

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

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF MAJOR MAILERSS ASSOCIATION  
REDIRECTED FROM WITNESS MILLER  
(MMA/USPS-T22-28(C-F),29(E-J) AND 30)

The United States Postal Service hereby provides its responses to the following interrogatories of Major Mailers Association: MMA/USPS-T22-28(C-F), 29(E-J), and 30, filed on October 24, 2001.

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

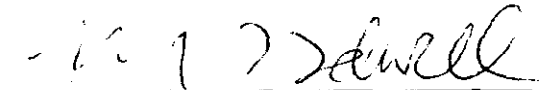
The interrogatories have been redirected from witness Miller to the Postal Service for response

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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November 9, 2001

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
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**MMA/USPS-T22-28** Please refer to page 20 of your Direct Testimony and page 1 of Library Reference USPS LR-J-60, where you assume that the unit delivery cost for metered letters would be the same as for non-automation, machinable mixed AADC letters.

- C. What percent of First-Class single piece letters is projected to be delivered to post office boxes in the test year? Please explain the basis for your answer and provide all calculations.
- D. What percent of First-Class metered mail letters is projected to be delivered to post office boxes in the test year? Please explain the basis for your answer and provide all calculations.
- E. What percent of First-Class non-automation machinable AADC letters is projected to be delivered to post office boxes in the test year? Please explain the basis for your answer and provide all calculations.
- F. What percent of First-Class presorted letters is projected to be delivered to post office boxes in the test year? Please explain the basis for your answer and provide all calculations.

**RESPONSE:**

- (C) The Postal Service does not have data responsive to this request.
- (D) The Postal Service does not have data responsive to this request.
- (E) The Postal Service does not have data responsive to this request.
- (F) The Postal Service does not have data responsive to this request.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
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**MMA/USPS-T22-29** Please refer to page 8 of your Direct Testimony, where you state “[my] analysis relies upon shape-specific CRA mail processing unit costs, which are reported by cost pool in the In-Office Cost System (IOCS).”

- E. For the Base Year and the most recent 12 months for which information is available, how many First-Class automation mailers has the USPS made arrangements with to have their high volume automation mail plant loaded?
- F. For the Base Year and the most recent 12 months for which information is available, how many geographically distinct First-Class mailer facilities are covered by plant loading arrangements?
- G. Please provide all documents describing the policies and criteria used by the USPS in deciding which First-Class mailers should plant load their automation mail.
- H. When did the Postal Service first begin having First-Class mailers plant load their automation mail?
- I. For each year since the Postal Service began having First-Class automation mailers plant load their mail, please provide the total number of First-Class mail letters that were plant loaded. Please provide the sources for your answer.
- J. Please provide all studies or other documents which describe and/or quantify the cost savings and other benefits that the USPS derives from having First-Class mailers plant load their mail.

**RESPONSE:**

- (E) The Postal Service does not have data responsive to this request.
- (F) The Postal Service does not have data responsive to this request.
- (G) Please see the Domestic Mail Manual (DMM) Sections D020 and M074. In addition, please see Postal Service Form 3815 (Attachment 1) and Postal Bulletin 22060 pages 13-23 (Attachment 2).
- (H) Mailers have plant loaded their mail since the mid-1970's.
- (I) The Postal Service does not have data responsive to this request.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
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**MMA/USPS-T22-29 (CONTINUED):**

- (J) These analyses are performed on a local level and are not always class-specific. The Postal Service has not attempted to measure the cost savings, by class or in total, on a nationwide basis.


United States Postal Service

# Plant-Load Authorization Application, Worksheet, and Agreement

Mailer: Complete Page 1.

## A. Mailer/Plant Information

The mailer returns this completed form to the local postmaster. The mailer completes a new Form 3815 at least once every 4 years, or more frequently when requested by the Postal Service. This form must be signed by the mailer at the time of application, and signed by the Postal Service, if approved. When requested by the mailer, the postmaster initially completes appropriate sections of this form.

1. Request Date		2. Requested Start-Up Date	
3a. Company Name		3b. TIN (Tax Identification Number)	
4. Name of Contact		6. Contact's Title	
5. Address (No., Street, Apt./Ste. No., City, State, ZIP + 4)		7. Telephone (Include Area Code)	
8. Dock 	a. Height	b. Number of Stalls	c. Overhead Extension Clearance (If applicable)
9. Hours of Operation		12. Is optional procedure currently authorized? <input type="checkbox"/> Yes <input type="checkbox"/> No	
10. Operation Days (Check applicable box) <input type="checkbox"/> Sunday <input type="checkbox"/> Tuesday <input type="checkbox"/> Thursday <input type="checkbox"/> Saturday <input type="checkbox"/> Monday <input type="checkbox"/> Wednesday <input type="checkbox"/> Friday		11. Permit No.(s) Authorized (Attach list) a. <input type="checkbox"/> b. <input type="checkbox"/> c. <input type="checkbox"/>	
13. Does Mailer have scales? <input type="checkbox"/> Yes <input type="checkbox"/> No		14. If YES, State Maximum Capacity	
15. If YES, are scales floor scales? <input type="checkbox"/> Yes <input type="checkbox"/> No			

## B. Class of Mail and Payment Method for Plant-Load

Payment Method	First-Class Mail	Periodicals	Standard Mail	Package Services	Payment Method	First-Class Mail	Periodicals	Standard Mail	Package Services
1. Precanceled Stamps					5. Manifest Mailing System				
2. Permit Imprint					6. Centralized Postage Payment				
3. Official Mail					7. Other (Explain):				
4. Meter									

## C. Mail Profile

1. Type(s) of Mail (Check one or more boxes) <input type="checkbox"/> Letter Size <input type="checkbox"/> Irregular Parcels <input type="checkbox"/> Flat Size <input type="checkbox"/> Outsides <input type="checkbox"/> Machinable Parcels		2. Frequency of Mailing (Check one or more boxes) <input type="checkbox"/> Daily <input type="checkbox"/> One-Time <input type="checkbox"/> Weekly <input type="checkbox"/> Other (Explain): <input type="checkbox"/> Monthly		3. Method(s) of Mailing (Check one or more boxes) <input type="checkbox"/> Trays <input type="checkbox"/> Bed Loaded <input type="checkbox"/> Sacks <input type="checkbox"/> Other (Explain): <input type="checkbox"/> Pallets/Pallet Boxes <input type="checkbox"/> Wheeled Containers	
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## D. Vehicle/Destination Information

1. Destination of Vehicles Transporting Mail (Check applicable boxes)	
Intra-District (Check below) <input type="checkbox"/> Local SCF/PDC/PDF <input type="checkbox"/> BMC/ASF/ADC	Inter-District (Check below) <input type="checkbox"/> Other BMC/ASF/ADC <input type="checkbox"/> Other P&DF/P&DC
2. Comments (Use separate sheet, if necessary)	

## E. Application Submission

It is understood that if this application is approved, all applicable postal regulations pertaining to plant loading, revenue protection, and/or optional procedure must be observed. Also, approval is conditional on the availability of equipment to transport mail from the mailer's plant. Combined mailings require each mailer to complete, sign, and attach a separate page 1 from PS Form 3815. Describe the details in Item 3. Use a separate sheet if necessary.

**NOTE:** A complete description of Plant-Load Operations can be found in Sections D020 and M074 of the Domestic Mail Manual (DMM).

Name (Mailer Representative)	Title	Telephone No. (Include area code)	Date
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#### F. Processing Steps

1. Mailer completes and signs page 1. Mailer completes areas of the Plant-Load Agreement (pp. 8 & 9), and signs agreement on page 10.
2. The local postmaster reviews form, completes pages 2 through 4 and forwards to District.
3. The Manager, Business Mail Entry at the District reviews and signs page 4.
4. The local manager, Transportation and Networks Systems (TANS), reviews application, completes cost/mail processing capacity analysis (pages 5 and 6) if appropriate. District Manager/Postmaster recommends action and signs page 7; forwards to the Area Distribution Networks (DN) office.
5. The Area Distribution Networks, reviews application, completes page 3, part H3., recommends action, signs page 7, and returns form to District.
6. If approved, the postmaster completes and signs this agreement on page 10 of this form and the District Manager completes and signs on page 10 of this form.
7. District notifies mailer of decision in writing. See Postal Operations Manual (POM) 327 and makes distribution to all parties.

#### G. Verification and Acceptance of Plant-Load Mailings

To be completed by the local postmaster performing the revenue protection procedures. Concurrence by the Manager, Business Mail Entry is required.

Please check as applicable:

- ☐ For plant load mailings to be accepted at the mailer's plant.

The postmaster and mailer will determine the hours and days of mail acceptance.  
Trained business mail entry staff will be available to verify and accept these mailings.

- ☐ For mailings to be deposited at the \_\_\_\_\_ Business Mail Entry Unit located at: \_\_\_\_\_

The postmaster and mailer will determine the days and hours of mail acceptance.  
Trained business mail entry staff will be available to verify and accept these mailings.

Mailings entered under the terms of this agreement will be verified and accepted in accordance with the standard business mail acceptance procedures outlined in Handbook DM-109, *Business Mail Acceptance Handbook*. Mailings must be prepared in accordance with the applicable standards in the *Domestic Mail Manual* or *International Mail Manual*.

## H. Plant-Load Authorization Worksheet *(Use separate sheet if necessary)*

### 1. Volume Data/Per Average Mailing *(Completed by Local Postmaster)*

*(Use current and future volume for the proposed plant-load operations)*

Information supplied by the mailer indicates that, at a minimum, the volume of mail to be presented for plant-load transportation is as follows:

a. Intra	Number of	Weight (Total lbs.)	Cubic Feet (if applicable)
i. Trays			
ii. Sacks			
iii. Pallets/Pallet Boxes			
iv. Wheeled Containers			
v. Bundles <i>(bedloaded)</i>			
vi. Parcels <i>(brickloaded)</i>			
b. Inter	Number of	Weight (Total lbs.)	Cubic Feet (if applicable)
i. Trays			
ii. Sacks			
iii. Pallets/Pallet Boxes			
iv. Wheeled Containers			
v. Bundles <i>(bedloaded)</i>			
vi. Parcels <i>(brickloaded)</i>			

### 2. Mileage from Mailer's Plant to Destination Postal Facility *(Completed by Local Postmaster)*

NOTE: Mileage is determined by referring to current *Household Goods Mover's Guide* or computer-based mileage application. If unable to provide mileage, contact DN for assistance.

a. Mailer's Plant Location and ZIP + 4	
b. Destination Postal Facility Location(s) and ZIP + 4(s)	
c. Mileage <i>(From Item 1 to Item 2)</i>	
d. By-Passed Facility/Facilities <i>(Name one or more)</i>	
i. Associate Office	
ii. Origin SCF/PDC/PDF	
iii. Origin BMC	
iv. ADC	
v. Destination BMC	
vi. Destination SCF/PDC/PDF	

### 3. Determining Percent of Vehicle Capacity *(Completed by Area DN)*

a. Type of vehicle to be used <i>(e.g., 48' trailer)</i>	
b. Weight Capacity of Vehicle <i>(e.g., 46,000 lbs.)</i>	
c. Cube Capacity of Vehicle <i>(e.g., 3,200 cu. ft.)</i>	
d. Based on percent of load and distance criteria:	
i. the information supplied by the mailer:	<input type="checkbox"/> does <input type="checkbox"/> does not
ii. qualify for:	<input type="checkbox"/> intra <input type="checkbox"/> inter <input type="checkbox"/> both
iii. service area plant load operations based on:	<input type="checkbox"/> weight <input type="checkbox"/> cube
4. Comments <i>(include capacity calculations)</i>	

### I. Inter-District Area Plant-Load Request (Completed by Local Postmaster)

Inter-District Plant-Loads are vehicle movements from the mailer's plant to a mail processing facility outside the service area of the mailer's plant. Handling at the local post office or local acceptance facility and at least one processing facility is bypassed. (See page 1, Item D1.) Inter-District Plant-Loads will be granted if the mailer can satisfy one requirement from both the minimum volume and maximum mileage columns and equipment is available. If unable to meet these requirements, the local TANS manager will perform Plant-Load cost analysis or will determine that the volume of plant-loaded mail exceeds the mail processing capacity of the local origin postal facility.

#### Minimum Volume

1. Current and future volume of mail plant-loaded is at least 28,000 lbs. and/or 2,000 cubic feet. Volume is \_\_\_\_\_ pounds/cubic feet.

☐ If Yes, go to number 3.

☐ If No, go to number 2.

2. Mailings of two or more mailers located in the same service area are combined to meet minimum volume requirements.

☐ If Yes, go to number 3.

☐ If No, local TANS manager completes pages 5 and 6.

Total mail volume by weight or cube is \_\_\_\_\_  
Mailer's name(s), locations, and volumes (weight or cube) to be combined are:

#### Maximum Mileage

3. Mileage from the mailer's plant to the destination postal facility is 275 miles or less and the plant-load bypasses origin SCF/PDC/PDF and at least one ADC, BMC, or ASF.

☐ If Yes, provide mileage \_\_\_\_\_

☐ If No, go to number 4.

4. Mileage from mailer's plant to the destination postal facility is 150 miles or less and the plant load bypasses only the origin SCF/PDC/PDF.

☐ If Yes, provide mileage \_\_\_\_\_

☐ If No, local TANS manager completes pages 5 and 6.

### J. Intra-District Area Plant-Load Request

Intra-District Plant-Loads are vehicle movements from mailer's plant to a postal facility that has the post office of the mailer's plant within its service area. Handling at the local post office or local acceptance facility is bypassed. Intra-District Plant-Loads will be granted if the mailer can satisfy one requirement from both the minimum volume and maximum mileage columns and equipment is available. (See page 1, Item D1.) If unable to meet these requirements, the local TANS manager will perform Plant-Load cost analysis.

#### Minimum Volume

1. Current and future volume of mail to be plant loaded is at least 23,000 lbs. and/or 1,600 cubic feet. Volume is \_\_\_\_\_ pounds/cubic feet.

☐ If Yes, go to number 3.

☐ If No, go to number 2.

2. Combined plant loads of two or more mailers located in the same service area and verified at the mailer's plant meet minimum volume requirements.

☐ If Yes, Go to number 3.

☐ If No, local TANS manager completes pages 5 and 6.

Total mail volume by weight or cube is \_\_\_\_\_  
Mailer's name(s), locations, and volumes (weight or cube) to be combined are:

#### Maximum Mileage

3. Distance from mailer's plant to destination postal facility is 150 miles or less.

☐ If Yes, name of destination postal facility and mileage:

☐ If No, local TANS manager completes pages 5 and 6.

### K. Signatures

#### 1. Postmaster

a. Printed Name

c. Address

b. Office

d. ☐ Recommend Approval ☐ Recommend Disapproval

e. Signature

f. Telephone No. (Include area code)

g. Date

#### 2. Manager, Business Mail Entry, Review and Concurrence

a. Signature

b. Printed Name

c. Telephone No. (Include area code)

d. Date

## L. Plant-Load Cost Analysis *Continued from PS Form 3815, Attachment 1*

NOTE: Cost analysis must only be based on mail to be transported by postal furnished transportation. Plant-verified drop shipment and collection mail must not be included in this calculation.

### Instructions

#### 1 — Review the Application

Confirm accuracy of mailer's data for type of services required and resolve discrepancies. Check appropriate box.

- ☐ Minimum volume and maximum mileage criteria are met, and equipment is available or can be obtained. *(If this is true, approve application and complete Section 4—Action on Page 7.)*
- ☐ Criteria are not met. *(If this is true, proceed to Section 2—Cost Analysis.)*

#### 2 — Complete Cost Analysis

##### Step A — Matrix

Do present and future volumes exceed 60 percent of vehicle capacity? ☐ Yes ☐ No

If No, go to Step B—Detailed Cost Analysis (Page 6).

If Yes, refer to the matrix below.

The following matrix summarizes a cost-avoidance analysis that demonstrates a net cost savings for the Postal Service. Using the information confirmed in Section 1, above, determine the percent of vehicle capacity, type of service (intra- or inter-) and facilities by-passed.

Is the mileage of the proposed plant load less than the maximum permissible mileage in the matrix? ☐ Yes ☐ No

If Yes, approve application and complete Section 4—Action (Page 7).

If No, go to Step B—Detailed Cost Analysis (Page 6).

NOTE: Detailed cost analysis criteria must be applied to highway transportation plant-loads only. Rail movements need not be reviewed under detailed cost analysis.

**Cost Effective Plant-Loads for Movements Less than Indicated Mileage**

Percent of Load	60%	70%	80%	90%	100%
Maximum Miles	150	175	200	225	250
Inter-District Area Maximum Miles					
By-Passing: SCF/PDC/PDF	150	175	200	225	250
ASF and BMC	275	300	350	375	425

**Step B — Detailed Cost Analysis**

Local TANS manager completes this section with the assistance of local Finance and In-Plant Support. If Step B—*Detailed Cost Analysis* shows a net benefit to the Postal Service, approve the application and complete Section 4—*Action* (Page 7). If Step B—*Detailed Cost Analysis* does not show a net benefit to the Postal Service, and the movement is inter-district area, go to Section 3—*Mail Processing Capacity* (below).

Full Year		Workhours	No. of Trips	Cost per Hour or Trip	Total Expense
1. Other	Clerk				
	Mailhandler				
	PVS	Vehicle			
		Driver			
	HCR Costs				
	Cost Without Plant Load				
	Totals →				
2. Cost With Plant Load	Clerk				
	Mailhandler				
	PVS	Vehicle			
		Driver			
	Postal Equipment				
	HCR Costs				
	Verification Travel				
	Other				
	Totals →				
	Total Expense (Item 1 Total subtracted from Item 2 Total) →				

**3.—Mail Processing Capacity**

This part is applicable only if:

- The minimum volume and maximum mileage criteria are not met, and
- The detailed cost analysis does not show a net benefit to the Postal Service.

The volume of mail to be plant-loaded averages \_\_\_\_\_ lbs. per day.

This volume of mail:

a. Will result in the volume of mail processed by the local origin postal facility to exceed its mail processing capacity.  
☐ Yes    ☐ No    (If Yes, approve application and go to Part 4—Action page 7.)

b. Can be processed by the local origin postal facility.  
☐ Yes    ☐ No    (If Yes, deny application and go to Part 4—Action page 7.)

c. List individual(s) responsible for conducting Plant-Load Cost Analysis and Mail Processing Capacity Analysis

Name	Title	Telephone No. (Include area code)	Date

Comments

4—Action

Office		Printed Name	Signature	Date Signed	Approval		Disapproval	
					Recommend	Final	Recommend	Final
Local TANS Manager					<input type="checkbox"/>		<input type="checkbox"/>	
District Manager, Customer Service	Intra-District Plant-Load					<input type="checkbox"/>		<input type="checkbox"/>
	Inter-District Plant-Load				<input type="checkbox"/>		<input type="checkbox"/>	
Area DN Manager	Intra-District Plant-Load				<input type="checkbox"/>		<input type="checkbox"/>	
	Inter-District Plant-Load					<input type="checkbox"/>		<input type="checkbox"/>

Comments: List reason(s) for Approval/Disapproval (Use separate sheet, if necessary. Enter your name, telephone number, and office name issuing disapproval.)

5—Appeal

Area V.P. Operations	Printed Name	Signature	Date	Sustain	Deny

**M. Plant-Load Agreement** (Completed by Mailer, Local Postmaster, and Area DN)

(of)

(Firm Name)

(Firm Address)

hereinafter referred to as mailer, hereby agrees to comply with the terms and conditions for plant-load operations provided by the United States Postal Service. The Postal Service agrees to provide the mailer plant-load operations in accordance with *Domestic Mail Manual (DMM) D020 and M074* and this Agreement, as follows:

**1. Location of Plants**

The mailer operates a plant(s) at the following location(s) at which plant-load operations are authorized by the Postal Service in accordance with DMM requirements:

(Plant Location)

(Street Address)

(Plant Location)

(Street Location)

(Plant Location)

(Street Address)

**2. Loading Facilities**

The mailer agrees to provide adequate rail and/or truck dock accommodations needed to load the volume of mail it tenders to the Postal Service daily.

**3. Notification to Postal Service of Plant-Load Movements**

a. Mailer agrees to notify the Postal Service, at

(Location) (Telephone number) (Office hours)

at least \_\_\_\_ hours/days in advance of each plant load movement. Notification must include the following: (1) the maximum number of vehicles the mailer will load each day; (2) the destination of the vehicles to be dispatched each day; and (3) whether the mailer will detain any vehicles in accordance with DMM D020.

b. Mailer agrees to notify the Postal Service, at

(Location) (Telephone number) (Office hours)

at least \_\_\_\_ hours in advance of each plant-load movement already scheduled which is to be cancelled, or notify the Postal Service in advance per the attached listing by destination/contract route number and the Postal Service representative/telephone number. Mailer is liable to the

Postal Service for any cost associated with the cancellation of scheduled dispatches as a result of the mailer's failure to notify the Postal Service per this clause.

c. Mailer agrees to notify the Postal Service at least 30 days in advance of any planned closing, or change in ownership, of any mailer's plant(s) authorized plant-load service.

**4 Acceptance and Verification** (Circle [a] or [b])

a. Postal Service employee(s) will accept and verify mail at the mailer's plant. The mailer agrees to provide adequate scale(s) to allow mail to be weigh-verified for postage verification purposes. The mailer agrees to provide secure and sufficient space to the Postal Service in a clean, safe location within view of the loading area which provides for the safe keeping of documents, seals, placards and other postal equipment and various documentation retained by the Postal Service. Local postmaster will ensure mailer compliance with *Postal Operations Manual (POM)* and *HBK PO-512, Plant Loading Authorization and Procedures Guidelines*.

b. The mailer plant-loaded mail will be verified at a postal facility in accordance with the DMM. The mailer agrees to load the transportation vehicle and place a placard supplied by the Postal Service in the vehicle indicating that verification of the mail is required. The mailer may also be required to place a placard, supplied by the Postal Service, on the outside door of the vehicle, indicating that verification of the mail is required.

**5. Loading of Transportation Vehicle**

a. The mailer agrees to load each transportation vehicle supplied by the Postal Service in accordance with the requirements set forth in the DMM. For mail verified under Section 4-a above, after the mail has been verified and accepted by Postal Service employee(s), the mailer will plant-load the vehicle(s) under Postal Service observation. The mailer is responsible for ensuring proper weight distribution of the mail loaded onto the vehicle, ensuring the vehicle's legal weight limit is not exceeded and, if required, ensuring proper blocking and bracing to prevent damage to the mail or equipment, or injury to Postal Service employees.

b. The mailer agrees to sequence the loading of transportation vehicles, and/or their contents, if requested by the Postal Service.

c. If the mailer loads more than one mailing on a single transportation vehicle, the mailer agrees to submit the required postage statements and related documentation, and, if requested by the Postal Service, to physically separate each mailing. If a mailing is loaded on more than one vehicle, the mailer agrees to furnish the Postal Service with a postage statement identifying the quantity and total weight of mail loaded on each vehicle for each mailing or mailing segment. All applicable postage statements and related documentation must be provided to the Postal Service in a timely manner to allow processing before the scheduled dispatch of the mailings/vehicles.

d. The mailer agrees to load each transportation vehicle within \_\_\_\_ hours after the vehicle arrives at the mailer's plant. This applies to live loading of vehicles and does not apply to a drop-and-pick vehicle operation unless otherwise stated in this Agreement.

**M. Plant-Load Agreement (Continued)**

e. The mailer agrees to reimburse the Postal Service for the cost of damages to postal furnished equipment caused by the mailer or the mailer's employees or agents.

f. The mailer agrees to prepare destination vehicles as applicable in accordance with DMM M074.

g. The mailer agrees to withhold all mail for local processing and comply with local instructions for loading and dispatch of mail in accordance with Handbook PO 512, *Plant Loading Authorization and Procedures Guidelines*.

**6. Payment of Postage (Circle all that apply)**

a. The mailer uses permit imprint indicia(s) and agrees to maintain sufficient funds on deposit to pay for each plant-load mailing at the time of mailing. If sufficient funds are not on deposit, the Postal Service will not accept mail at, or dispatch loaded vehicles from, the mailer's plant until sufficient funds are deposited.

b. The mailer agrees to pay postage by the use of precanceled stamps or postage meter for mail that is to be plant-loaded.

c. The mailer is a federal agency or contractor for a federal agency and uses penalty mail indicia(s) in accordance with the DMM. In addition to other applicable DMM requirements, the mailer agrees to follow the requirements in DMM E060, including, if appropriate, preparing PS Form 3602-G, *Postage Statement—Penalty Permit Imprint*.

**7. Service Commitment and Vehicle Dispatch**

The Postal Service will make every effort to meet the service standards for the class or type of mail plant-loaded or the delivery date requested by the mailer, where feasible. However, the Postal Service will not honor a mailer's request to expedite a mailing so as to deliver plant-loaded mail prior to the service standard for that class or type of mail. The Postal Service makes no guarantee, expressed or implied, that it will deliver plant-loaded mail by the service standard or requested delivery date.

**8. Reimbursement for Nonpostal Services**

The mailer agrees to reimburse the Postal Service for furnishing nonpostal services, including detention of vehicles, bobtailing, deadheading and waiting/holding, where such services are caused by the action or inaction of the mailer, as set forth in DMM D020. Whenever possible, the additional costs will be identified to the mailer in advance of the mailing. (See Appendix D of Handbook PO-512, *Plant Loading Authorization and Procedures Guidelines*, for an *Identification of Vehicle and Drayage Costs—Plant Load* form, which can be used for this purpose.)

**9. Mail Transport Equipment**

a. The Postal Service will supply various types of Mail Transport Equipment (MTE) for use at the mailer's plant for plant-load operations.

b. The equipment types authorized are indicated on the attached "Customer Supply Profile and Schedule." The mailer is not authorized the use of any equipment not indicated or approved on the profile. (See Appendix E of Handbook PO-512, *Plant Loading Authorization and Procedures Guidelines*, for a sample *Customer Supply Profile and Schedule* form.)

c. The mailer will report MTE inventories to postal personnel on a \_\_\_\_\_ basis. Furnish this information to \_\_\_\_\_  
(daily, weekly, monthly)

\_\_\_\_\_  
(name, title)

\_\_\_\_\_  
(email address)

number \_\_\_\_\_  
(postal facility)

via (check one): ☐ written notification ☐ telephone  
☐ email ☐ fax

d. The mailer must return equipment which is defective or surplus. Mailer is to return this equipment to the Postal Service at (check one):

☐ \_\_\_\_\_  
(postal facility)

☐ or return it at the mailer's plant and transport it by prearranged transportation.

e. Misuse of Mail Transport Equipment is a crime as defined under Section 1707 of Title 18 of the United States Code. The mailer must exercise proper care of all postal equipment at the mailer's facilities.

f. The mailer must update changes in customer profiles as necessary, through the mailer's local postmaster or designee, who will advise the Area Mail Transport Equipment (MTE) Coordinator. The mailer agrees to report any seasonal or emergency needs to the local postmaster.

g. The Postal Service will attempt to supply the equipment requested by the mailer. Based on current supplies at the time of request, and at the time of need, it may be necessary for the Postal Service to substitute another equipment type to satisfy the mailer's requirement. Such replacement will be conveyed to the mailer as soon as possible.

h. The Postal Service reserves the right to inspect the mailer's operations to ensure that the mailer is properly using and reporting MTE inventories, or to ensure that other applicable procedures are being followed.

**10. Amendment**

This Agreement may be amended at any time by mutual agreement of the parties. However, no amendment can contradict the provisions of the DMM.

**11. Termination (Completed by DN)**

a. The Postal Service may terminate this Agreement by giving 10 days written notice to the mailer, if the mailer's plant-load operation fails to meet the requirements of DMM Sections D020 and M074 for:

(check one):

☐ two consecutive postal accounting periods; or

☐ \_\_\_\_\_  
(days/months)

b. The Postal Service may terminate this Agreement if the mailer fails to fulfill the terms of this Agreement.

c. The mailer may terminate this Agreement by giving the Postal Service 30 days written notice.

**12. Effective Date & Commencement of Operations (Completed by DN)**

This Agreement is effective when signed by both parties. Plant-load operations will commence on \_\_\_\_\_ in the year \_\_\_\_\_.

**13. Term of Agreement (Completed by DN)**

This Agreement expires on \_\_\_\_\_

Repaired scales and new scales: Use certified test weights to field calibrate scales before placing into service.

Ascom Hasler/Triner electronic scales: Refer to the user's operation manual for these units for verification and calibration procedures. The manufacturer or existing maintenance contract handles calibration for these units.

Mechanical scales: Refer to current maintenance management orders or visit <http://www.mtsc.usps.gov> for information on verification and calibration.

#### Retail Counter Scales

POS ONE: Refer to POS ONE web site at <http://retail.usps.gov/posone> or contact your Area/District POS ONE coordinator for verification and calibration procedures. Retail unit managers or their designees handle calibration for POS ONE units.

IRT, MOS, UNISYS: Refer to current maintenance management orders or visit <http://www.mtsc.usps.gov> for information on verification and calibration. Your local field maintenance office handles calibration for these units.

\* \* \* \* \*

— Delivery and Retail, 10-4-01

#### POM REVISION

### Plant Load Operations

Effective immediately, *Postal Operations Manual (POM)* Section 327 is revised to incorporate changes to the field procedures for administering plant load operations. PS Form 3815, *Plant-Load Authorization Application, Worksheet, and Agreement*, has been revised to reflect the new procedures for processing applications for plant load authorization. The updated form is available via the intranet at <http://blue.usps.gov>; click on *Information*, then *Policies and Procedures*, then *Forms*.

We will incorporate these changes into the printed version of POM Issue 9 and into the online version available via the corporate intranet at <http://blue.usps.gov>; click on *Information*, then *Policies and Procedures*, then *Manuals*.

#### Postal Operations Manual (POM)

\* \* \* \* \*

3 Collection Service — National Service Standard

\* \* \* \* \*

32 Types of Collection Boxes

\* \* \* \* \*

327 Plant Load Operations

[Revise 327 to read as follows:]

327.1 Definitions

327.11 Plant Loading

*Plant loading* is an operation in which the Postal Service receives mail at a mailer's plant and transports it to bypass handling that otherwise would be required at one or more Postal Service facilities. Plant loads are authorized when they benefit the Postal Service (see 327.3).

#### 327.12 Expedited Plant-Load Shipment

An expedited plant-load shipment is an operation in which an authorized plant-load mailer receives additional authorization to transport a plant-loaded shipment at the mailer's expense to destination Postal Service facilities where the mail is deposited. Under an expedited plant-load shipment authorization, the Postal Service verifies the mail for pre-sort and postage at the mailer's plant, and postage is calculated from and paid at the Post Office where the mailer is authorized to plant load. DMM D020 contains mailer instructions for obtaining an expedited plant-load shipment authorization.

#### 327.13 Collection

*Collection of mail* is an operation in which the Postal Service transports mail from a mailer's plant or other authorized non-Postal Service location to the local Post Office or other designated local acceptance point. Unlike plant-loaded mail, collection of mail generally does not include any mail that bypasses a handling or requires a postage statement, except under 327.2.

#### 327.14 Mailer's Plant and Mailings

##### 327.141 Mailer's Plant

The mailer's plant is the non-Postal Service location where the mail is loaded onto transportation provided by the Postal Service.

##### 327.142 Detached Mail Unit

A detached mail unit is an area in a mailer's facility where Postal Service employees perform mail verification, acceptance, dispatch, and other Postal Service functions.

**327.143 Plant-Loaded Mailings**

Plant-loaded mailings consist of mail from one mailer or the combined mailings of two or more mailers loaded into one or more vehicles and accepted by the Postal Service at the mailers' plants when

- a. A single postage statement is prepared and submitted by the mailers if required for each mailing;
- b. Proper postage is affixed to each item; or
- c. An alternative method of paying postage using a permit imprint (e.g., manifest mailing) is used, and a single postage statement and a manifest covering the mailing are prepared and submitted by the mailer.

**327.144 Mixed Classes of Mail**

A mailer may combine Periodicals, Standard Mail, and Package Services in a single vehicle if the mailings are physically separated, a postage statement is submitted for each mailing, and the service standards are met for each class of mail combined in the vehicle or trailer.

**327.15 Transportation Service Area**

**327.151 First-Class Mail**

The service area for plant-loaded First-Class Mail is the service area of the sectional center facility (SCF) in which the mailer's plant is located.

**327.152 Periodicals**

The service area for plant-loaded Periodicals is the service area of the SCF or area distribution center (ADC) in which the mailer's plant is located.

**327.153 Standard Mail and/or Package Services**

The service area for plant-loaded Standard Mail and/or Package Services is the service area of the bulk mail center (BMC) or auxiliary service facility (ASF) in which the mailer's plant is located.

**327.154 Intra-District Area Plant Loads**

*Intra-district area plant loads* are vehicle movements of mail that originate at the mailer's plant and destinate to a Postal Service facility located within the district serving the mailer's plant. Handling at the local Post Office or other local acceptance facility is bypassed.

**327.155 Inter-District Area Plant Loads**

*Inter-district area plant loads* are vehicle movements of mail that originate at the mailer's plant and destinate to a mail processing facility located outside the service area of the district serving the mailer's plant. Handling at one or more intermediate processing facilities is bypassed.

**327.16 Transportation Equipment**

**327.161 Highway Transportation Vehicle**

A *highway transportation vehicle* is a vehicle owned or leased for any term by the Postal Service or provided by a Postal Service highway transportation contractor for the transportation of mail exclusively over highways.

**327.162 Rail Transportation Vehicle**

A *rail transportation vehicle* is a vehicle provided by a Postal Service rail transportation contractor for the transportation of mail in whole or in part by rail.

**327.17 Transportation Definitions**

**327.171 Bobtailing**

*Bobtailing* is the movement of a tractor without a trailer to or from a mailer's plant.

**327.172 Deadheading**

*Deadheading* is the movement of a highway or rail transportation vehicle to or from a mailer's plant without transporting any mail.

**327.173 Waiting/Holding**

*Waiting/holding* occurs when a vehicle waits or is held at a mailer's plant for mail to be loaded into the vehicle.

**327.174 Spotting**

*Spotting* is the activity of a driver with a truck-tractor, other than delivery or pick-up, to reposition trailers to and from loading docks on the mailer's premises.

**327.2 Procedures for Authorization of Plant Loads**

**327.21 Filing Application**

A mailer requesting plant load must complete PS Form 3815, *Plant-Load Authorization Application, Worksheet, and Agreement*, and submit it to the postmaster of the Post Office serving the mailer's plant. The local postmaster reviews the application, completes the applicable sections, and forwards it to the district manager, Customer Service and Sales.

**327.22 Action by District**

**327.221 General**

Each district manager, Customer Service and Sales, must establish a cross-functional district plant-load committee to review plant-load applications and to address plant-load issues within the district.

#### **327.222 Intra-District Area**

After either approving or disapproving the application, the district manager sends a copy to the area manager, Distribution Networks, as information only. The district manager approves an application for an intra-district area plant load if:

- a. It meets the requirements listed in 327.31.
- b. The manager, Distribution Networks, confirms that transportation equipment is available in accordance with 327.312.

#### **327.223 Inter-District Area**

After recommending either approval or disapproval of the application, the district manager forwards the application to the area manager, Distribution Networks, for action. The district manager should recommend approval of an application for an inter-district area plant load if:

- a. It meets the requirements of 327.32.
- b. The manager, Distribution Networks, confirms that transportation equipment is available in accordance with 327.322.

#### **327.23 Action by Area Manager, Distribution Networks**

##### **327.231 Intra-District Area**

The area manager, Distribution Networks, reviews information copies of intra-district area plant-load applications authorized by district managers, Customer Service and Sales, to ensure compliance with Postal Service standards and to ensure the most efficient transportation is used. Any non-compliance with Postal Service standards must be brought to the attention of the district manager who approved the application.

##### **327.232 Inter-District Area**

The area manager, Distribution Networks, who serves the area where the mailer's facility is located approves an application for an inter-district area plant load if it meets the requirements in 327.32. The authorizing manager must notify the destination area manager, Distribution Networks, of the approval in writing. The application is denied if the requirements of 327.32 are not met.

#### **327.24 Notification of Action to Mailer**

##### **327.241 General**

Each official who acts on an application must do so within 5 business days of receipt. The district manager must promptly notify the mailer in writing of the final action taken. If the application is denied, the manager must notify the mailer, specifying the reasons for the denial and informing the mailer of the right to appeal the denial.

#### **327.242 Appeal Rights**

The applicant has appeal rights. The applicant must be notified in the letter of denial of the right and procedures to appeal the decision. If an application for plant load is denied and it is subsequently determined that the denial is due to errors in the original application, the mailer may appeal to the authorizing official in writing. The authorizing official may require the mailer to complete a new application or submit the corrected information in writing as an addendum to the original. The mailer may also appeal to and work with the authorizing officials to correct any deficiency and thus justify reconsideration and/or approval of the plant-load application within applicable standards and guidelines.

#### **327.243 Appeal to Higher Authority**

If the area manager, Distribution Networks, or district manager, Customer Service and Sales, denies the application, the mailer may appeal in writing through their local postmaster to the vice president, Area Operations, for the area office in which the mailer's plant is located. A mailer may also appeal a decision of a field manager to revoke an existing plant-load agreement. Such an appeal must be filed with the postmaster, within 10 business days of the date of the mailer's receipt of the notice of denial. The mailer must specify in the appeal the reasons why the application should be approved. The postmaster sends the file and all pertinent information relating to the respective appeal to the vice president, Area Operations, for review. The decision of the vice president, Area Operations, must be promptly transmitted in writing to the mailer and copied to the district manager, Customer Service and Sales. The decision of the vice president, Area Operations, is final and binding.

#### **327.25 Commencement of Operations**

The application is approved if it meets all the requirements in 327.3 for either intra-district or inter-district area plant loads. If the application is approved and the mailer wants plant-load operations, the mailer must enter into a plant-load agreement with the Postal Service. Plant-load operations may begin as specified in the agreement once the application is approved and the mailer enters into the agreement.

#### **327.26 Failure to Meet Requirements**

The local postmaster of the Post Office serving the mailer's plant is responsible for monitoring plant-load operations and coordinating with the district plant-load committee. If a mailer fails to meet the terms agreed to in the plant-load agreement, the district plant-load committee must reevaluate the plant-load authorization. See Handbook PO-512, *Plant Loading Authorization and Procedures Guidelines*.

**327.3 Requirements for Approval of Plant-Load Applications**

**327.31 Intra-District Area**

**327.311 General**

An application for an intra-district area plant load is approved by the district manager if transportation equipment is available (see 327.312) and a net cost-savings to the Postal Service is demonstrated under Alternative 1 (see 327.313a), Alternative 2 (see 327.313b), or Alternative 3 (see 327.313c).

**327.312 Transportation Availability**

As determined by the manager, Transportation and Networks, transportation equipment must be available to transport the mail to the BMC, ASF, ADC, or SCF in the service area of the mailer's plant. Authorizations will not be granted unless transportation is available.

**327.313 Net Cost-Savings**

The plant load must result in a net cost-savings to the Postal Service. A net cost-savings can be demonstrated under Alternative 1, Alternative 2, or Alternative 3.

- a. *Alternative 1: Minimum Volume and Maximum Mileage.* The volume of mail to be plant loaded must be at least 50 percent of a vehicle's capacity by weight or cube (a minimum of 23,000 pounds or 1,600 cubic feet), and the mileage from the mailer's plant to the destination Postal Service facility must be 150 miles or less in one direction. For mail verified and accepted at a mailer's plant, the Postal Service may allow mailings verified at the plants of two or more mailers located in the same service area to be combined to meet the minimum volume requirement. For mail verified and accepted at the business mail entry unit of the origin office the minimum volume requirement must be met by the mailings of only one mailer. (See 327.423 for requirements for verification at a Postal Service facility.).
- b. *Alternative 2.* If the mailer does not meet the criteria in Alternative 1, a net cost-savings to the Postal Service must be demonstrated using the cost analysis worksheet on PS Form 3815.
- c. *Alternative 3.* If the mailer does not satisfy the criteria in either Alternative 1 or Alternative 2, the plant-load criteria may still be met if the local origin Postal Service facility is operating at or near its mail processing capacity for the type of mail to be plant loaded. The local manager, Transportation and Networks, after consulting with In-Plant Support, determines whether a facility is at or near its mail processing capacity and recommends whether to approve the plant load in such cases.

**327.314 Periodic Review**

Intra-district plant-load authorizations must be reviewed every 4 years to determine whether a net cost-savings to the Postal Service is still demonstrated under Alternative 1 (see 327.313a), Alternative 2 (see 327.313b), or Alternative 3 (see 327.313c). If the plant load is authorized under Alternative 3 and it is subsequently determined that the local origin facility is operating below its mail processing capacity for the class or type of mail to be plant loaded, the district manager must rescind the plant-load authorization.

**327.32 Inter-District Area**

**327.321 General**

An application for an inter-district area plant load is approved by the area manager, Distribution Networks, if transportation equipment is available (see 327.322) and a net cost-savings to the Postal Service is demonstrated under Alternative 1 (see 327.323a), Alternative 2 (see 327.323b), or Alternative 3 (see 327.323c).

**327.322 Transportation Availability**

Transportation must be available to transport the mail to the BMC, ASF, ADC, or SCF outside the Postal Service facility's service area in which the mailer's plant is located. The application must not be granted until additional transportation is obtained.

**327.323 Net Cost-Savings**

The plant load must result in a net cost-savings to the Postal Service. A net cost-savings can be demonstrated under Alternative 1 (see 327.323a), Alternative 2 (see 327.323b), or Alternative 3 (see 327.323c).

- a. *Alternative 1: Minimum Volume and Maximum Mileage.*
  - (1) *Minimum Volume:* The volume of mail to be plant loaded must be at least 60 percent of a vehicle's capacity by weight or cube (a minimum of 28,000 pounds or 2,000 cubic feet). Mailings of two or more mailers located in the same service area may be combined in the same vehicle to make up the minimum volume.
  - (2) *Maximum Mileage for Highway*
    - (a) If the plant-loaded transportation is by highway and bypasses the origin SCF and at least one BMC, ASF, or ADC, the distance from the mailer's plant to the destination Postal Service facility must be 275 miles or less in one direction.

- (b) If the plant-loaded transportation is by highway and bypasses only the origin SCF, the distance from the mailer's plant to the destination Postal Service facility must be 150 miles or less in one direction.
- (c) There is no mileage criterion for plant-loaded transportation by railroad or water.
- b. *Alternative 2.* If the mailer does not meet the criteria in Alternative 1, a net cost-savings to the Postal Service must be demonstrated using the cost analysis worksheet on PS Form 3815.
- c. *Alternative 3.* If the mailer does not satisfy the criteria in either Alternative 1 or Alternative 2, the plant-load criteria may still be met if the local origin Postal Service facility is operating at or near its mail processing capacity for the type of mail to be plant loaded. The local manager, Transportation and Networks, after consulting with In-Plant Support, determines whether a facility is at or near its mail processing capacity and recommends whether to approve the plant load in such cases.

#### 327.324 Periodic Review

Inter-district plant-load authorizations must be reviewed every 4 years to determine whether a net cost-savings to the Postal Service is still demonstrated under Alternative 1 (see 327.323a), Alternative 2 (see 327.323b), or Alternative 3 (see 327.323c). If the plant load is authorized under Alternative 3 and it is subsequently determined that the local origin facility is operating below its mail processing capacity for the class or type of mail to be plant loaded, the area manager, Distribution Networks, must rescind the plant-load authorization.

#### 327.4 Verification and Collection of Postage

##### 327.41 General

All plant-loaded mail must be verified, and postage and fees must be collected in accordance with DMM and POM standards, Handbook DM-109, *Bulk Mail Acceptance*, and Handbook DM-103, *Official Mail*.

##### 327.42 Verification of Intra-District Area Plant Loads

###### 327.421 General

Intra-district area plant-loaded mail must be verified at the mailer's plant or at a Postal Service facility within the origin district as authorized by the district manager.

###### 327.422 Verification at the Mailer's Plant

Intra-district area plant-loaded mail must be verified at the mailer's plant by a clerk qualified to do verification and acceptance unless authorization to verify mail at a Postal Service facility within the origin district is granted under 327.421.

###### 327.423 Verification at Postal Facility

Authorization to verify mail at the origin BMC, ASF, or SCF may be granted only if all the following conditions are met:

- a. There is no detached mail unit (DMU) at the mailer's plant.
- b. The mailer is located within the service area of the BMC, ASF, or SCF where verification is to take place.
- c. Each vehicle contains the mail of only one mailer.
- d. Each vehicle contains no more than five mailings and each mailing is physically separated.
- e. If a postage statement must be completed, the original must accompany the corresponding mailing in the vehicle. Where a single mailing is contained in more than one vehicle, a separate original postage statement must accompany each vehicle for the segment of the mailing contained in each vehicle.
- f. If an alternative method of paying postage using permit imprint (e.g., manifesting) is used, an original of the proper postage statement and a manifest must accompany each vehicle if there is only one mailing in the vehicle or one manifest for each mailing segment in the vehicle. Where a single mailing is contained in more than one vehicle, a separate original postage statement and manifest must accompany each vehicle for each mailing segment.
- g. The mailer must keep a plant-load control log containing the following information:
  - (1) Copy of each postage statement (sequentially numbered) accompanying plant-loaded mail.
  - (2) Number for each vehicle transporting mail.
  - (3) Name of BMC, ASF, or SCF verifying mail.
- h. The mail can be physically verified at the BMC, ASF, or SCF. Therefore, the mailing cannot be shrink-wrapped, stretchwrapped, or otherwise prepared so that a presort verification cannot be done.

###### 327.424 Placarding Requirements for Verification at Postal Facility

If mail is to be verified at the origin BMC, ASF, or SCF, the following requirements apply:

- a. Before the vehicle leaves the mailer's plant, the mailer must place on the inside wall near the right rear door of the trailer a distinctive placard provided by the Postal Service to indicate that verification is required. The manager, Distribution Networks, or designee must notify the driver not to pick up the trailer unless this placard is in the vehicle. The mailer may place a second placard on the outside of that trailer door.

- b. The requirements of this section and corrective actions must be met to ensure revenue protection and collection of postage and fees prior to the vehicle being transported from the mailer's plant, except as provided for official mail in the DMM. Exhibit 327.41 provides an example of a placard that can be used for this purpose. Reproduce the placard locally as required.

#### **327.425 Corrective Action**

If intra-district area plant-loaded mail fails verification at a Postal Service facility, the mailer has the following two options:

- a. The mailer pays the applicable next-higher rate on that portion of the mailing estimated to be improperly prepared.
- b. Within 24 hours, the mailer either transports the mailing or arranges for the Postal Service to transport the mailing to the mailer's plant, at the mailer's expense (see 327.6). The mail must be reworked to comply with the applicable mailing standards for its class. If the mailer does not transport the mail or request transportation for it within 24 hours, the mailer must reimburse the Postal Service for detention in accordance with 327.6.

#### **327.43 Verification of Inter-District Area Plant Loads**

Inter-district plant-loaded mail must be verified, sealed, placarded, and recorded in accordance with Handbook PO-512 at the mailer's plant in a Postal Service-approved DMU by a clerk qualified to do verification procedures.

#### **327.431 Detached Mail Unit Requirements**

The DMU must be separate from the mailer's activities, in an enclosed, secure, and safe work area with a telephone. The Postal Service must approve the DMU work area.

#### **327.44 Payment of Postage and Fees**

The mailer must pay postage and fees for plant-loaded mail to the origin Post Office before the vehicle is transported from the mailer's plant, except under 327.4 and DMM E060.

#### **327.5 Preparation Requirements for Plant-Loaded Vehicles**

##### **327.51 Intra-District Area Plant Loads**

Intra-district area plant-loaded vehicles must fill 50 percent or more of a vehicle's capacity by weight or cube (a minimum of 23,000 pounds and/or 1,600 cubic feet).

##### **327.52 Inter-District Area Plant Loads**

##### **327.521 Vehicles Containing One Mailing**

Mailers must prepare inter-district area plant-loaded vehicles containing one mailing under the following requirements for the proper class or type of mail:

###### **a. First-Class Mail and Periodicals**

- (1) When there is enough mail to fill 60 percent or more of a vehicle's capacity by weight or by cube (a minimum of 28,000 pounds and/or 2,000 cubic feet) addressed to the same SCF service area, the mailer must prepare a direct vehicle for that SCF.
- (2) When, after making up all possible SCF vehicles, there is enough mail to fill 60 percent or more of a vehicle's capacity by weight or by cube (a minimum of 28,000 pounds and/or 2,000 cubic feet) addressed to the same area distribution center (ADC) service area, the mailer must prepare a direct vehicle for that ADC.
- (3) The Postal Service transports all mail remaining, using appropriate transportation to the facility selected by Distribution Networks.
- (4) The mailer agrees to withhold all mail for local processing and to comply with local instructions for loading and dispatching of mail in accordance with Handbook PO-512.

###### **b. Standard Mail and Package Services**

- (1) When there is enough mail to fill 60 percent or more of a vehicle's capacity by weight or by cube (a minimum of 28,000 pounds and/or 2,000 cubic feet) addressed to the same SCF service area, the mailer must prepare a direct vehicle for that SCF.
- (2) When, after making up all possible SCF vehicles, there is enough mail to fill 60 percent or more of a vehicle's capacity by weight or by cube (a minimum of 28,000 pounds and/or 2,000 cubic feet) addressed to the same BMC or ASF service area, the mailer must prepare a direct vehicle for that BMC or ASF.
- (3) All mail remaining after all the above preparation requirements are met is transported by the Postal Service, using appropriate transportation, to the Postal Service facility selected by Distribution Networks.
- (4) The mailer agrees to withhold all mail for local processing and to comply with local instructions for loading and dispatch of mail in accordance with Handbook PO-512.

### 327.522 Vehicles Containing Two or More Mailings

Mailers must prepare inter-district plant-loaded vehicles containing two or more mailings under the following requirements for the proper class or type of mail:

- a. Two or more mailings, which independently have *insufficient* volume to require destination vehicles to be prepared, may be combined to make up an origin vehicle without meeting the requirements of 327.522b.
- b. Two or more mailings, which independently have *sufficient* volume to require destination vehicles to be prepared, must meet the preparation requirements described below when combined.
  - (1) When there is enough mail to fill 60 percent or more of a vehicle's capacity, by weight or by cube (a minimum of 28,000 pounds and/or 2,000 cubic feet), addressed to the same ADC service area, the mailer must prepare a direct vehicle for the ADC.
  - (2) When there is enough mail to fill 60 percent or more of a vehicle's capacity, by weight or by cube (a minimum of 28,000 pounds and/or 2,000 cubic feet), addressed to the same BMC or ASF service area, the mailer must prepare a direct vehicle for that BMC or ASF.
  - (3) The mailer agrees to withhold all mail for local processing and to comply with local instructions for loading and dispatch of mail in accordance with Handbook PO-512, *Plant Loading Authorization and Procedures Guidelines*.
  - (4) The Postal Service transports the remaining mail, using appropriate transportation, to the facility selected by Distribution Networks.

### 327.53 Determination of Vehicle Makeup Requirements

The makeup requirements for plant-loaded vehicles are determined by the destination of the mailings accepted by the Postal Service at the mailer's plant. When possible, mailers should combine mailings in vehicles as a means of preparing the finest destination vehicles possible.

### 327.54 Corrective Action

If a plant-loaded mailing does not meet the vehicle preparation requirements for plant-loaded vehicles as required in 327.521 or 327.522, the mailer has the following two options:

- a. Rework the mailing so that it complies with the applicable make-up requirements for plant-loaded vehicles as required in 327.521 or 327.522. If the mailing is verified for presort, mail makeup, and

postage payment purposes and is accepted as mail at the mailer's plant, and then it is determined that the vehicle preparation requirements were not met, the mailer must choose this option and rework the mailing. Vehicles must not be dispatched from the plant until the vehicle preparation requirements are met.

- b. Transport the mailing at the mailer's expense to a Postal Service facility within the origin service area designated by the origin postmaster and with the capability to process that class of mail. If this option is chosen, all applicable postage statements must be submitted with the mailings. The origin postmaster must notify the designated Postal Service facility in advance that the mailer has chosen to transport the mail at its own expense and is to enter the mailing at that facility. The mailing must be verified at the designated Postal Service facility for proper presort and mail makeup for the class of mail and for postage payment purposes. The designated Postal Service facility completes the Post Office part of the postage statements after the mailing is verified and accepted and returns the postage statements to the origin Post Office, where postage and fees must be paid.

### 327.6 Reimbursement for Non-Postal Services

#### 327.61 General

The Postal Service must obtain reimbursement from mailers for non-Postal services furnished by the Postal Service in providing plant-load service only as authorized in 327.62 through 327.65.

#### 327.62 Detention of Trailers

##### 327.621 General

The Postal Service must obtain reimbursement under 327.622 through 327.625 from plant-load mailers when trailers furnished by the Postal Service to provide plant-load service are detained by some action by the mailer.

##### 327.622 Request to Detain Trailers

The procedure for making a request to detain trailers is as follows:

- a. Plant-load mailers wanting to detain trailers longer than the time necessary to load them must make a request to the Postal Service at least 24 hours in advance of the requested date and time of the trailer's arrival. The mailer must agree to reimburse the Postal Service for the cost of detaining the trailers. The Postal Service must approve the request to detain trailers before the trailers are sent to the mailer's plant.

- b. If the mailer does not submit a timely request to detain trailers but detains them longer than the time necessary to load them, the mailer must reimburse the Postal Service for the cost of detaining the trailers.

**327.623 Nonreimbursable Detention Period**

Mailers who submit timely requests to detain trailers may do so for 24 hours without reimbursing the Postal Service for detention. The nonreimbursable period begins when the trailer arrives at the mailer's plant or at the date and time at which the mailer requested the trailer to arrive, whichever is later. The nonreimbursable period ends 24 hours later, excluding Saturdays, Sundays, and holidays. For example, if a trailer arrives at 5:00 p.m. on Friday, the nonreimbursable period ends 5:00 p.m. on Monday, or 5:00 p.m. on Tuesday if Monday is a holiday.

**327.624 Determination of Reimbursable Detention Period**

The guidelines for determining the reimbursable detention period are:

- a. If the plant-load mailer has submitted timely requests to detain trailers, the reimbursable detention period begins at the expiration of the nonreimbursable detention period.
- b. If the mailer did not submit timely requests to detain trailers, the reimbursable detention period begins at the date and time the trailer arrives at the plant, or at the date and time at which the mailer requested the trailer to arrive, whichever is later.
- c. The reimbursable period ends when the trailer is ready for dispatch and the mailer so notifies the Postal Service.

**327.625 Calculation of Reimbursement**

Reimbursement is made for each 24 hours, or fraction thereof, of the reimbursable detention period that a trailer is detained. After the nonreimbursable detention period ends, Saturdays, Sundays, and holidays are included in the calculation of detention reimbursement. Calculations for highway and rail transportation reimbursement are made as follows:

- a. Reimbursement for each highway transportation trailer is equal to the actual daily cost to the Postal Service for leasing the trailer, multiplied by the number of detention periods determined per 327.624.
- b. Reimbursement for each rail transportation trailer is equal to the demurrage or detention charge payable by the Postal Service under the rail transportation contract under which the trailer is furnished to the Postal Service by the railroad.

**327.63 Bobtailing, Deadheading, and Waiting/Holding Charges**

Plant-load mailers must reimburse the Postal Service for bobtailing, deadheading, or waiting/holding when the Postal Service incurs such charges due to some action by the mailer. Reimbursement is equal to the service charge paid by the Postal Service under the transportation contract.

**327.64 Damage Charges**

Plant-load mailers are responsible for reimbursement to the Postal Service for charges, including but not limited to, damages to Postal Service-furnished equipment caused by the mailer or the mailer's employees or agents.

**327.65 Spotting Charges**

The Postal Service allows free of charge to the mailer one round trip per vehicle to the mailer's plant for loading and from the mailer's plant as a dispatch to a destination Postal Service facility. In cases where a mailer makes an advance request to detain vehicles, the mailer may also accrue a spotting charge for the transportation expenses to position the vehicle for preloading at the mailer's plant.

**327.66 Nonreimbursable Charges**

**327.661 Detention**

The Postal Service does not obtain reimbursement from plant-load mailers for the detention of trailers that results from an action by the Postal Service.

**327.662 Other Operations**

The Postal Service does not obtain reimbursement from plant-load mailers where bobtailing, deadheading, or waiting/holding charges are incurred by an action by the Postal Service.

**327.7 Mailer Expedited Plant-load Shipment**

**327.71 Definition**

Under an expedited plant-load shipment authorization, the Postal Service verifies the mail for presort and proper preparation at the mailer's plant. Postage is paid at the Post Office where the mailer is authorized plant-load privileges. The mailer then transports the expedited plant-load shipment at the mailer's expense to destination Postal Service facilities where the shipment is deposited and accepted into the mailstream. Only plant-load mailers authorized to do so may transport expedited plant-load shipments at their own expense under the conditions in 327.72 through 327.76.

**327.72 Authorization**

The procedure for obtaining authorization for expedited plant-load shipments is as follows:

- a. An authorized plant-load mailer may seek authorization to transport expedited plant-load shipments by submitting a written request to the district manager.

The mailer's request must describe, for each destination where mail is to be transported, the material to be deposited as an expedited plant-load shipment (e.g., the class, characteristics, and quantity), the frequency of mailing, and whether the request is for one or for a series of mailings. No form is provided for this purpose.

- b. The district manager reviews the mailer's request, ensures the availability of Postal Service resources (e.g., detached mail unit staff), provides the mailer with a written decision, and sends a copy of the written decision to the manager, Distribution Networks. If the request is approved, the authorization is for a mailing or group of mailings and for a time period not to exceed 2 years, after which a new request must be submitted. If the request is denied, a written response explaining the reasons for denial must be provided to the mailer. A denial is a classification decision and may be appealed under DMM G020.
- c. The mailer's request for expedited plant-load shipment authorization may be approved when it is in the best interest of the Postal Service, and the mailer is in compliance with the requirements for a plant-load operation.
- d. If the expedited plant-load shipment request is approved for more than one-time use, the plant-load agreement must be amended by attaching a completed and signed PS Form 8026, *Expedited Shipment Agreement for Plant-Load Mailings*, and including additional documents detailing the material to be prepared as expedited plant-load shipments.

### 327.73 Mailer Responsibilities

Mailers who are authorized to have mail verified in their plant and paid for at the Post Office serving the mailer's plant (plant-load authorization) and to transport that mail at their own expense for deposit at a destination Postal Service facility (or facilities) must adhere to the following requirements before expedited plant-load shipments can be deposited at destination Postal Service facilities:

- a. The Postal Service facility (or facilities) where the mail is to be deposited must be one that processes the class of mail to be deposited.
- b. All the mailpieces in each expedited plant-load shipment must have a destination within the service area of the Postal Service facility where the shipment is deposited and accepted. For example, if an expedited plant-load shipment is deposited at a BMC, all the pieces in the shipment must be for addresses within the service area of that BMC.

- c. The mailer must contact each Postal Service facility where the expedited plant-load shipment is to be deposited to arrange and obtain approval for a time and location to deposit the expedited plant-load shipment.
- d. When a vehicle contains more than one expedited plant-load shipment to be drop-shipped to a single destination Postal Service facility, each shipment must be physically separated. When a vehicle contains mailings or mailing segments for more than one destination facility, the mail must be physically separated by destination, and then within each destination the mail must be physically separated by mailing or mailing segment.
- e. When the vehicle used for expedited plant-load shipment also contains other material carried as freight, the mailer must load all freight in the nose (front) of the vehicle, clearly marked and separated from the expedited plant-load shipment. The mailer must ensure that the separation method prevents the freight and expedited plant-load shipment from becoming mixed in transit.
- f. When the vehicle is loaded to make multiple stops, the mailer must ensure that only the appropriate shipment is removed at each stop, that no other material (mail or freight) is added, and that any remaining shipments are kept separate from any other freight remaining on the vehicle.
- g. The mailer must present the required postage statements and documentation to the DMU for each mailing.
- h. At destination, the mailer must provide the necessary documentation (provided by the Postal Service) to prove the required postage was paid for the expedited plant-load shipment.
- i. The mailer must meet the requirements that apply to any presort or automation-based rates claimed on the mailing being prepared as an expedited plant-load shipment.

**Note:** Expedited plant-load shipments are not eligible for destination entry rates.

### 327.74 Verification and Collection of Postage

All expedited plant-load shipment mailings must be verified and have postage and fees collected according to the class of mail as required in this manual, Handbook DM-109, and Handbook DM-103, before it is loaded into mailer-supplied transportation and dispatched. The plant-load requirements in 327.421, 327.422, 327.43, and 327.44 must be met.

#### **327.741 Detached Mail Unit Responsibilities**

When mailers are authorized to transport an expedited plant-load shipment at their own expense to a destination Postal Service facility, the detached mail unit (DMU) employees assigned to the mailer's plant must verify those mailings as they would all other mail to be accepted under the plant-load authorization. Before the dispatch of an expedited plant-load shipment, DMU employees must complete the following additional activities for mail loaded onto mailer-provided transportation:

- a. Complete a PS Form 8017, *Expedited Plant Load Shipment Record*, for each destination. Place the form on the inside rear sidewall of the vehicle. Completion of more than one PS Form 8017 is required for mail to be deposited at multiple Postal Service facilities.
- b. Ensure that any material carried as freight on the same vehicle as an expedited plant-load shipment is confined to the nose (front) of the vehicle, is separated by a clearly marked separation, and is loaded to avoid becoming mixed with the expedited plant-load shipment in transit.

#### **327.742 Destination Postal Facility Responsibilities**

Destination Postal Service facilities have the following responsibilities:

- a. Upon receipt of PS Form 8017, verify that the office receiving the shipment is the correct destination office. Check that PS Form 8017 is complete, signed, and round-stamped by the origin Post Office.
- b. After the shipment is unloaded, complete the applicable blocks on PS Form 8017.
- c. Retain PS Form 8017 for 1 year.
- d. Additional mail for downstream Postal Service facilities must not be loaded onto the mailer's vehicle by any Postal Service facility at which the mailer has deposited an expedited plant-load shipment.

#### **327.75 Liability**

The mailer assumes all liability and responsibility for any loss or damage to the expedited plant-load shipment before it is deposited in and accepted at a destination Postal Service facility regardless of whether a third party is used to transport it. The Postal Service is not liable or responsible for any loss or damage to an expedited plant-load shipment, except after accepted and deposited at a destination Postal Service facility as provided for in the DMM.

#### **327.76 Refunds**

The Postal Service does not refund postage for any failure to provide service caused in whole or in part by any event occurring before the shipment is deposited in and accepted at a destination Postal Service facility, except in accordance with the provisions of the refund standards in DMM P014.

#### **327.8 Transportation**

##### **327.81 Selection of Mode of Transportation**

Distribution Networks selects the least-costly mode of transportation that meets the service objectives for the class of plant-loaded mail. The mode of transportation is not changed at the request of the mailer.

##### **327.82 Mailer Transportation**

Mailers may transport their own plant-loaded mail when there is a highway contract between the Postal Service and the mailer or when the mailer is authorized to transport plant-verified mail under 327.8 and has entered into an Expedited Plant-load Shipment Agreement with the Postal Service. The awarding of a highway contract to the mailer or authorization under 327.8 is not a factor in deciding whether to authorize the plant load. Any net cost-savings that result from an expedited plant-load shipment authorization may not be included in the cost-savings analysis for initial plant-load authorization or renewal.

##### **327.83 Holding, Storing, or Delaying Dispatch**

The Postal Service does not hold, store, or otherwise delay the dispatch of plant-loaded mail except as provided for under the plant-load agreement with the mailer.

##### **327.84 Relocation of Trailers**

The Postal Service does not relocate trailers at a mailer's plant.

##### **327.85 Service Objectives**

The service objectives that apply to the class of mail being transported apply to the plant-loaded mail. Plant-loaded mail may have deferred service objectives, if provided for in the plant-load agreement.

— Surface Operations,  
Network Operations Management, 10-4-01

**DMM REVISION**

**Deposit of Metered Mail**

Effective October 4, 2001, *Domestic Mail Manual* (DMM) P030.5.4 is revised to allow zoned-rate metered Priority Mail® service items to be deposited in collection boxes. This change more accurately reflects the fact that properly prepared Express Mail®, Priority Mail, and First-Class Mail® service items can be deposited in collection boxes.

We will include this revision in the printed version of DMM Issue 57 and in the online DMM available via Postal Explorer at <http://pe.usps.gov>.

**Domestic Mail Manual (DMM)**

	*	*	*	*	*
<b>P</b>	<b>Postage and Payment Methods</b>				
	*	*	*	*	*
<b>P000</b>	<b>Basic Information</b>				
	*	*	*	*	*
<b>P030</b>	<b>Postage Meters and Meter Stamps</b>				
	*	*	*	*	*

**5.0 MAILINGS**

\* \* \* \* \*

**5.4 Place of Mailing**

*[Revise 5.4a to remove the parenthetical text "in a weight category for which rates do not vary by zone." Items b, c, and d are unchanged.]*

Except as noted below, metered mail must be deposited at a post office acceptance unit, retail unit, or other location designated by the postmaster of the licensing post office (i.e., the post office shown in the meter stamp) and may not be given to a delivery employee or deposited in a street collection box, mailchute, receiving box, cooperative mailing rack, or other mail collection receptacle. Exceptions to this general standard are as follows:

- a. Express Mail, Priority Mail, or single-piece rate First-Class Mail may be deposited in any street collection box or such other place where mail is accepted and that is served by the licensing post office.

\* \* \* \* \*

— *Expedited/Package Services, 10-4-01*

**Preparation of Sacks, Mail Trays, and Lids for Reuse**

Employees assigned to Postal facility opening units are reminded to look for and remove all ACT (Air Contract Transportation) tags, D&R (Destination/Routing) tags, and tray labels from incoming sacks, mail trays, sleeves, and lids.

Employees should remove tags and labels immediately after emptying sack or tray contents into opening unit sorting and distribution equipment. Failure to remove used tags and/or tray labels can cause mail to be misrouted when mail transport equipment is reused.

Even though ACT tags are obsolete and should no longer be used, they still sometimes appear on mail. D&R tags are used on sleeves, lids, and sacks in all networks.

Opening unit supervisors should ensure that adequate trash receptacles are available within the opening unit work area for disposal of removed tags and tray labels.

— *Mail Transport Equipment,  
Network Operations Management, 10-4-01*

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION  
REDIRECTED FROM WITNESS MILLER**

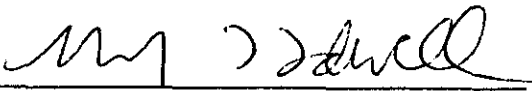
**MMA/USPS-T22-30** Please refer to page 8 of your Direct Testimony. For the Test Year in this proceeding, please provide the window service costs, by shape, and transportation costs, by shape under (a) the Commission's costing methodology and (b) the costing method proposed by the Postal Service.

**RESPONSE:**

Window service and transportation costs by shape can be found in USPS LR-J-58 using the Postal Service's costing methodology. Window service and transportation costs by shape are not available using the Commission's methodology.

# **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.

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Michael T. Tidwell

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
November 9, 2001