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USPS-LR-I-176

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(Kingsley)**

**PLANT-VERIFIED DROP
SHIPMENT SYSTEM**

September 28, 1999

AC-AR-99-001

**United States Postal Service
Office of Inspector General**

**1735 N Lynn Street
Arlington, VA 22209-2020
703-248-2100**





September 28, 1999

ANITA J. BIZZOTTO
VICE PRESIDENT, MARKETING SYSTEMS

JOHN A. RAPP
VICE PRESIDENT, FIELD OPERATIONS SUPPORT

SUBJECT: Plant-Verified Drop Shipment System (Report Number AC-AR-99-001)

This report presents the results of our review of the plant-verified drop shipment system (Project Number 99PA022AC000). The report responds to a request from the Chief Operating Officer and Executive Vice President to review the drop shipment system. Our audit objective was to evaluate the adequacy of verification and acceptance procedures for plant verified drop shipment mail.

We concluded that the plant-verified drop shipment system could be improved. Specifically, we identified problems with verification procedures not being followed and with the preparation of PS Form 8125, Plant-Verified Drop Shipment Verification and Clearance. In addition, USPS personnel accepted mail without a PS Form 8125 or with a PS Form 8125 containing incorrect information. Management agreed with the recommendations presented in this report. Management's comments and our evaluation of their comments are included in the report.

We appreciate the cooperation and courtesies provided by your staff during the review. If you have any questions or need additional information, please contact _____, or me at

(703) 248-2300.

Richard F. Chambers
Assistant Inspector General
for Performance

Attachment

cc: Clarence Lewis
Allen R. Kane
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EXECUTIVE SUMMARY

Introduction

The plant-verified drop shipments system allows authorized mailers of Periodicals and Standard Mail to receive discounts for making drop shipments of their mailings at destinating (entry) postal facilities. Under this program mailings are verified at the mailer's plant or at the post office holding the permit serving the mailer's plant. Following verification, the mailing is transported by the mailer or a carrier of his choice at the mailer's expense, and deposited for acceptance as mail at the appropriate destination postal facility.

We conducted this audit to evaluate the adequacy of verification and acceptance for plant-verified drop shipments.

Results in Brief

Opportunities exist to improve verification and acceptance procedures for plant-verified drop shipment mail. While United States Postal Service (USPS) employees generally verified drop shipments correctly, we identified problems with verification procedures not being followed and the preparation of PS Form 8125, Plant-Verified Drop Shipment Verification and Clearance. In addition, USPS personnel accepted mail without a PS Form 8125 or with a PS Form 8125 containing incorrect information. Many of the errors we observed could have been avoided if customers and USPS personnel adhered to the requirements of the plant-verified drop shipment system, as currently prescribed. In this system, which relies heavily on participants to provide precise information, it is critical that all required information is provided and all program guidelines are followed.

Summary of Recommendations

We recommended that the Manager, Business Mail Acceptance provide additional training to employees and customers on drop shipments. We also recommended additional controls to prevent recurrence of the issues identified in this report. Detailed recommendations are included in the body of this report.

Summary of Management's Comments

We addressed the issues in this report to the Vice President, Marketing Systems, and the Vice President, Field Operations Support; however, the Vice President, Operations Planning and the Manager, Marketing Technology and Channel Management provided the written

comments. Management concurred with our *recommendations and has taken or plans to take action to address the issues raised in this report. Management's comments are summarized in the report and the full text of the comments is the Appendix.*¹

Overall Evaluation of Management Comments

The planned and on-going actions by management satisfy the intent of our recommendations and should enhance the plant-verified drop shipment system.

¹ The audit report provided management with four recommendations. Management separated some of the recommendations and therefore responded to six recommendations. Management's comments to recommendations 2, 3, and 4 address recommendation 2 in the report. Comments to recommendation 5 address recommendation 3 and comments to recommendation 6 address recommendation 4 in the report.

INTRODUCTION

Background

The plant-verified drop shipment system allows authorized mailers of Periodicals,² Standard Mail (A),³ and Standard Mail (B)⁴ mailings to receive discounts for making drop shipments of their mailings at destination postal facilities. Under this program, destination rate mailings are verified at the mailer's plant or at the post office that holds the permit serving the mailer's plant. The plant-verified drop shipment system is essentially made up of two areas, verification and acceptance.

Verification of the mailer's product by USPS includes the following:

- verifying classification, rate eligibility, preparation, and presort requirements;
- verifying postage due and collecting fees;
- verifying that PS Form 8125 is complete, signed, accurately represents the mailer's product, and shows the correct destination entry office;
- completing the origin post office section of the PS Form 8125, signing, dating, and keeping one original form for postal records; and
- releasing mailer's product for loading and transportation to the next destination.

Following verification, the mailing is transported by the mailer or a selected carrier of his choice, at the mailer's expense, and deposited for acceptance at the appropriate destination postal facility. Before the shipment is accepted as mail at the destination facility, a USPS employee must be presented with the PS Form 8125 to ensure that the mail presented is the same as the mail verified at the origin facility. The Domestic Mail Manual places the responsibility on mailers to ensure that PS Form 8125 accompanies all plant-verified drop shipments they present to USPS

² A mail class (formerly called second-class mail) consisting of magazines, newspapers, or other publications formed of printed sheets that are issued at least four times a year at regular, specified intervals (frequency) from known office of publication.

³ Standard Mail matter that weighs less than 16 ounces. It comprises the subclasses of Regular Standard Mail, Nonprofit Standard Mail, Enhanced Carrier Route Standard Mail, Nonprofit Enhanced Carrier Route Standard Mail, and Single-Piece Standard Mail. These subclasses include circulars, printed matter, pamphlets, catalogs, newsletters, direct mail, and merchandise. Standard Mail (A) may be sent at presorted rates and at automation rates.

⁴ Usually Standard Mail matter that weighs 16 ounces or more. It comprises four subclasses: Bound Printed Matter, Library Mail, Parcel Post, and Special Standard Mail.

personnel.⁵ In order to ensure all acceptance requirements are met, the following steps must be completed:

- Verify that the forms are original. They must be complete, signed, and dated by the origin post office.
- Compare the shipment with PS Form 8125.
- Verify volume of mail in the shipment by counting containers or weighing the mail.
- Accept the mail and clear it for processing by postal operations.
- Complete the destination entry post office section. The accepting employee must sign and date the form, retain the originals, and provide a copy to the mailer/agent.

Objective, Scope, and Methodology

Our audit objective was to evaluate the adequacy of verification and acceptance procedures for plant-verified drop shipment mail. To accomplish our objectives, we judgmentally selected three processing and distribution centers⁶ that were located in cities that also contained a bulk mail center.⁷ We visited each of the three sites and conducted interviews with site management,⁸ bulk mail entry personnel, and USPS verification and acceptance personnel. We performed observations of verification work at business mail entry units and at detached mail units at the mailer's plant. We also observed acceptance procedures at USPS acceptance facilities. These included bulk mail centers, processing and distribution centers, USPS annexes and destination delivery units. Additionally, we performed record reviews of PS Form 8125, Plant-Verified Drop Shipment Verification and Clearance, and reviewed supporting documentation. We discussed our observations and conclusions with site management and included their comments where appropriate. The audit was conducted from June through August 1999 in accordance with generally accepted government auditing standards, and included such tests of internal controls, as we considered necessary under the circumstances.

⁵ DMM 652.3.2.f.

⁶ Sites visited: Memphis, Tennessee; Minneapolis, Minnesota; and Kearny, New Jersey.

⁷ A highly mechanized mail processing plant that is part of the National Bulk Mail System. This facility distributes Standard (A) and Periodicals in bulk form and Standard (B) in both pieces of bulk form.

⁸ Usually the Processing and Distribution Center's plant manager, the Bulk Mail Center's manager, the manager or supervisor of the Business Mail Entry Unit and other individuals as selected by site management.

AUDIT RESULTS

Opportunities exist to improve verification and acceptance procedures for plant-verified drop shipment mail. While USPS employees generally verified drop shipments correctly, we identified problems with verification procedures not being followed and the preparation of PS Form 8125, Plant-Verified Drop Shipment Verification and Clearance. In addition, USPS personnel accepted mail without a PS Form 8125 or a with PS Form 8125 containing incorrect information.

Verification Procedures

While USPS employees generally verified drop shipments correctly, we found opportunities to improve verification procedures. We identified problems with verification procedures not being followed and the preparation of PS Form 8125, Plant-Verified Drop Shipment Verification And Clearance.

USPS employees did not always verify the quantities delivered to the amounts reflected on PS Form 8125 and sampling procedures were made difficult by the mailer's preparation of bed-loaded parcels. For example, at one mailer plant, we obtained the PS Form 8125 and attached documentation for a drop shipment verified at the business mail entry unit at the Twin Cities Metro Hub. The PS Form 8125 reflected that the shipment consisted of three pallets or pallet boxes with bundles. However, the postage statement submitted at the time of verification reflected that the shipment actually consisted of four pallets of mail and three additional sacks of mail. Although there was a discrepancy between the number of containers shown on the PS Form 8125 and what was reflected on the postage statement, the verifying official accepted the mail and completed the PS Form 8125 without requiring the discrepancy to be corrected by the customer.

Further, we noted that USPS employees did not obtain a representative sample of bed-loaded parcels at a ⁹ warehouse in

This was evidenced by our observation of Standard Mail (B) parcels that were loaded from the front of the semi-trailer

⁹ is a parcel consolidator headquartered in . and one of the USPS largest Standard Mail (B) class customers.

within 18 inches of the rear, and packages were stacked from the floor to the ceiling. Additionally, there were several large parcels that approached the maximum weight and/or measurements allowable by USPS regulation. As a result of the load being presented in this manner, USPS acceptance personnel were unable to draw samples from all areas of the trailer.

We found that USPS customers often failed to complete the following items in section one, mailer information,¹⁰ of PS Form 8125:

- drop shipment appointment number,
- the mailer's contact name and telephone number,
- class of mail and product name, and
- processing category and entry discounts.

For example, we found that 53 of 100 PS Forms 8125 at one facility did not have an appointment number. We also found that customers did not use the proper form. Of the 2486 forms reviewed, 578 were outdated. Customers used forms dating back to as early as February 1991. We also found that USPS employees performing verifications often did not complete the "origin post office"¹¹ section of PS Form 8125. The items most frequently omitted were:

- the name of the USPS employee that verifies the mail,
- the verifying employee's telephone number,
- the postage payment method,
- a date stamp indicating the date of verification, and
- the number of pieces in the mailing, and the permit number.

We believe that the problems identified with preparation of PS Form 8125 and verification procedures not being followed were caused by the following:

- insufficient training of USPS verification personnel and customers involved in plant-verified drop shipments as it

¹⁰ The "Mailer Information" section (Items 1 through 12 of PS Form 8125) identifies the mail preparer and provides a description of the mail to be deposited at the destination entry post office. The mailer must complete all items in the "Mailer Information" section except for optional items 6 and 12.

¹¹ The "Origin Post Office" section (Items 13 through 23 of PS Form 8125) identifies the office where the plant-verified drop shipment mailing is verified.

relates to the use of the proper form, completion of the required information, and general verification requirements, and

- lack of policy regarding sampling of bed-loaded drop shipments.

As a result of both customers' and employees, failure to use or properly complete the PS Form 8125, there is a potential for increased processing costs. Additionally, verification procedures not being followed and the absence of established policy regarding sampling of bed-loaded parcels could result in incorrect revenue assessment.

**Acceptance
Procedures**

USPS personnel accepted mail without a PS Form 8125 or with a PS Form 8125 containing incorrect information. Specifically, plant-verified drop shipments were accepted at destination entry facilities without a related PS Form 8125 or with inconsistencies between the PS Form 8125 provided and the mail as presented to USPS acceptance personnel. This occurred because acceptance personnel were unaware of or did not follow program requirements to verify that the forms were original, compare the shipment with PS Form 8125, and verify the volume of mail.

For example, at one processing and distribution center, we reviewed bills of lading for drop shipments processed on July 6, 1999, and found that a shipment of Periodicals had been accepted at this facility and logged into its "drop shipment receiving log." However, we could not locate the associated PS Form 8125 for this shipment. A USPS official advised us that some of the shipments come in without a PS Form 8125, but are accepted. The USPS official further advised that they accept all shipments. Additionally, our review of acceptance records kept on file at this facility disclosed additional bills of lading without corresponding PS Forms 8125. We observed this condition at other USPS facilities.

Further, we identified instances when the mail accepted did not match the information recorded on the corresponding PS Forms 8125. For example, at two USPS acceptance facilities, we observed USPS personnel accepting shipments of mail that did not match the corresponding PS Forms 8125. In both of these cases, the mail accepted exceeded the amounts reflected on the PS Form 8125. USPS employees who accepted these drop shipments told us that they do not refuse the mail. Accepting more mail than is documented on the PS Form 8125 or accepting mail without a corresponding PS Form 8125 increases both the potential for lost revenue and the risk that fraud could occur.

Recommendations

We offer the following recommendations to the Manager, Business Mail Acceptance:

1. Require customers to use the latest version of PS Form 8125.

Management's Comments	Management agreed with the recommendation and stated they would publish a <u>Postal Bulletin</u> article instructing customers to use the July 1998 edition of Form 8125 and to discard all previous versions.
	2. Provide additional instruction to USPS personnel who are assigned with plant-verified drop shipment duties. Emphasis should be placed on ensuring that all required items on PS Form 8125 are properly completed and placing emphasis on the importance of a conscientious comparison of the PS Form 8125 to the mail presented.
Management's Comments	Management agreed with the recommendation. Management stated they are currently developing comprehensive standards for plant-verified drop shipment mailings and plan to publish the standards by January 2000. Management also stated they plan to provide training to employees' on proper acceptance of plant-verified drop shipment mailings at destination facilities with emphasis on proper completion and authorization of Form 8125.
	3. Develop policy providing instruction to origin post office personnel requiring verification of bed-loaded drop shipments after they have been staged at the detached mail unit or the business mail entry unit.
Management's Comments	Management agreed with the recommendation. Management is in the process of clarifying instructions for verification of bed-loaded drop shipments. Management plans to implement the instructions by November 15, 1999.
	4. Develop a training program for local mailers to assist in accurate form preparation and general plant-verified drop shipment standards.
Management's Comments	Management agreed with the recommendation and stated they plan to publish articles in the <u>Postal Bulletin</u> and <u>Mailer's Companion</u> to train customers on the proper completion of Form 8125 and plant-verified drop shipment mailings. Management also plans to post instructions on the Postal Service website.

**Evaluation of
Management's
Comments**

The planned and on-going actions by management satisfy the intent of our recommendations and should enhance the plant-verified drop shipment system.



September 30, 1999

RICHARD F. CHAMBERS

SUBJECT: Response to Draft Audit Report - Plant Verified Drop Shipment System
(Report AC-AR-99-DRAFT)

Below are our responses to your office's recommendations based on the review of the Plant Verified Drop Shipment (PVDS) system.

Recommendation 1: Require customers to use the latest version of Form 8125.

Response: We agree with this recommendation. By November 15, 1999, we will publish a *Postal Bulletin* article instructing customers to use the July 1998 edition of Form 8125 and to discard all previous versions.

Recommendation 2: Provide instruction to USPS personnel assigned PVDS duties.

Response: We agree with this recommendation. We are currently developing comprehensive standards for PVDS mailings. These standards will be contained in Publication 804, *Drop Ship Guidelines for Destination Entry*, which will be printed and distributed in January 2000. Publication 804 will address key issues related to proper origin verification and destination validation of the information presented by mailers on Form 8125. Specific information is included regarding:

- Origin acceptance personnel (BMEU/DMU) responsibilities for verifying information completed by mailers and for completing the post office sections of Form 8125.
- Mailers' responsibilities for completion of Form 8125 and presentation of forms to destination entry postal facilities.
- Destination entry office responsibilities emphasizing:
 - Checking that required forms accompany shipments.
 - Reviewing Form 8125 to ensure required information is included.
 - Validating volume presented against document.
 - Ensuring mail is for correct entry facility.
 - Completing entry office sections, including signature, date, arrival/departure times, and comments when applicable.
 - Filing and retention of completed forms.

Publication 804 will be a key tool for mailers and all postal employees responsible for verification and acceptance of PVDS mailings. It will include several valuable tools including examples of forms and several problem resolution scenarios (e.g., what to do when a PVDS shipment arrives at a destination facility without a Form 8125 and what to do when there is a discrepancy between Form 8125 and the physical mail).

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WASHINGTON DC 20260

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We are taking several additional steps to improve the acceptance process at destinating facilities. First, we will provide instruction to the employees that accept PVDS mailings at BMCs, plants, and delivery units, emphasizing the requirement that no PVDS mailing may be accepted without a Form 8125. We will instruct clerks and supervisors at the destination facilities to confirm that the volume and/or weight of the shipment matches the information on Form 8125. In addition, we will stress the importance of validating that the customer is dropping the shipment at the appropriate facility based on the discounts reported on the Form 8125. We will instruct supervisors to resolve discrepancies by contacting the origin office before accepting the shipment. The instruction will be coordinated through the local facility manager and business mail entry manager and will be completed by November 15, 1999.

Articles describing the importance of this process in terms of revenue protection and detailing the verification procedures will also be published in *Straight Talk* and the *Postal Bulletin* by November 15, 1999. *Straight Talk* is an internal publication targeted to all plant and delivery unit supervisors.

Recommendation 3: Ensure items on the Form 8125 are properly completed.

Response: We agree with this recommendation. We will provide guidance to employees on the proper acceptance of PVDS mailings at destination facilities and emphasize the importance of ensuring Forms 8125 are properly completed.

Recommendation 4: Place emphasis on the importance of Form 8125 matching the mail presented.

Response: We will provide guidance to employees on the proper acceptance of PVDS mailings at destination facilities and emphasize the importance of ensuring that Form 8125 matches the mail presented.

Recommendation 5: Develop policy for verification of bed-loaded drop shipments for BMEUs/DMUs.

Response: We agree with this recommendation. Mailings from large volume parcel shippers, such as _____ are generally verified at origin by DMU employees under authorized manifest mailing system agreements. Postage is verified by sampling selected mailings in accordance with standards contained in Publication 401, *Guide to the Manifest Mailing System*. The actual method of sampling may be tailored to the specific needs and production methods of the mailer. Not all vehicles are selected for sampling, and postal employees are not expected to be placed in a position where their safety is jeopardized when conducting verifications. In many instances, mail is sampled as vehicles are loaded before the mail is stacked on the floor. However, in some instances, when the mailer's last quality assurance check occurs after the mail is loaded, agreements allow for the mail to be verified when the vehicle is loaded. When this agreement is in place, the procedures will be clarified to instruct employees to:


- Verify the mail in segments as the vehicle is loaded (e.g., from the nose, the midsection, and the tail of the vehicle).
- Have the mailers' employees pull the pieces identified by the DMU clerk for sampling to ensure that the safety of the USPS clerk is not jeopardized.

These instructions will be revisited to avoid possible revenue loss with our rates and classification service center domiciles that administer and conduct the reviews of irregularities with our systems and agreements. These instructions will be issued by November 15, 1999.

Recommendation 6: Develop a training program for local mailers in Form 8125 preparation and PVDS standards.

Response: We agree with this recommendation. To train customers about the proper completion of Form 8125 and PVDS standards, we will publish articles in the *Postal Bulletin* and *Mailer's Companion*. By January 2000, we will also post instructions about how to complete Form 8125 on the Rapid Information Bulletin Board System (RIBBS), the Postal Service web site that contains frequently accessed mailer information.


Michele Denny
Manager
Marketing Technology and
Channel Management


Nicholas F. Barranca
Vice President
Operations Planning

**Major Contributors to
This Report**



November 3, 1999

DISTRICT MANAGERS
SENIOR PLANT MANAGERS

SUBJECT: Plant-Verified Drop Shipment (PVDS)

The Office of Inspector General (OIG) conducted a recent audit with the objective of evaluating the adequacy of verification and acceptance procedures for plant-verified drop shipments destined to our postal facilities. The audit revealed that employees and customers were not always following proper procedures regarding the preparation and handling of PS Form 8125 (plant-verified drop shipment verification and clearance). In addition, the OIG concluded that additional instruction should be given to employees involved with the acceptance of PVDS mailings at destination facilities to ensure adherence to proper procedures and to protect against possible revenue loss to the Postal Service.

In response to their recommendations, we have agreed to take appropriate action to improve the process. We have committed to provide additional instruction to our employees in the verification and acceptance of PVDS mailings at destination facilities including bulk mail centers, processing and distribution centers, and delivery units. Various employees are often involved in accomplishing this task across all days of the week and every tour (e.g., dock clerks, mailhandlers, expeditors, etc.). **Please ensure that the attached information is conveyed to all appropriate employees.** It places particular emphasis on areas that the OIG found to be problematic for the Postal Service.

This message should be communicated to all appropriate employees via stand-up talks within the next two weeks.

Handwritten signature of Nicholas F. Barranca in black ink.

Nicholas F. Barranca
Vice President
Operations Planning

Handwritten signature of Michele A. Denny in black ink.

Michele A. Denny
Manager
Marketing Technology and
Channel Management

Attachment

cc: Managers, Business Mail Entry

**PLANT-VERIFIED DROP SHIPMENT (PVDS)
VERIFICATION PROCEDURES AT DESTINATION
10/29/99**

All employees (supervisors or craft) involved with the acceptance and verification of PVDS mailings at a destination postal facility should be instructed on the proper procedures.

Information to be conveyed during a stand-up talk:

The plant-verified drop shipment (PVDS) system allows authorized mailers of Periodicals, Standard Mail (A) and Standard Mail (B) to receive discounts for making drop shipments of their mailings at designating (entry) BMCs, SCFs, and delivery units. Under this program, destination rate mailings are verified at the mailer's plant or at the post office that holds the permit serving the mailer's plant. After the mailing is verified and postage is paid, the mailing is transported to the destination by the mailer or a selected carrier of their choice at the mailer's expense. For each destination facility that a drop shipment is presented, a Form 8125 (plant-verified drop shipment verification and clearance) must be completed at origin and accompany the shipment up until acceptance at the destination facility. The Form 8125 should be used by postal employees as a way to ensure that the mail dropped at the destination is consistent with what was verified at origin. In addition, it must be used to ensure the driver is entering the shipment at the correct facility based on the rate claimed.

Once a driver arrives with a drop shipment, request the Form 8125, 8125-C, 8125-CD, or an 8125 facsimile. If the document cannot be located, the driver is responsible for resolving the issue and producing the required Form 8125. Before accepting the mail for processing, a postal employee must match the shipment with the information on the Form 8125. First, determine if the driver is dropping the shipment at the correct facility. The destination facility must be consistent with the discount claimed (DBMC, DSCF, or DDU). For example, if the DBMC discount is claimed, the driver can only drop this mail at the destination BMC, and all mail claimed at this rate must destinate within that BMC service area.

Also, an observation must be conducted to determine if the volume of mail is consistent with what is listed on the Form 8125. The form lists the total number of pieces, the total weight, and the number of containers (pallets, sacks, etc.). For palletized mailings, ensure that the number of pallets matches the number listed on the form. For bedloaded shipments of sacks, parcels, or bundles, estimate the total number in the shipment or determine the total weight of the shipment, and then match with the corresponding number listed on the form. If everything appears to be

consistent, sign the Form 8125 and accept the shipment. The signed copy should be retained at the destination facility for a minimum of one year. An additional copy can be returned to the driver.

If the number of pallets, number of pieces, or weight is not consistent with the Form 8125, then the discrepancy should be resolved by phoning the origin office before accepting the shipment. The name and phone number of the origin office that verified the shipment must be listed on the Form 8125. If the discrepancy cannot be resolved, the shipment should be refused.

THE NEW 8125-C FORM FOR CONSOLIDATED DROP SHIP CLEARANCE

United States Postal Service
Plant-Verified Drop Shipment (PVDS)
Consolidated Verification and Clearance

Requested In-home Delivery Date (Three-day window)
Drop Ship Appointment Number

MAILER: This form is for the use of an individual mailer only, for multiple PVDS mailings cleared at origin on the same day for entry at a single destination on the same vehicle.

1. Mailer's Name
2. Origin Plant Location (City, State, ZIP+4)
3a. Mailer's Contact Name
3b. Mailer's Contact Telephone
4. Contact and Telephone at Company Making Drop Ship Appointment (If other than mailer and if known when completing this form)
5. Destination Entry Discounts Claimed (Check all that apply)
6. Individual Mailings
7. Comments
8. Origin Post Office (City, State, and ZIP+4)
9. Verified at
10. Total Pieces
11. Total Weight of Mailing
12. Vehicle PVDS Seal Number
13. Vehicle ID Number
14. Comments
15a. Name of USPS Employee Verifying Mail (Printed)
15b. Employee's Telephone
16a. Signature of Verifying Employee
16b. Contact Name (If other than verifying employee)
16c. Contact's Telephone
17. Entry Office (City, state, ZIP+4. If mail will be entered at a BMC facility, write "BMC" as well)
18a. USPS Receiving Employee's Signature
18b. USPS Receiving Employee's Name
19. Date of Arrival
20. Time of Arrival
21. Date of Departure
22. Time of Departure
23. Load Condition Irregularities (Check all that apply)
24. Appointment
25. Comments

Carrier Holder	Product Name/ID	Postage Smt. Sequence No.	Permit No. & Payment Type (E except PER)	Number of Pallets & Type	Number of Non-Palletized Containers & Type	Number of Pieces	Piece Weight	Total Gross Weight	Class	Type
Totals										

PS Form 8125-C, July 1998 (Page 1 of 1) This form on Internet at www.usps.com Destination Office—1 Mailer—2 Origin Post Office—3

Drop Ship Appointment Number at top for easy viewing

Item 5 contains new Drop Ship Entry Levels

More space for shipment data

All instructions are on the back to reduce clutter

Unshaded areas filled out by the mailer

Shaded areas

Item 23 lists Load Condition Irregularities

THE REVISED 8125 FORM FOR DROP SHIP CLEARANCE

United States Postal Service Plant-Verified Drop Shipment (PVDS) Verification and Clearance		Requested In-home Delivery Date (Three-day window)	
		Drop Ship Appointment Number	
See instructions on Reverse			
1. Mailer's Name		7a. Mailer's Contact Name	7b. Mailer's Contact Telephone
2. Origin Plant Location (City, State, ZIP+4)		8. Check One <input type="checkbox"/> Identical-Weight Pieces, Weight of a Single Piece _____ <input type="checkbox"/> Nonidentical-Weight Pieces	
3. Class of Mail <input type="checkbox"/> Periodicals <input type="checkbox"/> Standard (A) <input type="checkbox"/> Standard (B) <input type="checkbox"/> International (Specify class)	4. Product or Publication Title or Name	9. Total Gross Weight of Shipment	
5. Number of Containers by Type Pallets and Pallet Boxes: _____ with pgs. or bundles _____ with trays _____ with sacks _____ with parcels		10. Type of Mail Processing Category (Check all that apply) <input type="checkbox"/> Letters <input type="checkbox"/> Automation Compatible <input type="checkbox"/> Irregular Parcels <input type="checkbox"/> Flats <input type="checkbox"/> Machinable Parcels <input type="checkbox"/> Nonmachinable Parcels	
6. Comments		11. Entry Discounts Cleared (Check all that apply) <input type="checkbox"/> DDU <input type="checkbox"/> DSCF <input type="checkbox"/> DBMC <input type="checkbox"/> OSBC <input type="checkbox"/> Zone Rates <input type="checkbox"/> Local Zone Rates <input type="checkbox"/> Mailing includes pieces for delivery outside service area or entry office <input type="checkbox"/> (International) Service Center (ISC) <input type="checkbox"/> Other (International)	
		12a. Contact at Company Making Drop Ship Appointment (if other than mailer and if known when completing the form)	
		12b. Telephone	
13. Origin Post Office (City, State, and ZIP+4)		22a. Name of USPS Employee Verifying Mail	22b. Employee's Telephone
14. Verified at <input type="checkbox"/> DMU (Mailer's plant), <input type="checkbox"/> BMEU or Post Office		23. Date (Month/Day/Year)	
15. Permit Number		24. Signature of Verifying Employee	
16. Postage Payment Method (Except for Periodicals) <input type="checkbox"/> Permit <input type="checkbox"/> Stamped <input type="checkbox"/> Meter		25. Contact's Name (if other than verifying employee)	
17. Total Pieces		26. Contact's Telephone	
18. Total Weight of Mailing			
19. Vehicle PVDS Seal Number			
20. Vehicle ID Number			
21. Comments			
24. Entry Office (City, state, ZIP+4. If mail will be entered at a BMC facility, write "BMC" as well)		30. Load Condition Irregularities (Check all that apply) <input type="checkbox"/> Pallets Too Tall (T) <input type="checkbox"/> Long Unsets (U) <input type="checkbox"/> Broken Pallets (B) <input type="checkbox"/> Overweight Pallets (O) <input type="checkbox"/> Packages on BMC Pallets Not Machinable (M) <input type="checkbox"/> Separations Do Not Match 8125s (P) <input type="checkbox"/> Courtesy Pallets (C) <input type="checkbox"/> Container Counts Do Not Match 8125s (F) <input type="checkbox"/> Other (Describe in "Comments" section 32)	
		31. Appointment <input type="checkbox"/> Arrived Early (E) <input type="checkbox"/> Arrived Late (L) <input type="checkbox"/> No Appointment (N)	
		32. Comments	
25. USPS Receiving Employee's Signature		25. USPS Receiving Employee's Name	
26. Date of Arrival		27. Time of Arrival	
28. Date of Departure		28. Time of Departure	

Drop Ship Appointment Number at top for easy viewing

All instructions moved to the back to reduce clutter

Item 11 contains new Drop Ship Entry Levels

Unshaded areas filled out by the mailer

Shaded areas filled out by USPS personnel

Item 30 lists Load Condition Irregularities

Item numbers now range from 1-32, with no repeats

More space for comments

DROPSHIP CLEARANCE PROCEDURES

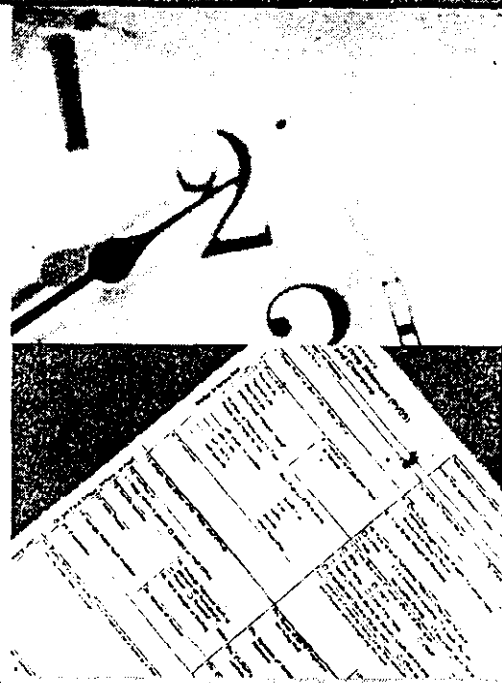
1. Ensure Mailer Has an Appointment

- The mailer must have a scheduled drop ship appointment and appointment number (Form 8125 or 8125-C, top-right corner).
Exception: Local mailers who normally enter mailings at your window or BMEU and Periodicals mailers.
- Vehicles arriving early or late (20 minutes at DDU or 2 hours at BMC/ASF/SCF) should be taken, if possible.

2. Obtain and Review Form 8125 or Form 8125-C

Mailers must present Form 8125 with Items 1-24 fully completed.
Consolidators must present Form 8125-C with Items 1-17 fully completed.

	Especially check for 8125:	Especially check for 8125-C:
• Signature of verifying employee.	Item 22c	Item 15c
• Dated round stamp showing where and when mail was verified and postage collected.	Item 23	Item 16
• The destination listed <u>must</u> be the facility where the mail is unloaded.	Item 24	Item 17



3. Unload the Drop Shipment

Unloading must be completed within these time frames:

- DDU shipments: 1 hour (driver unloads)
- BMC/ASF/SCF:
 - Pallets — six or less: 2 hours (postal personnel unload)
 - Containers/Pallets: 4 hours (postal personnel unload)
 - Bedloads: 8 hours (driver unloads with postal assistance)



4. Verify the Drop Shipment

Compare the information on the form with the actual mail. If there are any discrepancies, contact the office that initially verified the mail.

- Do the type and number of containers match?
- Does the type of mail match?



5. Sign off

	Form 8125	Form 8125-C
• Write the date of arrival.	Item 26	Item 19
• Write the time of arrival.	Item 27	Item 20
• Sign the form.	Item 25A	Item 18
• Give Copy 2 to:	driver	driver

- Retain Copy 1 in your files for a full year.
- Provide the district drop shipment coordinator with arrival data.

Visit our Web site at: www.usps.com

Send an F3Fill-completed PS Form 7380 by cc:Mail to MDC Customer Service @ TOKS001L.

Mail a completed PS Form 7380 to the following address:

SUPPLY REQUISITIONS
500 SW MONTARA PKWY
TOPEKA KS 66624-9702

The relevant ordering information for Publication 52 is as follows:

PSN: 7610-03-000-9109
PSIN: PUB52
Unit of Issue: Each (EA)
Quick Pick #: 438
Bulk Pack Quantity: N/A
Price: \$0.54
Edition Date: 7/99

Additionally, this new edition of Publication 52 is available electronically via the corporate intranet at <http://blue.usps.gov/cpirmvftp/pubs/pub52.pdf>.

— Business Mail Acceptance, Marketing, 11-18-99

REMINDER

Plant Verified Drop Shipment (PVDS) Procedures

As a result of a recently conducted audit by the Office of Inspector General, it is important that the following instructions are reinforced with all employees involved in the acceptance of Plant Verified Drop Shipments (PVDS) at all *destination* BMCs, plants, and delivery units:

1. When a driver arrives with a drop shipment, the acceptance employee must request PS Form 8125, *Plant Verified Drop Shipment (PVDS) Verification and Clearance*, Form 8125-C, *Plant-Verified Drop Shipment (PVDS) Consolidated Verification and Clearance*, Form 8125-C, *Plant-Verified Drop Shipment (PVDS) Consolidated Verification and Clearance/DSMS*, or a Form 8125 facsimile. If the document cannot be located, the driver is responsible for resolving this issue and producing the required PS 8125.
2. Before accepting the mail for processing, the acceptance employee must match the shipment with the information on Form 8125. First determine if the driver is dropping the shipment at the correct facility. The destination facility must be consistent with the discount claimed (DBMC, DSCF, or DDU). For example, if the DBMC discount is claimed, the driver can drop this mail only at the destination BMC, and all mail claimed at this rate must destinate within that BMC service area.
3. The acceptance employee must conduct an inspection to determine if the volume of mail is consistent with what is listed on Form 8125. Each form must list the total number of pieces, the total weight, and the number of containers (pallets, sacks, etc.). For palletized mailings, ensure that the number of pallets matches the number listed on the form. For bedloaded shipments of sacks, parcels, or bundles, estimate the total number in the shipment or determine the total weight of the shipment, and then match with the corresponding number listed on the form.
4. If everything appears to be consistent, the acceptance employee must accept the shipment and sign Form 8125. The signed copy at the destination facility must be maintained for a minimum of one year. An additional copy may be returned to the driver.
5. If the number of pallets, number of pieces, or weight is not consistent with Form 8125, then the acceptance employee must resolve the discrepancy by telephoning the origin office before the shipment can be accepted. The name and telephone number of the origin office that verified the shipment must be listed on Form 8125. If the discrepancy cannot be resolved, the acceptance employee must refuse the shipment.

— Operational Requirements,
Operations Planning, 11-18-99

DOMESTIC MAIL

DMM/DMMT REVISION

PVDS Program Participation

Effective immediately, *Domestic Mail Manual (DMM) P750 and Domestic Mail Manual Transition Book (DMMT) 465, 664, and 784* are revised to eliminate the requirement for mailers to submit a written request to mail under a plant-verified drop shipment (PVDS) postage payment system. The following revised text will appear in DMM Issue 50.

Domestic Mail Manual

P750 Plant-Verified Drop Shipment (PVDS)

1.0 DESCRIPTION

1.1 Purpose

Plant-verified drop shipment (PVDS) enables origin verification and postage payment for shipments transported by a mailer from the mailer's plant to destination post offices for USPS acceptance as mail. The mailings may be prepared for deposit at a destination entry rate, or they may be claimed at the applicable rates from the office of deposit. Second-class PVDS must be deposited at authorized original or additional entry post offices.

[Revise 1.2a as follows:]

1.2 Function

Under PVDS:

- a. The mailer's product is verified for classification, rate eligibility, preparation, and presort by USPS employees assigned to a detached mail unit (DMU) at a mailer's plant or at the business mail entry unit (BMEU) at the origin post office serving the mailer's plant.

[Delete existing 1.3. Insert new 1.3 as follows:]

1.3 Other

The following mailings must be verified, accepted, and paid for at the destination post office:

- a. Other destination entry second-class mailings not verified at the origin plant under PVDS or under the Centralized Postage Payment System (see P200).
- b. Other destination entry third- or fourth-class mailings not verified and paid for at the origin plant or origin post office under PVDS.

[Delete existing 1.4 and renumber existing 1.5 as 1.4.]

2.0 PROGRAM PARTICIPATION

[Revise existing 2.1 and 2.2 as follows:]

2.1 Verification at Mailer's Plant

Before PVDS verification can be performed at the mailer's plant, the mailer must have either an existing USPS plant load authorization for that plant or a postage payment agreement with the USPS that establishes a detached mail unit (DMU) at that plant. The DMU must be separate from the mailer's activities, in an enclosed, secure, and safe work area with a telephone. Such work areas must be approved by the USPS. If the mailer does not have an existing plant load agreement and/or postage payment agreement that establishes a DMU, the mailer may submit a letter to the postmaster serving that plant to request PVDS verification at that plant. The postmaster may agree to the mailer's request to verify PVDS shipments at that plant on an as-needed basis if an approved DMU is established and staffing needs can be met.

2.2 Verification at Origin BMEUs

Postmasters may allow mailers to have PVDS verified at the origin business mail entry unit (BMEU) under these conditions:

- a. There is no detached mail unit (DMU) at the mailer's plant.
- b. The mailer is in the service area of the post office where the PVDS is to be verified and where postage is to be paid, unless another postal facility is designated by the district manager.
- c. Each vehicle contains only one mailer's shipment(s), each physically separated.
- d. A completed original mailing statement accompanies each PVDS (or segment, if the PVDS is contained in more than one vehicle).
- e. If an alternate method of paying postage with permit imprint is used for third- or fourth-class matter, an original mailing statement and required documentation must accompany each PVDS (or segment, if the PVDS is contained in more than one vehicle).
- f. The PVDS can be physically verified at the origin post office. The material to be verified may not be wrapped or otherwise prepared if a presort and postage verification cannot be done without destroying the physical integrity of the shipment.
- g. The BMEU has enough space and staff to handle verification, and scales to calculate per-piece and

gross weighing the mailer postal manager.

Add new 2.3. Through 2.12. De

2.3 Mailer R. When mailing BMEU, the mailer office, unload the contents cleared for the destination

Delete existing 1.2.]

1.0 PROGR

1.1 Mailer R

Mailers participate Mailers failing to be included from partici

1.2 Denial

Mailers denied under G020.

Domestic Mail

460 Postag

465 Plant-Verified Shipment S

... weights are available. If the post office serv-
... he mailer's plant lacks these resources, anothe-
... er postal facility may be designated by the district
... manager.

... new 2.3. Renumber existing 2.3 through 2.11 as 2.4
... through 2.12. Delete existing 2.12.]

Mailer Responsibility

... when mailings under PVDS are verified at the origin
... the mailer must transport all shipments to the post
... office, unload them for verification, and reload the ship-
... ments cleared for dispatch onto the mailer's transportation
... to destination entry post offices.

* * * * *

... existing 3.0 through 3.10. Insert new 3.0 through

PROGRAM PARTICIPATION

Mailer Responsibility

... mailers participating in PVDS must comply with P750.
... Mailers failing to meet these requirements may be prohib-
... ited from participating in PVDS by the local postmaster.

Denial

... Mailers denied a request for PVDS may file an appeal
... under G020.

* * * * *

Domestic Mail Manual Transition Book

Postage Payment

* * * * *

**Plant-Verified Drop Shipment Postage Pay-
ment System**

* * * * *

465.2 Program Participation Criteria for Mailers

[Delete all 465.2.]

465.3 Authorization

[Delete all 465.3.]

* * * * *

660 Postage Payment

* * * * *

**664 Plant-Verified Drop Shipment Postage Pay-
ment System**

* * * * *

664.2 Program Participation Criteria for Mailers

[Delete all 664.2.]

664.3 Authorization

[Delete all 664.3.]

* * * * *

780 Postage Payment

* * * * *

784 PVDS Postage Payment System

* * * * *

784.2 Program Participation

[Delete all 784.2.]

784.3 Authorization

[Delete all 784.3.]

* * * * *

—Business Mail Acceptance,
Marketing Systems, 7-6-95

All Post Offices

PLANT-VERIFIED DROP SHIPMENT CLEARANCE AND ACCEPTANCE PROCEDURES

This notice reminds postal personnel who pre-verify and clear for dispatch second-, third-, and fourth-class plant-verified drop shipments (PVDS)—and mail processing employees at destination postal facilities who receive PVDS shipments—of the procedures they must follow to ensure that only properly verified and paid shipments are accepted into the postal processing stream.

The rate change effective February 3, 1991, introduced new destination entry rates and modified previously available destination entry rates as postage savings incentives for mailers who want to transport in their own vehicles second-, third-, and fourth-class mailings to bulk mail centers (BMCs), sectional center facilities (SCFs), or destination delivery units (DDUs) where the shipments are deposited and accepted as mail.

Mailers can have destination rate mailings verified and paid for at each destination postal facility where they are deposited and accepted. As an alternative, postal employees can preverify these mailings at the mailer's plant or at an origin post office serving the mailer's plant (with all postage and fees paid to the post office responsible for verifying the mail), and the mailers transport the verified mailings as freight at their expense and deposit them for acceptance as mail at the appropriate destination postal facilities under a plant-verified drop shipment (PVDS) postage payment system.

The PVDS postage payment system allows destination acceptance of mailings prepared for entry at destination rates. This system promotes greater postal efficiency associated with origin postage payment and verification. The division serving the mailer's plant must approve participation in a PVDS program with a formal written agreement between the mailer and the Postal Service. *Domestic Mail Manual (DMM)* 456, 664, and 784 contain the PVDS program requirements.

Note: The requirement to seal vehicles containing third- or fourth-class PVDS mailings has been suspended indefinitely effective with DMM Issue 41 (12-15-91).

Origin Detached Mail Unit (DMU), or Bulk Mail Acceptance Unit (BMAU) Responsibilities

1. *Presentation of Mailing by Mailer.* When presenting PVDS mailings to the DMU or BMAU for verification and clearance for dispatch, a mailer must also submit an appropriate mailing statement and a completed Form 8125, *Drop Shipment Clearance Document*, for each PVDS mailing to be deposited at each destination entry postal facility. In addition, the mailer must present any supporting documentation required by the DMM or any programs in which the mailer is participating. Form 8125, which

contains key information about the shipment, is the only official postal documentation accompanying the shipment to the destination entry post office. The mailer may attach additional documents to Form 8125 describing the shipment. Examples of acceptable documents include bills of lading, vehicle load diagrams, and sack/pallet/tray listings. Postal documents other than Form 8125, such as copies of mailing statements, must not be submitted to the entry offices with plant-verified drop shipments. The destination postal facility compares the information on Form 8125 against the shipment presented by the mailer.

2. *Responsibilities of DMU or BMAU Employees.* It is imperative that postal employees who are responsible for verifying PVDS shipments at the origin ensure that the following events occur before they sign and round date Form 8125: (1) the mailer pays proper postage for the mailing represented by the Form 8125; (2) the mailing is properly verified; and (3) the mailer shows information on Form 8125 that accurately reflects the destination entry post office, class of mail, volume (gross weight), and number of containers (sacks, trays, pallets, bundles, etc.) included in the shipment that has been verified and paid for.

2. *Suspension of Requirement to Seal Vehicles/Optional Sealing of Vehicles.* When the PVDS program was first implemented, it required that a postal employee who observed the loading of the vehicle seal the mailer's vehicle containing third- or fourth-class PVDS shipments, before it could be dispatched to the destination entry office. The sealing requirement was later suspended. Mailers may use their own seals or other security devices on vehicles containing PVDS shipments. If customers choose to use their own seals, the origin post office that verifies the mail will, at the mailer's request, record the customer seal number on the Form 8125.

The Postal Service recently distributed experimental PVDS seals to field divisions. Personnel may use the eight-inch blue plastic seals lettered U.S.P.S., P.V.D.S, FREIGHT and numbered with a unique seven-digit number, at the request of authorized PVDS mailers, to seal vehicles containing second-, third-, or fourth-class PVDS shipments that are paid for, verified, and cleared for dispatch. Mailers must not receive the seals. Post office personnel who have verified shipments and observed the loading of vehicles must affix the seals. They must follow the procedures in DMM 644.4 or 784.4 when affixing the seals and must write the seal number on Form 8125 prior to sealing the vehicle. Personnel must *not* use USPS numbered tin band seals to seal vehicles containing PVDS shipments under any circumstances. DMUs and BMAUs must keep the PVDS seals in a secure area inaccessible to

PLANT-VERIFIED DROP SHIPMENT CLEARANCE AND ACCEPTANCE PROCEDURES—Continued

mailers and under lock at all times (e.g., locked drawer or file cabinet).

4. Upon receipt of a copy of a Form 8125 from a destination entry post office documenting discrepancies with drop shipments, the origin post office must ensure that the mailer takes steps to preclude recurrence of the discrepancies. If information on Form 8125 indicates the mailer claimed a destination entry discount for mail and deposited the mail at an office where the destination entry discount did not apply (e.g., mail claimed at the DBMC rate for entry at the Springfield, MA BMC was deposited at the Pittsburgh, PA BMC), calculate the additional postage due for that mail and assess the mailer the deficient revenue.

Destination Entry Post Office Responsibilities

1. *Appointments.* Be certain the mailer has scheduled an appointment and has been assigned an appointment number to deposit all third-class destination entry rate mailings and fourth-class destination BMC rate mailings at the entry office. There are exceptions to the drop shipment appointment requirements for perishable parcels and shipments deposited by local mailers as described in DMM 624.717 and 722.432e. It is recommended that mailers schedule appointments to deposit fourth-class bound printed matter drop shipments. In addition, appointments are not required, but are recommended, for shipments consisting entirely of second-class mail. Except for mailings deposited at BMCs, mailers schedule appointments through the control center at the division serving the destination entry office. Mailers schedule appointments for shipments deposited at a BMC directly with the BMC.

In some instances, a mailer may arrive at a destination entry post office with an appointment number and time assigned by the division or BMC control center and personnel at the entry office have not received notification from the control center that an appointment is scheduled. When this occurs, personnel must make every effort to contact the control center to confirm the scheduled appointment. When an appointment was scheduled, the office must make every effort to accommodate the mailer in a timely manner.

2. Sealed Vehicle

a. If a vehicle arrives bearing either a blue P.V.D.S. seal or a customer seal, remove the seal.

b. Open the vehicle and remove Forms 8125 identified as being for your post office from inside the vehicle (Forms 8125 should be on the left rear wall just inside the door of the vehicle).

c. Ensure that Forms 8125 are complete, signed, and dated by the origin post office responsible for verifying the mail, and that it identifies your office as the entry post office in Part III, item 1.

d. Compare the number on the seal removed from the vehicle against the number in Part II, item 3, on Form 8125.

e. Compare the class, processing category, and volume (number of containers, gross weight) of mail shown in Part I on Forms 8125 with the shipment being presented by the mailer or mailer's agent. The volume of mail presented may be determined by counting containers, weighing the shipment, weighing the vehicle before and after the mail is unloaded, or any other reasonable method.

Mailers or their agents must present mailings to the entry office in the same manner as verified and cleared for dispatch with the appropriate Form 8125. For example, a mailing of seven sacks for a destination that is represented by a signed and dated Form 8125 for that entry office must not be combined on a pallet with other small sacked mailings that are each represented by a signed and dated Form 8125.

f. If all of the information on Form 8125 matches the shipment presented, accept the shipment into the postal processing stream as mail and complete Part III, items 2 and 3, on Form 8125 (date and time of arrival, USPS receiving employee's signature). Retain copy 2 of Form 8125 along with the seal removed from the vehicle in the files for 1 year. If mailers submit two copies of Form 8125, return one signed and dated copy to the driver.

If the seal number does not match the number on Form 8125, but all other information on the form matches the shipment presented: (1) accept the mail in accordance with the preceding instructions; (2) record the number of the seal removed from the vehicle on Form 8125 (on both copies if two are furnished), noting that it represents the number of the seal removed from the vehicle; and (3) send a copy of the completed Form 8125 showing both seal numbers to the origin post office identified in Part II, item 1, on Form 8125.

If the seal number matches the number on Form 8125, but there is a discrepancy between the information describing the shipment on Form 8125 and the shipment itself or if both the seal number and the shipment do not match the information on Form 8125 (e.g., the number of pallets or sacks presented exceeds the number reported on Form 8125, the entry is not your office), do not accept the shipment into the postal processing stream until contacting the origin post office that verified the shipment (see Part II on Form 8125). Describe the discrepancy to the origin post office and determine the appropriate action. If the discrepancy can be resolved: (1) accept the shipment; (2) describe the discrepancy and how it was resolved in the comments section of Form 8125; and (3) send a copy of Form 8125 with the comments section completed to the origin post office. If the discrepancy cannot be resolved, the destination

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PLANT-VERIFIED DROP SHIPMENT CLEARANCE AND ACCEPTANCE PROCEDURES—Continued

entry office must work with the mailer and the origin post office to determine whether to accept the shipment. If a destination entry post office does not have authority to contact the origin office directly, personnel at that office should contact their division control center or manager, mailing requirements to work with the origin post office to resolve the discrepancy. Fully document any action taken to ensure that proper postage is paid before the mailing is accepted at the destination post office.

3. Unsealed Vehicle. If an unsealed vehicle arrives:
a. Open the vehicle and remove Forms 8125 identified as being for your post office from inside the vehicle (Forms 8125 should be on the left rear wall just inside the door of the vehicle).

b. Ensure that Forms 8125 are complete, signed, and dated by the origin post office responsible for verifying the mail, and that it identifies your office as the entry post office in Part III, item 1.

c. Compare the class, processing category, and volume (number of containers, gross weight) of mail shown in Part I on Form(s) 8125 with the shipment being presented by the mailer or mailer's agent. The volume of mail presented may be determined by counting containers, weighing the shipment, weighing the vehicle before and after the mail is unloaded, or any other reasonable method.

d. Mailers or their agents must present mailings to the entry office in the same manner as verified and cleared for dispatch with the appropriate Form 8125. For example, a mailing of seven sacks for a destination that is represented by a signed and dated Form 8125 for that entry office must not be combined on a pallet with other small packed mailings that are each represented by a signed and dated Form 8125.

e. If all of the information on Form 8125 matches the shipment presented, accept the shipment into the

postal processing stream as mail and complete Part III, items 2 and 3, on Form 8125 (date and time of arrival, USPS receiving employee's signature). Retain copy 2 of Form 8125 in the files for 1 year. If mailers submit two copies of Form 8125, return one signed and dated copy to the driver.

If there is a discrepancy between the information describing the shipment on Form 8125 and the shipment itself (e.g., the number of pallets or sacks presented exceeds the number reported on Form 8125, the entry is not your office), do not accept the shipment into the postal processing stream until contacting the origin post office that verified the shipment (see Part II on Form 8125). Describe the discrepancy to the origin post office and determine the appropriate action. If the discrepancy can be resolved: (1) accept the shipment; (2) describe the discrepancy and how it was resolved in the comments section of Form 8125; and (3) send a copy of Form 8125 with the comments section completed to the origin post office. If the discrepancy cannot be resolved, the destination entry office must work with the mailer and the origin post office to determine whether to accept the shipment. If a destination entry post office does not have authority to contact the origin office directly, personnel at that office should contact their division control center or manager, mailing requirements to work with the origin post office to resolve the discrepancy. Fully document any action taken to ensure that proper postage is paid before the mailing is accepted at the destination post office.

In some instances, the vehicle used to transport a destination entry rate drop shipment may not lend itself to placing Form 8125 inside the vehicle on the rear left wall (e.g., private automobile, pickup truck). Under these circumstances, the mailer must submit Form 8125 with the shipment it represents to appropriate personnel at the entry office.

—Marketing and Customer Services Group, 1-23-92

Correction

Directives and Forms Update

The article Directives and Forms Update in *Postal Bulletin* 21806, 1-9-92, included two incorrect supply sources. The supply source for Form 2456, *Narrative of Work Accomplishments* (page 19), should be XMD.

The Headquarters telephone number listed for Form 3614 (page 18) should not be used to obtain the form. Form 3614 replaces Form 3614-A, *Application for a BRM Permit*. All CAG offices received an initial distribution of Form 3614. Personnel should use a copy from this distribution or photocopy the form on page 55 of this Bulletin to reproduce quantities needed on the local level.

Suspension of All International Mail Service to Haiti

Effective December 18, 1991, all international service to the country of Haiti was suspended until further notice. This action results from a lack of regular, reliable transportation to that country.

—Delivery, Distribution, and Transportation Dept., 1-23-92

Handle indemnity claims and claim status inquiries promptly

All Delivery Units

DROP SHIPMENT CLEARANCE PROCEDURES AT THE DESTINATION DELIVERY UNIT

The rate change effective February 3, 1991, introduced destination entry rates as a postage savings incentive for mailers who want to transport and deposit third- or fourth-class mailings to a bulk mail center (BMC), sectional center facility (SCF), or destination delivery unit for entry and/or second-class mailings to an SCF or destination delivery unit for entry. This article focuses on the clearance procedures for destination delivery unit employees receiving shipments entered by mailers at the delivery unit rate.

A delivery unit is a facility (post office, branch, station, etc.) where the carrier cases mail for delivery. Mailers must deposit only carrier route or walk-sequence mailings addressed for delivery within the area served by the delivery unit to qualify for the destination delivery unit rate. Carrier route mailings include city carrier routes, rural routes, highway contract routes, general delivery, and post office box sections.

Page 45 contains a graphic step-by-step instruction for employees receiving drop shipments deposited by the mailer at the destination delivery unit. This instruction references Form 8125, *Drop Shipment Clearance Document*, a three-part form, that will be available in the near future and announced in the *Postal Bulletin*. In the interim, Form 8017, *Plant-Verified Drop Shipments Record*, has been authorized for use in place of Form 8125.

Employees at the delivery unit receiving drop shipments entered at the destination delivery unit rate must review the following guidelines.

1. *Receiving the Drop Shipment.* The mailer must have an appointment to deposit a drop shipment at a delivery unit. *Exceptions:* The appointment scheduling requirement does not apply to local mailers who enter mailings for verification and postage payment at the post office serving their mailing plant location unless those mailings are claimed at the destination delivery unit (DDU) rate. Local mailers submitting DDU rate mailings must schedule an appointment for verification and postage payment and deposit at the delivery unit.

If a mailer is late for a scheduled appointment by 20 minutes or more and cannot be accommodated without difficulty, the mailer must relinquish the appointment. The delivery unit will accept late or

early arriving drop shipments as soon as it is operationally feasible. Any plant-verified drop shipment arriving without a scheduled appointment must be referred to the division manager of logistics and distribution for an appointment.

2. *Integrity of Mail.* Vehicles delivering drop shipment third- or fourth-class mailings to delivery units must be sealed. The postal employee verifying and dispatching the shipment is responsible for sealing the vehicle before dispatch. The employee at the delivery unit must examine the seal securing the vehicle for tampering. The seal number must match that recorded on Form 8125 in Part II, Block 3. If the numbers do not match, the mailing must not be accepted.

3. *Verify Form 8125.* This form will be located in the rear of the mailer's vehicle on the left wall. The mailer must complete Form 8125 for each destination delivery unit entry and place it in an envelope identifying the delivery unit on the outside of the envelope. The receiving employee retrieves the envelope identified for his or her delivery unit and verifies that the information on Form 8125 is accurate, complete, and in agreement with the mail deposited at the delivery unit. Additional instructions for reviewing and completing Form 8125 are written on the form and in the drop shipment graphic on page 45.

4. *Unloading.* Mailers are responsible for unloading the shipments. They must complete this task within 1 hour of the scheduled appointment time at a delivery unit. Mailers must use their own equipment and resources to unload the vehicle. No assistance may be provided.

5. *Dispatching.* If the mailer has additional drop shipment mailings to enter at other delivery units, the receiving employee must reseal the vehicle and record the seal number in Part III, Block 3 of Form 8125, for the next delivery unit. The Form 8125 for that unit will be located inside the vehicle in an envelope.

6. *Document Control.* The delivery unit will receive copies 2 and 3 of Form 8125. The delivery unit retains copy 2 along with the seal for a period of 1 year. Copy 3 belongs to the driver.

—Delivery, Distribution, and Transportation Dept., 3-7-91

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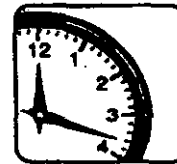
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DROP SHIPMENT CLEARANCE PROCEDURES AT THE DESTINATION DELIVERY UNIT (DDU)

Employees at associate offices, stations and branches receiving drop shipments at the DDU rate, that have been verified at a postal facility or a mailer's plant, must follow these clearance instructions:

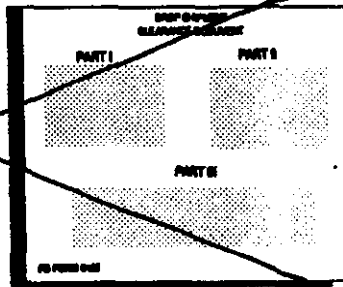
1. Ensure mailer has a drop shipment appointment number.

The mailer must have a scheduled appointment and confirmation number to deposit drop shipments at the delivery unit. *Exception:* The appointment scheduling requirement does not apply to local mailers who enter mailings for verification and postage payment at the post office serving their mailing plant location unless those mailings are claimed at the DDU rate. Local mailers submitting DDU rate mailings must schedule an appointment for verification and postage payment and deposit at the delivery unit(s). Late arrivals will be accommodated as soon as it is operationally feasible at the delivery unit.



2. Remove vehicle seal. Locate Form 8125 - Drop Shipment Clearance Document.

After removing the seal, retrieve Form 8125 for the delivery unit, located on the left wall just inside the vehicle.



3. Review Part II of Form 8125

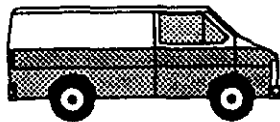
The number on the seal removed from the vehicle must match that found on Form 8125, Part II, Block 3.

Form 8125, Part II, Block 4 must bear the signature of the USPS employee who verified the shipment at the acceptance unit or mailer's plant. If the remaining information in Blocks 1, 2 and 5 is found to be accurate and complete, the receiving employee at the delivery unit may then allow the mailer to unload the mail.



4. Unload drop shipment mail.

The mailer is responsible for unloading the shipment from the vehicle. The task is to be completed within one hour after arrival using the mailer's own equipment and resources.



5. Verify the drop shipment mailing.

Once a shipment is unloaded, review Part I of PS Form 8125, and verify the information in Blocks 1-8. Ask the following questions:

- Does the class of mail match that checked in Block 3?
- Does the type of mail match that in Block 4?
- Does the type and number of container(s) match that checked in Block 6?



6. Complete Part III of Form 8125

Block 1: (Mailer entry)

Block 2: Record the date and time the drop shipment arrived.

Block 3: The receiving employee must sign Form 8125 after verifying that the information is accurate and agrees with the mail deposited.

Give driver copy 3 of Form 8125 and retain copy 2 along with the seal removed from the vehicle. Retain for one year at the delivery point.

PART III



7. Reseal the vehicle.

If the mailer is delivering shipments to additional entry points, the receiving employee must reseal the vehicle. The seal number must be recorded on Form 8125, Part II, Block 3, for the next entry point before dispatch and placed on the left wall just inside the vehicle. Date and time of departure must be recorded in Part III, Block 4.

