

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

MODIFICATION OF MAIL CLASSIFICATION SCHEDULE
REGARDING BOUND PRINTED MATTER

Docket No. MC2008-3

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
COMMISSION INFORMATION REQUEST NO. 1**

The United States Postal Service hereby provides its response to Commission Information Request No. 1, issued on April 1, 2008. Each question is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

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1. Regarding the amended notice requiring that all Bound Printed Matter mailings be paid by permit imprint:
 - (a) Under what circumstances, if any, may a mailer mail BPM pieces at BPM single-piece rates?
 - (b) How would mail referenced in (a) be entered for mailing?

RESPONSE:

(a) The standards for payment by permit imprint for all eligible classes of mail are set forth in Domestic Mail Manual (DMM) section 604.5.0 (attached). Please note that section 5.1.2 is being amended to add an exception for Nonpresorted Bound Printed Matter from the general requirement that permit imprint mailings contain at least 200 pieces or 50 pounds.

(b) The standards for deposit and acceptance of permit imprint mailings are in DMM 604.5.1.11.

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2. By product, list the single-piece rate mailings that are an exception to the requirement that permit imprint mailings contain at least 200 pieces or 50 pounds.

RESPONSE:

Please see DMM 604.5.1.2, which includes exceptions to the general requirement stated in the question. Subpart (d) applies specifically to single-piece rate mailings; it is not product specific, however, and would apply to any product that can be paid by permit imprint and meets the criteria specified in the exception. As indicated in response to question 1, a new subpart (e) will add Nonpresorted Bound Printed Matter mailings to the list of exceptions.

postal facility, provided the postage affixed to each mailpiece is calculated to include the amount due as specified in [4.3.1](#), taking into account the weight, shape, and the zone from the ZIP Code of the office where the mailpiece is deposited to the ZIP Code of the destination address.

- b. Mailers must deposit all mail not specified in [4.5.3a](#) as follows:
 1. At a postal facility within the ZIP Code shown in the indicia.
 2. For Presort rate mail, at the authorized mailing office if not at a facility within the ZIP Code shown in the indicia.
- c. Mailers also may dropship metered mail according to standards in [705.18.0](#).

4.6 Authorization to Produce and Distribute Postage Evidencing Systems

Title 39, Code of Federal Regulations, part 501, contains information concerning authorization to produce and distribute postage evidencing systems. Additional information may be obtained from the manager, Postage Technology Management (see [608.8.1](#) for address).

5.0 Permit Imprint (Indicia)

5.1 General Standards

5.1.1 Definition

A mailer may be authorized to mail material without affixing postage when payment is made at the time of mailing from a permit imprint advance deposit account established with the USPS for that purpose. This payment method may be used for postage and extra service fees for First-Class Mail, Standard Mail, and Package Services. This method is not available for Periodicals or Express Mail and must not be used to pay postage on any mailpiece that is designed for reply purposes (except for permit reply mail under [507.10.0](#)).

5.1.2 Minimum Volume

Permit imprint mailings must contain at least 200 pieces or 50 pounds, except:

- a. Other higher minimum quantities may apply, depending on the rate claimed.
- b. An occasional First-Class Mail mailing may contain fewer than 200 pieces if from a mailer whose total daily mailings are not much more than 200 pieces but who, to cooperate with the post office, presents a part of that mail early in the day.
- c. A mailing may contain fewer than 200 pieces if it is the completion of a large mailing extending over 2 or more consecutive days and the mailer includes an explanation on the accompanying postage statement.
- d. Single-piece rate mailings submitted under the terms of an approved manifest mailing system agreement with a minimum volume reduction provision.

5.1.3 Use of Permit Imprint

Each mailpiece sent under this payment method must bear a permit imprint indicia showing that postage is paid. Permit imprint indicia may be printed directly on mailpieces, on labels (including address labels) permanently affixed to mailpieces, or

on mailpiece wrappers, envelopes, and other containers. Except where the enclosure is prohibited by other standards, matter bearing a permit imprint indicia may be mailed as an enclosure when postage for the enclosure or the host matter is not paid with the enclosed permit imprint, and the enclosed permit imprint indicia is not visible when the matter is mailed.

5.1.4 Permit and Fees

A mailer may obtain a permit to use a permit imprint indicia and pay postage in cash before or at the time of mailing by submitting Form 3615 and the applicable fee to the post office where mailings are made. There is no other fee for the use of a permit imprint indicia as long as the permit remains active, but other fees (e.g., an annual presort mailing fee) may be due depending on the class of mail to be prepared.

5.1.5 Application Fee

Application fee: \$175.00.

5.1.6 Payment of Permit Imprint Postage

Payment must be made for each mailing, either in cash or through an advance deposit account, before the mailing can be released for processing. Funds to pay postage must be deposited as directed by the USPS. If the funds paid or on deposit are less than that necessary to pay for a mailing, the difference must be paid or deposited before the mailing or other permit imprint mailings can be accepted. Credit for postage is not allowed. Postage may not be paid partly in money and partly by postage stamps unless permitted by standard.

5.1.7 Preparation of Mailing

All pieces in a permit imprint mailing must be faced (positioned with all addresses in the same direction, unless counterstacked under the applicable standards) and meet the preparation standards for the rate claimed. Mail claimed at a postage rate that varies by zone must be separated by zone when mailed, unless otherwise authorized by the USPS.

5.1.8 Weight Standards for Permit Imprint Mailing

All pieces in a permit imprint mailing must be of identical weight unless otherwise authorized by the USPS.

5.1.9 Combining Permit Imprint Mailings With Other Payment Methods

Mailpieces paid with permit imprint may be combined in the same mailing with pieces paid with other methods only if authorized by the USPS.

5.1.10 Presenting Mailings to be Weighed

Permit imprint mailings with postage paid by advance deposit account must be presented to the USPS for weighing, unless otherwise authorized by Business Mailer Support, USPS Headquarters.

5.1.11 Depositing Permit Imprint Mailings

Mail must be deposited and accepted at the post office that issued the permit, at a time and place designated by the postmaster, except as otherwise provided for plant-verified drop shipments.

5.2 Suspension and Revocation

5.2.1 Suspension of Authorization

The USPS may immediately suspend the authorization to use a permit imprint if the permit holder or its agent refuses or fails to provide information in a timely manner (as specified in [604.5.3.9](#)) to the USPS about the use of its company permit.

5.2.2 Revocation of Permit

A permit may be revoked for use in operating any unlawful scheme or enterprise, for nonuse during any 2-year period, for refusal to provide information about permit imprint use or mailings, or for noncompliance with any standard applicable to permit imprints. The permit holder may make a written appeal to the postmaster within 10 days of receipt of the notice.

5.3 Indicia Design, Placement, and Content

5.3.1 Production

Embossed or unembossed permit imprint indicia may be made by printing press, hand stamp, lithography, mimeograph, multigraph, address plate, or similar device. They may not be typewritten or hand-drawn.

5.3.2 Permit Imprint Indicia Content and Format

The content and format of a permit imprint indicia must meet the standards below. No other formats may be used.

5.3.3 Indicia Legibility and Color

The permit imprint indicia must be legible and of a color that contrasts sufficiently with the paper and the indicia's background for readability. A different color may be used to highlight the background of an indicia.

5.3.4 Indicia Placement on Mailpiece

Permit imprint indicia must be aligned parallel with the address of the mailpiece. The indicia must not encroach on reserved space (e.g., ACS participant code, delivery point barcode) if such a standard applies and can be placed in one of these four positions:

- a. Upper right corner of the mailpiece.
- b. Upper right corner of the address area.
- c. To the right of the address on an address label.
- d. To the right of the address on an insert appearing through a window envelope.

5.3.5 Marking Expedited Handling on Standard Mail

Except for postcard-size mail and permit imprint indicia placed on address labels, indicia on Standard Mail pieces bearing references to expedited handling or delivery (e.g., "Priority," "Express," "Overnight") must:

- a. Show the words "Presorted Standard" (or "PRSRT STD") or "Nonprofit Organization" (or "Nonprofit Org." or "Nonprofit") more prominently than other words in the indicia.
- b. Include a clear space of at least 3/8 inch around the entire indicia.

5.3.6 First-Class Mail and Priority Mail Format

A permit imprint indicia on First-Class Mail or Priority Mail must show “First-Class Mail” or “Priority Mail” (or “Priority”), as applicable; “U.S. Postage Paid”; city and state; and permit number. If the Electronic Verification System (eVS) is used under [705.2.9](#), the marking “eVS” (or the alternative “e-VS” or “E-VS”) must appear directly below the permit number. The “Priority Mail” (or “Priority”) marking may be omitted when using USPS-provided Priority Mail envelopes and containers. The indicia may show the mailing date, amount of postage paid, or the number of ounces for which postage is paid. The ZIP Code of the permit holder may be shown directly after the state name or in a separate inscription reading “ZIP Code 00000,” when that ZIP Code does not create uncertainty about the permit holder’s correct address or permit number. Instead of printing the city and state of mailing in the indicia, the mailer may print “Mailed From ZIP Code,” followed by the 5-digit ZIP Code assigned to the postmaster of the mailing office. The indicia may also include required rate markings.

5.3.7 Standard Mail and Package Services Format

A Standard Mail or Package Services permit imprint indicia must contain the same information required in [5.3.6](#) for a First-Class Mail indicia, except “First-Class Mail” or “Priority Mail” (or “Priority”) must be omitted. If eVS is used under [705.2.9](#), the marking “eVS” (or alternative “e-VS” or “E-VS”) must appear directly below the permit number. The indicia may include the amount of postage paid, the weight of the piece, and rate markings as required. The indicia must not include the mailing date.

5.3.8 Indicating Extra Services

Permit imprint mail with extra services also paid with a permit must show “First-Class Mail” (if First-Class Mail); “U.S. Postage and Fees Paid”; city and state; and permit number. The city, state, and permit number may be omitted in a company permit imprint indicia, subject to [5.3.9](#).

5.3.9 Use of a Company Permit Imprint

A company permit imprint is one in which the exact name of the company or individual holding the permit is shown in the indicia in place of the city, state, and permit number. If a company permit imprint is used for eVS under [705.2.9](#), the marking “eVS” (or alternative “eVS” or “E-VS”) is placed directly below the name on a separate line. As an option for eVS mail only, “Permit No.” and the permit number used exclusively for eVS may appear on a separate line between the company name and the marking “eVS.” The following standards apply:

- a. For 1 year from the date of mailing, the permit holder or its agent must keep records for each mailing paid with a company permit imprint and make them available for USPS review on request. These records include (for each version of what was mailed, if applicable) the weight of a single piece; the total number of pieces mailed; the total postage; the date(s) and post office(s) of mailing; and other records required by the postage rate claimed or the payment method used. A complete sample mailpiece must be included for each identical-weight mailing, or each commingled or combined version in a nonidentical-weight

mailing. Sample pieces are not required for nonidentical-piece Standard Mail and Package Services machinable or irregular parcel mailings (e.g., merchandise and other fulfillment mailings).

- b. Each mailpiece must bear a complete domestic return address. The return address on official mail is subject to the corresponding standards. On unendorsed Standard Mail and Bound Printed Matter, the return address is permitted below the indicia. Except for official mail, if the return address is *not* the physical location at which the USPS may review the records listed in [5.3.9a](#) (i.e., where they are kept or can be made available) or is *not* a point of contact from which such a physical location can be readily determined, the mailer must:
 1. Include in the indicia the 5-digit ZIP Code of the physical location at which the records listed in [5.3.9a](#) are either kept or can be made available for USPS review.
 2. Provide the postmaster of that post office with a complete sample mailpiece (except as noted above); the date(s) and post office(s) of mailing; and the name and local address of the party from whom the records listed in [5.3.9a](#) may be obtained.

5.3.10 Indicia Formats

Unless prepared under the option in [5.3.11](#), permit imprint indicia for ordinary mail and official mail must be prepared in one of the formats exemplified in [Exhibit 5.3.10](#), as applicable to the rate claimed or type of mail. (Not all permissible combinations of content elements are shown.) Specific markings may be required by the standards for the rate claimed.

604.5.3.10

Exhibit 5.3.10 Indicia Formats for Official Mail and Other Classes

First-Class Official Mail:

FIRST-CLASS MAIL POSTAGE & FEES PAID AGENCY NAME PERMIT NO. G-999	FIRST-CLASS MAIL PRESORTED POSTAGE & FEES PAID AGENCY NAME PERMIT NO. G-999	FIRST-CLASS MAIL AUTO POSTAGE & FEES PAID AGENCY NAME PERMIT NO. G-999
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Note: These are only examples; not all possible variations are shown. When not in indicia, class or rate must be marked on mailpiece, directly below or to the left of the indicia.

Standard Mail Official Mail:

PRSRT STD POSTAGE & FEES PAID AGENCY NAME PERMIT NO. G-999	PRESORTED STANDARD AUTOCR POSTAGE & FEES PAID AGENCY NAME PERMIT NO. G-999	PRSRT STD AUTO POSTAGE & FEES PAID AGENCY NAME PERMIT NO. G-999
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Note: These are only examples; not all possible variations are shown. When not in indicia, class or rate must be marked on mailpiece, directly below or to the left of the indicia.

Package Services Official Mail:

POSTAGE & FEES PAID AGENCY NAME PERMIT NO. G-999	MEDIA MAIL POSTAGE & FEES PAID AGENCY NAME PERMIT NO. G-999	PRSRT BOUND PRINTED MATTER POSTAGE & FEES PAID AGENCY NAME PERMIT NO. G-999
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Note: These are only examples; not all possible variations are shown. When not in indicia, class or rate must be marked on mailpiece, directly below or to the left of the indicia.

First-Class Mail:

	<p>FIRST-CLASS MAIL U.S. POSTAGE PAID \$0.41 PERMIT NO. 1</p>	<p>FIRST-CLASS MAIL U.S. POSTAGE PAID MAILED FROM ZIP CODE 10001 PERMIT NO. 1</p>	<p>FIRST-CLASS MAIL AUTO U.S. POSTAGE PAID NEW YORK, NY PERMIT NO. 1</p>
	<p>FIRST-CLASS MAIL U.S. POSTAGE PAID 1 OZ. PERMIT NO. 1</p>	<p>FIRST-CLASS MAIL PRESORTED U.S. POSTAGE PAID NEW YORK, NY PERMIT NO. 1</p>	<p>PRIORITY MAIL U.S. POSTAGE PAID WASHINGTON, DC PERMIT NO. 1</p>

Note: These are examples; not all possible variations are shown. When not in indicia, class or rate must be marked on mailpiece, directly below or to the left of the indicia.

Standard Mail:

	<p>PRSR STD ECRWSS U.S. POSTAGE PAID PERMIT NO. 1</p>	<p>PRESORTED STANDARD AUTO CR U.S. POSTAGE PAID JOHN DOE COMPANY</p>	<p>PRSR STD AUTO U.S. POSTAGE PAID NEW YORK, NY PERMIT NO. 1</p>
	<p>NONPROFIT ORG. U.S. POSTAGE PAID PERMIT NO. 1</p>	<p>NONPROFIT ORGANIZATION AUTO CR U.S. POSTAGE PAID WASHINGTON, DC PERMIT NO. 1</p>	<p>NONPROFIT U.S. POSTAGE PAID HAPPY HEART SOCIETY</p>

(Presorted rate)

(Nonprofit-authorized organizations)

<p>U.S. POSTAGE PAID JOHN DOE COMPANY</p>	<p>PRESORTED STANDARD</p>	<p>U.S. POSTAGE PAID NEW YORK, NY PERMIT NO. 1 ZIP CODE 10001</p>
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(Class omitted from indicia - see note below)

Note: These are only examples; not all possible variations are shown. When not in indicia, class or rate must be marked on mailpiece, directly below or to the left of the indicia.

604.5.3.11

Package Services

Parcel Post/Parcel Select:

PARCEL POST
U.S. POSTAGE PAID
NEW YORK, NY
PERMIT NO. 1

PARCEL SELECT
U.S. POSTAGE PAID
NEW YORK, NY
PERMIT NO. 1

Bound Printed Matter:

BOUND PRINTED MATTER
CAR-RT SORT
U.S. POSTAGE PAID
NEW YORK, NY
PERMIT NO. 1

PRESORTED BOUND
PRINTED MATTER
U.S. POSTAGE PAID
NEW YORK, NY
PERMIT NO. 1

Media Mail:

PRESORTED
MEDIA MAIL
U.S. POSTAGE PAID
NEW YORK, NY
PERMIT NO. 1

Library Mail:

LIBRARY MAIL
U.S. POSTAGE PAID
NEW YORK, NY
PERMIT NO. 1

5.3.11 Optional Indicia Format

Permit imprint indicia may be prepared in a format other than the basic format described in [5.3.10](#), subject to these conditions:

- a. The rule that forms a box around the content of the indicia may be omitted if the content remains as specified in [5.3.6](#) through [5.3.9](#) and [Exhibit 5.3.10](#).
- b. Unless printed directly on an address label, the indicia content must be placed within a clear area no smaller than 1/2 inch high and 1/2 inch wide, no more than 1-1/2 inches below or left from the upper right corner of the mailpiece or of the address area when oriented to read the address, regardless of processing category or postage rate claimed. If printed on an address label (including paper, adhesive, and multilayer sandwich labels), the space allowed

for the indicia content must be rectangular, large enough to ensure legibility of that content from a normal reading distance and to separate it from other information on the label, and located in the upper right corner of the label when oriented to read the address.

- c. No printing appears in the indicia other than that required or allowed under [5.3.6](#) through [5.3.9](#).
- d. Except as required to enclose the permit information, no printing appears above or to the right of the permit information when the indicia is printed directly on the mailpiece or within the address area or on the address label.
- e. Except for indicia printed on address labels, the permit information is printed in no smaller than 4-point type. In indicia printed on address labels under [5.3.11b](#), the permit information must be legible.
- f. Except as required to enclose the permit information, decorative designs intended to be part of the indicia design must appear below or to the left of the permit information in an area extending no farther than 4-1/2 inches to the left of the right edge, and 1-1/2 inches below the top edge of the mailpiece, address area, or address label, as applicable. Such designs must not resemble or imitate a postage meter imprint, postage stamp, postcard postage, or other postage payment method; and they must not include words, symbols, or designs used by the USPS to identify a class of mail, rate of postage, or level of service, *unless* such elements are correctly used under the applicable standards for the mailpiece on which they appear and the corresponding postage and fees have been paid.
- g. All other applicable standards in [5.0](#) are met.

6.0 Payment of Postage

6.1 Basic Standards

The mailer is responsible for proper payment of postage. Postage on all mail must be fully prepaid at the time of mailing, except as specifically provided by standard for:

- a. Business reply mail (see [507.9.0](#)) and metered reply mail (see [4.4.2](#)) handled as business reply mail.
- b. Merchandise return service (see [507.11.0](#)).
- c. Certain mail sent by members of the Armed Forces (see [703.4.0](#)).
- d. Certain matter by or for the blind or handicapped (see [703.5.0](#)).
- e. Official mail (see [703.6.0](#) and [703.7.0](#)).
- f. Keys and identification devices returned to owners (see [123.1.6](#) and [133.1.7](#)).

6.2 Unpaid Mailable Matter for Private Delivery

If mailable matter without postage, intended for delivery by a private delivery company, is found in USPS collection boxes (or other receptacles for mail deposit), USPS facilities, or USPS mail processing operations, the company is contacted to