

Mailers. Companion



JANUARY/FEBRUARY 2004

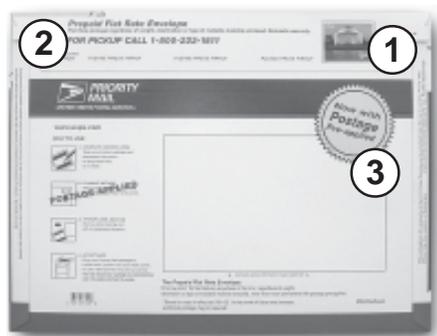
Introducing... the New Prepaid Priority Mail Flat Rate Envelope

Easy to order and convenient to use.

On December 29, 2003, the Postal Service issued a new version of the Priority Mail Flat Rate envelope featuring the \$3.85 *Jefferson Memorial* stamp image printed directly on the envelope.

"The prepaid envelope will add convenience for frequent users of Priority Mail," says Chief Marketing Officer and Sr. Vice President Anita Bizzotto. "A quick visit online to usps.com or a call to 1-800-STAMP-24 and a pack of new Prepaid Priority Mail envelopes will be on its way to your home or office."

Prepaid Priority Mail Flat Rate envelopes come in convenient packages of 5, 10, or 25, are available exclusively via the Postal Store web site at www.usps.com/shop and by telephone at 1-800-STAMP-24.



What to look for on the new envelope:

1. Preprinted \$3.85 *Jefferson Memorial* Priority Mail stamp.
2. "Prepaid Flat Rate Envelope" endorsement.
3. Bright yellow sunburst graphic "Now with Postage Pre-applied."

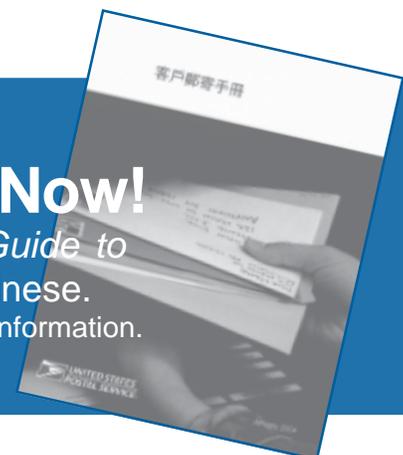
Please Note: Due to aviation security policies, only flat rate envelopes that weigh less than 16 oz. can be deposited into collection boxes.

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Available Now!

A Customer's Guide to Mailing in Chinese.
See page 6 for more information.



BILLIONS AND BILLIONS Holiday Mail Volume Sets Record

Customers knew we could do it and saved the best for last this holiday season, waiting until the week before Christmas to flood the mail system with their cards, letters, and packages. That "last-minute" spike helped set a new record as the Postal Service canceled 3.4 billion cards and letters between December 1 and December 24 — an increase of 78 million from the previous year.

"Volume was down through mid-December," said Postmaster General Jack Potter at yesterday's Board of Governors meeting. "Then, six days before Christmas, we experienced heavy mailings," he said.



Postmarks on Monday, Dec. 22, increased by 25 percent over last year. Between Thanksgiving and Christmas, the Postal Service handled more than 20 billion pieces of mail. The busiest mailing day was Monday, December 15, when more than 850 million mailpieces entered the postal system. The busiest delivery day? Wednesday, December 17, when Postal employees delivered

more than 1 billion cards, letters, and packages.

Americans also continued to use the mail to show their support for loved ones in the military. More than 24 million pounds of holiday mail were sent to the Persian Gulf and other military locations worldwide, surpassing last year's military holiday volumes by 11 million pounds, an

increase of almost 85 percent.

Prior to the holiday period, military mail to the Gulf region was transported daily on a chartered 747 aircraft. To transport mail during December, 52 chartered aircraft carried approximately 7 million pounds of mail to military service members deployed to Operation Iraqi Freedom.



Mailers Companion

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A message from Chief Marketing Officer Anita Bizzotto

CMO corner

Dear Customers:

Thank you for making 2003 a very successful year for the Postal Service. We appreciate the trust you place in us each time you mail a payment, fulfill an order, and invest in the mail to attract new customers and boost sales.

2003 saw postal employees deliver record service levels. We launched a number of new products and service improvements, led by the creative new Customized MarketMail and the progressive Parcel Returns Service. We introduced the first ever Negotiated Service Agreement and look forward to negotiating more agreements. And we will be holding rates steady until at least 2006.

2004 is going to be another outstanding year. More new products and improvements are on the way, such as the prepaid Priority Mail Flat Rate envelope and the popular *A Customer's Guide to Mailing* in Chinese.

We stand ready to deliver for you like never before.

Happy New Year!

Anita

CLICK AND EASY

The *Wall Street Journal* in love with NetPost CardStore

Image is everything. Now multiply that by 2,500. That's a lot of everything. And that's exactly what customers get when they visit the gallery of images at *NetPost CardStore*.



Customers can tap into more than 2,500 images — everything from birthday graphics to animal artwork to sports photos and lots more — when they create their own cards at the online card store on USPS.com.

Holiday images? Plenty of them, too. Customers can use more than 300 holiday images to create their own cards. Or they can use their own images. Talk about user-friendly!

The *Wall Street Journal* recently called *NetPost CardStore* “the biggest time-saver of all” in its comparison of five companies offering computer-generated, customized greeting cards. It cited the Postal Service’s “quick delivery and easy-to-use web site.”

Customers can surf over to *NetPost CardStore*. No parking lot traffic or mall hassles, it's open 24/7 on USPS.com...part of the Post Office that never sleeps. And, don't forget, Valentine's Day is just around the corner.

COMMISSION UPDATE

It's been a year since President Bush issued an executive order establishing the President's Commission on the Postal Service. The commission's purpose was to “identify the operational, structural, and financial challenges facing the Postal Service; examine potential solutions; and recommend legislative and administrative steps to ensure the long-term viability of postal service in the United States.”

The nine-member bipartisan commission held public meetings, met with stakeholders and heard testimony from USPS officials, mail industry leaders, union representatives, and postal experts. After eight months, the commission issued its final report July 31.

The president recently met with commission members, thanking them for their service and hard work. Postmaster General Jack Potter also was in attendance.

The president urged Congress to enact postal reform legislation based on five principles that were in the commission's final report:

- **Implement Best Practices:** Ensure that the Postal Service's governing body is equipped to meet the responsibilities and objectives of an enterprise of its size and scope.

- **Transparency:** Ensure that important factual information on the Postal Service's product costs and performance is accurately measured and made available to the public in a timely manner.
- **Flexibility:** Ensure that the Postal Service's governing body and management have the authority to reduce costs, set rates, and adjust key aspects of its business in order to meet its obligations to customers in a dynamic marketplace.
- **Accountability:** Ensure that a Postal Service operating with greater flexibility has appropriate independent oversight to protect consumer welfare and universal mail service.
- **Self-Financing:** Ensure that a Postal Service operating with greater flexibility is financially self-sufficient, covering all of its obligations.

FINANCIAL SUCCESS

The Postal Service exceeded its financial plan for Fiscal Year 2003 by \$300 million — despite declining mail volume and an expanding delivery network — thanks to operational efficiencies employed during the year. The Postal Service finished the year with a total net income of \$3.9 billion with the recently enacted change to retirement funding is incorporated. Even without the change in Legislation, the Postal Service would have ended the year with a net income of \$900 million.

Speaking at the monthly Board of Governors meeting, Chief Financial Officer Richard Strasser said that \$3.8 billion of the net income was used to pay down Postal Service debt.

Based on the audited financial results, the Postal Service had an unprecedented fourth straight year of productivity gains. Productivity was twice that anticipated by the financial plan.

Strasser credited the year's success to Postmaster General Jack Potter's continued focus on implementing the Transformation Plan, the Postal Service's blueprint for the future.

Mailers Companion
Holiday 2003
Special Issue

Holiday Mailing Made Easy

Looking for holiday mailing tips?
We've got them... see page 4.

available online at
[www.usps.com/
mailerscompanion](http://www.usps.com/mailerscompanion)

Ease of Use

Making it easier for customers to use the Postal Service

Confirm Smart Seed — A New Way for Mailers to Track Their Mail

The Postal Service's Confirm service provides mailers with near real-time knowledge about where their mail is in the mailstream. To use the service, mailers use a special PLANET Code barcode on their mailpieces. Whenever mailpieces with PLANET Codes are processed, electronic records are created that can be sent directly to the mailer or accessed online from the Mail Tracking and Reporting web site at <https://mailtracking.usps.com/mtr/common/index.pge>. Mailers also have the option of "seeding" their mailings with PLANET-Coded pieces (e.g., one per mail tray) rather than printing the codes on every piece.

To give mailers the opportunity to refine their seeding options still further, the Postal Service has developed Confirm Smart Seed — a seeding option that allows mailers to receive Confirm information without sending PLANET-Coded pieces to their customers. Instead, Confirm Smart Seed mailpieces are addressed to the postmaster or station manager at the local Postal Service facility. Mailers must pay postage for Confirm Smart Seed pieces. For presorted mailings, mailers should presort Confirm Smart Seed pieces with the rest of the mail and pay the approximate rate based on the presort level of the package or tray in which the Confirm Smart Seed piece is placed. The mailer must also list the Confirm Smart Seed pieces on accompanying documentation and report them on the related postage statement. The mail processing equipment at the facility collects the Confirm service information from this one piece and provides it to the mailer as representative of all of the pieces in the mailing. Confirm Smart Seed

mailpieces can be identified by the words "CONFIRM SEED" in the address line.

Postal Service facilities process Confirm Smart Seed mailpieces as follows:

- Processing personnel run them on mail processing equipment like other automated mail.
- The mailpieces are sorted to the postmaster or station manager.
- The postmaster or station manager discards them (regardless of subject matter).

To use Confirm Smart Seed, the mailer must be a Confirm service subscriber. The mailer will be assigned a user ID and password, which will be required for logging on the Confirm web site. All Confirm Smart Seed mailpieces must have postage paid and must be addressed as follows:

POSTMASTER/MGR CONFIRM SEED
123 FRANKLIN AVE
ANYTOWN VA ZIP+4

Postal Service facility addresses for more than 31,000 ZIP Codes for use with Confirm Smart Seed pieces are available in spreadsheet form in the Resources section of the Confirm web site for users who are logged onto the site. Postmasters and station managers should check your address in the Confirm Smart Seed file and make any appropriate changes with the Address Management System.

Please direct any question regarding Confirm Smart Seed to the Confirm Program Office at 703-292-3682.

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Domestic Mail Manual

The following changes to the Domestic Mail Manual are incorporated into the online version available via Postal Explorer at <http://pe.usps.gov>.



DMM Revisions

DSF² and eLOT — Carrier Route Products

Effective December 11, 2003, DMM A950.1.3, M050.2.2, M050.2.4, and M050.3.1 were revised to update information for the following two Address Information System (AIS) products: Delivery Sequence File, Second Generation (DSF²) and enhanced Line-of-Travel (eLOT).

DSF² is a licensed address-hygiene product that contains information on all addresses — except general delivery addresses — served by the Postal Service. DSF² includes the ZIP Code, ZIP+4 code, carrier route code, walk-sequence information, and all other delivery attributes related to each specific address.

DSF² is one of the approved methods under DMM M050.2.2 for preparing mail to meet the walk-sequence criteria required for carrier route Periodicals mailpieces and Enhanced Carrier Route Standard Mail pieces mailed at high density and saturation rates.

Walk sequence is the exact order in which a carrier delivers mail from one delivery point to the next. As provided in DMM M050.2.4, walk sequence may also be used, at the mailer's option, to satisfy the LOT sequencing criteria required for carrier route Periodicals mailpieces and Enhanced Carrier Route Standard Mail pieces mailed at basic rates.

The DSF² product is updated monthly and is available through Postal Service-approved licensees. A current list of these licensees is maintained at www.ribbs.gov and can also be obtained from:

NATIONAL CUSTOMER
SUPPORT CENTER
US POSTAL SERVICE
6060 PRIMACY PKWY STE 201
MEMPHIS TN 38188-0001
Telephone: 800-238-3150

The eLOT product is a computerized file that contains address information that allows a mailer to arrange mail in

a carrier's line of delivery travel. This LOT is not the exact walk sequence from one delivery point to the next, but rather a series of ZIP+4 codes arranged in the order that the carrier serves the route. Before address lists can be processed using eLOT, they must first be processed through CASS-certified ZIP+4 address-matching software.

The eLOT product is a method under DMM M050.2.4 to meet the LOT sequence criteria required for carrier route Periodicals pieces and Enhanced Carrier Route Standard Mail pieces mailed at basic rates. Mailers also have the option to prepare such mail in walk sequence, using the various available walk-sequence methods.

The eLot product is updated monthly and is available for purchase directly from the National Customer Support Center.

DMM Reminders

HAZMAT Endorsements

Effective January 1, 2004, new mailing standards for hazardous material went into effect. For Standard Mail containing hazardous material, "Change Service Requested" is not permitted. Standard Mail containing hazardous material *must bear the endorsement* "Address Service

Requested," "Forwarding Service Requested," or "Return Service Requested." For Package Services Mail, "Change Service Requested" is not permitted. All other endorsements are permitted but not required.

In addition, effective January 1, 2004, all diagnostic specimen

mailpieces using a business reply mail format and all medical waste mailpieces (including sharps) using a merchandise return service format must meet the new packaging requirements for diagnostic specimens.

(DMM Reminders continued on page 6)

Parcel Barcodes for Package Services Discount Mailings

Efficient parcel processing is now the standard with the UCC/EAN Code 128 barcode symbology. Beginning January 10, 2004, customers must use this type of barcode format on all Package Services parcels to receive the 3¢ discount under *Domestic Mail Manual* C850.

The UCC/EAN Code 128 barcode improves accuracy and service by reducing manual processing. It also provides the following features:

- Variable-length barcoding.
- Automated read rate for parcels.
- Two types of barcodes to choose from: a 5-digit ZIP Code barcode based on an address or a 5-digit ZIP Code barcode combined with a Delivery Confirmation code.

- A 3¢ discount for each Package Services mailpiece when 50 or more are mailed.
- One of the most reliable, compact, one-dimensional barcode symbologies. It is not likely to be misread or misrouted.
- The UCC/EAN Code 128 barcode is commonly used in the global supply chain, which suggests data capture capabilities internationally — especially for Special Services products.

Mailing Hazardous Materials

Mailing hazardous materials can be challenging to any business or individual. Hazardous materials are defined as “any article or substance designated by the U.S. Department of Transportation (DOT) as being capable of posing an unreasonable risk to health, safety, and property during transportation.”

Postal Service standards for mailing hazardous materials are located in DMM C023. Additional guidelines and information are in Publication 52, *Hazardous, Restricted, and Perishable Mail*. The mailing rules generally adhere to the DOT federal regulations for transporting hazardous materials in Title 49, *Code of Federal Regulations*, but also include many additional limitations and prohibitions. These additional restrictions and limitations exist for safety and legal reasons. Safety to the general public, our postal employees, our valued customers, facilities and equipment is of primary concern to the Postal Service.

Generally, the mailing of hazardous materials is limited to ORM-D materials having the proper shipping name of “consumer commodity” and that meet USPS quantity limitations and packaging requirements. An “ORM-D” material is a limited quantity of a hazardous material that presents a limited hazard during transportation due to its form, quantity, and packaging. A consumer commodity is a hazardous material that is packaged and distributed in a quantity and form intended or suitable for retail sale and designed for consumption by individuals for their personal care or household use.

In determining the mailability of hazardous materials, the mailer needs to review the product’s Material Safety Data Sheet (MSDS). The MSDS form can be obtained through the manufacturer. The MSDS provides important information such as the flashpoint, name of material and assigned United Nations (UN) or North America (NA) identification number, chemical composition by percentage of ingredient, and first aid measures.

Having obtained the MSDS, you can find out if the material is mailable and under what conditions and packaging requirements by accessing DMM C023 and Publication 52 online at www.usps.com.

The mailer may also fax a copy of the MSDS to their rates and classification service center (RCSC). The RCSCs are staffed with specialists to answer an array of mailing standards questions, including questions about hazardous materials. RCSC contact information is listed in DMM G042.

If you need additional assistance please contact your local post office or district business mail entry office.

Remember, safety first, and, by law, the responsibility for properly declaring, packaging, and labeling all hazardous materials is the sole responsibility of the mailer.

Got Mail?

A Customer’s Guide to Mailing Is Now Available in Three Languages.

Continuing to put the customer first, the Postal Service published a new version of **A Customer’s Guide to Mailing** (DMM 100-C), this time in Chinese. This guide features the same clear and concise information as the English-language and Spanish-language versions and will offer our Chinese-speaking customers a tool that is both informative and easy to use. All three guides are available in post offices nationwide.



Double Post Cards

Recently, questions have been raised concerning “double post cards” eligible for the First-Class Mail card rates.

A double post card, as described in DMM C100.2.9, consists of two attached post cards, one of which is for the transmission of information from the addressee back to the sender. Each card is subject to the card rate; however, postage need not be paid for the reply portion until it is detached and mailed as a reply piece.

Plain stickers, seals, or a single wire stitch (staple) may be used to fasten the open edge at the top or bottom once the card is folded if affixed so that the inner surfaces of the cards can be readily examined. Fasteners must be affixed according to the applicable preparation requirements for the rates claimed. Such cards may not be sealed against postal inspection. Thus, any sealing on the left and right

sides of the cards, no matter the sealing process used, is not permitted by postal standards.

The lower First-Class Mail rate for postal and post cards was established to accommodate mailers that desire to send a single “visible” message without an envelope. Thus, the “second portion” of a double post card may not be used to convey a message to the original addressee or to send statements of account. It may be designed only for reply purposes. When mailers use the second or reply half of a double post card to convey a separate message to the original addressee, whether advertising or matter other than advertising, the card is properly chargeable at the First-Class Mail letter rate. It is for these reasons that, unlike First-Class Mail letter rate mail, such mailpieces may not be sealed against postal inspection.

International Mail

IMM REVISION

New International Mail Customs Declaration Forms

Effective January 1, 2004, the *International Mail Manual* (IMM) was revised to reflect changes to customs forms for international mail and military mail. The revised forms include changes adopted by the Postal Operations Council of the Universal Postal Union (UPU) and the World Customs Organization (WCO).

The revised customs forms are as follows:

- PS Form 2976, *Customs Declaration CN22 - Sender's Declaration* (green label).
- PS Form 2976-A, *Customs Declaration and Dispatch Note - CP 72*.
- PS Form 2976-E, *Customs Declaration Envelope - CP 91*.

The revised forms have edition dates of January 2004.

Summary of Changes

Listed below is a summary of the changes to the customs forms:

- PS Forms 2976 and 2976-A are enlarged to allow for new data fields.
- PS Forms 2976 and 2976-A include new data fields where commercial mailers can specify a Harmonized Tariff Schedule (HS) 6-digit number.
- PS Form 2976-A has a new data field to identify the country of origin for commercial shipments.
- PS Form 2976-A, which is a multiple-part form, has a new copy for the mailer.
- PS Forms 2976 and 2976-A have new instruction text to reflect the UPU and WCO changes.
- PS Form 2976-E (plastic envelope) is enlarged to accommodate the new size of PS Form 2976-A.

Use of Old and Revised Customs Forms

The revised forms are dated January 2004, and mailers may begin using them immediately. **Mandatory compliance begins on March 1, 2004.** This phase-in period will allow postal facilities to deplete current supplies and order supplies of the new forms and become familiar with the requirements. Postmasters should inform all customers of the new forms and encourage them to comply with these changes as soon as possible.

Availability of Forms

Customers may order supplies of the customs forms from The Postal Store at <http://shop.usps.com>; search on the words “customs forms.” Customs Declaration forms also are available through an online customs forms application at www.usps.com/webtools.

Dr. Barcode

Q. Is it possible to be charged both the balloon rate and the nonmachinable surcharge on the same package?

A. Yes, it can happen on Parcel Post items.

The balloon rate applies to Priority Mail and Parcel Post items that weigh less than 15 pounds and the length plus girth combined is more than 84 but not more than 108 inches.

The Nonmachinable surcharge does not apply to Priority Mail items, but it does apply to Parcel Post.

The Parcel Post nonmachinable surcharge applies to items with a length more than 34 inches or a height more than 17 inches or a width more than 17 inches, or if the item weighs more than 35 pounds (25 pounds for books and other printed matter) or meets any criteria listed in DMM C700.2.

A Parcel Post item that meets the balloon rate criteria and any one of the nonmachinable criteria must pay both the balloon rate and the nonmachinable surcharge, in addition to postage.



Send questions regarding mail preparation, standards, or regulations to
“Ask Dr. Barcode”
via email to drbar@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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* Clip and enclose a complete address block from the back of your *Companion* — or enclose at least the long number at the top (such as “1234 5678 9012 3456”).

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