

Business Mail Acceptance November 2009

Changes to Acceptance Processes in Support of Full Service Mailings

This notification is to inform the mailing industry of the changes in current business mail acceptance and verification procedures that will occur to support Full Service mailings seeking the price discounts after Nov 29, 2009. All business mailings requesting work share prices are subject to the current USPS acceptance and verification practices.

With the implementation of Full Service price discounts the current verification processes will remain intact and will be performed as they always have been. For mailings requesting Full Service price discounts we have introduced the use of a hand held scanning device (FS-IMD) in the acceptance unit that will be used as a part of the “initial” (or cursory) verification process that all mailings are currently subject to. The FS-IMD scanner will be used to collect data samples (Full Service barcodes on the container, the tray/sack and the mail piece) from the physical assets of the mailing to provide feedback regarding the quality and content of the barcode. Not all acceptance sites will receive a handheld scanner as these are being deployed to acceptance sites with higher mail volumes.

The initial verification process will include the additional steps for a Full Service mailing:

Clerk identifies Full Service mailing on the *PostalOne!* system mailing dashboard.

Clerk uses the FS-IMD device to collect the following samples:

- scans 3 container placards,
- selects 1 of the scanned containers and scans 5 handling units,
- selects 3 out of the 5 handling units and scans 30 pieces – 10 piece from each of the handling units

Effective November 30, 2009 there will be five (5) Full Service mailing preparation errors that will result in loss of the Full Service discount for the mailing:

1. No electronic documentation submitted to the *PostalOne!* system
2. IMcb container placards not placed outside of the container stretch-wrap
3. No IMb on mail pieces (>3 pcs)
 - The initial verification sample size is 30 pieces. If the clerk identifies more than 3 of the 30 pieces do not have the required IMb on the mail pieces the mailing will be disqualified for Full Service discounts
 - this is more than 10% error
4. No IMcb on container placards (>3)
 - The initial sample requirement is 3 placards. If one placard is found to not have an IMcb on it then an additional 3 placards will be inspected. If more than 3 placards are missing the IMcb the mailing will be disqualified for Full Service discounts
 - this is more than 50% error
5. No IMtb on handling unit label (>3)
 - The initial sample requirement is 5 tray/sack labels. If one label is found to not have an IMtb on it then an additional 3 labels will be inspected. If

- this is more than 37% error

These error types encountered during this initial verification process will result in a forfeiture of the Full Service price discounts. . Although an assessment approach will not be implemented until March 2010 for other mail preparation requirements for Full Service mailings such as container identification in FAST appointments, unique numbering on Intelligent Mail barcodes, the Postal Service will share feedback with the industry on the quality of Full Service mailings to help mailers address gaps in their Full Service mailings to promote compliance of these requirements.

Postage statement processing for mailings forfeiting Full Service discounts will be conducted as follows:

- Acceptance personnel will process the electronic postage statement as submitted (discount applied)
- Acceptance personnel will then conduct a manual adjustment transaction for the loss of Full Service discount.

This procedure will enable the Full Service ACS benefits to flow back to the customer. Other Full Service benefits may be affected based on the barcode error type.

Other than the error types specified above any other barcode discrepancies will be documented using the current USPS Form 2866 "Presort Verification Record". The specific errors will be identified in the 2866. Acceptance personnel will not compute the percentage of error factor nor the additional postage. The computation procedures will be implemented in March 2010. A copy of the form will be supplied to the mailer as a record of Full Service barcode quality notification. This is done to provide information to the mailer regarding Full Service mailing discrepancies so that they may improve the quality of their mailings. Mailers may also compute the additional postage charges themselves to analyze the impacts to postage when the assessment process will be implemented in March 2010.

Effective March 2010 acceptance personnel will be instructed to complete the error percentage factor and calculate the additional postage charges for the mailing. The mailer will be provided with verification results and informed of their disposition alternatives. This will follow the existing verification procedures used for all business mailings.

All other existing verification procedures will not be impacted by the Full Service initial verification changes. All mailings identified in the PBV system for in-depth verifications will be subjected to those verifications as they currently are. Any initial verification procedure (including the scanning) can trigger an in-depth verification. The in-depth verification will be conducted and assessed as they are currently performed.

An example would be if the acceptance clerk detects a barcode readability error on mail pieces in the mail sample. The acceptance clerk will then subject the mailing to the in-depth verification procedure. If this is at a MERLIN site, the mail trays the deficiency was identified in will be run on the MERLIN for a verification result determination. If the mailing's read rate is above 80% then the mailing will pass. If the read rate falls below 80% (79 or below), then the mailing will be deemed "failed" and will be charged at non-auto rates which are not eligible for Full Service discounts. Another example would be for a

presort verification. During the cursory review the acceptance clerk identifies a presort error. Once the initial verification is complete then the clerk would perform a presort verification on the mailing. If the mailing fails then the discount is only impacted based on the results of the assessment calculation, the percentage of pieces that are assessed at single piece rates.

During the mailing quality information provisioning period between November 30 2009 and March 2010, Business Mail Acceptance will continue to analyze mailing quality results and system technology enhancements to determine the appropriate acceptance and verification procedures to be implemented in March 2010. As a result of this analysis we will continue to make adjustments to the error assessment and additional postage due processes for the March implementation. Changes to the processes stated above will be communicated to the industry through the DMM Advisory.