

Maximizing Postage Savings & Delivery for Small-Volume Periodicals

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Small-volume Periodicals mailers, whether local, regional or national, have options to save money and improve delivery times under rates and rules changes over the past decade, and notably in 2007 under postal reform.

IN-COUNTY RATES

- 1. In-county eligibility...DMM 707.11.3.1:** Periodicals circulating under 10,000 total paid copies, or with more with than 50% of total paid circulation within the county of original entry, can mail at lower In-County prices. There are no advertising pound prices paid on in-county mail, but a DDU and non-DDU pound price, based on no USPS transportation costs for DDU.
- 2. Requester Periodicals** that meet the same qualifications above can mail at in-county rates under a provision of the Postal Accountability and Enhancement Act (PAEA) effective Aug. 30, 2007. Current price savings run from 22-62%, depending on weight, to move from Periodicals Regular Rate to In-County Saturation, and from 62-78% if a Standard Mail publication can qualify for In-county Saturation (25% non-advertising and 24-page minimum, 50% requesters). The lower the weight, the higher the percentage. DDU is assumed in all scenarios.
- 3. In-county definition expanded...DMM 707.11.3.2(d)** Another provision of PAEA, effective August 30, 2007, expanded in-county price eligibility to copies originating inside the county but delivered outside the county of original entry. These so-called “wandering routes” were excluded under the old statute definition.
- 4. Wandering-in pieces count too...DMM 707.11.3.2(b)** Another provision, widely overlooked, allows in-county price eligibility for any carrier-route copies delivered to an address inside the county when entered AT a delivery office in an adjoining county and wandering back in-county.
- 5. Walk-sequence carrier-route sorted mail. (DMM 707.13.3)** Periodicals can qualify for High-Density prices at 125 pieces per route, saving 1.5 cents per copy in-county and 2.7 cents (up 0.7 cent in 2009) outside-county. But in-county mailers get a bonus under rules that allow High-Density rates for 25% of Active Possible Deliveries on a route...**DMM 707.13.3.4(c)**. Any time routes, such as rural routes covering wide areas with low housing density, fall below 500 active deliveries, the 25% threshold pays off for carrier-route mailers. Walk-sequence can be obtained via Delivery Sequence File (DSF) processing from software vendors, Computerized Delivery Sequencing (CDS) qualification that is updated bi-monthly, or even locally at no charge via local-office sequencing (**DMM 507.8.3.9**).
- 6. Limited Circulation Preferred Price Discount (5%)** on page 1 of 3541 applies to a Periodical with at least one in-county copy and under 5,000 outside-county copies. Effective May 2008 and defined in **DMM 707.1.1.5**. Software should add line B16, parts C, D, E totals X .05 and deduct.

DROP SHIPPING

- 1. DDU entry:** Local/regional publications can maximize savings and get faster delivery by entering mail at delivery post offices (Delivery Units). *See DMM 707.29.5. There are three ways to earn DU prices: Additional Entry, authorized via Form 3510, requires postage payment at that office *See DMM 707.30*. Plant-Verified Drop Shipment Postage Payment System requires mail acceptance at the office of original entry, at a designated office, or Detached Mail Unit within a*

printing plant, then delivery to other offices. Form 8125, Drop Shipment Verification and Clearance, must accompany the copies taken to DDUs. *See DMM 705.15. Exceptional Dispatch* (see 4 below) is a best method for local/regional publications.

2. **In-County Rate** eligible Periodicals save 4.2 cents per pound (up 0.2 cent), and 0.8 cent per piece for DDU entry, under current prices. The DDU price applies to carrier-route sorted copies.
3. **Regular Rate** Periodicals (outside-county) save 8.8 cents per non-adv. pound (up 2 cents) and 10.6 cents per adv. pound (up 2.5 cents at DDUs for origin-entered mail under current prices.)
4. **DDU-entered carrier-route copies**, whether in-county or outside-county, will NOT be upcharged to 5-digit prices if failing the “flimsy flats” deflection test as of Oct. 3, 2010. See DMM 301.1.7b. Carrier-route copies going through postal processing could be upcharged.
5. **Exceptional Dispatch (DMM 707.28.3)** allows local/regional Periodicals mailers to claim DDU prices with request letter to origin-entry postmaster. The 2001 rule change also expanded DU-entry to drops within zones 1-2, including the SCF zone. *Neither Additional Entry nor Plant-Verified Drop Shipment Form 8125 is required.* Eligibility is for Periodicals which mail 25,000-under copies, USPS said “waivers would be considered on a case-by-case basis.”
6. **SCF entry** can be done under Exceptional Dispatch to improve service so long as only mail for that SCF is dropped AT an SCF. (DMM 707.28.3.4) Mail dropped at an SCF for “the world” would require Additional Entry and postage payment at the SCF.

SACK THE SACKS!

FLATS TRAY PERIODICAL PRESORT & OTHER OPTIONS

1. **Flats Trays** (white tubs) were first allowed for Periodicals use Oct. 27, 2005 when an Origin Mixed ADC sortation was added via Labeling List L201, mandatory July 6, 2006. Rather than sending all residual mail from origin to one of the 34 remote sites limited by May 15, 2005 changes to L009 for MADC, OMX holds Periodicals at the origin plant close to entry for working onto First-Class truck trips. While green First-Class-designated lids were not specifically approved by that rule, many **operational** personnel allowed and preferred them for ready identification along with pink tray tags. Pieces were to be loose in trays, facing the same direction. Trays were also allowed for MADC and any ADC of 24 or more copies.
2. **Flats Tray optional use expanded (DMM 707.20.4)** September 13, 2007 to all presort levels, and green lids required under *DMM 707.20.4.3 (f)*. Two straps must be “placed tightly around the width of the tray.” While trays only hold 25-30 pounds of mail, as compared to 70 pounds in a sack, delivery is generally much improved. Flats *Trays*, especially with green lids, may more often be handled on First-Class trucks and Low Cost Tray Sorters, and are preferred by most plant operations personnel. As of March 16, 2008, trays must be used exclusively when chosen, without mixing sacks and trays. One key: Take care to set the maximum possible limit of copies for each tray to minimize container costs, using PAVE-certified software.
3. **Unsacked bundles to DDUs** were allowed via Periodicals rules change Oct. 14, 2004 for carrier route and 5-digit bundles. In addition, USPS allowed unsacked bundles to weigh up to 40 pounds, rather than 20 pounds when sacked. (DMM707.23.4.2)
4. **Container charges avoided.** With container charges on regular rate Periodicals since July 15, 2007, unsacked bundles at DDUs are exempt from container charges. This rule saves no money on in-county containers, or mixed in-county/outside county containers, which are exempt from container and bundle charges (DMM 707.2.1.8-9). It still saves mailer cost of preparing sacks or trays, and USPS costs of unloading sacks or trays.

5. **Pallet minimums lowered.** Effective July 15, 2007, USPS lowered pallet minimums to 100 pounds at DSCFs, and no minimum at DDUs. Otherwise, pallet minimums were lowered to 250 pounds, though SCF managers may approve lower minimum for 5-digit, 3-digit or SCF pallets. See *DMM 705.8.5.3*. Mailers who prefer to use APCs (All-Purpose Containers) can claim pallet rates so long as the makeup is identical to pallet rules. In 2007, USPS clarified that 40-pound carrier route and 5-digit bundles can also be allowed on 5-digit pallets or finer to DDUs, rather than 20-pound bundles. See *DMM 705.8.9.3.(c)*

OPTIONAL PREPARATION SAVING/DELIVERY OPTIONS

1. **FIRM bundles save money.** This optional preparation in *DMM 707.22.3* provides significant discounts when two or more copies to the same delivery address are combined. FIRM bundles in-county save 100% of the piece rate, except one for the bundle, at whatever price level the bundle is traveling. In-county, that would be 5.9 cents at basic carrier route price, 4.4 cents at High-Density, and 10.5 cents at 5-digit nonautomation. Outside county, the bundle price is a flat 17.8 cents, so you save 17.8c for all copies in the bundle except one. However, the increase in bundle charges for outside-county mail May 11, 2009, reduces the value of FIRM bundles, depending on the number of copies in the bundle and the level of sortation of that bundle.
2. **Standard Mail Renewal Notices.** Customer Support Ruling **PS-238** available at Postal Explorer web site at <http://pe.usps.gov> allows savings of about 50% for local mailers who can presort to carrier-route a significant portion of their renewal mailings. To ensure forwarding and address correction services, which are included in First Class rates but not Standard, use an optional endorsement, such as Address Service Requested, below the return address or other approved locations. As of November, 2009, that was also required under Move Update expansion to Standard Mail. See *DMM 507.1.5.3*.
3. **Automation Barcode Discount** requires 11-digit POSTNET barcode as of May 11, 2009. Periodicals save 3.2 cents (+0.4c) per piece at Mixed ADC, 2.3 cents at ADC (+0.2c), 2.1 cents at 3-digit (+0.4c), and 1 cent at 5-digit (+0.2c). All discounts for machinable flats, lines C1-8 on PS Form 3541. IMB saves an additional 0.001 cent, but provides free ACS to Periodicals with Full-Service IMB. POSTNET barcode may still be used until May 2011.
4. **Barcode tray tags.** Mailings with barcoded address labels are required to have barcoded sack or tray tags. Adding a 2-digit USPS processing code to the 3- or 5-digit ZIP and 3-digit CIN directs the mail type to the proper processing plant. *See DMM 708.6.3.3(b)3.*
5. **Keep DDU-bound pieces** intact in sort plan and labels. The 24-piece minimum container rule effective May 11, 2006 caused some small-volume titles with mailer entry at DDUs or DSCFs to find some part of that mail “escape” to an M3D, SCF, or ADC. Depending on volumes or sort, those pieces could even regress to OMX or MADC sortations. All harm delivery and can cause loss of subscribers. Software vendors can keep those pieces together in the sort plan and label package so that they are passed along to the DDU or SCF, and kept out of “working” sortations. Rate eligibility does not change, however.
6. **Use PAVE-certified software.** Software tested and certified by USPS is more certain to incorporate the latest in mail sortations to enhance delivery, rates and rules changes that help save money, and avoid revenue deficiencies from not being up to date and perhaps underpaying postage. See PAVE-certified vendor list at <http://ribbs.usps.gov>. Click on vendor information in the left toolbar, the scroll down to PAVE.GLIS.PDF.