

# MEMO to MAILERS

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## Controlling costs

**P**ostmaster General John E. Potter says the Postal Service faces a projected net loss of about \$1.5 billion in fiscal year 2002, with mail volume for the year expected to drop some six billion pieces below last year's total.

Despite the magnitude of this decline, Potter says cost-containment actions taken by USPS have reduced this estimated net loss well below earlier projections.

Controlling costs is the most important customer-focused strategy of the Transformation Plan, according to Potter. Measures taken to minimize the loss include reducing the number of career employees by 20,000 this year through attrition. Sixty million work hours will be cut compared to last year.

A number of program expenditures also have been postponed, resulting in more than \$2 billion in reduced expenses.

The Transformation Plan is a detailed document outlining strategies that would preserve universal mail delivery and strengthen the mail system in the future.

Read the Transformation Plan at [www.usps.com](http://www.usps.com). ■



## RATEMAKING SUMMIT BUILDING ON THE SPIRIT OF COOPERATION

**P**ostmaster General John E. Potter told participants at the first-ever Ratemaking Summit that the Postal Service and its stakeholders, building on the spirit of cooperation that led to the recent rate case settlement, "have the opportunity to make improvements that will benefit all of us."

The summit — its first session held May 28 in Potomac, MD — was called by USPS and the Postal Rate Commission (PRC) to discuss new approaches for pricing postal products and services. A second session is scheduled for June 27.

The first session focused on the idea of phased rates and ways to make postal price changes more regular and predictable. It also included discussions about the current complexity of rate case procedures and requirements.

Potter said USPS, as detailed in its Transformation Plan, is committed to doing everything it can to improve the system with tools currently available. "You depend on good service at affordable prices. That's exactly what we want to give you," he said.

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# RATEMAKING SUMMIT BUILDING ON THE SPIRIT OF COOPERATION

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Potter said the summit is intended to build on the momentum created by an unprecedented settlement between the Postal Service and the mailing industry, which allowed the PRC to expedite the latest rate case. Changes take effect June 30.

PRC Chairman George Omas called the summit a very significant event in the postal community. "Our goal is to learn," he said. "We are optimistic that the summit will lead to positive results."

Mailers said predictable rate increases would help them to set their budgets better. "Predictability of a rate — when it would come, how long it would be — would help us to manage our budgets," said John Crider, manager of Postal Affairs for Spring Mailing Services. He was a member of one of four panels that led discussions with audience members.



Postmaster General John E. Potter addresses first session.

However, rate predictability is essential but it's not enough, said another panelist, Vincent Giuliano, senior vice president of Government Relations for ADVO, Inc. He said an important question is how much will rates rise?

Support for phased rates was not unanimous. Frequent, smaller increases are not ideal for consumers because they would have to keep going to post offices to get new stamps, said panelist Shelley

Dreifuss, director of the Office of Consumer Advocate at the PRC.

Additional questions were raised about what mechanism would trigger phased rates, how long the interval between rates cases would be and how long mailers would get to prepare for implementation and solve software issues.

"I would be concerned that we don't make it more complex than it is today," said USPS Chief Marketing Officer Anita Bizzotto, a

panelist at the summit.

There would need to be trade-offs, participants said.

Rate cases can't be viewed as win-lose but more as a tool to build a successful business over time in concert with customers, said Stephen Kearney, vice president of Pricing and Classification for USPS.

The next session of the summit will include a discussion of negotiated service agreements and other customized ratemaking approaches and will follow up on suggestions made in the first meeting.

Transcripts of the Ratemaking Summit are available on the PRC website at [www.prc.gov](http://www.prc.gov). ■

## For our children

Postal employees and others wearing white ribbons showed their support for National Missing Children's Day in a ceremony May 23 outside Postal Service headquarters in Washington, DC.

"Through this event we have the opportunity to remember missing children, to renew our efforts to find them and to remind the nation of the importance of protecting our children," said Deborah Willhite, senior vice president of Government Relations and Public Policy.

Since 1985, USPS has joined ADVO, Inc., and the National Center for Missing and Exploited Children to promote the "America's looking for its

missing children" program. In partnership with ADVO, the Postal Service delivers missing child cards to 60 million households each year.

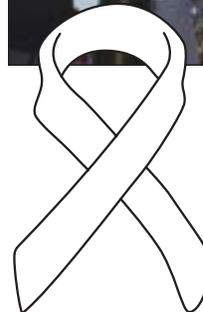
"We take our role in this partnership very seriously," Chief Operating Officer Pat Donahoe said, "because the work we do to help reunite families is very serious business."

USPS has delivered more than 40 billion pictures of missing children to households nationwide. The program has aided in recovering 116 missing children — one out of every seven children featured on an ADVO card.

The highlight of the event was the introduction of three children who were reunited with their parents. ■



A flag with a white ribbon was raised outside USPS headquarters in Washington in support of National Missing Children's Day.



John Walsh, host of "America's Most Wanted" TV program with recovered child Gabrielle Shulman.

# New Rates and Fees Effective June 30, 2002

**O**n April 8, 2002, the Governors of the Postal Service acted on the recommendations of the Postal Rate Commission and approved the changes in domestic rates, fees, and classifications proposed in the rate case settlement agreement. The Board of Governors has directed these changes become effective on June 30, 2002.

The following information is an overview of the R2001-1 changes organized by class of mail or special service category. Complete Domestic Mail Manual (DMM) changes and detailed information can be found in the *Federal Register* final rule at [www.usps.com/ratecase](http://www.usps.com/ratecase) and in the special May 9, 2002, *Postal Bulletin*.

## FIRST-CLASS MAIL HIGHLIGHTS

Overall, First-Class Mail rates will increase an average of 7.9 percent. The single-piece 1-ounce First-Class Mail rate will increase from \$0.34 to \$0.37, and the single-piece card rate from \$0.21 to \$0.23. The additional ounce rate for single-piece First-Class Mail will remain at \$0.23. There will be a lower additional ounce rate for Presorted and automation First-Class Mail items.

Business mailers will get larger automation presort discounts. The carrier route automation discount and the nonautomation presort discount will remain at the current levels. The proposed increase in automation discounts and the proposed half-cent reduction in the workshare additional-ounce rate will result in more attractive workshare incentives, especially for large-volume First-Class Mail service users who presort and mail

heavier pieces.

The presort mailing fee will increase from \$125 to \$150.



## LOWER ADDITIONAL OUNCE RATE FOR PRESORTED AND AUTOMATION RATES

Currently, there is a single additional ounce rate for all pieces mailed at First-Class Mail rates. Pieces mailed at single-piece rates will pay \$0.23 for each additional ounce. Pieces mailed at any workshared rate will pay \$0.225 for each additional ounce. The separate heavy-piece discount still applies for Presorted and automation pieces over 2 ounces.

## AUTOMATION BASIC RATE SPLIT INTO TWO NEW RATES

For automation cards and letters, the current rate structure contains a 5-digit, 3-digit, and basic rate. The new rate structure will split the basic rate into an automated area distribution center (AADC) rate (for all pieces in an AADC tray) and a mixed AADC rate (for all pieces in a mixed AADC

tray). The AADC rate also will apply to pieces in a less-than-full 3-digit tray. There are no sortation changes for automation cards and letters. The 5-digit sort level will still be optional; all other sort levels will be required.

For automation flats, the current rate structure contains a 5-digit, 3-digit, and basic rate. The new rate structure will split the basic rate into an area distribution center (ADC) rate (for all pieces in an ADC package or tray) and a mixed ADC rate (for all pieces in a mixed ADC package or tray). The ADC rate also will apply to pieces in a less-than-full 3-digit tray. There are no sortation changes for automation flats. The 5-digit sort level still will be optional. All other sort levels will be required.

## NONMACHINABLE SURCHARGE

The definition of the current nonstandard surcharge will be expanded to include certain physical criteria that could make a mailpiece nonmachinable. Pieces that are nonmachinable are excluded from automated processing and must be handled manually. Nonmachinable pieces also may impede mail flow or damage the mail or mail processing equipment. Manual pieces are considerably more costly to process than machinable letters.

The criteria for nonmachinable letter-size pieces will be listed in new DMM C050.2.2. The nonmachinable surcharge will apply to single-piece and Presorted rate letters that weigh 1 ounce or less and meet one or more of the criteria in that section. Machinable pieces are not subject to any restrictions regarding the OCR read area

or barcode clear zone.

The nonmachinable surcharge will be \$0.12 for single-piece rate pieces, \$0.055 for Presorted rate, and \$0.055 for automation rate flat-size mail.

The nonmachinable criteria in C050.2.2 do not apply to pieces mailed at any card rate.



## DELIVERY CONFIRMATION AND SIGNATURE CONFIRMATION FOR FIRST-CLASS MAIL PARCELS

The Postal Service will add two new special service options for First-Class Mail parcels: Delivery Confirmation and Signature Confirmation. Both services will be available in retail and electronic options. The fees for Delivery Confirmation will be \$0.55 for the retail option and \$0.13 for the electronic option. The fees for Signature Confirmation will be \$1.80 for the retail option and \$1.30 for the electronic option.

For the purposes of adding Delivery Confirmation or Signature Confirmation service to First-Class Mail and Package Services parcels, a parcel will be defined as any piece that has an address side with sufficient surface area to fully display the delivery address, return address, postage, markings and endorsements, and the Delivery Confir-

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mation or Signature Confirmation label. The parcel will be required to be in a box or, if not in a box, must be more than 3/4-inch thick at its thickest point. This definition will provide mailers many different packaging options if they want to use Delivery Confirmation service or Signature Confirmation for their First-Class Mail parcels.

## PRIORITY MAIL HIGHLIGHTS

Overall, Priority Mail rates will increase an average of 13.5 percent.

## ZONED RATES FOR PIECES OVER 1 POUND

As with all classes of mail, Priority Mail rates must cover the increasing costs associated with processing, transportation and delivery. All weight increments over 1 pound will be zoned to more accurately reflect actual costs to the Postal Service for transportation and handling. The 1-pound rate will remain unzoned.

## FLAT-RATE ENVELOPE PRICED AT THE 1-POUND RATE

Currently, the rate for the Priority Mail flat-rate envelope is the same as the 2-pound rate. Because all rates from 2 to 5 pounds will be zoned, the flat-rate envelope will now be charged at the 1-pound rate which will increase from \$3.50 to \$3.85. The rate for the flat-rate envelope will decrease from \$3.95 to \$3.85, but the size of the envelope will remain the same. The Priority Mail flat-rate envelope will continue to be available from the Postal Service.

## EXPRESS MAIL HIGHLIGHTS

Overall, Express Mail rates will increase an average of 9.4 percent.

The Post Office to Addressee service 1/2-pound rate increases from \$12.45 to \$13.65.



## FLAT-RATE ENVELOPE PRICED AT THE 1/2-POUND RATE

The most significant change to Express Mail service will be to price the flat-rate envelope at the 1/2-pound rate which is the lowest available rate for each Express Mail service offering. The rate for the flat-rate envelope will decrease for Post Office to Addressee service from \$16.25 to \$13.65, but the size of the envelope will remain the same. The Express Mail flat-rate envelope will continue to be available from the Postal Service.

## INDEMNITY REDUCED

The indemnity automatically included in the price of Express Mail will be reduced from \$500 to \$100 for both merchandise and document reconstruction. This adjustment will more closely align Express Mail Indemnity with general industry practice. The fee for every \$100 increment of additional merchandise insurance desired above the standard \$100 and up to \$5,000 will be \$1.

## PICKUP SERVICE

The fee for pickup service, available for Express Mail, Priority Mail, and Parcel Post, will increase from \$10.25 to \$12.50 (per pickup).

## PERIODICALS MAIL HIGHLIGHTS

Periodicals mail consists of two subclasses — Outside-County and

In-County. The overall average increase for Periodicals will be 10 percent. Outside-County postage will increase on average 10.3 percent and In-County postage will increase on average 1.7 percent. Original entry and additional entry application fees will increase from \$350 to \$375 and from \$50 to \$60, respectively, while the fees for reentry and news agent registry will remain at \$40.

## NEW DESTINATION AREA DISTRIBUTION CENTER DISCOUNT

This is a new destination area distribution center (DADC) advertising pound rate and a per piece discount for each Outside-County addressed piece. Destination rates and discounts will be limited to mail entered at the actual destination entry facility (DADC, DSCF, and DDU), unless designated otherwise by the Postal Service.

## NEW PALLET DISCOUNTS

New pallet discounts of \$0.005 per piece have been established for each addressed nonletter-size piece (flat-size and irregular parcel) prepared in packages on pallets that contain at least 250 pounds of mail. This discount will apply to all pallet levels. The discount will not apply to pieces in sacks on pallets or in trays on pallets.

A new \$0.015 destination entry per piece pallet discount will apply to each addressed piece of non-letter-size mail (flats and irregular parcels) prepared in packages on any destination entry pallet of at least 250 pounds of mail.

Palletized addressed pieces could claim either the \$0.005 or the \$0.015 per piece discount (depending on the entry point), but not both.

## PERIODICALS RIDE-ALONG

The ride-along experiment will become a permanent classification. The ride-along rate will increase from \$0.10 to \$0.124 per piece.

## STANDARD MAIL HIGHLIGHTS

Overall, Standard Mail rates will increase an average of 7.1 percent. On average, rates for flat-size mail will increase more than rates for letter-size mail. Regular and nonprofit rates will increase an average of 7.5 percent.

Enhanced carrier route (ECR) rates will increase an average of 6.2 percent. Greater destination entry discounts will provide an incentive for mailers to use their own or third-party transportation to move Standard Mail closer to the point of delivery.

The annual mailing fee will increase from \$125 to \$150.

## AUTOMATION BASIC LETTER RATE SPLIT INTO TWO NEW RATES

For automation letter-size pieces, the current Standard Mail regular rate structure contains 5-digit, 3-digit, and basic rates. The new rate structure splits the basic rate into an AADC rate and a mixed AADC rate. Unlike in First-Class Mail, where the ADC and mixed ADC rates will apply to automation flats, there will not be any changes to the rate structure for Standard Mail automation flats.

## NONMACHINABLE SURCHARGE

A nonmachinable surcharge will apply to some Standard Mail letter-size pieces. The criteria for nonmachinability for letter-size pieces is listed in new DMM C050.2.2.



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The nonmachinable surcharge will apply to Presorted rate letter-size pieces (including cards) that weigh 3.3 ounces or less and meet one or more of the criteria in that section. Machinable pieces are not subject to any restrictions regarding the OCR read area or barcode clear zone. Unlike in First-Class Mail, where the nonmachinable surcharge will apply to flats, the Postal Service is not adding a nonmachinable surcharge to Standard Mail flats since flats already have separate nonletter rates. The nonmachinable surcharge will not apply to pieces mailed at any ECR rate or to automation rate letters (which are by definition machinable). The surcharge will apply to letter-size pieces for which the mailer has chosen the manual only (do not automate) option.

This classification change is consistent with the nonmachinable surcharge for First-Class Mail service. In conjunction with this change, trays of machinable and nonmachinable letters will be prepared and labeled differently. The preparation for machinable letters will be similar to the current preparation for upgradable letters (e.g., no packaging, optional 5-digit sort level). The preparation for nonmachinable pieces will be similar to the current package-based preparation for Presorted letters. The current weight limit for upgradable letters (2.5 ounces) will be replaced with a weight limit of 3.3 ounces for machinable letters.

### HEAVIER LETTERS ARE ELIGIBLE FOR AUTOMATION RATES

The maximum weight for Standard Mail regular automation letters will increase from 3.3 ounces



to 3.5 ounces (inclusive). This change applies to regular and nonprofit automation letters and to automation carrier route letters. The rate charged for pieces that weigh between 3.3 and 3.5 ounces differs slightly from the rate for pieces that weigh 3.3 ounces or less.

### HEAVIER AUTOMATION-COMPATIBLE ECR LETTERS ARE ELIGIBLE FOR LETTER RATES

The maximum weight for automation-compatible ECR letters will increase from 3.3 ounces to 3.5 ounces (inclusive). This change applies to regular and nonprofit ECR saturation, high density, and automation basic rate letters. The rate charged for pieces that weigh between 3.3 and 3.5 ounces differs slightly from the rate for pieces that weigh 3.3 ounces or less.

All pieces mailed at high density and saturation letter rates will be barcoded and automation compatible; therefore, this change is consistent with the proposed change for regular Standard Mail automation letters. This change will not apply to letter-size pieces that are mailed at the nonletter rates (because they are not automation compatible or do not have a barcode).



### BARCODE REQUIREMENT FOR ECR SATURATION AND HIGH DENSITY LETTER-SIZE PIECES

Enhanced Carrier Route (ECR) letter-size pieces mailed at high density and saturation piece (letter) rates will be required to meet the physical standards for automation compatibility (DMM C810) and will be required to have a delivery point barcode to get the letter rates, otherwise they pay the nonletter rates. Pieces using simplified address will not be required to have a delivery point barcode and therefore will not need to meet the physical standards for automation compatibility to qualify for letter rates. This change will apply to both ECR and Nonprofit ECR mail.

Requiring high density and saturation letters to be prebarcoded gives the Postal Service operational flexibility and eliminates the need to barcode these pieces if it is deemed that delivery point sequencing (DPS) is appropriate. The proposed requirement for automation compatibility corresponds to the requirement for a delivery point barcode — for the Postal Service to read the barcode, the piece must be compatible with automated mail sorting equipment. These requirements will not apply to detached address labels (DALs) that accompany flat-size pieces or irregular parcels. Even though the DAL itself is letter-sized, technically it is the

label for the larger piece.

Pieces with exceptional or “occupant” addresses (A040) do contain enough address elements to generate a delivery point barcode and therefore must be automation compatible and must have a delivery point barcode in order to claim the high density or saturation letter rates.

## PACKAGE SERVICES HIGHLIGHTS

### PARCEL POST HIGHLIGHTS

Parcel Post rates will increase an average of 6.4 percent. The Parcel Post Inter-BMC nonmachinable surcharge will increase from \$2 to \$2.75 per parcel. The Intra-BMC and DBMC nonmachinable surcharges will remain at their current levels: \$1.35 for Intra-BMC parcels and \$1.45 for DBMC parcels. The Parcel Post origin BMC presort and BMC presort discounts will increase from \$0.90 to \$1.17 and \$0.23 to \$0.28 per piece, respectively.

The barcoded discount for qualifying Parcel Post and Parcel Select DBMC machinable parcels will remain at \$0.03 per piece. The destination entry mailing fee will increase from \$125.00 to \$150.00. The Parcel Post pickup fee will increase from \$10.25 to \$12.50.

### RATE STRUCTURE

Three changes will be made. First, separate rates will be available for parcels weighing less than 1 pound. Second, Parcel Select pieces will be eligible for no-fee electronic Delivery Confirmation. The final change will create a DSCF rate for nonmachinable parcels sorted to 3-digit ZIP Code prefixes and entered at destination SCFs. Nonmachinable DSCF Parcel Select pieces will be subject to a surcharge of \$1.09 per parcel in addition to the applicable DSCF rate.

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## BOUND PRINTED MATTER HIGHLIGHTS

The Bound Printed Matter (BPM) rates will increase an average of 9 percent. Destination entry mailings will be eligible for discounts that encourage the deposit of mail at the destination BMC, SCF, or delivery unit. The destination entry mailing fee will increase from \$125 to \$150.

## RATE STRUCTURE

There are two major changes to BPM rates: separate rates for BPM flats and parcels, and a new \$0.03 POSTNET barcoded discount for single-piece rate and Presorted rate BPM flats weighing up to 20 ounces. Rates for flat-size BPM will be lower than the rates for BPM parcels in all three rate categories (single-piece, Presorted, and carrier route) and in the three available destination entry rates (DDU, DSCF, and DBMC).

To qualify for flat rates, the piece must fit the processing category for flats in DMM C050.3.0. To qualify for the barcoded discount, BPM flats will be required to meet the standards in DMM C820 for flat sorting machine (FSM) 881 processing.

## MEDIA MAIL AND LIBRARY MAIL HIGHLIGHTS

Media Mail rates will increase an average of 4 percent and Library Mail rates will increase an average of 3.3 percent. The Presorted Mailing fee will increase from \$125 to \$150.

## RATE STRUCTURE

There will be one fundamental change to the Media Mail and Library Mail structures. The 5-digit rate will be retained, but the BMC rate will be renamed the "basic" rate.

## PREPARATION CHANGES

There will be three changes to the preparation requirements for Media Mail and Library Mail. First,

Media Mail and Library Mail pieces will now be sorted to the 5-digit, 3-digit, ADC or BMC, and mixed ADC or mixed BMC levels. This adjusts the presort requirements for Media Mail and Library Mail to reflect current postal processing. Machinable parcels will continue to be presorted to 5-digit, BMC, and mixed BMC.

Second, the requirement for separate minimum volumes for each presort level will be eliminated, and the minimum volume requirement for a mailing will decrease from 500 to 300 pieces. To qualify for Presorted Media Mail or Library Mail rates, mailers will be required to have a minimum of 300 properly prepared and presorted pieces. Pieces in the mailing that meet 5-digit rate requirements will be eligible for the 5-digit rate. The remaining pieces in the mailing will be eligible for the basic rate.

The last change reinstates the option to allow mailers to prepare sacks of Media Mail or Library Mail using a minimum of 1,000 cubic inches of mail.

## SPECIAL SERVICES HIGHLIGHTS

Special services are enhancements that, for a fee in addition to postage, provide greater security and accountability; confirmation of mailing, delivery and receipt; special handling; and payment and acceptance options for mail. Special services also provide delivery alternatives and secure options for sending money through the mail.

## BULK PARCEL RETURN SERVICE

The annual accounting fee for bulk parcel return service (BPRS) will increase from \$375 to \$475. The annual permit fee will increase from \$125 to \$150 and the per piece charge will increase from \$1.62 to \$1.80.

## BUSINESS REPLY MAIL

For Qualified Business Reply Mail (QBRM), the per piece charge for the high volume QBRM category with the quarterly fee will decrease from \$0.01 to \$0.008. The QBRM quarterly fee of \$1,800 will remain the same. The basic QBRM per piece charge for the category without the quarterly fee will increase from \$0.05 to \$0.06.

The business reply mail (BRM) per piece fee with an advance deposit account will remain at \$0.10. The annual accounting fee for advanced deposit accounts will increase from \$375 to \$475. The regular BRM per piece charge without an annual accounting fee will increase from \$0.35 to \$0.60 per piece.

The monthly fee for bulk weight averaged nonletter size BRM will increase from \$600 to \$750, while the per-piece charge of \$0.01 will remain the same.

## CERTIFICATE OF MAILING

Certificate of mailing fees will increase. For individual pieces, the original certificate will increase from \$0.75 to \$0.90, the firm mailing book (Form 3877) will increase from \$0.25 to \$0.30 for each piece listed, and the charge for a duplicate copy will increase from \$0.75 to \$0.90.

Additionally, mailpieces listed on Form 3877 and having postage paid with permit imprint will be permitted to pay the certificate of mailing fee using the permit imprint account. Under this option mailers will no longer be required to affix the fees to Form 3877.

For bulk pieces (Form 3606), fees for the first 1,000 pieces or fraction thereof will increase from \$3.50 to \$4.50. Fees for each additional 1,000 pieces or fraction thereof will increase from \$0.40 to \$0.50, and the charge for a duplicate copy will increase from \$0.75 to \$0.90.

## CERTIFIED MAIL

The certified mail fee will increase from \$2.10 to \$2.30. A service enhancement will allow mailers to verify delivery status over the Internet at [www.usps.com](http://www.usps.com).

## COLLECT ON DELIVERY

There will be no change to the current collect on delivery (COD) fees.

## DELIVERY CONFIRMATION

Retail and electronic Delivery Confirmation options will be extended to First-Class Mail parcels. For Package Services, Delivery Confirmation will be restricted to parcels only and will no longer be available for flat-size mail. For First-Class Mail parcels, the fee will be \$0.13 for the electronic option and \$0.55 for the retail option. The fee for the retail option for Priority Mail will increase from \$0.40 to \$0.45. For Standard Mail, the fee for the electronic option will increase from \$0.12 to \$0.13. For Parcel Select, the electronic option will be included in postage. For all other Package Services, the fee will increase from \$0.12 to \$0.13 for the electronic option and from \$0.50 to \$0.55 for the retail option.



## EXPRESS MAIL INSURANCE

Insurance coverage included with Express Mail service will be lowered from \$500 to \$100. Incremental fees will be applied at \$1 per each \$100 of desired merchandise insurance coverage over

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\$100. Document reconstruction maximum liability will decrease from \$500 to \$100.

## INSURANCE

The fee for unnumbered insurance (value up to \$50 with no insured number applied) will increase from \$1.10 to \$1.30. The fee for numbered insurance service over \$50 and up to \$100 (insured number applied) will increase from \$2.00 to \$2.20. The incremental fee of \$1.00 for each \$100 in value over \$100 and up to \$5,000 will remain the same.

## MERCHANDISE RETURN SERVICE

The annual accounting fee for merchandise return service will increase from \$375 to \$475. The annual permit fee will increase from \$125 to \$150.

## MONEY ORDERS

There will be two classification changes for domestic and APO/FPO money orders. The first change will increase the maximum amount from \$700 to \$1,000 for both orders. The domestic money order fee for amounts of \$0.01 to \$500 will be \$0.90, and the fee for amounts of \$500.01 to \$1,000 will be \$1.25. The inquiry fee will increase from \$2.75 to \$3.00 for all money orders, regardless of value. The fee for APO/FPO money orders will remain the same at \$0.25.

## PARCEL AIRLIFT

Parcel Airlift (PAL) fees will increase. For parcels weighing not more than 2 pounds, the fee will increase from \$0.40 to \$0.45. For parcels not more than 3 pounds, the fee will increase from \$0.75 to \$0.85. For parcels not more than 4 pounds, the fee will increase from \$1.15 to \$1.25. For parcels over 4 pounds but not more than 30 pounds, the fee will increase from \$1.55 to \$1.70.



## REGISTERED MAIL

All registered mail fees will increase. The fee for registered mail with no declared value will increase from \$7.25 to \$7.50. The fee for registered mail valued between \$0.01 and \$100 will increase from \$7.50 to \$8.00. The incremental fee for registered mail with insurance per declared value level will increase from \$0.75 to \$0.85. The handling charge per \$1,000 in value or fraction thereof for items valued over \$25,000 also will increase from \$0.75 to \$0.85.

A service enhancement will allow mailers to verify delivery status over the Internet at [www.usps.com](http://www.usps.com).

## RESTRICTED DELIVERY

The fee for restricted delivery will increase from \$3.20 to \$3.50.

## RETURN RECEIPT

The fee for regular return receipt service will increase from \$1.50 to \$1.75. The fee for return receipt after mailing (delivery record) will decrease from \$3.50 to \$3.25.

## RETURN RECEIPT FOR MERCHANDISE

The fee for return receipt for merchandise will increase from \$2.35 to \$3.00.

## SIGNATURE CONFIRMATION

Retail and electronic Signature Confirmation options will be extended to First-Class Mail parcels. For Package Services, Signature Confirmation will be restricted to parcels only and will no longer be available for flat-size mail. For First-Class Mail parcels, the fee will be \$1.30 for the electronic option and \$1.80 for the retail option. For Priority Mail, the fee will

increase from \$1.25 to \$1.30 for the electronic option and from \$1.75 to \$1.80 for the retail option. For Package Services parcels, the fee will increase from \$1.25 to \$1.30 for the electronic option and from \$1.75 to \$1.80 for the retail option.

## SPECIAL HANDLING

The fees for special handling will increase from \$5.40 to \$5.95 for pieces weighing up to 10 pounds and from \$7.50 to \$8.25 for pieces weighing over 10 pounds.

## ADDRESS CORRECTION SERVICE

The fee for manual address notifications will increase from \$0.60 to \$0.70 per notice. The fee for automated ACS electronic notifications will remain the same at \$0.20 per notice.

## ADDRESS SEQUENCING SERVICE

The fee for carrier sequencing of address cards service will increase from \$0.25 to \$0.30 per card.

## CALLER SERVICE

The caller service fee for each separation provided per semianual period will increase from \$375 to \$412. The fee for each reserved caller number per calendar year will increase from \$30 to \$32.

## MAILING LIST SERVICES

The charge for correction of mailing lists will increase from \$0.25 to \$0.30 per correction. The minimum per list charge also will increase from \$7.50 to \$9.00 per list. The charge for sortation of mailing lists on cards into groups labeled by 5-digit ZIP Code will increase from \$73 to \$100. The charge for address changes for elec-

tion boards will increase from \$0.23 to \$0.27.

## METER SERVICE

The fee for on-site meter service (per employee, per visit) will increase from \$31 to \$35. The fee for meter resetting and/or examination will increase from \$4.00 to \$5.00 per meter. The fee for checking in/out of service (per meter) of \$4.00 will remain the same.

## PERMIT IMPRINT

The permit imprint application fee will increase from \$125 to \$150.

## PICKUP SERVICE

The fee for pickup service, available for Express Mail, Priority Mail and Parcel Post, will increase from \$10.25 to \$12.50 (per pickup).

## POST OFFICE BOX SERVICE

Overall, post office (PO) box fees will increase. A new PO box fee category will be introduced for PO box service in the lowest-cost cities and highest-cost rural areas. This new fee group will provide a bridge to eventually move high-cost and low-cost ZIP Codes toward more appropriate fee assignments. PO box key duplication or replacement (after first two keys) will increase from \$4.00 to \$4.40 each. PO box lock replacement will increase from \$10 to \$11. There will be no change to the no-fee PO box service (Group E).

## SHIPPER PAID FORWARDING

The accounting fee will increase from \$375 to \$475.

## STAMPED CARDS AND STAMPED ENVELOPES

The fee for stamped cards will remain the same. Special stamped envelopes (i.e., those with holograms or patch-in stamps) are no longer offered. The fees for the other types of available stamped envelopes will remain the same. ■

# 2002 Quality Supplier Awards Outstanding!

**N**obody does it better. Six companies have been honored by the Postal Service as “the best of the best” in supplying its employees with the equipment, tools and service they need to deliver superior products and services to the American public.

When it comes to excellence, these companies “set the standard for quality suppliers and have become vital partners to our success in identifying and responding to the needs of our customers,” says Postmaster General John E. Potter.

To be eligible for a Quality Supplier Award, a firm must have earned more than \$500,000 during the last fiscal year. Each nominee then went through a rigorous evaluation process. Small teams of postal evaluators selected the winners by reviewing each application, making an on-site visit to the firm, and talking to key USPS customers and purchasing individuals familiar with the supplier. ■



Outstanding suppliers were honored during a ceremony at Postal Service headquarters in Washington, DC. On hand were (left to right): Dave Ness, President and CEO, Hardy Instruments, Inc.; Madlin Mangrum, President and CEO, 911 Air Cargo, Inc.; Peter Blackmore, Executive Vice President, Sales and Service, Compaq Computer Corp.; Dr. Nancy Staisey, Partner, PricewaterhouseCoopers Consulting; Robert Kraft, Chairman and CEO, The Kraft Group (Parent Company of Rand-Whitney Container LLC); Jonathon Kraft, President, The Kraft Group and Rand-Whitney Container; and Tim Weyenberg, CEO, Foth & Van Dyke and Associates, Inc.

## Keeping POSTED

News from and for Postal Customer Councils® [www.usps.com/nationalpcc](http://www.usps.com/nationalpcc)

### PCC COMMUNITY WELCOMES NEW CO-CHAIRS ...

Over the past two months, the following individuals have become PCC postal co-chairs:

Tony Carvelli, A/Manager, Post Office Operations, North Bay PCC, Petaluma, CA.

Nicole French, Manager, BSN Operations, New Hampshire PCC, Manchester, NH.

John McEwen, Postmaster, Indianapolis PCC, Indianapolis, IN.

John Steele, Postmaster, Western MA PCC, Springfield, MA.

### ... AND SAYS GOODBYE TO OLD FRIENDS.

Becky Dunn, Joyce Bagby and Wanda Senne stepped down from their positions on the National PCC Advisory Committee in ceremonies at the National Postal Forum in San Diego. Pat Donahoe, chief operating officer and John Wargo, vice president, Service and Market Development, presented them with awards. “Becky, Joyce and Wanda each gave nearly three years of dedicated, informed and caring service to the PCC program — and they will be missed,” Donahoe said. “Enthusiasm like theirs has become a hallmark of the PCC community.”

## 2002 Quality Supplier Award categories and winners:

### SMALL BUSINESS – OPERATIONAL SERVICES

911 Air Cargo, Inc. of Austin, TX  
(Air taxi contract routes)

### SMALL BUSINESS – PROFESSIONAL & CONSULTANT SERVICES

Foth & Van Dyke and Associates, Inc. of Green Bay, WI  
(Bulk mail center equipment enhancement, tray management systems and other mail facility projects)

### SMALL BUSINESS – MANUFACTURING

Hardy Instruments, Inc. of San Diego, CA  
(Scale work station systems and floor scales)  
Rand-Whitney Container LLC of Newtown, CT  
(Corrugated boxes)

### LARGE BUSINESS – PROFESSIONAL & CONSULTANT SERVICES

PricewaterhouseCoopers Consulting of Arlington, VA  
(Transit-Time Measurement System, numerous consulting tasks)

### LARGE BUSINESS – MANUFACTURING

Compaq Computer Corp. of Greenbelt, MD  
(Providers of PCs, hardware, software and technical support)

# TAKING THE MYSTERY OUT OF PERIODICALS

Due to the overwhelming popularity of the Postal Service course on Periodicals mailings, USPS is pleased to offer two more opportunities to catch this great course.

Did you know there are advertising limitations with Periodicals? Are you sure 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 read on.

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 three-day course, *Content and Preparation of Periodicals Mailings*, is provided in a classroom setting.

Participants will leave with a complete understanding of how to correctly identify and define advertising in Periodicals, measure the percentages in marked copies, learn about the application process, and learn the preparation requirements to receive the discount in postage. Managers, supervisors and advertising executives will all benefit from this comprehensive three-day workshop on the essentials of Periodicals mailing.

Unlike other courses and training that have only highlighted small segments of this complex industry, this course delivers the skills and knowledge critical to ensuring a successful Periodicals mailing, for novices or experts.

The course is being offered at both the National Center for Employee Development (NCED) in Norman, OK, and the William F. Bolger Center for Leadership Development in Potomac, MD. Course dates are:

June 25—27, 2002 Norman, OK  
Aug. 5—7, 2002 Potomac, MD

To register, complete the registration form. The fees are:

- The William F. Bolger Center for Leadership Development, Potomac, MD  
\$1,050 per student
- The National Center for Employee Development, Norman, OK  
\$850 per student

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

Topics covered over the three days are:

- Basic Elements and Categories of Periodicals
- Rate Eligibility
- Original Entry Application Process and Additional Entry, Reentry, or Special Rate Request
- 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, this field is constantly changing and there is always new information to be gained from attending!

If you have questions or need more information about the course, call Tom Myers at 703-292-3544.



# Content and Preparation of Periodicals Mailings

## Registration Information

### You may register by mail, fax or phone.

It is in your best interest to pay at the time you register to secure your seat. You may pay by credit card or check. 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.

### For classes at the William F. Bolger Center for Leadership Development, Potomac, MD

1. Register by phone for fast service. Call 202-268-7738 and one of our customer service representatives will be happy to take your enrollment.
2. Fax your registration and credit card information to 202-268-5879.
3. Mail your registration and payment to: US Postal Service, 475 L'Enfant Plaza, SW, Washington, DC 20260-4215, ATTN: Debbie Branagan, Room 1P-650.

### For classes at the National Center for Employee Development, Norman, OK

1. Register by phone for fast service. Call 405-366-4639 and one of our customer service representatives will be happy to take your enrollment.
2. Fax your registration and credit card information to 405-366-4012.
3. Mail the registration form and payment to: US Postal Service, NCED, 2701 East Imhoff Road, Norman, OK 73071-1198, ATTN: BRJ, Business Mail Academy.

### The enrollment fee includes student lodging, three meals per day and all course materials.

Please print or type

**Name and Title:** \_\_\_\_\_

**Company:** \_\_\_\_\_

**Mailing Address:** \_\_\_\_\_

**City, State, ZIP+4:** \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

**Ext.** \_\_\_\_\_

**Fax:** \_\_\_\_\_

**Federal ID Number:** \_\_\_\_\_

### Payment Information (please pay before the seminar)

#### Location:

- William F. Bolger Academy for Leadership Development, Potomac, MD — \$1,050 per student  
 National Center for Employee Development (NCED), Norman, OK — \$850 per student

Confirming phone registration: # \_\_\_\_\_

Check enclosed payable to US Postal Service

Check # \_\_\_\_\_ Check Amt. \_\_\_\_\_

Charge to:

- Mastercard  
 Visa  
 AmEx  
 Diners Club

Card Number \_\_\_\_\_

Expiration date \_\_\_\_\_

Signature \_\_\_\_\_



## POSTALONE! FUNDING APPROVED

The second phase of PostalOne! implementation is going forward. PostalOne! is a major postal initiative to modernize the business mail acceptance process. It simplifies verification and payment for bulk business mail by providing business customers with an electronic link to internal postal operations for the exchange of mailing information.

The USPS Board of Governors approved a capital investment of \$54.1 million for phase two. PostalOne! was successfully tested

with 71 of the largest postal customer sites nationwide.

In the second phase, the aging PERMIT system will be replaced by the electronic features of PostalOne! and enhanced payment capabilities will be developed to cover all classes of mail and all types of business mailers.

## PUSHING THE ENVELOPE

The envelope gets its moment in the spotlight when calligraphers and artists compete in the eighth annual Graceful Envelope Con-

test, sponsored by the Postal Service and the Washington (DC) Calligraphers Guild.

The international contest will feature envelope addresses with hand-executed calligraphy or fine lettering. This year's theme, "Greetings From America," is based on the new set of 50 postage stamp celebrating the unique character of each state.

Complete rules, as well as images of last year's winning envelopes, are available online at [www.calligraphersguild.org](http://www.calligraphersguild.org).



This stamp is the first in the American Design series. It features toileware, a unique 19th century American craft design.

## MEMO to MAILERS

Volume 37 Number 6

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## WATCH YOUR DOUGH RISE

USPS has solutions for small businesses.

Go to [www.usps.com](http://www.usps.com) to find out how Priority Mail service can help your business save costs.

You can order a Priority Mail Convenience Pack with 10 prepaid mailers.

And visit the Shipping center to find out about all of the Postal Service's shipping solutions.

Change Service Requested

## POSTAL INSPECTORS GIVE THE "4-1-1" on the "4-1-9" scam

**"Y**ou get what you pay for," or so the saying goes. But in the case of the Nigerian solicitations or the "4-1-9" fraud, all consumers get for their money are empty promises and shat-

through their bank accounts. For their cooperation, potential victims are told they may retain a percentage of the money. The name "4-1-9" is derived from the section of the Nigerian Penal Code that makes it illegal for Nigerians to participate in the fraud or to possess any documents used in the scam.

Typically, "4-1-9" fraud victims are duped into believing that if they pay a large fee, millions of dollars will be credited to their bank accounts.

After paying the initial fee, victims are often contacted by the operators of the scheme and advised that the deal is near completion, but additional money is needed to pay "unforeseen" legal fees, taxes and personal expenses. To complete the transaction, victims may be asked to travel to Nigeria to meet with the operators. Once in Nigeria, however, the victims are informed of addi-

tional fees or taxes that must be paid prior to the transfer of funds.

In several instances, victims actually visited Nigeria and paid the so-called tax, but they received nothing for their time and expense. After the operators get their hands on the money, no further action or contact occurs. Americans have lost over \$100 million in the "4-1-9" scheme. In addition to the monetary loss, 15 foreign businessmen, including one American, have been murdered in connection with this fraud.

Through a leadership role with the Postal Security Action Group of the Universal Postal Union, the Inspection Service formed an alliance with the Postmaster General of the Nigerian Postal Service Department. An agreement permits interdiction and destruction of advance fee solicitations bearing counterfeit postage stamps and/or affixed meter impressions prior to delivery to potential victims. Because the advance fee solicitations bore counterfeit postage, they met the criteria for destruction. To date, Postal Inspectors have destroyed over 5 million advance fee solicitations.

Due to the Postal Inspection Service's success in detecting and destroying these letters before they reach potential victims, the Nigerian scam artists have started mailing solicitations bearing legitimate postage from other countries. In addition to the U.S. Mail, the operators are currently contacting consumers via the Internet and the fax machine. To halt these efforts, Postal Inspectors are working closely with the Secret Service, Customs and foreign officials to develop detection and interception programs. Postal Inspectors warn potential investors not to fall for this scam. If you receive an advance fee solicitation, do not respond. Either throw it away or send it to the:

U.S. Postal Inspection Service  
Operations Support Group  
222 S. Riverside Plaza  
Suite 1250  
Chicago, IL 60606-6100

The best defense against fraud is an informed public, because "you can't be duped when armed with the truth!" ■



tered dreams. Some victims have even lost their lives. Don't let it happen to you.

A Postal Inspection Service investigation uncovered several variations of the "4-1-9" fraud solicitation. However, the basic theme is the same. Individuals are advised that a large amount of money is available and will be processed