minimums, and the package or container labeling. Each revised section also combines into one section Line 1 and Line 2 labeling information to facilitate reference.

Mixed ADC packages, sacks, and trays contain mailpieces that remain after all required 5-digit, 3-digit, and ADC packages, sacks, or trays have been prepared. Under the optional preparation introduced with this revision, such packages, sacks, and trays are placed on ASF and BMC pallets and labeled to the ADC shown in labeling list DMM L802 that serves the location of the destination ASF or

BMC. This option also requires that the packages, sacks, and trays contain only pieces addressed to destinations within the applicable ASF or BMC service area as specified in DMM Exhibit E650.5.1. All other current preparation standards still apply to such mail.

Delivery performance for mail in mixed ADC packages, sacks, or trays is generally not as favorable as that for such mail when transported closer to final destination. This option should improve the delivery consistency for mixed ADC Standard Mail pieces placed on ASF and BMC pallets and should reduce postage if destination entry discounts are taken.

## DMM Revision

# Additional Placement Option for Address Change Service Participant Code

Effective October 3, 2002, DMM M013 is revised to allow placement of an Address Change Service (ACS) participant code on the mailpiece directly above the address and below the ancillary service endorsement when the endorsement is located directly above the address block. This new optional location is limited to letter-size machinable pieces (see DMM C050) with or without a barcode.

The ACS participant code and ancillary service endorsement must be printed in a non-narrow variant of Helvetica or Arial sans serif font in the range of 10 to 12 points.

This additional location allows the mail to become eligible for the new Postal Automated Redirection System (PARS). PARS is a pilot program designed to improve the processing of undeliverable-as-addressed mail, as

well as the address notification process. It may also permit additional mailers to participate in the ACS program.

Mailers are reminded that the only ancillary service endorsements permitted with ACS are "Address Service Requested" and "Change Service Requested."

## DMM Revision

# Cards Claimed at First-Class Mail Card Rates

Effective October 3, 2002, DMM C100 and E110 are revised to clarify and expand the standards that apply to the use of the First-Class Mail card rates. The additional format standards in C100 for displaying a message area on the address side of a card are clarified to specify that they apply only to pieces claimed at the Presorted and automation First-Class Mail card rates. Additionally, C100 is expanded to provide format requirements for cards that are divided horizontally on the address side. To be eligible for the card rate, all cards claimed at a card rate must continue to meet the physical size standards in C100.

The address side of a card rate mailpiece is the side bearing the delivery address and postage. At the mailer's option, the address side may also contain a message area. Cards that do not contain a message area on the address side are subject to the applicable format standards for the card rate claimed. Miscellaneous graphics or printing, such as symbols, logos, or characters, that appear on the address side of cards not containing a message area are

generally acceptable provided the items are not intended to convey a message.

Cards claimed at the Presorted or automation card rates that have a message area on the address side must be divided either vertically or horizontally to separate the message area from the address area. Such cards must also meet the standards for the rate claimed and, as applicable, the additional format requirements in C100.2.6.

Cards that are divided horizontally on the address side must be separated into an upper portion and a lower portion. When divided horizontally, the address area may appear in either the upper or the lower portion of the card. The portion containing the address area must be at least 1-1/2 inches in height. (Note: Refer to *Quick Service Guide 102* in the DMM to view an example of a card that is horizontally divided on the address side.)

Cards claimed at the single-piece card rate that contain a message area on the address side are not subject to the additional format requirements in

C100.2.6. However, the additional mail preparation requirements in C100.2.8 do apply to cards claimed at the single-piece rate if the pieces contain a message area on the address side, are part of a mailing of 200 or more identical pieces, and contain nondelivery address information above the address block.



## Mailers. Companion

available online at  
[www.usps.com/  
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# “Change Service Requested” Endorsement With Delivery Confirmation or Signature Confirmation

Effective October 3, 2002, DMM E610.9.0, F010.5.1, F010.5.3, and F010.5.4 are revised to allow mailers the option to use the “Change Service Requested” ancillary service endorsement with either Delivery Confirmation service or, where available, Signature Confirmation service. This revision still prohibits the use of any other special service or the mailing of live animals with “Change Service Requested.” DMM F010.5.2, F010.5.5, and F030.5.3 are also revised for editorial consistency and improved presentation.

This revision to the standards for “Change Service Requested” removes a restriction that conflicts with the needs of many mailers and, in particular, the needs of shippers of perishable merchandise such as fruits and other edible products that are likely to spoil within a short period. In many cases it is impractical to redirect undeliverable-as-addressed (UAA) mail containing such merchandise, either by forwarding it to an intended recipient who has moved and filed a change-of-address order or by returning it to the sender when the mail cannot be forwarded. In addition to requiring a notification of address correction or other reason for nondelivery, along with the disposal of an undeliverable item, these shippers also require information about the date and time of attempted delivery, which Delivery Confirmation service or

Signature Confirmation service can provide.

## Address Change Service

Except for Periodicals mail, authorized ACS participants must use either “Address Service Requested” or “Change Service Requested” with an ACS participant code. For Periodicals mail, an ACS participant code may be used either with mail endorsed “Address Service Requested” or without any ancillary service endorsement.

In addition to those situations where an addressee moves and files a change-of-address order, there can be other reasons for UAAACS mail as shown in DMM Exhibit F010.4.1. Some of those reasons include cases where the addressee has moved and has not filed a change-of-address order (“Moved, Left No Address”) or the mail shows an insufficient address or contains a house number or street name that does not exist. Mailers using ACS as a cost-effective means to maintain address lists expect to receive information electronically for all UAA mail from offices that utilize CFS sites.

## Limitations on Endorsement Use

Mailers and shippers of perishable items planning to use the “Change Service Requested” ancillary service endorsement with Delivery

Confirmation service or, where available, Signature Confirmation service, are reminded of the following:

- **First-Class Mail Items.** The endorsement is available for First-Class Mail items only with participation in ACS. For First-Class Mail items, Delivery Confirmation service or Signature Confirmation service is available only for parcels or parcel-shaped mail as defined in DMM C100.5.0.
- **Priority Mail Items.** The endorsement is available for Priority Mail items only with participation in ACS. For Priority Mail items, only perishable matter may bear the “Change Service Requested” endorsement.
- **Standard Mail Parcels.** The endorsement is available for Standard Mail parcels with or without participation in ACS. For Standard Mail parcels, Delivery Confirmation service is the only special service available with “Change Service Requested.” Any Standard Mail parcel using a special service is subject to the residual shape surcharge.
- **Package Services Parcels.** The endorsement is available for Package Services parcels with or without participation in ACS. Delivery Confirmation service and Signature Confirmation service are limited to parcels only and may not be used on flat-size mail.

# Postage Meters (Postage Evidencing Systems)

Effective October 3, 2002, DMM P030, Postage Meters (Postage Evidencing Systems), is revised to clarify the required contents and format of meter indicia.

For letterpress meters only, the meter indicia may omit the ZIP Code when it includes the city and state of

the licensing Post Office. This option is available only with the approval of the manager, Postage Technology Management, Postal Service Headquarters. There is no change to the current regulation that allows meter indicia to include only the ZIP Code of the licensing Post Office,

without the city and state designation. When the terms “REDATE,” “CORRECTION,” or “REPLY POSTAGE” are included in meter indicia, the words must be printed in all capital letters using bold, 8-point, Arial font.

## Five Percent Error Limit for Sequenced Mailings Clarified

Effective November 14, 2002, DMM M050 is revised to clarify how additional postage is assessed for Standard Mail Enhanced Carrier Route (ECR) and Periodicals carrier route mailings found to be out of sequence. Concurrent with this amendment, the Postal Service will implement new policies and guidelines for assessing additional postage for Standard Mail and Periodicals carrier route mailings found to be out of sequence. Under the revised policies, for all mail required to be sequenced, no more than 5 percent of the total pieces in the entire carrier route portion of the mailing may be out of sequence.

Current standards state that, for each carrier route receiving mail, no more than 5 percent of the total pieces for each carrier route may be out of sequence or sorted to the wrong carrier route. The standard establishing a 5 percent limit for missequenced or missorted mail to an individual carrier route may cause confusion because it appears that the Postal Service has established a separate standard of compliance for sequencing as compared to other

eligibility requirements for ECR or carrier route rates. Actually, the Postal Service routinely uses tolerances when evaluating discounted mailings to ensure compliance with eligibility standards. This policy change will standardize the procedures for determining eligibility for carrier route rates with the procedures for determining eligibility for other workshare discounts.

Under the new guidelines, for mail that meets all other requirements for high density or saturation rates, if the pieces are found to exceed the 5 percent sequencing error limit (including being found in reverse walk sequence), the number of pieces that are out of sequence will be determined by multiplying the error percentage by the total pieces in the mailing claimed at the carrier route rates. That portion of the mailing will be charged either the basic carrier route rate or an automation rate for which the mail qualifies (whichever is lower). This rate is available only when the mailer can demonstrate that an approved sequencing product was used in preparing the mail.

For basic carrier route rate mailings only, reverse sequencing will not disqualify a mailing from the basic rates as long as the mailer used an approved sequencing product in preparing the mail. Therefore, no additional postage is assessed for basic carrier route mailings found to be in reverse sequence. If the 5 percent sequencing error limit is exceeded for other reasons, the percentage of error will be assessed against the carrier route portion of the mailing. That percentage of the carrier route portion of the mailing will be charged the next higher rate for which the mail qualifies.

For example, if a basic carrier route mailing is found to be 30 percent out of sequence, 30 percent of the pieces in the mailing claimed at the carrier route rates will be charged the next higher rate for which the pieces qualify. The remaining 70 percent of the basic carrier route rate pieces are not considered out of sequence and are charged the basic carrier route rate. Under this new policy, sortation and sequencing are evaluated separately and each has a 5 percent tolerance level for errors.

## Periodicals Mail Entered at Destination Area Distribution Center (DADC)

Periodicals mail entered at a destination area distribution center (DADC) qualifies for the DADC rate and discount. The DADC rate and discount are limited to mail entered at the actual ADC (destination entry facility) as listed in DMM L004 unless designated otherwise by the Postal Service. The addressed pieces must be for delivery to one of the 3-digit ZIP Code prefixes

served by the ADC facility where the mail is deposited. The DADC rate is applicable to the advertising pound portion and the DADC discount is taken in the per piece portion for each Outside-County addressed piece. Only one per-piece destination discount may be claimed for each addressed piece.

The DADC rate and discount do not apply in the following circumstances:

- Mail deposited at other than the actual ADC facility.
- Pieces not addressed to one of the 3-digit ZIP Codes served by the ADC.
- Pieces claimed at In-County rates.
- Mail entered at AMF/AMC facilities.

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# Ask Dr. Barcode

**Q.** We are starting a small business on the Internet and will be mailing various size packages. We have a shipping calculation on our Web site and would like to know if the Postal Service has a standard formula that we can plug into the site for real-time calculations?

**A.** The Postal Service supports e-commerce Internet applications through application performing interfaces (APIs) for rate calculators, Express Mail tracking, Delivery Confirmation service, merchandise return service, and more.

For information and to request a Developers Tool Kit go to [www.webtools.com](http://www.webtools.com). Registering your business will help us serve you better by providing email updates and helpful information for your business.

The APIs will automatically compute postage and zone information and return the result to your Web shopping cart program. The APIs can enhance your customer service offerings also by providing easy access to Delivery Confirmation service and merchandise return service.

## Dr. Barcode



Send questions regarding mail preparation, standards, or regulations to **"Ask Dr. Barcode"** via email to [jnagla@email.usps.gov](mailto:jnagla@email.usps.gov) or fax to 703-292-3876. The good doctor will select one or two of the most challenging questions for publication.

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