

Mailers. Companion



OCTOBER 2001

Postal Service Proposes Change in Postage Rates

Aggressive Cost-Cutting Results in Lower-Than-Projected Request

The Postal Service Board of Governors proposes a three-cent increase in the price of a First-Class stamp as part of an overall rate increase request, which is less than 9 percent. The request was formally submitted to the Postal Rate Commission later on September 24 and is well below initial predictions of 10 to 15 percent. For the past 30 years, the price of stamps has tracked the Consumer Price Index.

The Postal Service's mail volume growth is hurting from the volatility of the economy and, despite management's aggressive cost-cutting,

the fact remains that in the near future the cost of maintaining this vital public service will exceed revenues. The Board is requesting an expedited decision because of Postal Service finances, economic trends, and mail volume growth.

"This was a very difficult decision," said Robert F. Rider, Chairman of the Postal Service's Board of Governors. "But we simply don't have the basic tools necessary to operate in a modern businesslike manner." The Board stated that raising rates was necessary to protect the ever-expanding universal delivery system. "We will continue to manage this institution with the 30-year-old laws that govern us, but it's like trying to listen to a CD on an eight-track player."

The Postal Service, which ended its fiscal year on September 7, is projecting a deficit in the range of \$1.65 billion due to a slowdown in the economy and high labor, fuel, and health care costs. Pressure continues as the Postal Service begins arbitration with three of the four largest postal employee unions. In addition, costs continue to grow as some 1.7 million new addresses are added annually, which represent significant infrastructure cost.

Given the current economic slowdown and subsequent reductions of revenue, the Postal Service management team initiated actions to further cut costs. A \$1 billion capital spending freeze has stopped construction and renovation on more than 800 projects and continues into next year.

Rider said that even with the further cost-cutting measures, the Postal Service has maintained record service performance and high levels of customer satisfaction. For a record nine straight quarters, the Postal Service has achieved productivity gains.

Postmaster General John E. Potter explained that from 2001 to 2003 another \$2.5 billion in costs are being taken out of the system and that further study of consolidating mail processing operations will continue. In the past two years, 21,000 positions have been taken out of the system, while another 13,000 workyear reduction is planned for this year.

*The Postal Service
has maintained record
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customer satisfaction.*

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POSTAGE RATES

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Potter recently announced an organizational restructuring that will bring added focus to the Postal Service's core business. It includes reducing administrative costs, reorganizing the marketing and sales organization, and reviewing e-commerce activities that are not tied to the mail.

The ratemaking process requires the Board to request a recommended decision from the independent Postal Rate Commission (PRC), which then holds public hearings on the proposal. During these hearings, any interested party, including Postal Service competitors, has the opportunity to present information and arguments from their perspective. Following the review process, the PRC makes a recommended decision to the Board, who then ultimately takes action on rates.

The U.S. Postal Service is an independent agency that handles 46 percent of the world's mail volume, with annual revenues exceeding \$66 billion. The Postal Service receives no

tax dollars but derives its revenues solely from the sale of postal products and services. Its unrivaled service network allows the Postal Service to deliver money, messages, and merchandise to 135 million addresses every day, with one of the most affordable postage rates in the world.

— Public Affairs and
Communications

**Look for detailed
proposed postage rate
information with side-by-
side rate comparisons on
www.usps.com and in
the next issue of the
Mailers Companion.**

Letter From the Postmaster General

JOHN E. POTTER
POSTMASTER GENERAL, CEO



September 18, 2001

To Our Employees and Customers

On Tuesday, September 11, our nation experienced a devastating tragedy. My heartfelt prayers go out to the individuals and families who have been affected by this horrendous ordeal.

As the nation moves forward, the best thing the Postal Service can do for America is to keep the mail moving. That's what all 800,000 of us are doing. Mail continues to flow to its destinations and post offices throughout the country are open to serve customers.

I want to express special appreciation to the postal employees in the New York, Washington, and Pittsburgh metropolitan areas who are responding gallantly in the midst of great adversity. During my visit to New York City three days after the terror attack, I was touched by the many stories of how our employees reached out to those in need in the minutes and hours immediately following the attack. With Church Street Station immediately below the World Trade Center, we are so fortunate that not one employee was injured.

I recognize that many of our employees have been touched in some manner by the tragedy. We are accommodating their personal needs, including making counseling services available, as necessary, during this difficult period.

In times of crisis and need, we've been there for the American people. This tragedy only strengthens our resolve to continue to bind the nation together. Our tradition of service to our nation reflects all of the strength and diversity that are the heart of our great country. We remain unwavering in our commitment to serve every customer.

John E. Potter

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Taking the Mystery out of Periodicals

Don't Miss the Opportunity to Sign Up for Training in Potomac, Maryland, and Norman, Oklahoma

Did you know that there are advertising limitations with Periodicals? Are you sure that you are mailing at the lowest postage rate? Do you know that not understanding the characteristics and content of a publication can cost you thousands of dollars in additional postage? If your answer to any of these questions is a resounding "no" then you would benefit from the new Periodicals training course offered at the National Center for Employee Development (NCED) in Norman, Oklahoma, and the William F. Bolger Center for Leadership Development in Potomac, Maryland. Managers, supervisors, and advertising executives all can benefit from this

Become Periodicals Proficient With Just Three Days of Instruction

comprehensive three-day workshop on the essentials of Periodicals mailing.

The Postal Service has discovered that many of our customers are unfamiliar with Periodicals mailings and the different standards and fees that apply to discounts. This comprehensive course, titled "Content

and Preparation of Periodicals Mailing Privileges," is provided in a classroom setting over a period of three full days. You will leave with a complete understanding of the application process, how to correctly identify and define advertising in Periodicals, measure the percentages in marked copies, and the preparation requirements to receive the discount in postage. Unlike other courses and training that have only highlighted small segments of this complex industry, this essential course delivers the skills and knowledge critical to ensuring a successful Periodicals mailing, whether you are a novice or an expert.

The course dates are **November 13-15, 2001**, in Norman, Oklahoma, and **December 3-5, 2001**, in Potomac, Maryland.

For enrollment, participants should complete the registration form on the following page and return it to:

ATTN BRJ BUSINESS MAIL
ACADEMY
US POSTAL SERVICE NCED
2701 E IMHOFF RD
NORMAN OK 73071-1198

Enrollment fees are \$1,050 per student at the Potomac, Maryland, location and \$850 per student at the Norman, Oklahoma, location. Fees

include student lodging, three meals per day, and all course materials.

Topics to be covered over the three days are:

- Basic Elements and Categories of Periodicals
- Rate Eligibility
- Application Process for Original Entry, Additional Entry, and Re-entry
- Content and Characteristics, Measuring Advertising
- Preparation, Documentation, and Statement of Ownership

Why spend valuable time learning or fine-tuning these critical skills through trial and error? Get the solutions that other successful managers, supervisors, and advertising executives are using to succeed with Periodicals mailings. Remember, even if you are an expert in your field, it is constantly changing and there is always new information to be gained from attending.

If you have any questions or need more information about the course, please call Tom Myers, Customer Service Support Analyst, at 703-292-3544.

— *Business Mail Acceptance*
— *Corporate Training and Development*



Content and Preparation of Periodicals Mailing Privileges

To enroll by phone, please call 405-366-4639

Registration Information

- You may register by mail, by fax, or by phone.** You may pay by credit card or check. However, until payment is received you will appear on our "tentative" list and your seat may be given to another student presenting payment. Payment must be processed before the start of the class.
- Phone** in your registration for the fastest service. Please call us at 405-366-4639, and one of our customer service representatives will be happy to take your enrollment.
- Fax** your registration with your credit card information to 405-366-4012.
- Mail** the registration form with your payment to: ATTN: BRJ, Business Mail Academy, US Postal Service NCED, 2701 East Imhoff Road, Norman, OK 73071-1198.
- The enrollment fee includes lodging, three meals per day, and all course materials.**

Please print or type —

Name: _____
 Title: _____
 Company: _____
 Mailing Address: _____
 City: _____ State: _____ ZIP+4: _____
 Email Address: _____ Fax Number: _____
 Telephone Number: _____ Ext. _____
 Federal ID Number: _____

Payment Information (please pay before the seminar to guarantee registration):

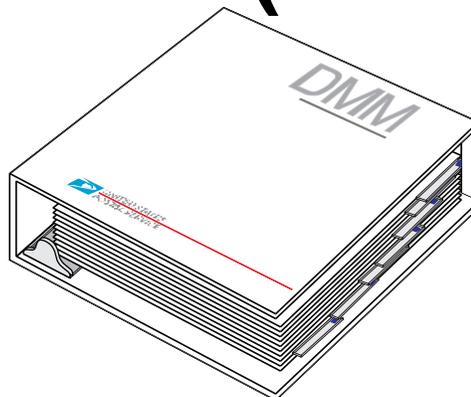
- Location:** National Center for Employee Development, Norman, OK (\$850 per student)
 November 13-15, 2001
 William F. Bolger Academy for Leadership Development, Potomac, MD (\$1,050 per student)
 December 3-5, 2001

- Confirming phone registration: # _____ Charge to: MasterCard
 Visa
 Discover/Bravo
 AmEx
 Diners Club
- Check enclosed payable to **US Postal Service**
 Mail to:
 ATTN BRJ BUSINESS MAIL ACADEMY
 US POSTAL SERVICE NCED
 2701 E IMHOFF RD
 NORMAN OK 73071-1198

Check # _____ Check Amt. _____ Card Number: _____
 Expiration Date: _____
 Signature: _____

Domestic Mail Manual (DMM)

The following announcements, corrections, notices, reminders, revisions, and updates to the *Domestic Mail Manual* (DMM) will be incorporated into the printed version of DMM Issue 57 and into the monthly update of the online DMM that is available via Postal Explorer at <http://pe.usps.gov>.



DMM REMINDER

Can We Challenge You to a Dual? — Understanding Dual Addressing, That Is

Dual addressing creates an address that contains both a street address and a post office box number.

Mail with a dual address is delivered to the address immediately above the city and state line (or to the post office box if both the street address and post office box are on the same line).

The ZIP+4 code or 5-digit ZIP Code that is used must correspond to the address element immediately above the city and state (or with the post office box number in the address if both the street address and post office box are on the same line). These standards also apply to return addresses on mail (DMM A010.5.1).

— *Business Mail Acceptance*

Here are some dual addressing examples:

Address Format:	Mail Is Delivered to:
POSTAL CUSTOMER PO BOX 5007 1735 N LYNN ST ARLINGTON VA 22209-9651	1735 N LYNN ST ARLINGTON VA 22209-9651
POSTAL CUSTOMER 1735 N LYNN ST PO BOX 5007 ARLINGTON VA 22209-5007	PO BOX 5007 ARLINGTON VA 22209-5007
POSTAL CUSTOMER 1735 N LYNN ST, PO BOX 5007 ARLINGTON VA 22209-5007	PO BOX 5007 ARLINGTON VA 22209-5007
POSTAL CUSTOMER PO BOX 5007 , 1735 N LYNN ST ARLINGTON VA 22209-5007	PO BOX 5007 ARLINGTON VA 22209-5007

DMM REMINDER

Oversized Rate —

Available for Parcel Post and Parcel Select Only

Only Package Services Parcel Post and Parcel Select have an oversized rate. Pieces measuring over 108 inches in combined length and girth, but not more than 130 inches in combined length and girth, are mailable at the applicable oversized rate. Over 130 inches, the piece is not mailable.

Oversized rates are not available for Priority Mail parcels. The maximum size for Priority Mail parcels is 108 inches in combined length and girth.

Parcels exceeding 108 inches are not mailable at Priority Mail rates.

Balloon rates are available for Priority Mail, Parcel Post, and Parcel Select. Parcels weighing under 15

pounds and measuring over 108 inches in combined length and girth are charged a minimum rate equal the rate for 15-pound parcels addressed to the same zone.

— *San Francisco Rates and Classification Service Center*

Mail Preparation Changes

The table below summarizes recent and upcoming mail preparation changes that are included in the *Domestic Mail Manual* (DMM).

Effective Date	Type of Mail	Mail Preparation Change	DMM Reference
September 1, 2001	First-Class Mail flats	Any First-Class Mail mailing job that contains packages of Presorted rate flats and packages of automation rate flats and is reported on a single postage statement must be co-trayed using M910.1.0.	M910.1.0
September 1, 2001	Standard Mail Enhanced Carrier Route flats in sacks	The 5-digit scheme carrier routes sack level (using labeling list L001) changes from an optional sort level to a required sort level.	M620.4.0
September 1, 2001	Standard Mail Enhanced Carrier Route flats on pallets	The 5-digit scheme carrier routes and 5-digit scheme pallet levels (using labeling list L001) change from optional sort levels to required sort levels.	M045.3.2
September 1, 2001	Standard Mail flats	Any Standard Mail mailing job that contains packages of Presorted rate flats and packages of automation rate flats and is reported on a single postage statement must be co-trayed using M910.3.0.	M910.3.0
September 1, 2001	Bound Printed Matter carrier route flats in sacks	The 5-digit scheme carrier routes sack level (using labeling list L001) changes from an optional sort level to a required sort level.	M723.2.3
September 1, 2001	Bound Printed Matter carrier route flats on pallets	The 5-digit scheme carrier routes and 5-digit scheme pallet levels (using labeling list L001) change from optional sort levels to required sort levels.	M045.3.3
October 5, 2001	Delivery Confirmation	Privately printed Delivery Confirmation labels for electronic option must meet the revised label requirements.	S918.3.3, S919.3.3
January 1, 2002	Media Mail	Discontinue the use of "Special Standard Mail" (or "SPEC STD") marking. After January 1, 2002, all mailers must use "Media Mail."	M012.3.1
January 1, 2002	Library Mail	Discontinue the use of "Library Rate" marking. After January 1, 2002, all mailers must use "Library Mail."	M012.3.1
January 1, 2002	Presorted Bound Printed Matter	Discontinue the use of "Presorted Standard" (or "PRSRT STD") marking. After January 1, 2002, all mailers must use "Presorted" (or "PRSRT").	M012.3.3
January 10, 2004	Standard Mail and Package Services machinable parcels	Discontinue use of USS Code 128, USS Code I 2/5, and USS Code 39 barcode symbologies. After January 10, 2004, only the UCC/EAN Code 128 barcode symbology may be used.	C850.1.2

Rates and Classification Service Centers Realigned

Effective September 8, 2001, the five rates and classification service centers (RCSCs) have been consolidated into three — New York, Chicago, and San Francisco RCSCs. Under the realignment, customers and postal facilities currently supported by the Northern Virginia RCSC will be supported by the New York RCSC, and those currently supported by the Memphis RCSC will be supported by the Chicago RCSC. The realignment of the RCSCs results in an effective and streamlined process to handle

classification issues, rulings, exceptions, and appeals. Our commitment to provide efficient and professional service to our customers and employees remains in effect.

The San Francisco RCSC will maintain support for its existing territory and continue to offer after-hours support for postal facilities and customers in the central and eastern portions of the country. The realignment also creates a Business Mailer Support office responsible for manifest mailing systems, optional procedure

mailing systems, alternate mailing systems, value-added and optional procedure refunds, and technology deployment. The new structure retains the Nonprofit Service Center (NSC), responsible for Nonprofit authorizations, prohibitory order/pandering applications, and Periodicals additional entry and re-entry applications.

Organizationally, the RCSCs and NSC will report to Pricing and Classification, and Business Mailer Support will report to Business Mail Acceptance.

— Pricing and Classification

International News



Global Express Guaranteed Service Options Expand

Global Express Guaranteed has been on the cutting edge in meeting our customer's international shipping needs. That trend continues as Global Express Guaranteed service options expand. The newest enhancements to Global Express Guaranteed, the Postal Service's premier expedited international service, are On-Call and Scheduled Pickup Service, and Online Postage Payment with Discounted Rates.

Customers can now pay for postage online via credit card for Global Express Guaranteed service.

In addition, customers who use

the Postal Service's Web site at www.usps.com/gxg to prepare and pay for their Global Express Guaranteed shipments will be eligible for discounted postage rates, a standard 5 percent discount for all online shipments, and further discounts based on mailing volume.

For purposes of computing the delivery guarantee, postal acceptance of a Global Express Guaranteed item prepared online occurs when the shipment is received and scanned at a participating Global Express Guaranteed post office. Customers should be aware that the guarantee

commences at the time of the first scan and not, for example, at the time the shipment is deposited into a collection box or picked up by a carrier.

Customers will receive an email verification of the acceptance date, time, and weight, as well as a verification of the amount of postage applicable for the shipment.

Mailers who are interested in using the online payment option and postage discounts for Global Express Guaranteed service should send an electronic message to gxgdisco@email.usps.gov.

— Expedited/Package Services

CORRECTION

The following article appeared in the August issue of *Mailers Companion* and is republished with corrections:

Revised Rule for Bound Printed Matter NonPrint Attachments and Enclosures

Effective June 14, 2001, DMM E712.1.2 was revised to include changes to the standards that govern Bound Printed Matter attachments and enclosures. The revised rule rescinds provisions concerning merchandise samples sent as enclosures with Bound Printed Matter. In its place, amended DMM E712.1.2b provides for the inclusion

of nonprint attachments and enclosures that are incidental to the qualifying Bound Printed Matter material and have minimal commercial value.

The combined weight of all nonprint attachments and enclosures in the mailpiece must be 25 percent or less of the weight of the Bound Printed Matter mailpiece.

The individual cost of each nonprint attachment or enclosure must be less than or equal to the cost of a "low cost item" (currently \$7.60, see DMM E670.5.11), and the combined cost of all nonprint attachments and/or enclosures in the mailpiece must not exceed two times the cost of a "low cost" item.

— Mail Preparation and Standards

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