

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

RECEIVED
FEB 10 5 00 PM '00
POSTAL RATE COMMISSION
OFFICE OF THE CLERK

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF
THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-15 THROUGH 37)

The United States Postal Service hereby provides its responses to the following interrogatories of the Office of the Consumer Advocate: OCA/USPS-15 through 37, filed on January 27, 2000.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998 Fax -5402
February 10, 2000

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-15. Does the Postal Service have or know of an estimate of the number of households that are aware of the difference between the First-Class stamp rate and the First-Class additional-ounce rate?

- (a) If so, please provide the estimate and all documents relating to the estimate.**
- (b) If not, please explain why no estimate is available.**

RESPONSE: No.

(a) N/A

- (b) Because the Postal Service neither has nor knows of any such estimate, no such estimate is available.**

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-16. Does the Postal Service have an estimate of the number of households that maintain two sets of stamps for the First-Class stamp rate and the additional-ounce rate?

- (a) If so, please provide the estimate and all documents relating to the estimate.**
- (b) If not, please explain why no estimate is available.**

RESPONSE: No. The Postal Service notes that there is a 55-cent stamp for single-piece mail weighing between 1 and 2 ounces, which households can use for items such as wedding invitations.

- (a) N/A**
- (b) Because the Postal Service neither has nor knows of any such estimate, no such estimate is available.**

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-17. Does the Postal Service have an estimate of the number of households that maintain two sets of stamps for the First-Class stamp rate and the nonstandard surcharge.

- (a)** If so, please provide the estimate and all documents relating to the estimate.
- (b)** If not, please explain why no estimate is available.

RESPONSE: No. The Postal Service notes that there is not an 11-cent stamp, the amount of the current nonstandard surcharge for single-piece mail.

Customers may use a 10-cent stamp and a one-cent stamp, or some other combination of denominations totaling 11 cents.

- (a)** N/A
- (b)** Because the Postal Service neither has nor knows of any such estimate, no such estimate is available.

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-18. Does the Postal Service have or know of an estimate of the number of households that are aware of the difference between the First-Class stamp rate and the single-piece card rate?

- (a) If so, please provide the estimate and all documents relating to the estimate.**
- (b) If not, please explain why no estimate is available.**

RESPONSE: No.

(a) N/A

- (b) Because the Postal Service neither has nor knows of any such estimate, no such estimate is available.**

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-19. Does the Postal Service have an estimate of the number of households that maintain two sets of stamps for the First-Class stamp rate and the single-piece card rate?

- (a) If so, please provide the estimate and all documents relating to the estimate.**
- (b) If not, please explain why no estimate is available.**

RESPONSE: No.

- (a) N/A**
- (b) Because the Postal Service neither has nor knows of any such estimate, no such estimate is available.**

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-20. Please describe all efforts undertaken by the Postal Service within the last three years to educate households about differences among and qualifications for:

- (a) The First-Class rate.
- (b) The additional ounce rate.
- (c) The nonstandard surcharge.
- (d) The single-piece card rate.

RESPONSE:

(a) – (d) The Ratefold (Notice 123) includes all of the above. In addition, the Postal Service website (www.usps.com), particularly the Rate Calculator and Postal Explorer sections of the site, provides information on all of the above. The Call Center is also available to answer any questions that households may have.

The *Consumer's Guide to Postal Services and Products* (Publication 201) includes an explanation for First-Class Mail and the nonstandard surcharge. The *Consumer's Guide to Postal Rates and Fees* (Publication 123) includes all of the above. Poster 123 S, a smaller retail lobby wall poster, and Poster 123 L, a large retail lobby wall poster, include all of the above. Notice 3A, which is a letter-size dimensional standards template, shows minimum/maximum sizes for both letter and post card pieces, with an explanation of the surcharge. These items, including the Ratefold, are available in post office lobbies, as well as mailed out by the Consumer Affairs Office and the Call Center by customer request.

Some local post offices deliver rate increase notices to businesses and households right before implementation of new rates. In addition, training classes completed by postal personnel (see response to OCA/USPS-22) enable personnel to educate household customers on a daily basis through over-the-counter retail transactions and by telephone contact.

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-21. For each of the past three years, please provide an estimate of the monies spent by the Postal Service to educate households about differences among the following:

- (a) The First-Class rate.**
- (b) The additional ounce rate.**
- (c) The nonstandard surcharge rate.**
- (d) The single-piece card rate.**

RESPONSE:

(a) – (d) Postal Service educational efforts about these rates, as discussed in the response to OCA/USPS-20, apply to the mailing community as a whole, whether household or business. It is not possible to split the effort into activities for households versus activities for businesses. No estimates of monies spent to educate households are available.

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-22. For each of the past three years, please describe all educational efforts undertaken by the Postal Service to educate Postal Service personnel about differences among and qualifications for:

- (a)** The First-Class rate.
- (b)** The additional ounce rate.
- (c)** The nonstandard surcharge.
- (d)** The single-piece card rate.

RESPONSE: All of the publications and materials described in the response to OCA/USPS-20 are also applicable here. In addition, the Domestic Mail Manual Sections E100 and R100 discuss all of the above.

In terms of training, Mail Classification Course 57601-01 provides mandatory training for all Revenue Protection clerks, Business Mail Entry clerks, and Mailing Requirements clerks. Standard Training Program for Window Clerks (Course 42520-00) provides mandatory training for all window clerks. These courses include all of the above.

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-23. Please provide all information the Postal Service has on household underpayment or overpayment of postage for First-Class letters.

- (a) Submit all documents relating to the underpayment or overpayment of postage for First-Class letter postage by households.
- (b) Describe the Postal Service's enforcement and auditing procedures for ensuring correct postage payment for First-Class letters.

RESPONSE:

- (a) The Postal Service does not maintain data on underpayment/overpayment of postage by type of mailer, for example, for households or for small businesses.
- (b) The procedures for First-Class letters mailed in bulk are contained in the attached Management Instruction DM-140-1999-1. Postage due enforcement for single-piece mail is the responsibility of the delivery unit. If the carrier identifies a shortpaid piece at the carrier's case, it will be brought to the accountable clerk to be weighed and marked with the correct amount of postage to bring it up to the First-Class rate. A clerk who may be manually sorting the shortpaid piece may note that it is postage due and will sort it to the holdout on the manual case for postage due mail which will be logged in by the accountable clerk. Carriers are accountable for the postage due items each day, and are expected to return either the required postage or the shortpaid items at the end of the workday. These procedures are applied to First-Class Mail generally, that is, there are no special procedures for dealing with shortpaid additional ounce postage versus shortpaid nonstandard surcharge postage versus shortpaid single-piece cards postage.

Management Instruction

Assessing and Collecting Deficiencies in Postage or Fees

This management instruction (MI) implements the policy and procedures found in the *Domestic Mail Manual* (DMM) P011.4.0 and P011.5.0, for assessment and collection of shortages in postage and fees paid to the U.S. Postal Service.

Revenue deficiencies result from the insufficient payment of postage and fees owed to the Postal Service at the time service is provided to a customer. This instruction is not intended to be a substitute for the requirement of postal employees to collect all monies due the Postal Service at the time service is rendered. Revenue deficiencies must not only be collected, but their causes must be determined and corrected.

Time Limits on Assessments

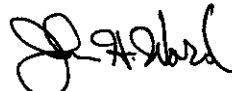
Once a revenue deficiency is discovered, the Postal Service looks at previous mailings or fees to see if other deficiencies exist. How far back in time the Postal Service looks depends on the category of mail or service as indicated in the following table:

Type of Revenue Deficiency	General Time Limit (Subject to Exceptions Noted Below)
Revenue deficiencies resulting from mailings requiring a postage statement.	No more than 24 months prior to the date this revenue deficiency was discovered.
Revenue deficiencies resulting from fees and all other sources.	No more than 12 months prior to the date this revenue deficiency was discovered.

Exceptions: The above time limits do not apply in the following circumstances:

1. In revenue deficiencies where fraud or misrepresentation are reasonably suspected. This includes concealment from other postal employees of rulings and opinions, which would have provided for a proper fee or rate payment.
2. If it has been determined that *no* postage or fees were paid for the service rendered.
3. Mailing history discloses evidence of repeated non-compliance with mailing standards.

Date September 14, 1999
Effective Immediately
Number DM-140-1999-1
Obsoletes DM-140-89-2
Unit National Accounting



John H. Ward
Vice President, Finance,
Controller

CONTENTS

Time Limits on Assessments	1
Reporting and Processing a Postage or Fee Deficiency	2
Reporting	2
Processing	2
Notification of Intent to Collect	3
If No Response Is Received From the Debtor	4
Appeals for Fee Deficiency	5
Appeals for Postage Deficiency	5
Waiver of Deficiency (Mailer Not Held Liable)	5
Final Classification Decision	6
Payment	7
Accepting Full Payment	7
Establishing Accounts Receivable for Installment Payments	8
Accepting Partial Payment	9
Handling Uncollectible Revenue Deficiencies (Local)	11

Attachment to Response
to OCA/USPS-23
Page 1 of 11

Reporting and Processing a Postage or Fee Deficiency

Reporting

The postal employee finding the evidence or assigned to investigate the revenue deficiency must make a detailed written report of the circumstances. The postal employee is to submit this report to the postmaster at the office of mailing and the manager of Business Mail Entry (MBME), and is to forward a copy to the district Finance manager.

Note: Fee deficiencies are not to be sent to the MBME.

Processing

Within 10 working days, the postmaster, MBME, and district Finance manager must review the report to determine the validity of the deficiency. If the validity of the report is in question by the postmaster or MBME, the district Finance manager is to rule on the amount to be assessed.

To prevent overstatement of revenue, the district Finance manager must take appropriate steps to ensure that entries made to AIC 119, Revenue Deficiency Found, and AIC 759, Revenue Deficiency Issued, reflect the probable collection amount of the revenue deficiency.

The district Finance manager should maintain a District Revenue Deficiency Log for review, containing at a minimum, the following information:

1. Debtor name and address.
2. Date of revenue deficiency report.
3. Type of revenue deficiency (postage or fee).
4. Total amount of the revenue deficiency as reported.
5. Probable amount of the revenue deficiency that can be collected and recorded as revenue in AIC 119, Revenue Deficiency Found.
6. Date, AP, and FY of entry to AIC 119, Revenue Deficiency Found.
7. Actual amount collected.
8. AP and FY the collection is booked.
9. Comments.

Note: All copies of the District Revenue Deficiency Log, whether electronic or written, must be marked for "Restricted Information." Any requests for information contained in the log should be referred to the area Finance manager. The District Revenue Deficiency Log is to be retained indefinitely. See the *Administrative Support Manual* (ASM) 351.33a.

If the finding is deemed valid, then the district Finance manager must insure the following steps are taken by the postmaster or MBME:

If ...	Then ...
A deficiency exists,	Issue an initial notification letter assessing the deficiency within 21 days of the initial report and post the probable collection amount to AIC 119, Revenue Deficiency Found. (See the Notification of Intent to Collect section of this MI.)
The revenue deficiency will not be referred to criminal or civil litigation by the Inspection Service,	Immediately post the probable collection amount of the revenue deficiency to AIC 119, Revenue Deficiency Found. The offset should be AIC 759, Revenue Deficiency Issued (AIC 814, Suspense — accountbook).
The revenue deficiency will be referred to criminal or civil litigation by the Inspection Service,	Post the probable collection amount of the revenue deficiency to AIC 119, Revenue Deficiency Found, and AIC 759, Revenue Deficiency Issued, after receiving confirmation from the Inspection Service that a revenue deficiency exists. The postmaster or district Finance manager will not take action to collect (unless the postmaster or district Finance manager is instructed by the Inspection Service to proceed with collection).
An interim investigative report is issued by the Inspection Service,	Post the probable amount to AIC 119, Revenue Deficiency Found, and AIC 759, Revenue Deficiency Issued. The report should state whether the postmaster, MBME, or district Finance manager is to assess the deficiency or whether the report is for information only, requiring no action at this time.

Notification of Intent to Collect

The postmaster or MBME does the following when notifying the debtor of a decision to collect a revenue deficiency:

1. Prepares a written notification that includes the following information:
 - a. Amount due the Postal Service.
 - b. All bases used for the determination (how the deficiency was determined) and the applicable DMM sections.

- c. A letter advising the debtor that this is the Postal Service's final decision, unless the debtor submits a written appeal within the time limits set forth in the DMM. The debtor must submit any appeal through the postmaster or MBME to the Rates and Classification Service Center (RCSC) manager. (If the RCSC manager initiates the notification or if the deficiency is based on the misuse of a Non-profit Standard Mail rate, the notification letter must advise the debtor that an appeal may be submitted through the RCSC manager to the manager of Mail Preparation and Standards, Headquarters.
2. Sends the original letter to the debtor by First-Class Mail, certified, return receipt requested.
3. Sends a copy of the letter to the district Finance manager.
4. Makes a written record of the date of delivery and any previous delivery attempts.
5. Maintains a copy of all records.

If No Response Is Received From the Debtor

Additional efforts are necessary in cases where the deficiency is not collected:

If ...	Then ...
After notification, the debtor neither pays, arranges for payment, nor submits an appeal,	Make a written report to the district Finance manager. (See the Handling Uncollectible Revenue Deficiencies (Local) section of the MI.)
The debtor appeals the decision,	Suspend all collection action until a final Postal Service decision is issued. Send the appeal letter, a copy of the initial notification letter, a copy of the original report submitted by the revenue assurance analyst, postal inspector, or other postal employee, and a memorandum responding to the debtor's claims in the appeal, to the RCSC manager. (If the RCSC manager initiated the initial notification letter, all supporting information will be forwarded to the manager of Mail Preparation and Standards, Headquarters.) If the debtor has not responded after 30 days of an appeal decision being rendered, resume collection efforts.

If ...	Then ...
The revenue deficiency report originated with a Postal Inspection Service investigation or an Office of the Inspector General report or finding,	Send a report (without attachments) detailing current collection efforts to the originator of the revenue deficiency report.

Appeals for Fee Deficiency

Appeals for fee deficiencies are made to the district Finance manager.

Appeals for Postage Deficiency

The RCSC manager or manager of Mail Preparation and Standards, as appropriate, must respond to appeals for postage deficiencies by doing the following:

1. Review the initial decision of the postage deficiency assessment.
2. Analyze the objections made by the debtor concerning classification issues.
3. Determine whether:
 - a. The postage was underpaid.
 - b. The deficiency was correctly calculated under the regulations in effect at the time.
 - c. The postal forms or authorized postage payment procedures used by the mailer for computation were correct under the regulations in effect at the time.

Waiver of Deficiency (Mailer Not Held Liable)

Special Notes:

1. Waivers may only be issued by the district Finance manager, RCSC manager, or manager of Mail Preparation and Standards, Headquarters.
2. These conditions do not preclude a ruling that future mailings may not be entered at the claimed lower rate.

If any of the conditions listed below existed when a mailing was accepted and entered, waive the postage deficiency. The district Finance manager should forward a copy of the file to the RCSC manager for a ruling on future mailings. The district Finance manager should notify the area Finance manager and post the District Revenue Deficiency Log.

If ...	Then ...
<p>The debtor presents a written authorization provided by an MBME, mailpiece design analyst, postmaster, RCSC employee, or Mail Preparation and Standards employee to either:</p> <ol style="list-style-type: none"> 1. Mail a specific mailpiece using a specific design standard, or 2. Enter mail using specific preparation standards for the specific postage rates claimed. 	<p>Send a classification ruling letter to the debtor. Send a copy of that letter to the postmaster, MBME, and the district Finance manager, detailing the reason for waiver.</p> <p>The district Finance manager is to file a claim for loss for the amount, which has been posted to AIC 119, Revenue Deficiency Found.</p>
<p>The design of a mailpiece is at issue, and the authorization is associated with the final mockup or live mailpiece that was approved. (Acceptable authorization can be on the approved mailpiece or a separate document, but must show full signature, titles, and dates of those who authorized the mailing. Postage statements alone are not authorization for the purpose of this section.)</p>	<p>Send a classification ruling letter to the debtor. Send a copy of that letter to the postmaster, MBME, and the district Finance manager detailing the reason for the waiver.</p> <p>The district Finance manager is to file a claim for loss for the amount, which has been posted to AIC 119, Revenue Deficiency Found.</p>

Final Classification Decision

The RCSC manager or manager of Mail Preparation and Standards, Headquarters, must notify the debtor of the final classification decision by First-Class Mail, certified, return receipt requested. The notifying manager must also maintain the official file copy of all documentation and correspondence for a minimum of four years and send a copy of the decision letter to the postmaster, MBME, district Finance manager, Headquarters General Counsel, and all Postal Service offices involved.

Notes:

1. Any revised letter of collection from the district Finance manager or postmaster to the debtor should be sent to the RCSC to become a part of the file.
2. The RCSC should contact the district Finance manager and advise of any circumstances that might influence the collection process, which are beyond the interpretation of mailing requirements.

Payment

Special Notes:

1. The field counsel's office must be contacted by the district Finance manager prior to the establishment of any settlement that is less than an immediate full payment of the deficiency.
2. Official Mail Accounting System (OMAS) revenue deficiencies are forwarded to the district OMAS coordinator for input into the OMAS system after certification. The funds are collected through the Penalty Mail Reimbursement Program. See Handbook DM-103, *Official Mail*, for details.
3. Record an additional entry to AIC 119, Revenue Deficiency Found, and offset to AIC 752, Final Remittance, for any amount collected from the debtor that is in excess of the original amount placed in AIC 119, Revenue Deficiency Found, and AIC 759, Revenue Deficiency Issued.

Accepting Full Payment

When full payment is received (see Exhibit 1), the postal employee should remove the deficiency from suspense by depositing the funds to AIC 752, Final Remittance, on the daily Form 1412 and make an offsetting entry to AIC 359, Revenue Deficiency Cleared.

Exhibit 1

Example of Full Payment of a Revenue Deficiency

A \$10,000 revenue deficiency is on the books for the ABC Co. The revenue deficiency has already been posted to AIC 119, Revenue Deficiency Found, and offset to AIC 759, Revenue Deficiency Issued (Form 1412), AIC 814, Suspense (accountbook). The revenue deficiency is paid in full.

The postmaster or district Finance manager does the following:

1. Posts \$10,000 to Cash Remitted (AIC 752, Final Remittance — Form 1412, and AIC 802, In Bank — accountbook).
 2. Posts \$10,000 to Revenue Deficiency Cleared (AIC 359, Revenue Deficiency Cleared — Form 1412, and decreases AIC 814, Suspense — accountbook).
 3. The postmaster notifies the district Finance manager when the funds are successfully collected.
-

Establishing Accounts Receivable for Installment Payments

Special Notes:

1. The area Finance manager, or designee, must approve any accounts receivable installment plan for revenue deficiencies above \$50,000 in value.
2. The area Finance manager, or designee, must approve any accounts receivable installment plan which is based on a claim of financial hardship, regardless of dollar value.
3. An agreement must be written with the assistance of field counsel and include a provision for accelerating the balance due on the default of any installment. The district Finance manager is to retain a copy of the payment agreement.

After reviewing all documentation, the district Finance manager notifies the Minneapolis ASC by completing Form 1902, *Justification for Billing Accounts Receivable* (which includes the debtor's SSN or tax ID number), for the final amount to be financed. When the receivable is established at the Minneapolis ASC, finance charges are assessed at the current rate, in the Financial/Accounts Receivable System at the time of agreement. (Instructions for completing Form 1902, *Justification for Billing Accounts Receivable*, are contained in section 362.1 of Handbook F-1, *Post Office Accounting Procedures*.) Finance personnel may not revise the amount owed at this point. The district Finance manager may initiate an installment payment agreement for up to 3 years with the following terms (see Exhibit 2):

1. Finance charges are computed each month on the unpaid balance and are computed from the date of receipt at the Minneapolis ASC.

Note: The Form 1902, *Justification for Billing Accounts Receivable*, should reflect the amount of deficiency to be collected.

2. Payments may be in equal amounts, but no single payment may be for less than 1/36 of the entire amount due including monthly finance charges that are reflected on the Debtors Monthly Statement.
3. The Minneapolis ASC forwards to a collection agency if payments are in arrears. If collection efforts are unsuccessful by the collection agency, the balance due will be forwarded to the U.S. Treasury Offset Program.

Exhibit 2

Example of Full Payment of a Revenue Deficiency Received in Installments

A \$10,000 revenue deficiency is on the books for the ABC Co. The revenue deficiency has already been posted to AIC 119, Revenue Deficiency Found, and offset to AIC 759, Revenue Deficiency Issued (Form 1412), AIC 814, Suspense (accountbook). The district Finance manager accepts full payment of \$10,000 in installments.

The district Finance manager does the following:

1. Obtains a written agreement with the debtor.
2. Completes a Form 1902, *Justification for Billing Accounts Receivable*. The amount of the receivable is \$10,000. Clears suspense for \$10,000 by posting it to AIC 359, Revenue Deficiency Cleared (Form 1412), and decreasing AIC 814, Suspense (accountbook).
3. Posts \$10,000 to AIC 636, Miscellaneous Receivables, and forwards Form 1902, *Justification for Billing Accounts Receivable*, to the Minneapolis ASC the same day.
4. Attaches a copy of the payment agreement to Form 1902, *Justification for Billing Accounts Receivable*.

Note: When the receivable is established at the Minneapolis ASC, finance charges are calculated on the unpaid balance.

Accepting Partial Payment

Special Note: The area Finance manager or designee must approve all partial payment agreements for revenue deficiencies.

If ...	Then the district Finance manager ...
The debtor offers a partial payment and submits detailed financial records that sufficiently demonstrate financial hardship (must be reviewed by the field counsel),	May accept the offer of a partial payment based on the circumstances, after concurrence of the field counsel and approval of the area Finance manager, and coordinates the partial payment collection.
A decision is made to accept a partial payment and the debtor submits the partial payment in one installment,	Must submit a Form 2130, <i>Claim for Loss — Initial Letter</i> , on the unpaid amount and apply the Claim for Loss amount and payment to clear the suspense item (see Exhibit 3).

If ...	Then the district Finance manager ...
The debtor agrees to partial payment of the deficiency in installments,	<p>Initiates an agreement with the debtor for a settlement with installment payments for <i>no more</i> than 3 years with finance charges computed each month on the unpaid balance.</p> <p>The remainder of the deficiency amount recorded in AIC 119, Revenue Deficiency Found, is written off on a Form 2130, <i>Claim For Loss — Initial Letter</i>, using the mailing office's finance number.</p>

Exhibit 3

Example of Partial Payment of a Revenue Deficiency

A \$10,000 revenue deficiency is on the books for the ABC Co. The revenue deficiency has already been posted to AIC 119, Revenue Deficiency Found, and offset to AIC 759, Revenue Deficiency Issued (Form 1412), AIC 814, Suspense (accountbook). The district Finance manager accepts partial payment of \$5,000 in installments as settlement of the deficiency.

The district Finance manager does the following:

1. Notifies the postmaster of the agreement for partial payment, justifies the claim for loss, and completes a Form 2130, *Claim for Loss — Initial Letter*, for the \$5,000 following the claim for loss procedures in chapter 8 of Handbook F-1, *Post Office Accounting Procedures*.
2. Prepares a Form 1902, *Justification for Billing Accounts Receivable*. The amount of the receivable is \$5,000.
3. Clears the original \$10,000 suspense (after the Form 2130 is approved) by entering \$10,000 to AIC 359, Revenue Deficiency Cleared (decrease AIC 814, Suspense — accountbook). Offsets this entry by entering \$5,000 in AIC 633, Claim for Cash Loss, and \$5,000 in AIC 636, Miscellaneous Receivables.

Note: When receivable is established at the Minneapolis ASC, finance charges are calculated on the unpaid balance.

Handling Uncollectible Revenue Deficiencies (Local)

Special Note: The area Finance manager or designee must be informed of all uncollectible revenue deficiencies.

The following table denotes actions required by postmasters or district Finance manager, and field counsel if deficiencies are uncollectible:

If ...	Then the ...	Is to ...
The debtor does not respond within 30 days of a decision or refusal to pay,	Postmaster	Forward to the district Finance manager all records and documents, including those relating to any appeal.
Records are received from the postmaster indicating that a deficiency is uncollectible, or efforts to collect are unsuccessful,	District Finance manager	Promptly attempt to collect outstanding amounts by all available means, or refer the matter to the appropriate field counsel for collection. This written referral must include all documents as requested by the field counsel. The district Finance manager is to provide assistance to the field counsel.
If the revenue deficiency is not collected,	District Finance manager	Take one of the following two actions <i>if appropriate</i> : <ol style="list-style-type: none"> 1. Hold the postmaster or MBME responsible for the deficiency (in whole or in part). 2. Relieve the postmaster or MBME of responsibility for the deficiency and follow the claim for loss procedures in section 847 of Handbook F-1, <i>Post Office Accounting Procedures</i>.
A referral is received by a field counsel,	Field counsel	Complete the Claims Collection Litigation Report (CCLR), and proceed with legal action.

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-24. Please provide all information the Postal Service has on household underpayment or overpayment of postage for the additional ounce rate for First-Class letter mail. Include any additional information the Postal Service has on the incidence of households affixing an additional 33-cent stamp to pay the additional ounce rate.

- (a) Submit all documents relating to the underpayment or overpayment of postage by households for the additional ounce rate for First-Class letter mail.
- (b) Describe the Postal Service's enforcement and auditing procedures seeking to ensure correct postage payment of the additional ounce rate for First-Class letters.

RESPONSE:

- (a) The Postal Service does not maintain data on underpayment/overpayment of postage by type of mailer, for example, for households or for small businesses.
- (b) Please see response to OCA/USPS-23(b).

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-25. Please provide all information the Postal Service has on household underpayment or overpayment of postage for First-Class single-piece cards. Include any additional information the Postal Service has on the incidence of households affixing a 33-cent stamp to pay for single-piece card mailings.

- (a) Submit all documents relating to the underpayment or overpayment of postage by households for First-Class single-piece cards.**
- (b) Describe the Postal Service's enforcement and auditing procedures seeking to ensure correct postage payment for First-Class single-piece cards.**

RESPONSE:

- (a) The Postal Service does not maintain data on underpayment/overpayment of postage by type of mailer, for example, for households or for small businesses.**
- (b) Please see response to OCA/USPS-23(b).**

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-26. Please provide all information the Postal Service has on household underpayment or overpayment of postage for the nonstandard surcharge for First-Class letter mail.

- (a) Submit all documents relating to the underpayment or overpayment of postage by households for the nonstandard surcharge for First-Class letter mail.**
- (b) Describe the Postal Service's enforcement and auditing procedures seeking to ensure correct postage payment for the First-Class letter nonstandard surcharge.**

RESPONSE:

- (a) The Postal Service does not maintain data on underpayment/overpayment of postage by type of mailer, for example, for households or for small businesses.**
- (b) Please see response to OCA/USPS-23(b).**

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-27. Please separately quantify revenues lost and revenues gained by underpayment or overpayment of First-Class postage for household mail during the most recent fiscal year for which such data is available. If no information is available, please explain why not.

RESPONSE: The Postal Service does not maintain data on the underpayment or the overpayment of postage by type of mailer, for example, for households or for small businesses.

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-28. Does the Postal Service have or know of an estimate of the average level of education held by those households that maintain separate sets of First-Class stamps for: the first ounce rate, the additional ounce rate, the single-piece card rate and the nonstandard surcharge rate.

- (a) If so, please provide the estimate and all documents relating to household maintenance of separate sets of First-Class stamps for the first ounce rate, the additional ounce rate, the single-piece card rate and the nonstandard surcharge rate.
- (b) If not, please explain why no estimate is available.

RESPONSE: No.

- (a) N/A
- (b) Because the Postal Service neither has nor knows of any such estimate, no such estimate is available.

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-29. Please refer to the Decision of the Governors of the United States Postal Service on the Recommended Decisions of the Postal Rate Commission for Docket No. R97-1. Please confirm that the Postal Service adheres entirely to the reasoning expressed in the CEM decision. If not confirmed, please explain.

RESPONSE: At present the Postal Service is not faced with a CEM proposal that revives the concerns and the issues reflected in the Docket No. R97-1 Decision of the Governors. However, if such a proposal were made before the Commission in this proceeding, it would likely generate a similar reaction from the Postal Service.

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-30. Does the Postal Service have any estimates or other information regarding the volume of courtesy reply mail supplied by businesses to households for each of the past three years?

- (a) If so, please provide the estimate and all documents relating to the estimate.
- (b) If not, please explain why no estimate is available.

RESPONSE: Yes.

- (a) See the attached three tables developed using First-Class Mail data from the 1996-1998 Household Diary Studies. The tables present weekly data, with weighted numbers reported in hundreds of thousands. Using the 1998 table as an example, courtesy reply mail appears under the heading "Needed a Stamp." Since the question asks for courtesy reply mail supplied by businesses, the volumes associated with government and social/charitable institutions can be deleted (73 and 90, respectively). Thus, the total weighted volume of First-Class Mail reply envelopes received from businesses in a week is 244,400,000 ($2607 - 73 - 90 * 100,000$), or 12.7 billion pieces annually. Note that the table does not provide detail for merchant or services industries.
- (b) N/A.

U.S.P.S. HOUSEHOLD DIARY STUDY - DIARY - FISCAL YEAR 1998 WITH ADJUSTMENT FACTORS - (SEPT. 15, 1997 - SEPT. 13, 1998)

TABLE 117
FIRST-CLASS MAIL RECEIVED
Q.11 - DID THE RETURN ENVELOPE/CARD REQUIRE POSTAGE
(ONLY ANSWERED IF A RETURN ENVELOPE/CARD WAS ENCLOSED)
(BASED TO FIRST-CLASS MAIL ONLY)

FIRST-CLASS MAIL RECEIVED - INDUSTRY															

	TOTAL	BANK	SECUR	INSUR	EST.	OTHER	TOTAL	TOTAL	FED-	STATE	OTHER	TOTAL			
	FINAN	CRDIT	S&L	ITY	MONEY	ANCE	MORT	FINAN	TOTAL	FED-	STATE	OTHER	SOCL.		
	CIAL	CARD	C.U.	BRKR	MKT	CO.	GAGE	CIAL	MFG.	GOVT	ERAL	LOCAL	GOVT.	CHAR.	
UNWEIGHTED	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300
HOUSEHOLDS															
UNWEIGHTED PIECES	15547	6774	3747	962	359	29	1479	171	27	112	337	-	337	-	606
WEIGHTED	1018	1018	1018	1018	1018	1018	1018	1018	1018	1018	1018	1018	1018	1018	1018
HOUSEHOLDS	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
WEIGHTED PIECES	3447	1524	848	212	85	6	329	36	8	28	85	-	85	-	140
(BASE)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		100.0		100.0
WAS PRESTAMPED OR	772	462	296	59	40	3	55	8	2	13	10	-	10	-	47
POSTAGE PAID	100.0	59.9	38.4	7.7	5.2	0.4	7.1	1.0	0.3	1.7	1.3		1.3		6.1
	22.4	30.3	34.9	27.9	47.1	44.5	16.6	20.8	30.0	45.8	12.1		12.1		33.5
	22.4	13.4	8.6	1.7	1.2	0.1	1.6	0.2	0.1	0.4	0.3		0.3		1.4
NEEDED A STAMP	2607	1031	538	148	44	3	265	27	5	15	73	-	73	-	90
	100.0	39.5	20.6	5.7	1.7	0.1	10.2	1.0	0.2	0.6	2.8		2.8		3.5
	75.6	67.7	63.4	70.0	52.1	47.5	80.5	75.4	70.0	53.9	86.0		86.0		64.4
	75.6	29.9	15.6	4.3	1.3	0.1	7.7	0.8	0.2	0.4	2.1		2.1		2.6
DON'T KNOW/NO	69	30	14	4	1	1	9	1	-	0	2	-	2	-	3
ANSWER	100.0	44.3	20.3	6.5	1.0	0.7	13.7	2.0		0.2	2.4		2.4		4.3
	2.0	2.0	1.6	2.1	0.8	8.0	2.9	3.9		0.4	1.9		1.9		2.1
	2.0	0.9	0.4	0.1	*	*	0.3	*		*	*		*		0.1
MEAN	3.39	0.62	0.00	0.00	0.00	0.00	0.00	0.00	0.61	0.00	0.00	0	0.00	0	0.00
STD DEV	3.22	1.06	0.02	0.03	0.01	0.03	0.03	0.03	1.05	0.02	0.02	0	0.02	0	0.03
STD ERR	0.06	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0	0.00	0	0.00

Attachment to
Response to OCA/USPS-30
page 1 of 3

Note: Percentage less than 0.05 printed as *.

CHILTON RESEARCH SERVICES NO.6638

APRIL 1999

WEIGHTED NUMBERS ARE REPORTED IN HUNDRED THOUSANDS

U.S.P.S. HOUSEHOLD DIARY STUDY - DIARY - FISCAL YEAR 1997 WITH ADJUSTMENT FACTORS - (SEPT. 16, 1996 - SEPT. 14, 1997)

TABLE 117
FIRST-CLASS MAIL RECEIVED
Q.11 - DID THE RETURN ENVELOPE/CARD REQUIRE POSTAGE

(ONLY ANSWERED IF A RETURN ENVELOPE/CARD WAS ENCLOSED)
(BASED TO FIRST-CLASS MAIL ONLY)

FIRST-CLASS MAIL RECEIVED - INDUSTRY															
	TOTAL	REAL													
		TOTAL FINAN CIAL	CRDIT CARD	BANK S&L C.U.	SECUR ITY BRKR	MONEY MKT	INSUR ANCE CO.	EST. MORT GAGE	OTHER FINAN CIAL	TOTAL MFG.	TOTAL GOVT	FED- ERAL	STATE LOCAL	OTHER GOVT.	TOTAL SOCL. CHAR.
UNWEIGHTED HOUSEHOLDS	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300
UNWEIGHTED PIECES	15764	6519	3453	964	396	31	1486	164	25	130	347	-	346	1	695
WEIGHTED HOUSEHOLDS	1010	1010	1010	1010	1010	1010	1010	1010	1010	1010	1010	1010	1010	1010	1010
WEIGHTED PIECES (BASE)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
WAS PRESTAMPED OR POSTAGE PAID	696	374	222	49	39	3	52	7	2	12	11	-	11	-	47
	100.0	53.8	31.9	7.1	5.7	0.4	7.4	1.0	0.3	1.7	1.5		1.5		6.7
	20.2	26.3	28.5	23.6	51.2	42.9	16.5	20.3	43.2	47.7	13.3		13.4		33.3
	20.2	10.9	6.5	1.4	1.1	0.1	1.5	0.2	0.1	0.3	0.3		0.3		1.4
NEEDED A STAMP	2677	1021	543	153	36	3	256	28	2	13	68	-	67	0	90
	100.0	38.1	20.3	5.7	1.3	0.1	9.6	1.0	0.1	0.5	2.5		2.5	*	3.3
	77.9	71.8	69.8	73.4	46.7	55.2	81.9	77.7	46.1	51.1	84.1		84.0	100.0	64.2
	77.9	29.7	15.8	4.5	1.0	0.1	7.4	0.8	0.1	0.4	2.0		2.0	*	2.6
DON'T KNOW/NO ANSWER	64	27	13	6	2	0	5	1	0	0	2	-	2	-	4
	100.0	42.7	20.6	9.7	2.5	0.2	7.9	1.1	0.7	0.4	3.3		3.3		5.5
	1.9	1.9	1.7	3.0	2.1	1.9	1.6	2.0	10.7	1.2	2.6		2.6		2.5
	1.9	0.8	0.4	0.2	*	*	0.1	*	*	*	0.1		0.1		0.1
MEAN	3.40	0.51	0	0.00	0.00	0	0.00	0.00	0.51	0.00	0	0	0	0	0.00
STD DEV	3.11	0.95	0	0.02	0.02	0	0.01	0.01	0.95	0.04	0	0	0	0	0.05
STD ERR	0.06	0.02	0	0.00	0.00	0	0.00	0.00	0.02	0.00	0	0	0	0	0.00

Page 2 of 3

Note: Percentage less than 0.05 printed as *.
CHILTON RESEARCH SERVICES NO.6156

MARCH 1998

WEIGHTED NUMBERS ARE REPORTED IN HUNDRED THOUSANDS

CHILTON RESEARCH
SERVICES

U.S.P.S. HOUSEHOLD DIARY STUDY - DIARY - FISCAL YEAR 1996 WITH ADJUSTMENT FACTORS (SEPT. 18, 1995 - SEPT. 15, 1996)
 TABLE 117
 FIRST-CLASS MAIL RECEIVED
 Q. 11 - DID THE RETURN ENVELOPE/CARD REQUIRE POSTAGE
 (ONLY ANSWERED IF A RETURN ENVELOPE/CARD WAS ENCLOSED)
 (BASED TO FIRST-CLASS MAIL ONLY)

FIRST-CLASS MAIL RECEIVED - INDUSTRY													
	TOTAL	FINAN	CRED	BANK	SECUR	INSUR	REAL	TOTAL	FED	STATE	TOTAL	TOTAL	
		CIAL	IT	S & L	ITY	MONEY	ANCE	MORT	GOVT.	ERAL	LOCAL	SOCL.	MANU
			CARD	C.U.	BRKR	MKT.	CO.	GAGE				CHAR.	TURER
UNWEIGHTED HOUSEHOLDS	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300	5300
UNWEIGHTED PIECES	16197	6588	3596	962	348	44	1437	174	379	-	378	744	137
WEIGHTED HOUSEHOLDS	996	996	996	996	996	996	996	996	996	996	996	996	996
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
WEIGHTED PIECES (BASE)	3571	1464	802	208	80	9	320	40	87	-	87	172	26
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		100.0	100.0	100.0
WAS PRESTAMPED OR POSTAGE PAID	761	422	263	59	35	2	54	7	17	-	17	72	9
	21.3	28.8	32.8	28.4	43.7	22.6	16.8	17.7	19.1		19.1	41.8	36.5
	100.0	55.4	34.6	7.8	4.6	0.3	7.1	0.9	2.2		2.2	9.4	1.2
	21.3	11.8	7.4	1.7	1.0	0.1	1.5	0.2	0.5		0.5	2.0	0.3
NEEDED A STAMP	2743	1011	523	145	43	7	260	31	69	-	69	97	16
	76.8	69.1	65.3	69.5	53.2	77.4	81.3	76.9	79.1		79.1	56.4	62.2
	100.0	36.9	19.1	5.3	1.6	0.2	9.5	1.1	2.5		2.5	3.5	0.6
	76.8	28.3	14.7	4.1	1.2	0.2	7.3	0.9	1.9		1.9	2.7	0.4
DON'T KNOW/NO ANSWER	67	31	16	4	2	-	6	2	2	-	2	3	0.
	1.9	2.1	1.9	2.1	3.1		1.9	5.4	1.8		1.8	1.8	1.2
	100.0	46.7	23.4	6.4	3.7		9.2	3.2	2.3		2.3	4.7	0.5
	1.9	0.9	0.4	0.1	0.1		0.2	0.1	.		.	0.1	.
MEAN	3.59	1.47	0.81	0.22	0.08	0.01	0.32	0.05	0.09	-	0.09	0.17	0.02
STD DEV	3.15	1.80	1.19	0.54	0.41	0.14	0.69	0.24	0.34	-	0.34	0.56	0.18
STD ERROR	0.05	0.02	0.01	0.01	0.01	-	0.01	-	0.01	-	0.01	0.01	-
SIGMA	3571	1464	802	208	80	9	320	40	87	-	87	172	26
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		100.0	100.0	100.0
EACH CELL CONTAINS: COUNT VERTICAL PERCENT HORIZONTAL PERCENT CELL PERCENT													

CHILTON RESEARCH SERVICES NO. 5746

APRIL 1997

WEIGHTED NUMBERS ARE REPORTED IN HUNDRED THOUSANDS

Page 3 of 3

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-31. Please refer to the OCA's Courtesy Envelope Mail ('CEM') Proposal in Docket No. R97-1, Tr. 21 at 10679.

- (a) Please list all documents (whether or not in final form) relating to a courtesy envelope mail (CEM) proposal, or to any proposal substantially similar to the CEM proposal.
- (b) Please supply all documents relating to part 'a' of this interrogatory.
- (c) Please list all pending proposals for reports, studies, and surveys (whether or not in final form) relating to a CEM proposal, or to any proposal substantially similar to the CEM proposal.

RESPONSE:

- (a) – (c) The Postal Service is not faced with a CEM proposal at this time, and it remains hopeful, given its past objections and concerns regarding CEM, as well as those expressed by the Governors, that it will not be faced with such a proposal again in Docket No. R2000-1. If it becomes clear to the Postal Service during the course of litigating this rate case that some type of CEM proposal is imminent, it may once again begin the process of fully anticipating and assessing such a likelihood. No reports, studies, or surveys relating to a CEM proposal have been generated by or for the Postal Service since the submission of rebuttal testimony in Docket No. R97-1.

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-32. Does the Postal Service believe that household mailers are dishonest and deliberately apply incorrect postage to their First-Class mail? If so, please provide all documents relating to the basis for that opinion.

RESPONSE: No. While most household mailers are honest, it does seem inevitable that some unknown number of household mailers will deliberately shortpay postage.

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-33. Does the Postal Service have any information on the volume of First-Class letter mail submitted by households that has an incorrect postage payment? If so, please provide all relevant documents relating to incorrect postage payment of First-Class letter mail.

RESPONSE: The Postal Service does not maintain data on the volume of mail with incorrect postage by type of mailer, for example, for households or for small businesses.

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-35. Do the reply envelopes of mailers who supply courtesy reply envelopes and take automation discounts meet automation compatibility requirements?

- (a) If not, please explain why the reply envelopes do not meet automation compatibility requirements.
- (b) Over the past year, please provide the volume of courtesy reply envelopes provided by mailers described in this interrogatory that do not meet the requirements. Provide all source documents relating to the courtesy reply envelope volume.
- (c) What specific steps has the Postal Service put in place to ensure future automation compatibility compliance?

RESPONSE: Yes. See part (a) below.

- (a) Letter-size reply envelopes enclosed in mailings claimed at automation rates must meet automation compatibility standards. Postal Service procedures for checking compliance are described in the Attachment, which includes relevant pages from the 12-5-96 *Postal Bulletin*, the January 1997 *The Mailroom Companion*, the March 1997 *The Mailroom Companion*, and the December 1999 "Mailer's Companion."
- (b) No such data are available.
- (c) See part (a) above.

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-34. Is the Postal Service aware of any address verifications performed by vendors supplying electronic postage? If so, please provide all documents relating to address verification procedures performed.

RESPONSE: The Information Based Indicia Program's (IBIP) Performance - Criteria for Information Based Indicia and Security Architecture for Open IBI Postage Evidencing Systems (PCIBI-O) dated June 25, 1999 provides requirements for the development of IBI open systems by private product service providers. Section C.3.2.4.2 provides the requirement for address verification:

The host system shall integrate and use the USPS Address Matching System (AMS) Application Program Interface (API) to produce a standardized address for the mailpiece. The host may perform the ZIP+4 validation at the time of indicia creation or may provide another method that satisfies USPS requirements for the proper ZIP+4 coding. The standardized address shall include the standard POSTNET delivery point barcode.

The document quoted above is available on the Postal Service's website (www.usps.com/ibip and click on "Program Documentation").

Documentation for Periodicals Mailings

The effective date for the standards for use of Presort Accuracy Validation and Evaluation (PAVE)-certified software or standardized documentation for Periodicals mailings (DMM M210.7.0) is changed from January 1, 1997, to July 1, 1997. This extension will allow time for presort software vendors and mailers who develop presort software in-house to ensure their software is sorting mail and documenting postage in accordance with the new standards prior to the date of required use. The next PAVE test cycle will begin in January 1997 and, with the change in the date of required use of

PAVE-certified software, vendors and mailers can be assured that they will have sufficient time to test their software, make all necessary modifications and distribute the software to their customers in time to meet the July 1 effective date.

An article describing the corresponding DMM revisions appears elsewhere in this issue of the *Postal Bulletin*.

—Pricing and Classification Implementation,
Marketing Systems, 12-5-96

Enclosed Reply Pieces in Automation Rate Mail

As previously announced, effective January 1, 1997, any reply card or envelope (business reply, courtesy reply, or metered reply) that is enclosed in an automation rate letter or flat must meet the applicable physical standards for automation compatibility, bear the correct facing identification mark (FIM), and include the correct barcode for the address to which the reply card or envelope is being returned. (Also as previously announced, this standard will take effect on March 1, 1997, *only* for Preferred Periodicals and Nonprofit Standard Mail.)

However, at this time, the enforcement of the enclosed reply mail standard will be limited to bringing noncomplying reply pieces to the attention of the originator for corrective action. *No mailing will be rejected, delayed, or assessed higher postage solely because it is found to contain a non-complying reply piece, nor will mail be held solely to detect or examine enclosed reply pieces.* However, if an enclosed reply piece is found during another verification process, it may be checked for compliance with the applicable preparation standards.

The primary occasion for identifying a noncomplying reply piece is when it is returned to the originator. At that time a reply piece can be examined to verify compliance with the physical standards for automation (DMM C810) and that it

bears the correct FIM and barcode. (Detailed information about the applicable standards is available in the DMM, in Publication 353, *Designing Reply Mail*, and from the mail-piece design analyst (MDA) assigned to each postal business center.)

When a noncomplying reply piece is identified, the detecting postal employee will contact the MDA at the local postal business center and provide the MDA with sufficient information to identify the reply piece, its originator, and the nature of the deficiency (e.g., no FIM). In turn, the MDA will contact the originator and provide the necessary information and assistance so that the originator can prepare reply pieces that meet the applicable standards. More detailed instructions and sample customer letters will be distributed directly to MDAs in the near future.

At the same time, the Postal Service is coordinating an educational campaign with the Envelope Manufacturers' Association (EMA) so that its members may be an additional resource to reply mail originators. Materials produced as part of this process will be distributed to EMA members for their use and to postal business centers.

—Pricing and Classification Implementation,
Marketing Systems, 12-5-96

Post Office Box Campaign

A new campaign, designed to create awareness of the many benefits of post office box service — value, convenience, security, and trust — is in full swing. Targeting post office box customers, the campaign began in mid-November with a postcard mailing to postmasters and station managers advising of the event.

A promotional kit is being mailed on December 5 and 6, which contains post office box stuffers, a banner, and instructions for usage. Postmasters and stations managers are asked to display the banner within the box section and distribute the material to promote the effort for a two-month

period. Because the banner is made of a reusable material, this "good news" can be displayed at other appropriate times during the year at the discretion of the local post offices.

More information concerning the campaign can be obtained from John Landwehr (202-268-5028) or Sharon Coruzzi (202-268-3626).

—Pricing and Classification Implementation,
Marketing Systems,
12-5-96

Attachment to Response
to OCA/USPS-35
Page 1 of 12

Post Office Box Campaign

A new campaign, designed to publicize the many benefits of post office box service, is in full swing. Emphasizing the benefits of value, convenience, security, and trust, the campaign began in mid-November with a postcard mailing to postmasters and station managers advising of the event.

A promotional kit was mailed on December 5 and 6 that contained post office box stuffers, a banner, and instructions for usage. Postmasters and stations managers should display the banner within the box section and distribute the material to promote the effort for a 2-month period. Because the banner is made of a

reusable material, it can be displayed at other appropriate times during the year at the discretion of local post offices.

John Landwehr (202-268-5028) or Sharon Coruzzi (202-

268-3626) at Postal Service Headquarters can provide tips and answer questions about the campaign.

—Pricing and Classification Implementation

**You get more
with your P.O. Box.**

**value
convenience
security & trust**

Enclosed Reply Pieces in Automation Rate Mail

As previously announced, effective January 1, 1997, any reply card or envelope (business reply, courtesy reply, or metered reply) enclosed in an automation rate letter or flat must meet the applicable physical standards for automation compatibility, bear the correct facing identification mark (FIM), and include the correct barcode for the address to which the reply card or envelope is being returned. This standard takes effect on March 1, 1997, *only* for Preferred Periodicals and Non-profit Standard Mail.

However, at this time, the enforcement of the enclosed reply mail standard is limited to bringing noncomplying reply pieces to the attention of the originator for corrective action. *No mailing will be rejected, delayed, or assessed higher postage solely because it is found to contain a noncomplying reply piece. Nor will mail be held solely to detect or examine enclosed reply pieces.* However, if postal employees find an en-

closed reply piece during another verification process, they may check it for compliance with the applicable preparation standards.

The primary occasion for identifying a noncomplying reply piece is when it is returned to the originator. At that time, postal personnel can examine a reply piece to verify that it meets the physical standards (*Domestic Mail Manual* (DMM) C810) for courtesy reply and meter reply mail and DMM S922 for business reply mail, and to confirm that it bears the correct FIM and barcode.

Detailed information about the applicable standards is available in the DMM, in Publication 353, *Designing Reply Mail*, and from the mailpiece design analyst (MDA) assigned to each postal business center.

When a noncomplying reply piece is identified, the detecting postal employee contacts the MDA at the local postal business center and provides the MDA with

sufficient information to identify the reply piece, its originator, and the nature of the deficiency (for example, the piece does not bear a FIM).

In turn, the MDA contacts the originator and provides the necessary information and assistance so that the originator can prepare reply pieces that meet the applicable standards. MDAs will receive more detailed instructions and sample customer letters in the near future.

At the same time, the Postal Service is coordinating an educational campaign with the Envelope Manufacturers' Association (EMA). The Postal Service will distribute materials produced as part of this process to EMA members for their use as well as to postal business centers.

—Pricing and Classification Implementation

Barcoded Reply Mail

If a mailer wants to receive reply mail as quickly as possible, barcoding allows the Postal Service to help achieve this goal. Printing an accurate address, the proper facing identification mark (FIM), and the correct barcode on each piece and making it automation-compatible allows for direct processing on postal barcode sorters. Barcoding and automation compatibility of letter-size pieces can help lower Postal Service operational costs by making this mail efficient to process.

All letter-size reply mail provided as enclosures in automation rate mailings *must* meet the applicable standards for automation compatibility, must include the correct FIM, and must bear the correct barcode. This standard became effective January 1, 1997, for First-Class Mail, Regular Periodicals, and Regular Standard Mail, and on March 1, 1997, for Preferred Periodicals and Non-profit Standard Mail.

The December 5, 1996, *Postal Bulletin* and the January *Mailroom Companion* announced that implementation of this standard will be accomplished by bringing to the attention of the original mailer any noncomplying reply pieces found at the delivery point. By doing this, the Postal Service can review all reply pieces regardless of how they were originally distributed and inform all users of reply mail of the benefits of barcoding and automation.

The barcode on courtesy reply mail (CRM) or meter reply mail (MRM) may be placed either in the address block or in the lower right barcode clear zone according to *Domestic Mail Manual* (DMM) C840. For CRM and MRM, the correct barcode could be a delivery point barcode (62 bars); a ZIP+4 barcode (52 bars), if the

address is assigned an individual (unique) ZIP+4 code; or, in some cases, a 5-digit barcode (32 bars) if the address is assigned a firm (unique) 5-digit ZIP Code.

Business reply mail (BRM) pieces may have only the ZIP+4 barcode representing the ZIP+4 code assigned to the BRM user by the Postal Service. Effective

www.usps.gov/clr/qsgmenu.htm, and at post offices with access to Postal Explorer. Please note, QSG 923 in DMM Issue 51 contains an incorrect FIM. All electronic QSGs and the ones in this issue are correct and updated. Also, QSG 922 in this issue and on the Web is updated to include the provision for address block

Mailpiece design analysts at postal business centers nationwide will help design reply mail.

March 1, 1997, BRM permit holders who distribute window envelopes or affix address labels also have the option of printing the ZIP+4 barcode in the address block. BRM pieces measuring more than 4¼ by 6 inches need only meet the 0.007-inch minimum thickness standard.

Pages 12 and 13 contain separate checklists for customers and post offices to use in reviewing reply mailpieces: BRM appears on page 12, and CRM and MRM on page 13.

New templates and additional materials (e.g., customer notification letters) are being developed for distribution to all postal business centers and sales offices to assist in reviewing reply mail. In the meantime, current templates—Notice 67, *Automation Template* (January 1997), and Item 07, *Automation Gauge*, Model 007 (August 1992), can be utilized along with DMM Quick Service Guides (QSGs) 922 for BRM, 923 for CRM, and 924 for MRM. These QSGs are included in this issue and are also available electronically on the Postal Service's Web site at <http://>

barcodes on BRM.

Although Publication 353, *Designing Reply Mail* (July 1995), contains useful information, it also has some instructions that are now out of date. Therefore, the DMM and QSGs are the best available source, especially for those offices and customers in locations not easily accessible to mailpiece design analysts (MDAs) and business mail entry offices.

A camera-ready positive representing the appropriate FIM and barcode for the reply mail address is available at no cost (through local post offices) from postal business centers. MDAs are assigned to postal business centers throughout the country to assist with the design of customers' reply mail. Mailers are encouraged to provide samples of reply pieces before printing to ensure that the best quality piece is achieved.

The district MDA or business mail entry manager can answer any mailer questions.

—*Pricing and Classification Implementation*

Business Reply Mail Checklist

See DMM S922 and Quick Service Guide 922

1. "BUSINESS REPLY MAIL"

- a. ☐ Not all capital letters.
- b. ☐ Minimum height standard for lettering not met.
- c. ☐ Improperly worded.
- d. ☐ Other _____

2. "First-Class Mail Permit No.**** City/State"

- a. ☐ Improperly worded.
- b. ☐ Incorrect or missing permit number.
- c. ☐ Other _____

3. "Postage Will Be Paid by Addressee"

- a. ☐ Missing.
- b. ☐ Improperly worded.
- c. ☐ Improperly positioned.
- d. ☐ Authorized federal agency name missing (official mail only).
- e. ☐ Other _____

4. Delivery Address Block

- a. ☐ Delivery address line (street address/post office box number) not directly above city/state/ZIP+4 code line.
- b. ☐ ZIP+4 code does not correspond to barcode.
- c. ☐ Extraneous printing below address.
- d. ☐ City/state/ZIP+4 code line too low.
- e. ☐ City/state/ZIP+4 code line too high.
- f. ☐ Logo below delivery address line.
- g. ☐ Minimum clearances between address and window edges not maintained during "insert shift."
- h. ☐ Other _____

5. ZIP+4 Barcode and Lower Right Barcode Clear Zone

- a. ☐ Barcode incorrectly positioned.
- b. ☐ Barcode unreadable.
- c. ☐ BRMAS only: incorrect ZIP+4/barcode for rate category (type/weight of piece).
- d. ☐ Incorrect ZIP+4 code/barcode (explain)

- e. ☐ Minimum print reflectance difference not met.
- f. ☐ Minimum clearances between barcode and window edges not maintained during "insert shift."
- g. ☐ Extraneous printing or other matter in barcode clear zone.
- h. ☐ Other _____

6. Facing Identification Mark (FIM)

- a. ☐ Incorrect or missing.
- b. ☐ Improperly positioned.
- c. ☐ Minimum print reflectance difference not met.
- d. ☐ Extraneous printing in clear zone.
- e. ☐ Other _____

7. "No Postage Necessary if Mailed in the United States"

- a. ☐ Improperly worded.
- b. ☐ Improperly positioned.
- c. ☐ Too far from the right edge of the piece.
- d. ☐ Other _____

8. Horizontal Bars

- a. ☐ Extend below top of delivery address line (street address/post office box number).
- b. ☐ Improperly spaced.
- c. ☐ Thickness of bars not uniform.
- d. ☐ Length of bars not uniform.
- e. ☐ Other _____

9. Other

- a. ☐ Aspect ratio not met.
- b. ☐ Minimum height (3½ inches) not met.
- c. ☐ Minimum length (5 inches) not met.
- d. ☐ Minimum thickness not met.
- e. ☐ Piece improperly sealed (explain)
- f. ☐ "Official Business, Penalty for Private Use \$300" missing/improperly placed (official mail only).

Courtesy Reply Mail Checklist

See Quick Service Guide 923

1. Facing Identification Mark (FIM)

- a. ☐ Incorrect or missing.
- b. ☐ Improperly positioned.
- c. ☐ Minimum print reflectance difference not met.
- d. ☐ Extraneous printing in clear zone.
- e. ☐ Other _____

2. Postage Area: Customer Reminder to Affix Postage (optional element)

- a. ☐ Too far from right edge of piece.
- b. ☐ Other _____

3. Delivery Address Block

- a. ☐ Delivery address line (street address/post office box number) not directly above city/state/ZIP Code line.
- b. ☐ ZIP Code does not correspond to barcode.
- c. ☐ City/state/ZIP Code line too low.
- d. ☐ City/state/ZIP Code line too high.
- e. ☐ Minimum clearances between address & window edges not maintained during "insert shift."
- f. ☐ Other _____

4. Barcode and Lower Right Barcode Clear Zone

- a. ☐ Barcode incorrectly positioned.
- b. ☐ Barcode unreadable.
- c. ☐ Incorrect ZIP Code and barcode (explain) _____
- d. ☐ Minimum print reflectance difference not met.
- e. ☐ Minimum clearances between barcode and window edges not maintained during "insert shift."
- f. ☐ Extraneous printing or other matter in barcode clear zone.
- g. ☐ Other _____

5. Other

- a. ☐ Aspect ratio not met.
- b. ☐ Minimum height (3½ inches) not met.
- c. ☐ Minimum length (5 inches) not met.
- d. ☐ Minimum thickness not met.
- e. ☐ Piece improperly sealed (explain) _____

Meter Reply Mail Checklist

See DMM P030 and Quick Service Guide 924

1. Facing Identification Mark (FIM)

- a. ☐ Incorrect or missing.
- b. ☐ Improperly positioned.
- c. ☐ Minimum print reflectance difference not met.
- d. ☐ Extraneous printing in clear zone.
- e. ☐ Other _____

2. Meter Stamp

- a. ☐ Improperly positioned.
- b. ☐ Date shown.
- c. ☐ Illegible.
- d. ☐ Not enough postage for type/weight of piece.
- e. ☐ Other _____

3. "No Postage Stamp Necessary. Postage Has Been Prepaid by"

- a. ☐ Missing.
- b. ☐ Improperly worded.
- c. ☐ Other _____

4. Delivery Address Block

- a. ☐ Delivery address line (street address/post office box number) not directly above city/state/ZIP Code line.
- b. ☐ ZIP Code does not correspond to barcode.
- c. ☐ City/state/ZIP Code line too low.
- d. ☐ City/state/ZIP Code line too high.

- e. ☐ Minimum clearances between address and window edges not maintained during "insert shift."
- f. ☐ Addressee not meter license holder (separately notify license holder).
- g. ☐ Other _____

5. Barcode and Lower Right Barcode Clear Zone

- a. ☐ Barcode incorrectly positioned.
- b. ☐ Barcode unreadable.
- c. ☐ Incorrect ZIP Code and barcode (explain) _____
- d. ☐ Minimum print reflectance difference not met.
- e. ☐ Minimum clearances between barcode and window edges not maintained during "insert shift."
- f. ☐ Extraneous matter in barcode clear zone.
- g. ☐ Other _____

6. Other

- a. ☐ Aspect ratio not met.
- b. ☐ Minimum height (3½ inches) not met.
- c. ☐ Minimum length (5 inches) not met.
- d. ☐ Minimum thickness not met.
- e. ☐ Piece improperly sealed (explain) _____

Business Reply Mail (BRM)

Related QSGs: 811, 923, 924

922

Quick Service
Guide

Overview For an annual fee, a BRM permit is available for distributing business reply cards, envelopes, self-mailers, cartons, or labels. Business reply mail (BRM) allows the permit holder to receive First-Class Mail back from customers by paying postage only on the mail returned. The BRM permit holder guarantees payment of First-Class postage plus a per-piece fee for pieces returned by the USPS (see payment options below). When designing a BRM mailpiece or label, mailers must consult with their local postal business center or post office. The piece must conform to a specific format to qualify as BRM including a unique ZIP+4 code assigned by the USPS. Proofs should be approved by the USPS before printing. On the reverse is a layout example for a BRM envelope. BRM pieces distributed in automation rate mailings are required to meet automation compatibility standards.

Payment Options (S922) Business Reply (Basic Service)—Annual permit fee \$85.00. Per piece charge \$0.44 plus First-Class postage. Paid through postage-due account or in cash on delivery. Used for cards, envelopes, self-mailers, cartons, or business reply labels.

Basic Service
Cost per piece
First-Class postage + 44¢
Letter (1 oz.) 32¢ + 44¢ = 76¢
Card Rate 20¢ + 44¢ = 64¢

Business Reply Accounting Fee Service (Large Volume)—Annual permit fee \$85.00 plus annual BRM accounting fee of \$205.00. Per piece charge \$0.10 plus First-Class postage. Paid through BRM advance deposit account only. Used on cards, envelopes, self-mailers, cartons, or business reply labels. Best suited if return volume is approximately 600 pieces or more per year.

Accounting Fee Service
Cost per piece
First-Class postage + 10¢
Letter (1 oz.) 32¢ + 10¢ = 42¢
Card Rate 20¢ + 10¢ = 30¢

Business Reply Mail Accounting System (BRMAS) (Large Volume, Automation-Compatible)—Annual permit fee of \$85.00 plus annual BRM accounting fee of \$205.00. Per piece charge \$0.02 plus First-Class postage. Paid through BRM account only. Used on automation-compatible cards and letter-size mail weighing up to 2 ounces if design is approved for BRMAS before distribution by USPS (S922.2). Requires the USPS to assign a unique ZIP+4 and barcode (no cost), for each rate category. Best suited when expected BRM return volume is approximately 500 pieces or more annually.

BRMAS
Cost per piece
First-Class postage + 02¢
Letter (1 oz.) 32¢ + 02¢ = 34¢
Card Rate 20¢ + 02¢ = 22¢

Other Post Offices A BRM permit holder can allow its affiliated agents to use that permit number to receive company business reply mail at any other post office. The original permit holder must supply the affiliate with a letter authorizing the use of the BRM permit and a copy of the USPS receipt showing the annual fee payment for that permit. That information, in turn, must be supplied to the affiliate's local post office, which will also assign a BRM ZIP+4 code(s) and barcode(s), as appropriate. The affiliate's mailpiece design should be approved by the USPS, using any of the above payment methods to receive the mail. Any fee or charge beyond the annual permit fee is paid by the affiliate's office.

Official Mail Authorized users of official mail may distribute BRM, subject to E060 and S922.

This guide is an overview only. For the specific DMM standards applicable to this category of mail, consult the DMM sections referenced above and the general sections within each DMM module.

Business Reply Mail (BRM)

Business Reply Mail Layout

Permit Holder Space: May contain information such as return address, logos, distribution codes, and form numbers.

Company Logo: A company logo is permitted in the address block if it does not extend below the top of the delivery address line and interfere with required endorsements (S922.4.8).

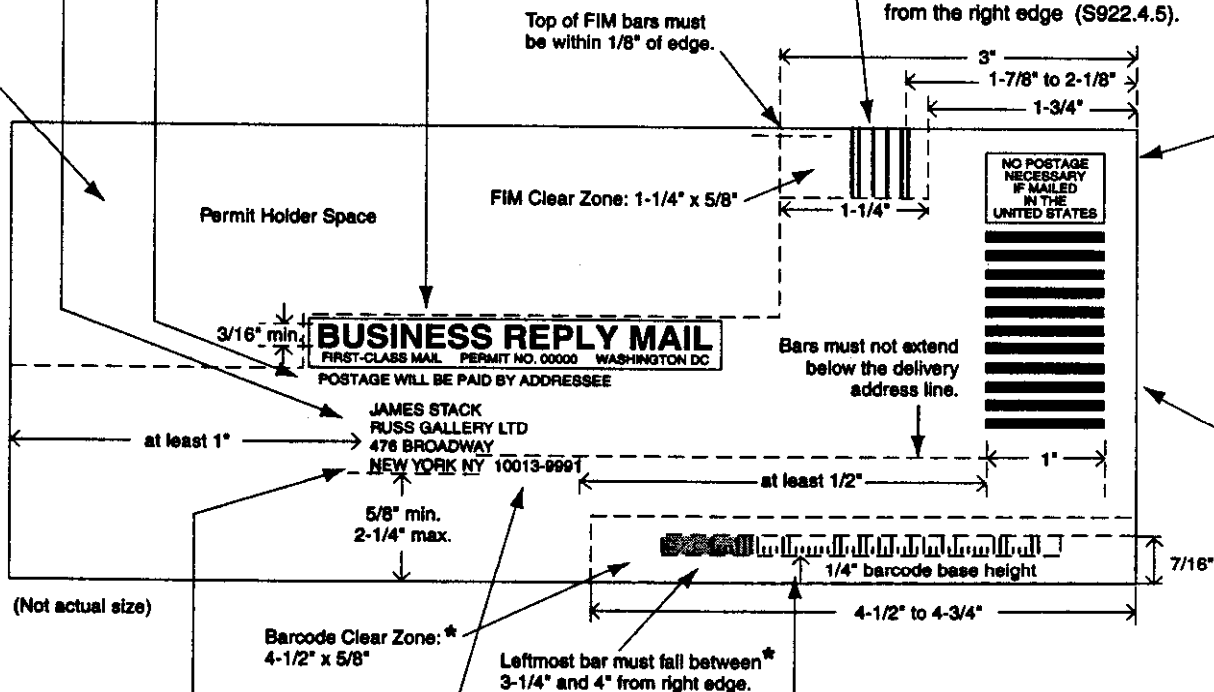
Postage Paid Line: Place the statement "POSTAGE WILL BE PAID BY ADDRESSEE" (in capital letters) under the business reply legend box (S922.4).

Business Reply Legend Box: The words "BUSINESS REPLY MAIL" are required above the address in capital (uppercase) letters. Immediately below, the words "FIRST-CLASS MAIL PERMIT NO." followed by the permit number and the name of the issuing post office (city and state) in capital letters (S922.4).

Facing Identification Mark (FIM): A FIM pattern (specifically FIM B without barcode or FIM C with barcode) is required on all BRM postcards and letter-size mailpieces.

FIM Location: A FIM clear zone must contain no printed matter other than the FIM pattern. FIM bars must be between 1/2 and 3/4 inch high and 0.03125 (1/32 inch) plus or minus 0.008 inch wide (S922.4.10).

Postage Endorsement Indicia: "NO POSTAGE NECESSARY IF MAILED IN THE UNITED STATES" must appear in the upper right corner of the mailpiece, must not extend more than 1-3/4 inches from the right edge (S922.4.5).



Address Format: The complete address, including the name of the permit holder (company or individual), must be printed on the mailpiece. Address block barcodes *not* permitted.

ZIP Code: A unique ZIP+4 code is assigned to each BRMAS BRM piece.

Before printing, submit proofs of BRM samples to your postal business center or post office for advice and approval. Take advantage of this service—it could save you money.

* Delivery point barcode *not* permitted, but mailer may provide expanded clear zone measuring 4-3/4" from right edge. When using expanded clear zone, the leftmost bar must be between 3-1/2" and 4-1/4" from right edge (S922.5).

POSTNET Barcode Location: The barcode must be located here (unless an address block barcode is used on a window envelope or printed address label). The barcode must be a ZIP+4 barcode. This area must be free of any printing other than the barcode. A free camera-ready barcode positive may be obtained from your local postal business center (S922.5).

Dimensions: Between 3-1/2 by 5 inches and 6-1/8 by 11-1/2 inches. To qualify for postcard rate, postcards must be between 3-1/2 by 5 inches and 4-1/4 by 6 inches. Larger postcard sizes are available; however, they are charged at regular First-

Class Mail letter rate. Postcard thickness must be between 0.007 and 0.016 inch.

Additional standards apply to BRMAS pieces (S922.7).

A surcharge is assessed for nonstandard mailpieces.

Ink/Paper Colors and Type Styles: Not all colors of paper and/or ink and type styles are compatible with automated equipment. Contact your local postal business center or your postmaster for guidance.

All letter-size reply cards and envelopes (business reply, courtesy reply, and metered reply mail) provided as enclosures in automation First-Class, automation Regular Periodicals, and automation Regular and Enhanced Carrier Route Standard Mail must meet the standards in C810.8.

Page 7 of 12

Courtesy Reply Mail (CRM)

923

Quick Service
Guide

Overview Courtesy reply mail (CRM) consists of preaddressed postcards or envelopes provided by the mailer to customers both to expedite their responses and to provide more accurate delivery. It differs from business reply mail (BRM) in that no fees are required and the respondent is responsible for applying the correct postage before mailing back the card or envelope. CRM can come back faster because it is prepared with the correct address and barcode to take advantage of automated USPS processing.

The USPS provides *free of charge* the FIM (facing identification mark) and the appropriate barcode to print on CRM pieces. The guidelines on the reverse will help optimize the use of this format.

Market research shows that providing barcoded envelopes makes good business sense:

- Barcoded reply envelopes can be processed (delivered) faster by the post office.
- Customers save the time required to find an envelope, look up an address, and then write or type the return address.
- Customers with correctly addressed return envelopes do not make addressing errors that can delay your returns.
- Customers and donors return payments and pledges significantly faster when supplied with a return envelope.
- Providers of return envelopes get remittance faster for optimum cash flow.
- Customers who are "thanked" by the back copy on the envelope flap are more likely to repeat the performance of mailing remittances or donations.
- Automated processing of properly prepared barcoded reply mail provides accurate sorting and eliminates mail delay.
- Customers have positive attitudes about creditors, marketers, and fundraisers who show thoughtfulness in providing reply envelopes.
- Providers of reply mail envelopes get orders faster, reducing inventories and their investment in them.
- Providers of reply envelopes receive and fulfill orders sooner, which improves customer relations.
- Providers using barcoded reply envelopes see faster initial response, giving them an earlier projection of future activity.

Barcodes (C840) Barcodes may be placed either in the address block or in the lower right barcode clear zone. The correct barcode could be a delivery point barcode; a ZIP+4 barcode, if the address is assigned an individual (unique) ZIP+4 code; or, in some cases, a 5-digit barcode if the address is assigned a firm (unique) 5-digit ZIP Code.

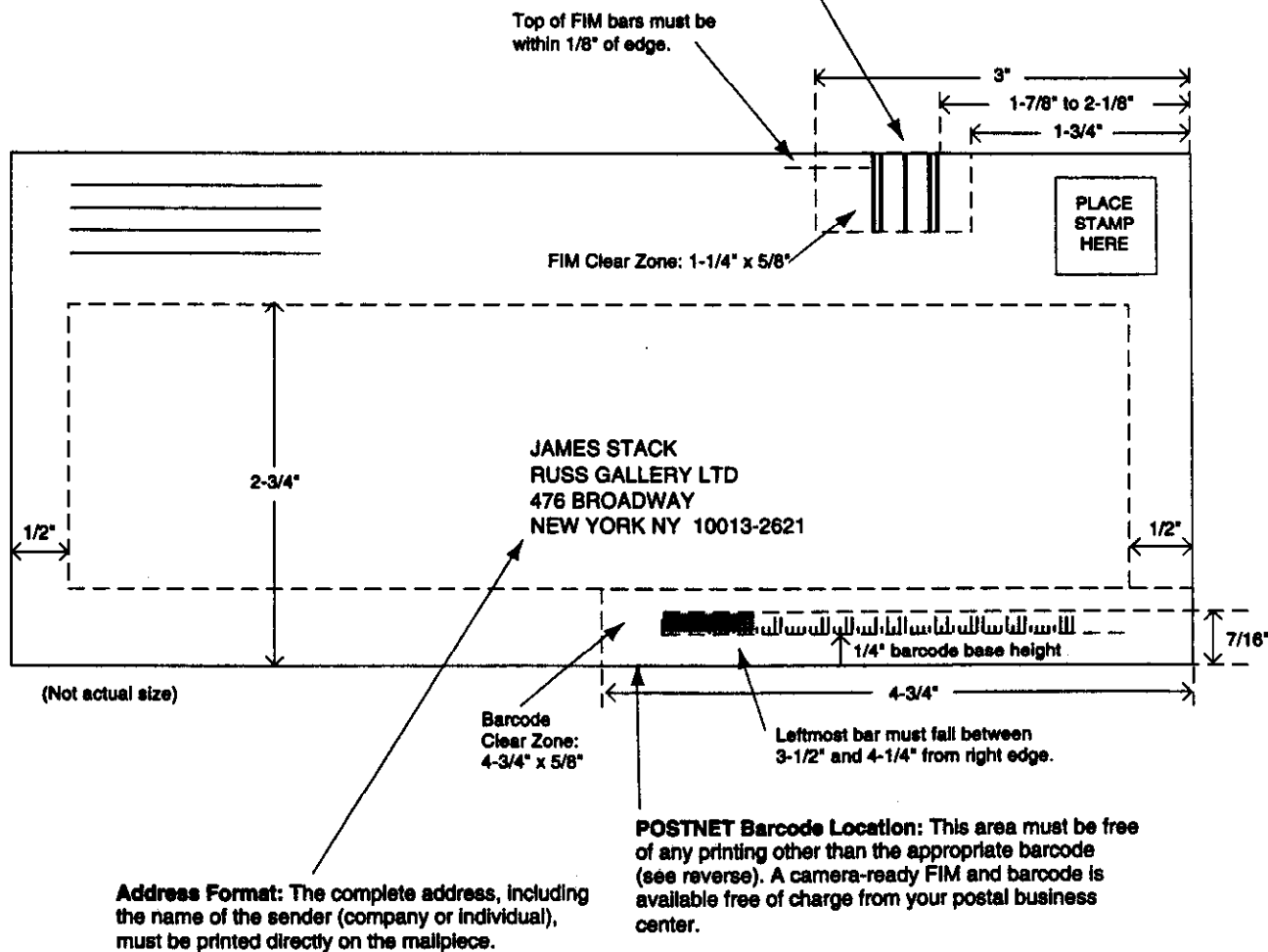
All letter-size reply cards and envelopes (business reply, courtesy reply, and metered reply mail) provided as enclosures in automation First-Class, automation Periodicals, and automation Standard Mail (A) must meet the standards in C810.8.

Page 8 of 12

Courtesy Reply Mail Layout Guidelines

Facing Identification Mark (FIM): Use FIM A on all courtesy reply mail postcards and letter-size mailpieces with the appropriate POSTNET barcode. This permits computerized cancellation equipment to align, postmark, and direct the mailpiece properly.

FIM Location: A FIM clear zone must contain no printed matter other than the appropriate FIM A pattern. FIM bars should be between 1/2 and 3/4 inch high and 0.03125 (1/32 inch) (± 0.008 inch) wide.



Dimensions: Between 3-1/2 by 5 inches and 6-1/8 by 11-1/2 inches. To qualify for postcard rate, postcards must be between 3-1/2 by 5 inches and 4-1/4 by 6 inches. Larger postcard sizes are mailable; however, they are charged at the regular First-Class Mail letter rate. Postcard thickness

must be between 0.007 and 0.016 inch.

If letter mail is more than 4-1/4 inches high or more than 6 inches long, it should be at least 0.009 inch thick.

A surcharge is assessed for nonstandard mailpieces.

Ink/Paper Colors and Type Styles: Not all colors of paper and/or ink and type styles are compatible with automated equipment. Contact your postal business center or postmaster for guidance.

All letter-size reply cards and envelopes (business reply, courtesy reply, and metered reply mail) provided as enclosures in automation First-Class, automation Periodicals, and automation Standard Mail (A) must meet the standards in C810.8.

Meter Reply Mail (MRM)

924

Quick Service
Guide

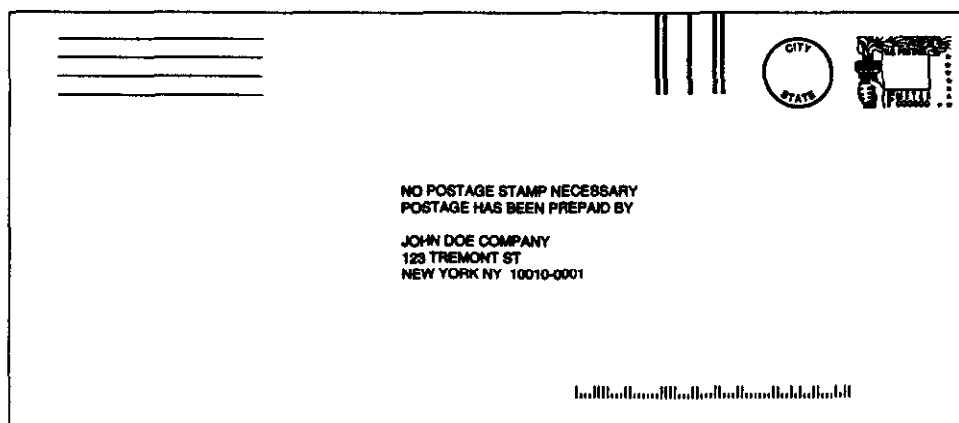
Overview (P030) Meter stamps may be used to prepay reply postage on Express Mail, Priority Mail (up to 5 pounds), and all First-Class postcards, letters, and flats up to a maximum of 11 ounces; single-piece Special Standard Mail and Library Mail rates.

The USPS provides *free of charge* the FIM (facing identification mark) and appropriate barcode to print on meter reply mail pieces. The guidelines on the reverse will help optimize the use of this format.

The following conditions apply (P030.1):

- Meter stamp amount must be enough to pay postage in full, at next higher whole cent amount, or at another rate permitted by standard.
- Meter impressions on reply cards and envelopes must fully prepay the correct postage (P030.1).
- Meter stamps may be printed directly on mailpiece or address label that bears the delivery address of the meter license holder. A label must adhere so that, once applied, it cannot be removed in one piece.
- Postage on Priority Mail over 11 ounces, single-piece Special Standard Mail rate, or Library Mail may be paid only with meter-stamped address labels.
- Any photographic, mechanical, or electronic process (other than handwriting, typewriting, or handstamping) may be used to prepare the address side of reply mail. The address side must follow the style and content of the example below. The USPS will provide, free of charge, a FIM (facing identification mark) and the correct ZIP+4 code and delivery point barcode to be printed on the envelope.
- Reply mail prepaid with meter stamps is delivered only to the address of the license holder.
- Meter postmarks used to prepay reply postage must not show the date.

Barcodes (C840) Barcodes may be placed either in the address block or in the lower right barcode clear zone. The correct barcode could be a delivery point barcode; a ZIP+4 barcode, if the address is assigned an individual (unique) ZIP+4 code; or, in some cases, a 5-digit barcode if the address is assigned a firm (unique) 5-digit ZIP Code.



Metered reply mail on which the mailer failed to imprint a meter stamp is treated as BRM. Such mail is delivered after payment of postage and the applicable fee for BRM not paid by an advance deposit account (P011.1).

All letter-size reply cards and envelopes (business reply, courtesy reply, and metered reply mail) provided as enclosures in automation First-Class, automation Regular Periodicals, and automation Regular and Enhanced Carrier Route Standard Mail must meet the standards in C810.8. For all other meter reply mail pieces, the use of FIMs and barcoding is encouraged.

This guide is an overview only. For the specific DMM standards applicable to this category of mail, consult the DMM sections referenced above and the general sections within each DMM module.

Page 10 of 12

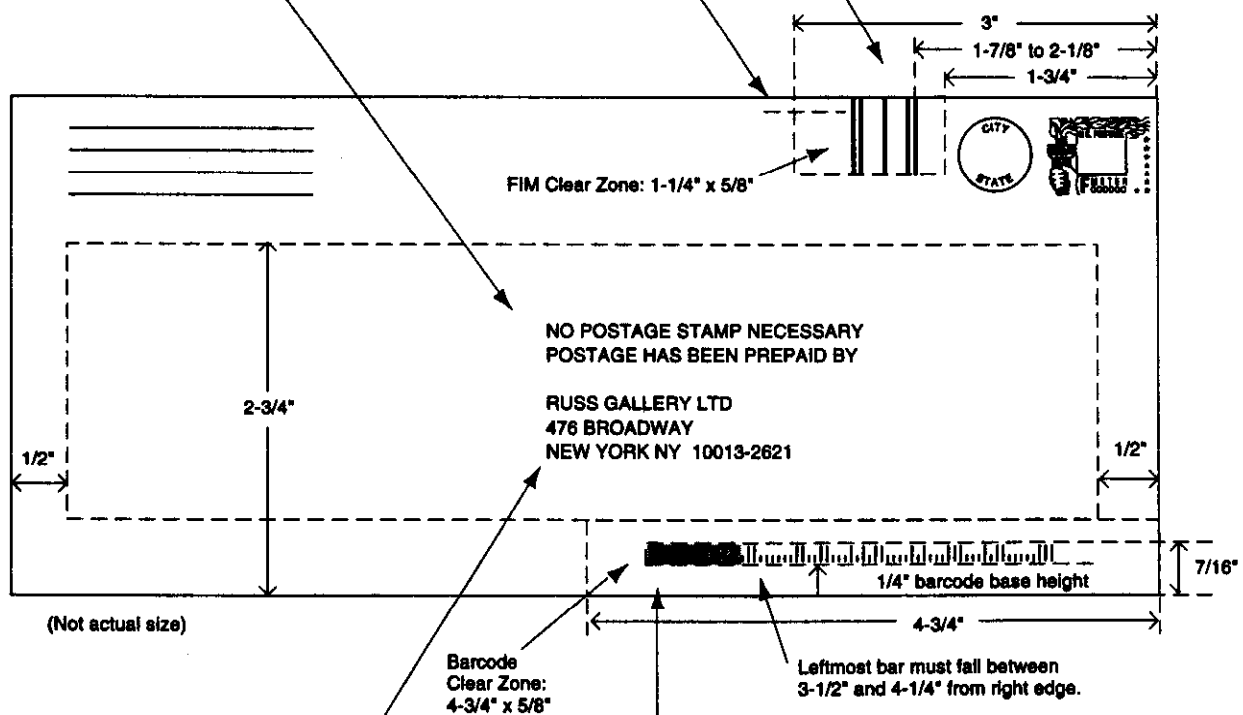
Meter Reply Mail Layout Guidelines

Facing Identification Mark (FIM): Use FIM A on all meter reply mail postcards and letter-size mailpieces with the appropriate POSTNET barcode. This permits computerized cancellation equipment to align, postmark, and direct the mailpiece properly.

FIM Location: A FIM clear zone must contain no printed matter other than the appropriate FIM A pattern. FIM bars should be between 1/2 and 3/4 inch high and 0.03125 (1/32 inch) (± 0.008 inch) wide.

Legend: The words "NO POSTAGE STAMP NECESSARY POSTAGE HAS BEEN PREPAID BY" are required above the address in capital letters.

Top of FIM bars must be within 1/8" of edge.



Dimensions: Between 3-1/2 by 5 inches and 6-1/8 by 11-1/2 inches. To qualify for postcard rate, postcards must be between 3-1/2 by 5 inches and 4-1/4 by 6 inches. Larger postcard sizes are mailable; however, they are charged at the regular First-Class Mail letter rate. Postcard thickness

must be between 0.007 and 0.016 inch.

If letter mail is more than 4-1/4 inches high or more than 6 inches long, it should be at least 0.009 inch thick.

A surcharge is assessed for nonstandard mailpieces.

Ink/Paper Colors and Type Styles: Not all colors of paper and/or ink and type styles are compatible with automated equipment. Contact your postal business center or postmaster for guidance.

All letter-size reply cards and envelopes (business reply, courtesy reply, and metered reply mail) provided as enclosures in automation First-Class, automation Periodicals, and automation Standard Mail (A) must meet the standards in C810.8.

Enclosed Reply Pieces

Checking compliance in automation rate mail

LETTER-size reply mail that's enclosed in automation-rate mailings must meet the preparation standards that apply.

Such pieces must be automation-compatible, bear the correct facing identification mark (FIM), and include the correct barcode for the address to which the reply piece is being returned.

The best way to implement this standard is to notify the originator when a reply piece that doesn't comply is found in the mails. In this way, the Postal Service can review all reply pieces—regardless of how they were originally distributed—and remind reply mail users of the benefits of barcoding and automation.

No mailing should be rejected, delayed, or assessed higher postage because it contains a noncomplying reply mail piece. And mail shouldn't be held just to look for or examine enclosed reply pieces.

But if an enclosed reply mail piece is found during another verification process, its compliance with preparation standards may be checked.

We encourage customers to work with their local mailpiece design analyst (MDA) when designing reply pieces. At that time, pieces can be examined to verify that they comply with the physical standards for automation, they bear the correct FIM, and they show the correct barcode.

When reply mail pieces are identified as not com-

plying, the postal employee contacts the MDA to identify the piece, its originator (owner), and the type of deficiency (such as having no FIM or an incorrect or missing barcode). The MDA, in turn, contacts the customer with the information and helps the customer make sure that future reply mail pieces meet the standards.

Barcodes

If the address on courtesy reply mail and meter reply mail is assigned a unique ZIP+4, the barcode can be a delivery point barcode (62 bars). Otherwise, a ZIP+4 barcode (52 bars) can be used. If the address is assigned a firm (unique) 5-digit ZIP Code, a 5-digit barcode (32 bars) can be used.

Business reply mail barcodes can only use the ZIP+4 that was assigned to the returning address.

More Information

More detailed information on reply mail can be found in the October 1999 *Mailers Companion* in "Mail Design Tools on Web" (page 2). The tools themselves are at <http://pe.usps.gov>.

—Tom DeVaughan, *Mail Preparation and Standards*

MAILERS COMPANION
ADDRESS QUALITY
US POSTAL SERVICE
6060 PRIMACY PKWY STE 201
MEMPHIS TN 38188-0001

PRSRT STD
POSTAGE & FEES PAID
USPS
PERMIT NO. G-10

Address Service Requested

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

OCA/USPS-36. The Postal Service filed as USPS-LR-I-116, the USPS FY 98 Household Diary Study on January 12, 2000. Please provide a copy of the USPS FY 99 Household Diary Study.

RESPONSE: The FY 1999 Household Diary Study does not exist. The FY 1998 Household Diary Study (USPS-LR-I-116), issued in October 1999, is the most recent available.

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-37. In Docket No. MC95-1, the Postal Service filed USPS Library Reference MCR-82, a Reply Mail Study, prepared December 4, 1992.

- (a) Has the Postal Service updated this study or performed a similar study? If so, please provide copies of all documents related to such updates or new studies.
- (b) The report indicated:

A small percentage of reply mailers contribute the majority of processing problems. This means that most of those problems could be eliminated by working with the few mailers with the worst problems at each destinating GMF or nationally. However, this would require development of a formal mechanism to identify these mailers and their problems, and then to forward this information to the appropriate people for action. (Emphasis in the original)

Docket MC95-1, USPS library reference MCR-82 at 1.

Has a formal mechanism to identify these mailers and their problems been established? If so, please explain how the formal mechanism operates. If not, please explain why one has not been developed.

- (c) USPS library reference MCR-82 at 1 also notes that

20% of analyzed reject mailpieces had problems to which the Postal Service contributed. For example:

- 13% of rejected mailpieces had FIM interference caused by the postage, mainly meter strips or wide stamps.
- of rejected postcards, most of which met DMM thickness specifications, were too flimsy.
- 16% of legitimately-placed address-block barcodes had interference caused by the cancellation mark.

Do these problems still cause mailpieces to be rejected? If so, what steps is the Postal Service taking to resolve the problems? If these reject problems no longer occur, please explain how the problems were resolved.

RESPONSE:

- (a) No.

**RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES
OF THE OFFICE OF THE CONSUMER ADVOCATE**

RESPONSE to OCA/USPS-37 (continued)

- (b) It is not exactly certain what was meant by a "formal" mechanism, but Business Reply Mail envelopes and cards intended for use by BRM recipients are subject to a pre-approval by USPS mailpiece design analysts. See also response to OCA/USPS-35.

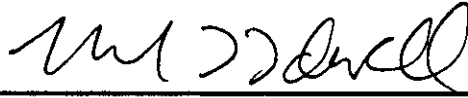
Field mail processing personnel regularly analyze automation rejects to identify physical characteristics of specific reply cards and envelopes which may result in mail processing problems. Local USPS customer service representatives and mailpiece design analysts respond to reports from mail processing personnel and contact specific reply mail card and envelope producers to identify potential sources of problems and to achieve compliance with Domestic Mail Manual requirements, in order to eliminate or minimize mail processing problems.

USPS Headquarters Pricing and Product Design (Mail Preparation and Standards) also receives information from field customer service units and consults with mail processing personnel to determine if DMM requirements need to be changed or clarified and works with customers to improve compliance with DMM requirements.

- (c) The problems reported in the December 1992 Reply Mail Study were based upon data collected in October/November of 1991 and relate to mailpiece design requirements in effect at the time. There have been changes in FIM clear zone, barcode clearance area, and OCR read area requirements since 1991. As indicated in response to part (a), no update of the 1992 study has been performed which would indicate the extent to which any of the phenomena still occur under more recent mailpiece design requirements.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

A handwritten signature in black ink, appearing to read "Michael T. Tidwell", written over a horizontal line.

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998 Fax -5402
February 10, 2000