

### **R2001-1 Omnibus Rate Case**

### **Field Implementation Kit**

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### General Overview Domestic Rates and Fees

The Governors voted to accept the recommended decision of the Postal Rate Commission (PRC) to increase postage rates. The Board of Governors (BOG) approved a filing of the omnibus rate case just before the terrorist attacks on September 11, 2001, and the subsequent anthrax mailings. In light of those events and a slowing economy, the independent PRC suggested settling the case earlier to enable implementation of rates and fees earlier than originally expected. The BOG has directed the Postal Service to implement the recommended rates and fees on June 30, 2002.

The new rate implementation calls for a \$0.03 increase in the single-piece First-Class Mail® rate, from \$0.34 to \$0.37. The Priority Mail® flat-rate envelope, which is currently priced at the 2-pound rate, will now be priced at the 1-pound rate of \$3.85. The rate for the Express Mail® flat-rate envelope, which is currently priced at the 2-pound rate, will now be priced at the 1/2-pound rate of \$13.65. Delivery Confirmation™ service and Signature Confirmation™ service will be available for First-Class Mail parcels, and the maximum amount of a postal money order will be increased from \$700 to \$1,000. In general, the rate increases for each subclass reflect overall cost trends for that particular subclass.

Since postal rate changes affect virtually everyone and every business, there are many factors that impacted this rate implementation. This *Field Implementation Kit* contains important information that has been designed specifically to share with employees and customers.

Elements of this kit include stand-up talks designed for specific employee groups, answers to frequently asked questions, and phone script/talking points to use with customers. Also included is a quick tip sheet that can be used as a guide to prepare your office, your employees, your customers, and most importantly, vourself, for rate implementation.

Please review the *Field Implementation Kit* carefully and share the information with all employees and customers. Remember, informed employees and customers are key to a smooth transition to new rates and classification changes.

### Communications Introduction

Here is a brief description of the pages in this kit designed to help you effectively communicate the rate changes to employees and customers.

### Quick Tips for Retail Units — Getting Prepared for Rate Implementation

Useful tips are outlined for preparing your staff, your office, your customers, and most of all, yourself for rate implementation. Also included are retail rate implementation action items and checklists for Retail Operations, Self Service Vending, Stamps by Mail, Stamps on Consignment, and IRTs.

### Stand-Up Talks

Several stand-up talks are provided for postmasters and supervisors to use when preparing to talk to employees. The talks are designed to address impacts specific to employee groups. Remember, the better we communicate with our employees, the better chance we have for a smooth transition.

Stand-up talks should be delivered as soon as possible. For talks designed to address employees who have frequent contact with the customers, the sooner the better. The talks address the following functional areas:

- Managers and administrative
- Retail associates
- Bulk mail centers and auxiliary facilities
- Business mail entry
- City and rural carriers
- Clerks and mail handlers at delivery units
- Processing and distribution clerks and mail handlers

### **Fact Sheets and Frequently Asked Questions**

The kit provides fact sheets for all classes of mail (including special services) and answers to questions that could arise from customers. These questions and answers are intended to help you respond to customers and employees.

### Letter Templates, Press Release, and Editorial Responses

The kit contains several sample letter templates to use when corresponding with customers or responding to negative editorials. You may use the text to develop your own localized letters or handouts. Words in bracketed italics are meant to be deleted and/or replaced with customized information specific to your office, customers, and needs.

#### Phone Script/Talking Points — Responding to Customer Questions

This is another useful tool that can be used by postmasters and Consumer Affairs managers when responding to customer questions and concerns. Keep a copy of these points near every telephone in your office.

### Quick Tips for Retail Units Getting Prepared for Rate Implementation

### **Preparing Your Staff**

- Conduct stand-up talks found in the Field Implementation Kit. Distribute the pocket rate cards to carriers and the retail rate cards to retail associates.
- Ensure retail associates have a sufficient supply of new rate stamps and \$0.03 stamps.
- Make certain that swing room posters are posted in employee break areas.

### **Preparing Your Office**

- Inventory \$0.03 stamps on hand. Place special orders at your stamp distribution office (SDO) if more are needed.
- Make sure two automatic distributions of \$0.37 stamps are made. Contact your SDO if additional shipments are needed.
- Ensure vending equipment is stocked with new rate stamps and \$0.03 stamps. Check vending supply several times per day and restock as needed and just before closing.
- Staff all retail units appropriately to handle increased customer demands in lobbies.
- Make sure postmasters, station managers and supervisors monitor the lobby and assist customers.
- Review Retail Rate Implementation Action items for Retail Operations, Self Service Vending, Stamps on Consignment, Stamps by Mail, Stamps by FAX, and IRT, all of which are found on the following pages.
- Remove all old rate information. Replace with new rate information. Ensure updated signage is installed in lobby, and that menuboards and parcel slides (if applicable) are updated.
- Place telephone script and new rate information found in the Field Implementation Kit by each telephone.
- Ensure retail associates are confident and ready to answer customer questions on Priority Mail® service and Express Mail® flat-rate envelopes, the nonmachinable surcharge, Delivery Confirmation™ and Signature Confirmation™ services for First-Class Mail parcels, and new Priority Mail zones.

### **Preparing Your Customers**

• Inform customers of the new rates and suggest purchasing new rate postage prior to the implementation date. Be sure to inform all commercial mail receiving agencies (CMRAs), universities, colleges, hotels, and other large stamp order customers of the changes and make arrangements for them to buy stamps in advance.

### Frequently Asked Questions for Retail Units Getting Prepared for Rate Implementation

### Will international rates be changing?

Not at this time.

### Will envelopes and stamped cards need to be revalued?

No, neither will need to be revalued.

### Will there be enough \$0.03 stamps available for sale?

Yes, more than 3 billion \$0.03 stamps are being produced. To ensure sufficient quantities are available at every retail unit, two automatic distributions are scheduled. Backup supplies are available at your local SDO.

### What promotion(s) are planned to encourage customers to purchase \$0.03 stamps early?

Retail associates are being asked to offer \$0.03 stamps in lieu of as change during the weeks preceding the rate change. Associates are also being asked to advise customers of the rate change on June 30, 2002, so that customers have the option of making a purchase of the nondenominated stamp and avoiding a return trip in July.

### Will generic customer notification letters be created for use in notifying customers?

Yes, generic customer letters were created that will appear in the special *Postal Bulletin* of May 9, 2002. This *Postal Bulletin* also contains stand-up talks and frequently asked questions.

### Will there be sufficient stamp stock for vending?

Yes, sufficient quantities will be available. This time, additional packets of new rate postage are being produced based on previous orders and usage.

### Will updates for IRTs and POS ONE units be available on time?

Yes, disks for updating IRTs will be sent to district IRT coordinators in June 2002. POS ONE updates will occur over the network.

### Electronic scales are located in our lobbies for customer use. These require a chip containing new rates. How do we obtain updated chips?

Districts should order chips from the scale manufacturer. Instructions are contained in the special *Postal Bulletin* of May 9, 2002. Please note: If scales are less than one year old or are covered by a maintenance agreement, you may be entitled to a free chip replacement. Check with the scale manufacturer.

FAQs RETAIL continued from page 5

### Will there be an exclusion to stamp stock limits for the automatic shipments we receive when rates change?

Yes, the exclusion applies. In the future, a revision will be made to section 422.212 of Handbook F-1, *Post Office Accounting Procedures*, to include automatic distribution of stamp stock for rate change.

### What are we supposed to do with excess stock we receive with the automatic shipments?

Excess stock may be returned as long as it is in the original package. The seal must be intact. Communicate with your SDO prior to returning any stock.

### Last time, there were problems when excessive numbers of records jammed the system due to simultaneous entry of stock. How should we handle that?

The previous problem involved the number of records "in transit" at once. The Accounting Service Center has informed us that the file overload problem no longer exists.

# Retail Operations Timeline

			Timeline		
	Task	Responsibility	Start	Complete	
1	Maintain contact with rate implementation coordinator for information, material updates, and guidance.	Manager, Retail	Ongoing		
2	Ensure adequate staffing at SDOs during rate change period. Keep critical timeframes (first week of June through second week of July) in mind when reviewing leave requests.	Manager, Retail with SDO	Now		
3	Ensure all communication gets to appropriate personnel regarding ordering procedures. Include information about automatic distribution of stock as well as replenishment and return of stock procedures.	Manager, Retail and SDO/SSC	Immediately		
4	Based on stock shipment and quantities on hand, develop a primary and secondary distribution plan. (Include CPUs and other access channels.)	Manager, Retail and SDO/SSC	May 24, 2002		
5	Prepare and ship rate-related stock. Phase 1 – Distribute week of May 30. Phase 2 – Distribute week of June 17.	SDO/SSC – (Retail manager ensures compliance)	As determined		
6	Verify stock immediately when received. Contact SDO at once if quantity is not sufficient. Follow accounting procedures as described in Handbook F-1, Post Office Accounting Procedures.	Postmasters and station/branch managers	As soon as available and as appropriate		
7	Issue stamp stock to retail employees and other retail channels immediately upon receipt.	Postmasters and station/branch managers	As appropriate dependent upon first day of issue and date of receipt		
8	Develop contingency plan to address additional lobby traffic: Lobby directors peak periods.	Postmasters and station/branch managers	May 13, 2002		
9	Ensure all retail unit employees are prepared to handle new rates and related issues. Deliver rate change stand-up talks so retail employees are aware of rate changes and how to communicate with customers.	Manager, Retail Customer Services supervisors	May 10, 2002		
10	Ensure contract postal unit and community Post Office staff are knowledgeable about the new rates and are prepared to address customer concerns.	Manager, Retail postmasters station/branch managers	May 10, 2002		
11	Ensure each CPU, CPO, Post Office, and retail unit receives rate charts, posters, scale charts, brochures, manuals, and publications.	Manager, Retail postmasters station/branch managers	As determined		

TIMELINE continued from page 7

# Retail Operations Timeline

			Time	eline
	Task	Responsibility	Start	Complete
12	Ensure rates signage is installed on menuboards and parcel slides in all Postal Stores. (Current rate information must be posted until COB June 29, 2002.)	Manager, Retail postmasters	June 28, 2002	June 30, 2002, before customers arrive
13	Ensure rates signage is updated on all traditional office menu boards. (Current rate information must be posted until COB June 29, 2002.)	Manager, Retail postmasters	June 29, 2002, after close of business	June 30, 2002, before customers arrive
14	Ensure all IRTs, weighing and rating units and electronic scales and fan scales are updated with new rates.	Manager, Retail postmasters station/branch managers	June 29, 2002, after close of business	June 30, 2002, before customers arrive
15	Ensure new rate information is displayed in customer lobbies and all old rate information is removed and disposed of.	Manager, Retail postmasters station/branch managers	June 29, 2002, after close of business	June 30, 2002, before customers arrive
16	Ensure manual money order machines are reconfigured for printing money orders up to \$1,000.	Manager, Retail postmasters station/branch managers	June 29, 2002, after close of business	June 30, 2002, before customers arrive

### IRT **Timeline**

			Tim	eline
	Task	Responsibility	Start	Complete
1	Receive rate change diskettes and release notes/installation instructions for IRTs in bulk via Express Mail service.	IRT coordinator	Mailing date to be announced via e-mail	
2	Contact the IRT hotline at 1-800-247-6478 if an insufficient quantity or no diskettes are received by the expected date.	IRT coordinator	June 25, 2002	
3	Mail IRT rate change software and information to IRT sites, including CPUs, immediately after expected date.	IRT coordinator	June 25, 2002	
4	Contact the district IRT coordinator by telephone and/or e-mail if no disk is received.	Postmaster of IRT office	June 27, 2002	
5	Install update disk before opening for business on the first day of the rate change. Install on IRTs by following instructions.	Postmaster of IRT office	1st day of rate change	
6	If update disk is found to be faulty at the last minute, do not wait for a new disk to be mailed. Borrow an update disk from a neighboring retail unit.	Postmaster of IRT office	ASAP	

### Retail Operations Lobby Scale Upgrade Information

Lobby scales must be updated when new postage rates are implemented on June 30, 2002. Each type of lobby scale will require different action, as described below.

#### **Electronic Scales**

(See Self Service — Vending Attachment B, page 13)

### Weighing and Rating Units (WRUs)

Maintenance agreements for all Unisys WRUs were terminated December 31, 2000. Maintenance and parts support are therefore no longer available (see *Postal Bulletin* 22007 (9-23-99)).

#### **Mechanical Scales (Fan Scales)**

Smaller Post Offices and some retail units do use these scales at the retail counter. Faceplate/rate chart replacements are available for fan scales still in use. However, no spare parts, maintenance, training, or other support is available for fan scales.

#### Mechanical/Fan Scale Faceplate Orders

Replacement faceplates will be available for those scales being used at full service retail counters by placing an order with the Material Distribution Center (MDC). **Faceplate orders must be placed beginning May 9, 2002, but no later than COB, Saturday June 15, 2002.** Employees may requisition these items through the following procedures:

### By Phone:

Touch-Tone Order Entry by calling 1-800-332-0317, option 1, then option 2.

#### By E-mail:

Send a completed "F3-Fill" PS Form 7380, MDC Supply Requisition, by e-mail to MDC Customer Service @ TOKS001L.

#### By Mail:

Send a completed PS Form 7380 to:

SUPPLY REQUISTIONS 500 SW GARY ORMSBY DR TOPEKA KS 66624-9702

These are the same ordering procedures used for the previous two postage rate changes. Districts will be responsible for the printing cost of each faceplate ordered, which is anticipated to range from \$20 to \$50 per faceplate (depending on model). Be sure to include your supply FEDSTRIP number for payment.

To expedite production and shipping of orders, each retail unit must place an individual order for their faceplate(s) no later than COB June 15, 2002. Updated faceplates can then be produced and shipped as

continued on page 10

LOBBY SCALE INFORMATION continued from page 9

quickly as possible after the implementation date for the new rates is finalized. Ordering information may also be used to facilitate replacement of the fan scales.

Bulk orders of fan scale faceplates are not recommended. However, if deemed necessary, districts can implement a bulk order for faceplates, if accompanied by a specific list of types and locations of all mechanical scales and the FEDSTRIP numbers for each scale. Bulk orders *must* include required information and be sent *directly to Materials Customer Service at the MDC*. Bulk faceplate orders must include: the NSN, scale model number(s), quantity ordered (should be one per scale), delivery address, and Fedstrip number. *Without the list and information noted above, a bulk order cannot be filled*. Accurate individual or bulk orders are needed to assure delivery of replacement faceplates, and to help determine any future action(s) concerning these scales.

Faceplates may be ordered for the following mechanical/fan scales:

Model	PSIN	NSN
4 LB FAN; TRINER MODEL 804	O804	6670-01-365-4341
*70 LB FAN; TRINER PEERLESS MODEL 1870 70 LB FAN; TRINER IMPERIAL, 500 SERIES 70 LB FAN; TRINER, DOUBLE FACE MODELS 1870X & 1870R (replaces O	O857C O857D O857DF 857LR & O857RL)	6670-01-365-7806 6670-02-000-8774 6670-01-363-9457
**20 OZ FAN; TRINER requires only new overlays 20 OZ FAN; PITNEY BOWES MODEL 120 requires only new overlays 20 OZ FAN; TOLEDO requires only new overlays 20 OZ FAN; PENNSYLVANIA requires only new overlays	O859AD O859BD O859CD O859ED	6670-01-366-3150 6670-01-366-3151 6670-01-366-3152 6670-02-000-8795

<sup>\*</sup>Note for 70 lb. scales: Please be sure to check that the correct faceplate is ordered. Some offices ordered the wrong faceplate during the last rate change, resulting in extra costs to the Post Office and delays in receipt of the correct rate information for the scales in question.

<sup>\*\*</sup>Note for 20-ounce fan scales: Because only one of the two pieces compromising the "rate chart" is needed, special attention is needed for 20-ounce scales. The metal scale plate with "weight markings" does not need replacement (identified as 0-859-AA, BB, CC, or E). Only the clear plastic pressure-sensitive overlay with "postage rates" printed on it needs replacement when rates change (identified as 0-859-AD, BD, CD, or ED above). While all 20-ounce scales currently in service are believed to only need the plastic overlay, if any 20-ounce fan scales are found with a "single piece" design (weight and rate information printed directly on the metal plate), please identify those scale quantities in the space provided on the order form.

# Self Service — Vending Timeline

			Timeline		
	Task	Responsibility	Start	Complete	
1	Download the new product identifiers. These are found on the Self Service Web page at RETAIL.USPS.GOV. The specific address is; http://retail.usps.gov/html/programs/selfserv/prod_id.html. See Attachment A for the complete list of products by Item Number.	Vending servicing employee, supervisor	May 2002		
2	Place in-store messaging (3c vending cling) on the wall(s) or window to redirect customers to the vending machines that sell 3c stamps.	Vending servicing employee	June 2002		
3	Order Label 223 for stamp vendor models PS-53C MOD/PS-53D. New labels will be sent to district retail managers via Priority Mail service beginning in May 2002. The MDC will stock the Label under NSN 7690-04-000-4998. Use PS Form 7380 to order the label from the MDC. See <b>Attachment A</b> for a sample of the new labels to be sent out with the new rate.	Vending servicing employee, supervisor	May–June 2002		
4	Order the program card or rate chip (depending on the scale model) from the electronic scale manufacturer. Place the order in May 2002. The information to order the chip from the scale manufacturer is in Attachment B.	Supervisor at scale location	June 2002		
5	a) Stock machines with the old and new rate stamps on June 15, 2002. Follow the instructions in the machine model maintenance Series Handbooks that are listed in <b>Attachment C</b> . b) Set the prices on the keypad for newer machines or the program board for older machines. c) Change the product display as necessary.	Vending servicing employee	June 2002		
6	For lobbies still requiring a lobby scale: Order the Triner scale from the manufacturer containing the new rate chip. Place the order in May 2002. The information to place the order from the scale manufacturer is in Attachment D.	Supervisor at scale location	June 2002		

# Self Service — Vending Attachment A — Item List and Sample Label 223, June 2002

### Item List

ITEM#	DENOMINATION	DESCRIPTION	FOR MACHINES
310300	\$1.50	50 – 3c Stamp Packet Star Design Packet	PCM-1625A, 1625B
671200	\$7.40	Book 20 Flag Nondenomination	PCM-1625A, 1625B
671211	\$7.40	Book 20 Flag Nondenomination X-Cross	PBSM-624, 624B PBM-2A, 6, 7
671400	\$7.40	Book 20 Antique Toys Nondenomination	PCM-1625A, 1625B
671411	\$7.40	Book 20 Antique Toys Nondenomination X-Cross	PBSM-624, 624B PBM-2A, 6, 7
671800	\$2.30	Book 10 George Washington	PCM-1625A, 1625B
671811	\$2.30	Book 10 George Washington	PBSM-624, 624B PBM-2A, 6, 7
780600	\$0.37	Coil of 3000 Flag	PBSM-624, 624B PS053C Mod, PS-53D PS-22, 22B
776300	\$0.37	Coil of 3000 Conestoga Wagon	PBSM-624, 624B PS053C Mod, PS-53D PS-22, 22B

### Sample Label 223, June 2002 Prices for PS-53C Modified, PS53-D

1 - 37c	1 - 37c	1 - 37c	1 - 37c	2 - 37c
1 - 3c	1 - 3c	1 - 3c	1 - 3c	2 - 3c
for	for	for	for	for
<b>40</b> C	<b>40</b> C	<b>40</b> C	<b>40c</b>	<b>80c</b>
2 - 37c	2 - 37c	3 - 37c	3 - 37c	3 - 37c
2 - 3c	2 - 3c	3 - 3c	3 - 3c	3 - 3c
for	for	for	for	for
<b>80c</b>	<b>80c</b>	\$1.20	\$1.20	\$1.20
3 - 37c 3 - 3c for \$1.20	3 - 37c 3 - 3c for \$1.20	5 - 37c for <b>\$1.85</b>	5 - 37c for <b>\$1.85</b>	5 - 37c for <b>\$1.85</b>
5 - 37c	5 - 37c	5 - 37c	5 - 3c	5 - 3c
for	for	for	for	for
<b>\$1.85</b>	<b>\$1.85</b>	<b>\$1.85</b>	<b>15c</b>	<b>15</b> C

### Self Service — Vending Attachment B

## Electronic 30-Pound Lobby Scales Rate Change Chip Orders

MLB-CO-99002, dated November 16, 2001, with an expiration date of November 16, 2003, references the two contractors from which rate change chips should be ordered for the electronic lobby scales. These are:

1. Contract 102590-99-H0204: This is the contract for the Triner Scale and Manufacturing Company for the 30-pound electronic lobby scale, model TS30P scale. In this contract under Schedule A – Items and Prices, Item 04 – Annual Software Change (rate chip change) off warranty, the price of each chip per year is \$95.00. The ordering address for this item is:

TRINER SCALE MANUFACTURING COMPANY INC 2842 SANDERWOOD RD MEMPHIS TN 38118

Phone: 1-800-238-0152 FAX: 901-795-0746

2. Contract 102590-99-H0205: This is the contract with Hasler, Inc., for the 30-pound electronic lobby scale, model AH30P. In this contract under Schedule A – Items and Prices, Item 05 – Rate Change Software (Off-Maintenance), the price of each chip (rate change includes one or more changes on the same day) is \$100. The ordering address for this item is:

HASLER INC 19 FOREST PARKWAY PO BOX 858 SHELTON CT 06484-0903

Phone: 1-800-237-9154 (ext. 2177)

FAX: 703-758-9069

# Self Service — Vending Attachment C

### **Instructions for Price Setting**

Model	Instructions
PCM-1625A	See section 2, MS Handbook 121
PCM-1625B	See section 2, MS Handbook 134 and <i>Operator's Guide</i> , p. 56
PBSM-624 and PBSM-624B	See section 2, MS Handbook 139 and <i>Operator's Guide</i> , p. 99
PBM-7	See section 2, MS Handbook 151 and <i>Operator's Guide</i> , p. 35
PBM-2A/6	See section 2, MS Handbook 111 and attached instructions
PS-22, 22B	See section 2, MS Handbook 152 and <i>Operator's Guide</i> , p. 40
PS-53C Mod and PS-53D	See section 2, MS Handbook 103 and attached instructions

### Self Service — Vending Attachment D

#### **TRINER SCALE TS30P**

Contract No. 102590-99-H0204 PSN 6670-04-000-5272

Self-calibrating scale for weighing items from 1/2 ounce to 30 pounds in increments of 1/2 ounce or less. Displays the required postage and weight of the item. Designed to be used in Postal Service lobbies, replacing the UNISYS WRU (or any nonelectronic) scale. Supports all basic weight and rate structures (except International Express Mail service) via a display and keypad. Certified, return receipt, and insured, as well as First-Class Mexican and Canadian rates are provided. Rates are changeable via a replaceable and insertable chip.

- Triner scale model TS30P has been specifically designed according to the Postal Service specifications for Post Office lobbies and offers Postal Service-selected rate classifications and rate/weight conversion up to 30 lbs.
- The new "ZIP Code-based set-up" eliminates the need for zone-specific rate chips because it allows for automatic rate calculations.
- Light-touch, user-friendly keypad.
- Audible beeps to confirm entry of selected services.
- Large easy-to-read back-lit LCD display.
- Postal Service-approved slate gray riser/lobby lock down kit (raises scale up so that it will set above the counter top, and serves as a theft deterrent).
- Delivered price: \$597.
- Specifications: 8" X 9" stainless steel platform, lock-down riser, antitheft location of rate chip.

### Before submitting requisition, ensure that locally established procedures have been followed.

These contracts will utilize electronic data interchange (EDI), which eliminates processing of individual delivery orders against the contracts. Requirements offices should prepare a funded PS Form 7381, *Requisition for Supplies, Services, or Equipment,* using PSIN TS30P, including the price, and forward to:

MATERIAL DISTRIBUTION CENTER US POSTAL SERVICE 500 SW GARY ORMSBY DR TOPEKA KS 66624-9995

The required contract shipping date is thirty (30) calendar days after receipt of order. Obligations will normally be charged to the consignee's finance number. Payment will be made utilizing electronic funds transfer (EFT) by the Accounting Service Center, 2700 Campus Drive, San Mateo, CA 94497-9470.

**Source:** SCALE ELECTRONIC 30 LBS

TRINER SCALE AND MANUFACTURING COMPANY INC

2842 SANDERWOOD ROAD

MEMPHIS TN 38118 Phone: 1-800-238-0152 Fax: 901-795-0746

Contact: Robert Dickerson or John Wendt

Postal Service Tech Contact: Dan Wilson, 703-280-7332

### Self Service — Vending Rate Change 20-Stamp Booklets

As of June 7, 2002, all vending sites are eligible to stock and sell the new nondenominated *Flag* and *Antique Toys* stamps, for the rate change effective June 30, 2002. These stamps are in 20-stamp booklets at a cost of \$7.40.

All shipments have been completed and are available at accountable paper depository (APD), stamp distribution office (SDO), and stamp service center (SSC) locations. Stock booklets in postal book/stamp machine (PBSM) models PBSM-624 and PBSM-624B, and in postal commodity machine (PCM) models PCM-1625A and PCM-1625B.

From June 7, 2002, to June 29, 2002, stock these machines with *both* the nondenominated *Flag* and Antique *Toys* stamps *and* the existing 34-cent booklet. Beginning June 30, 2002, 34-cent booklets must be removed and replaced with the *Flag* and *Antique Toys* stamps.

Use the numbers from the following tables when ordering these vending products from your SDO.

Nondenominated		
Stamp Product	Item Number	Vending Machine
Flag (straight) 20-stamp book	671200	PCM-1625A PCM-1625B
Flag (X-cross) 20-stamp book	671211	PBSM-624, PBSM-624B
Antique Toys (straight) stamp book	671400	PCM-1623A, PCM-1625B
Antique Toys (X-cross) stamp book	671411	PBSM-624, PBSM-624B
Denominated		
Stamp Product	Item Number	Vending Machine
Flag (straight) stamp book	670700	PCM-1625A PCM-1625B
Flag (X-cross) stamp book	670711	PBSM-624, PBSM-624B
Antique Toys (straight) stamp book	670500	PCM-1625A PCM-1625B
Antique Toys (X-cross) stamp book	670511	PBSM-624, PBSM-624B

#### **Setting Prices**

PCM-1625A and PCM-1625B must have the new prices entered into the control board via the keypad. Procedures for price setting are in section 2 of Handbook MS-121, *Postal Commodity Machine PCM-1625*, in section 2 of Handbook MS-134, *Postal Commodity Machine PCM-1625B*, and in *PCM-1625B Operator's Handbook*.

PBSM-624 and PBSM-62B must have the new prices entered into the control board via the keypad. Procedures for price setting are in section 2 of Handbook MS-139, *Postal Booklet and Stamp Machine PCM-1625*, and in *PBSM-624 Operator's Handbook*.

**Note:** Stamped cards (item (#222000) will be placed on sale June 7, 2002. Pricing will be \$1.25 per pack of five cards. They are sold only from multicommodity machines. Product identifiers are available from the Self Service Web page (http://retail.usps.gov/html/programs/selfservice.html).

### Self Service — Vending Rate Change Instructions for the PBM2A/6

- 1. Unlock and open door.
- 2. Remove power and disconnect power cord.
- 3. Remove all stamp booklets from dispenser.
- 4. Load a known amount of new booklets.
- 5. Use the following procedure to set the prices on the program board. You will need a flashlight and a flatblade screwdriver for this task:
  - a. Remove the two flatblade screws from the cover of the program board. Be careful not to drop them into the machine.
  - b. Set price switches 3, 5, and 8 to the right, for a value of \$7.40. All others to the left. **Note:** Never use a pencil to move the switches as lead damages the switches and board.
  - c. Replace the program board cover and screws.
- 6. Use the following procedure to change the product display on the front of the machine. You will need a flatblade screwdriver and some masking tape for this task:
  - a. Note that the door is open and that the power cord is still disconnected.
  - b. Remove the currency validator/stacker.
    - 1. Disconnect the plug from the bottom of the currency validator.
    - 2. Loosen the two screws to the bracket slot, remove the wing nut, and retainer that holds the currency validator/stacker to the faceplate.
    - 3. Remove the currency validator/stacker.
  - c. Remove the coin mechanism.
    - 1. Disconnect the (P-2) plug at the program board.
    - 2. Release the latch that holds the coin mechanism to the bracket.
    - 3. Remove the coin mechanism.
  - d. Remove the product display.
    - 1. Use masking tape to secure the display to the front of the machine.
    - 2. Using a flatblade screwdriver, remove the five screws that hold the display.
    - 3. Replace product display exhibit with new product and tape it in place.
    - 4. Reinstall display and tighten five screws.
  - e. Replace coin mechanism and plug connector to program board (the connector's wires point to the outside of the program board).
  - f. Replace currency validator/stacker.
    - 1. Mount the currency validator/stacker into its bracket slot.
    - 2. Secure the currency validator/stacker with the retainer and wing nut, and tighten the two screws on the bracket slot.
    - 3. Reconnect the plug to the base of the currency validator.

PBM 2A/6 continued from page 17

- 7. Condition the program board since the price of the booklet is greater than \$5. This will have to be done every time the machine is serviced.
  - a. Service machine with new booklets, remove bills from currency validator/stacker and record as necessary.
  - b. Ensure that coin tubes are filled to cover upper sensors of coin tubes (fill to top of tubes).
  - c. Reconnect power cord and pull out interlock switch to restore power to machine.
  - d. Insert coins of each denomination until one of each denomination falls into cash box.
  - e. Use at least one nickel, dime, and quarter along with dollar bills/five dollar bill to purchase one booklet.

#### **CAUTION**

Do not lock key inside machine.

- f. Close and lock door of PBM.
- g. Purchase one booklet from machine using following procedure:
  - 1. Insert coins and bills as described in step e that are equal to or greater than the price of the booklet, and ensure that the booklet is vended and proper change is returned.
  - 2. Retain vended booklet and enter into subaccount for machine.

#### NOTE

Opening the door or losing power to the PBM2A/6 will require the conditioning of program board before machine can return to service if product price is greater than \$5.

### Self Service — Vending Rate Change Instructions for PS-53C with BAM Kit and PS-53D

- 1. Unlock and open door.
- 2. Remove power and disconnect power cord.
- 3. Remove stamp dispenser modules individually and:
  - a. Replace previous stamps with new stamps as needed.
  - b. Replace price display with new price display.
  - c. Note counter numbers and size of roll being installed.
- 4. PS-53C with BAM Kit and PS-53D stamp module positions:

A3 (0.37) A2 (0.37) A1 (0.37) A5 (0.03) A4 (0.03)

The Top modules (MM) are A1, A2, and A3. The Bottom modules (SM) are A4 and A5. Top module A1 works in concert with Bottom module A4, and Top module A2 works in concert with Bottom module A5. The Bottom module makes change in \$0.03 stamps. The stamps in the A3 Top module do not need \$0.03 stamps to be given as change. Top modules A1 and A2 can be configured like Top module A3 and not give \$0.03 stamps as change from Bottom modules A4 and A5. To do this the A4 or A5 Bottom module switches should be set to zero and the stamp empty switch blocked up with a piece of cardboard to make it appear that it contains stamps.

5. Choose from the following chart the proper Top Module/Bottom Module configuration you need to configure your machine. Use the scenario that best suits your vending business. Set the program board switches as follows:

Modules	\$ Vend	Stamp	# of	Value of	# 3-cent	Top Module	Bottom Module
Used	Value	Value	Stamps	Stamps	Stamp for	Switches ON	Switches ON
					change		
A1 & A4	0.40	0.37	1	0.37	1	MM A1– 4, 7	SM A4 – 10
A2 & A5	0.40	0.37	1	0.37	1	MM A2 – 4, 7	SM A5 – 5
A1 & A4	0.40	0.37	1	0.37	1	MM A1 – 4, 7	SM A4 – 10
A2 & A5	0.80	0.37	2	0.74	2	MM A2 – 3, 6	SM A5 – 4
A1 & A4	0.80	0.37	2	0.74	2	MM A1 – 3, 6	SM A4 – 9
A2 & A5	0.80	0.37	2	0.74	2	MM A2 – 3, 6	SM A5 – 4
A1 & A4	1.20	0.37	3	0.37	3	MM A1 – 3, 4, 6, 7	SM A4 – 9, 10
A2 & A5	1.20	0.37	3	0.37	3	MM A2 – 3, 4, 6, 7	SM A5 – 4, 5
A3	1.85	0.37	5	1.85	0	MM A3 – 2, 4, 5, 8, 10	*
A1 & A4	1.85	0.37	5	1.85	0	MM A1 – 2, 4, 5, 8, 10	SM A4 – 0
A2 & A5	1.85	0.37	5	1.85	0	MM A2 – 2, 4, 5, 8, 10	SM A5 – 0
A1 & A4	0.30	0.37	0	0.00	5	MM A2 – 1, 3, 8, 9	SM A4 – 0
A2 & A5	0.15	0.37	0	0.00	5	MM A2 – 2, 4, 9, 10	SM A5 – 0

<sup>\*</sup> Preferred setting.

Note: Never use a pencil as the lead will damage the board. Switch down is "on" and up is "off."

### PS-53C with BAM Kit and PS-53D continued from page 19

### Example:

Top Module Position	A3	A2	A1
Stamp Value Vended	\$1.85	\$0.74	\$0.74
Each Stamp Value	\$0.37	\$0.37	\$0.37
# of Stamps Vended	5	2	2

Bottom Module Position		A5	A6
Stamp Value Vended		\$0.74	\$0.74
Each Stamp Value		\$0.03	\$0.03
# of Stamps Vended		2	2
Total Stamps Vended Value	\$1.85	\$0.80	\$0.80

Switch settings on program board for above example:

<b>A5</b>	A4		A3		A2		A1
12345	678910	1234	5678910	1234	5678910	1234	5678910
1	1		1 1 1	1	I	I	I
2	2	4 + 1=5	\$1.60 + 20 +5 =\$1.85	2	\$0.80	2	\$0.80

Modules	Bottom Modules A5/A4				Top Module Switches A1/A2/A3																
	# of Stamps A5 # of Stamps A4		# of Stamps			Value of Stamps															
Switch Number	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10	
Switch Value	-	-	4	2	1	-	-	4	2	1	8	4	2	1	\$1.60	.80	.40	.20	.10	.05	

- 6. Make sure program board is seated properly (pushed in all the way).
- 7. Set coin mechanism binary switch 1 to Off and switch 2 to On so that the machine is enabled to accept two \$1 bills.
- 8. Reconnect the power cord and close and lock the door.
- 9. Check the machine for proper operation of all the vends from the front using money.

# Self Service — Stamps by Mail Timeline

			Tim	neline
	Task	Responsibility	Start	Complete
	SBM template to be distributed to area and	Headquarters	May 2002	
1	district offices. Once rate is confirmed, the			
	template will be e-mailed to area and district			
	Retail managers. See Attachment A.	D D	14 0000	
	Make sufficient copies of rate template to go	District Retail	May 2002	
2	with order forms. Template to be distributed	specialists and		
2	once rate is confirmed. Include with fulfillment of	postmasters		
	all orders. Fulfillment personnel to include template with all orders until order form with			
	new rates is completed.			
	New rate change insert. Distribute once rate is	District Retail	May 2002	
3	confirmed. Include with fulfillment of all orders.	specialists and	Iviay 2002	
	Insert to be distributed to areas and districts by	postmasters		
	rate implementation team.	postiliastors		
	Distribute letter informing customers who	District Retail	June 2002	
	ordered stamps before the rate implementation.	specialists and		
4	To be used after rates have changed when	postmasters		
	customer paid according to old rate. Print	'		
	sufficient copies of letter from the rate package.			
	See Attachment B.			
	Provide Stamps by Mail forms, template, letters,	District Retail	May 2002	
	flyers, etc. for CPUs in area. Provide current	specialists and		
_	form immediately; to CPUs provide other	postmasters		
5	materials, as they are ready.			
	Order/produce additional copies of order forms			
	and other materials to distribute to CPUs. See			
	Attachment C.	District Date "	l 0000	
	Order new rate change forms in early May.	District Retail	June 2002	
	Instructions on how to order forms are available	specialists and		
	through the Self Service link to <i>Postal Bulletin</i>	postmasters		
	22065 (12-13-01, p.77), Stamps By Mail National Requirements Contract, using PS Form			
6	3227-O from Cyril-Scott Co., P.O. Box 627,			
	Lancaster, OH 43130-0627. The SBM form is			
	shown in the article on page 79, is displayed as			
	<b>Attachment D</b> , and can be downloaded at			
	http://blue.usps.gov/formmgmt/forms/3227o.pdf.			
	map.,, s. a c. a cpo. go v. Torrining in a Torrito OLET C.par.			

### Self Service — Stamps by Mail Template Attachment A

		9 =	_	1 43	1 🕶			
)RM		st Middle al Initial		Apt./Suite	ZIP+4	TY COST	$\perp$	THANK YOU
ER F(	.a.	First Initial			State	CE QTY		THAN
4 ORD	ne Numb				S	<b>PRICE</b> \$7.40	\$1.50	
STAMPS BY MAIL TM ORDER FORM	Daytime Phone Number		licable)			DESCRIPTION (20) 37¢ Stamps, I Booklet, Self-Adhesive	±:	ER
BY M	Da		Company Name (If Applicable)			DESCRIPTION (20) 37¢ Stamps, 1 Booklet, Self-Adhesi	(50) 03¢ 1 Sheet	TOTAL COST OF ORDER
AMPS	Area Code	Last Name	pany Nan	Street/PO Box		1 (20):	(50)	AL COST
ST	Area	Last	Com	Stree	City		7	TOT
M		Middle Initial		Apt./Suite	ZIP+4	COST		
R FOR		First I		Apt		QTY		THANK YOU
STAMPS BY MAIL TM ORDER FORM	Number				State	<b>PRICE</b> \$7.40	\$1.50	\$ I
Ти	Daytime Phone Number		ole)			)N lesive		
Y MAI	Daytim		Company Name (If Applicable)			DESCRIPTION (20) 37¢ Stamps, I Booklet, Self-Adhesive	1 Sheet	TOTAL COST OF ORDER
IPS B	de	ne e	y Name (I	) Box		DESCRIPT (20) 37¢ Stamps, 1 Booklet, Self-A	(50) 03¢ 1 Sheet	COST 01
STAI	Area Code	Last Name	Company	Street/PO Box	City	ITEM 1	7	TOTAL
		dle tial		l <del>i</del> i	14	ST		<b>-</b> 1
ORM		First Middle Initial Initial		Apt./Suite	ZIP+4	IY COST		THANK YOU
DER F	ber				State	PRICE QTY 87.40	09	THAY
M ORI	one Num						\$1.50	
STAMPS BY MAIL TM ORDER FORM	Daytime Phone Number		olicable)			DESCRIPTION (20) 37¢ Stamps, I Booklet, Self-Adhesive	t	DER
BY M	ã		Company Name (If Applicable)			DESCRIPTION (20) 37¢ Stamps, 1 Booklet, Self-Adhesi	(50) 03¢ 1 Sheet	TOTAL COST OF ORDER
AMPS	Area Code	Last Name	pany Nan	Street/PO Box		_	(20)	AL COS
ST	Area	Last	Com	Stree	City	ITEM 1	2	TOT

Please do not send cash. Enclose this order form and a check or money order payable to "Postmaster," in the reply envelope. Orders of \$200.00 or more will be sent by Certified Mail and must be signed for upon delivery. Information you provide will be protected and only disclosed in accordance with the Privacy Act of 1974.

Please do not send cash. Enclose this order form and a check

Orders of \$200.00 or more will be sent by Certified Mail and must be signed for upon delivery. Information you provide will be protected and only disclosed in accordance with the

or money order payable to "Postmaster," in the reply envelope. Orders of \$200.00 or more will be sent by Certified Mail and must be signed for upon delivery. Information you provide

will be protected and only disclosed in accordance with the

Privacy Act of 1974.

Please do not send cash. Enclose this order form and a check

Privacy Act of 1974.

or money order payable to "Postmaster," in the reply envelope.

Self Service — Template for Postal Service Letterhead Stamps by Mail Customers
Attachment B

Dear Stamps by Mail Customer:

The U.S. Postal Service will change rates and fees for various classes of mail and services effective **June 30, 2002**.

We have received your Stamps by Mail order; however, you placed your order prior to the rate change. Rather than return your order to you unfulfilled, we have sent you the value of new stamps equal to your payment. We are also enclosing an insert with the new rates on it. If you need to place another order before the new Stamps by Mail order form is available, please just cross out the dollar amount on the form and show the proper amount.

Thank you for your understanding and we hope you continue to use our Stamps by Mail program.

Sincerely,

### Self Service — Stamps by Mail General Information Attachment C

#### **RETAIL SPECIALISTS**

We have a national ordering agreement for Stamps by Mail (SBM). See *Postal Bulletin* 22065 (12-13-01, p. 77–79), *Stamps By Mail National Requirements Contract*, with Cyril-Scott Co., P.O. Box 627, Lancaster, OH 43130-0627, for all the details including PS Form 3227-O, *Stamps by Mail Supply Order*. All offices, centralized or noncentralized, will place orders directly with the printer and receive a shipment of the overprinted forms within 30 days of the order.

This means that the first Stamps by Mail forms to support the new rate will be available in late May 2002. The old SBM order forms should not be used at the time of the rate change unless you have included a template with the rates or a rate change brochure with the order form.

If the new SBM form with the new rates is not available on time, there are several things to be done to ensure customers can continue to use this service and are aware of the rate change:

- Copy the attached SBM rate change template and include with fulfillment of all orders.
- Do not plan any saturation mailings of the current SBM form beyond mid-April, unless you can somehow include the rate change template with the form.
- Ensure that no SBM forms with the old rate are in the lobbies after the rate change, unless you can somehow include the rate change template with the form.
- If you have a lobby director, have this person distribute Stamps by Mail forms with the rate change template to customers in the lobby.
- To the extent possible, continue to fulfill \$0.34 stamps with \$0.03 stamps after the rate change. This will help to reduce the inventory and destruction. Attachment B is a letter to the customer that will explain the situation.

# Self Service — Stamps by Mail Supply Order Attachment D

Stamps by Mail Supply Order	Required Entry –	Order No. (mm-dd-yy-ZIP+ 4) E	example: 12-180022209-6057
You MUST complete ALL fields on this form		Office Name	
		Office Name	
To: STAMPS DV MAII		Contact Name	
To: STAMPS BY MAIL CYRIL-SCOTT CO		Contact Telephone No. Inclu	de area code)
PO BOX 627 LANCASTER OH 43130-0627		·	
		Contact Fax No. Include area	a code)
Telephone No. Fax No.	740,000,0040	Contact Email Address	
800-466-0455	740-689-0210		
Quantity	Consider No. of Parks		
Item	Specify No. of Packs (500 forms per pack)	Unit Cost	Total
Form 3227 (English)		_ @ \$11.00 ea. per pkg. :	 <del> </del>
Spanish-language forms will be available in the future		 _ @ \$ ea. per pkg. :	=
Chinese-language forms will be available in the future		<del> </del> _ @ \$ ea. per pkg. :	=
		Total	\$
		Total	Ψ
Ship to (Cannot ship to post office boxes):		Contact Name	
(No., street, apt./ste., city, state, ZIP + 4)		Contact Name	
		-	
		-	
		Contact Telephone No. (Inclu	ude area code)
		-	
		-	
Imprint Information			
Imprint Information (Type or print clearly. Printer is not responsible for errors due	to illegible or unclear copy.)		
■ IDECTED STATES	,,,,,	LIMITED STATES POSTAL SERVICE	
No postage necessary if Maled in the		2	First-Clas Mail Postage Fees Paid JSPS
BUSINESS REPLY MAIL		<u>[</u>	Permit No. G-10
First Class Mail Permit No. XXX City, State		POSTAL CUSTO	MER
1.			
1. Imprint Address (Where order is sent for fulfillment - MUS7	include ZIP + 4) 2 & 3. Return	Address (MUST include ZIP + 4	)
Payment Information: Orders will be shipped within 35	calendar days after receipt of orde	er.	
Actual delivery times will vary ba	ased upon the destination and the s	hipment method used.	
VISA IMPAC Card No.:			ey Order (Include with order)
Requestor Signature	Manager/Superv	visor Signature	
Funding/Credit Card Official Signature			Date Signed
If shipment is over 20,000 forms (40 packs), enter finance no.	to be charged for transportation co		
PS Form <b>3227-O</b> . January 2002			Contract No. 26351-01-P-0149

## Self Service — Stamps to Go (Consignment) Timeline

			Tim	eline
	Task	Responsibility	Start	Complete
1	As an ongoing activity, see <b>Attachment A</b> , terminate consignments that do not meet minimum criteria by sending out a termination letter and conducting a closeout audit. See <b>Attachment B</b> .	District Retail specialists and postmasters	In-process	
2	As an ongoing activity, see <b>Attachment A</b> , transition accounts over to ABN. Contact Cynthia Nardone-Patterson at 202-268-5157 to start the process.	District Retail specialists and postmasters	In-process	
3	Convert any old agreements (those that included denomination) over to the shorter, simplified agreement. The letter (see <b>Attachment C</b> ) and agreement are to be distributed as soon as the rate change is confirmed. In addition, send the retailer, the letter and the new agreement for signature and return. The new agreements will be an ATM stamp agreement, <b>Attachment D</b> , and/or a stamp consignment agreement, <b>Attachment E</b> .	District Retail specialists and postmasters	April 2002	
4	Close out old agreements on the effective date of the rate change. Perform an audit and submit information to the contracting officer for updating of files; submit information on shortages and put these into suspense to Headquarters. Use <b>Attachment C</b> to accomplish this re-sign activity with the customer.	District Retail specialists and postmasters	June 2002	
5	Send a new contract, <b>Attachment D</b> and/or <b>Attachment E</b> , to the contracting officer. When the new agreement is signed and returned by consignee, forward it to the contracting officer for signature and filing.	District Retail specialists and postmasters	June 2002	

### Self Service — Letter to Retail Specialists Attachment A

The new rates, implemented on June 30, 2002, will affect existing over-the-counter and ATM Stamps on Consignment (SOC), now called **Stamps to Go (STG)**, customers. The information below will help in making the transition to the new rates easier.

Use only the attached simplified agreements for stamp consignments and ATM consignments. The agreements are legally binding documents and no changes can be made without concurrence from Headquarters' legal counsel. The major difference in the agreements is that all consignments are now on a 30-day float period.

Both agreements require replenishment as needed. Remittance must be made every 30 days from the date of the agreement and every 30 days thereafter for stamps sold during that period.

All consignments must meet minimum standards or be terminated. Over-the-counter consignments must meet the minimum quantity of 300 booklets/sheetlets or equivalent value. ATM stamp consignments must meet the minimum quantity of 1 brick of 200 sheetlets.

Any consignments that meet the minimum quantity (no minimum number of outlets for ATM consignments) should be turned over to American Bank Note (ABN) Company. ABN already distributes over 80 percent of the stamps consigned to commercial retailers and is a leader in the industry. The benefit to the retail specialist and providing Post Office is that the customer will no longer be expected to pick up stamps for replenishment at their local Post Office. ABN will call the customer, fulfill their order via Priority Mail® service, or where appropriate use Express Mail® service, or Registered Mail. Revenue received through ABN is also reallocated back to the ZIP Codes of origin. To contact ABN, call 1-877-430-5180.

In the event that it is impossible to meet the minimum quantity, terminate the agreement and suggest that the customer buy the stamps outright from the local Post Office. Emphasize the positives of this situation, such as the retailer will not be bound by contract or be concerned over meeting minimum requirements, yet will be able to offer a convenience to their customers. A sample termination letter is attached.

#### Re-sign Agreement

I have also attached a sample letter you can use to send to the consignment customer if you must issue a new agreement. Before sending the agreement, copy information from the current agreement to the new agreement. The consignee must fill out the last page of the contract beginning with "Name" and ending with "Telephone." To speed up the process, send the consignee the notification letter and contract and a self-addressed stamped envelope. When the signed agreement is returned to you, forward it to your contracting officer. The contracting officer must sign the agreement and provide a contract (agreement) number on the last page.

In order to avoid having two agreements in effect at the same time, legally we need to terminate the old agreement before or simultaneously with the effective date of the new one. Therefore, you should date the

RETAIL LETTER continued from page 27

new agreement in part 1.1 as the date of the rate change. The existing consignment will be considered terminated upon the effective date of the new one.

After the new rates are implemented, a representative from the administrating Post Office must audit all old consignment agreements. All old rate stock must be returned and payment made for the old-rate stamps, which have been sold or not accounted for. The old consignment agreements should be sent to your contracting officer for termination. There is no longer a need to advise Headquarters when consignments are either established or terminated.

### **New Agreement Not Required**

If you are using the agreement distributed in January 1999, you would simply provide the new rate stamps to the customer when available. The customer would be required to return all old rate stamps, and payment must be calculated for those which have been sold or not accounted for. An adjustment would then be made to the amount owed the Postal Service for the new rate stamps.

Janet L. Webster Manager, Self Service and Access Management Delivery and Retail

# Self Service — Sample Letter to Stamps to Go Customers When Terminating Agreement Attachment B

Dear Postal Customer:

We have reviewed your current Stamps on Consignment agreement with the Postal Service. The basis for continuing a consignment agreement is 300 booklets or equivalent value. Unfortunately, we have determined that your consignment is not meeting the minimum quantity and we must terminate the agreement.

I regret that we must terminate this agreement. However, please consider buying stamps outright from your local Post Office. This will enable you to continue to meet customer needs, while not being bound by a contract or concerned about meeting minimum requirements.

A representative from the Post Office will arrange to visit you in order to audit the agreement. You must return all stamp products or the equivalent funds at that time.

Thank you for your understanding.

Sincerely,

Your Local Retail Specialist

# Self Service — Sample Letter to Stamps to Go Customers Who Must Re-Sign Agreement

Attachment C

The United States Postal Service is raising postage rates effective June 30, 2002. As a valued Stamps on Consignment customer, it is necessary for you to sign a new consignment agreement.

As stated in the agreement, the minimum quantity of stamps consigned is 300 booklets or the equivalent value (1 brick for ATM consignments).

To assist us in this transition, we ask you to verify that the information contained in the agreement is correct. Please complete the information block on the last page of the agreement (bottom of the form) beginning with "Name." Upon completion, please return the signed agreement in the enclosed postage paid, pre-addressed envelope. As soon as our contracting officer provides approval, a representative from your local Post Office will supply you with your desired quantity of postage stamps, as well as a copy of your signed agreement. The existing consignment will be considered terminated upon the effective date of the new one.

Please note that after the new rates go into effect, a representative from the Post Office will audit your old consignment agreement. This audit will require that all old stock be returned and payment be made for the old-rate stamps which have been sold or not accounted for.

We want to make this transition easy for you and your valued customers. Should you have any questions concerning our Stamps on Consignment program, please contact

Your Local Retail Specialist

Attachment

### Self Service — ATM Stamp Consignment Agreement Attachment D

Dat	e:
1.	Consignee Obligations:
	To accept on consignment, on <b>[DATE]</b> , the following number of bricks of United States Postal Service (USPS) mps for sale through automated teller machines (ATMs)
1.2	The consignee must examine orders upon receipt and report any discrepancies within five calendar days to:
	Postmaster/Station Manager
cus	The consignee will sell stamps to the public for face value, which is the same price the USPS charges its tomers for stamps. The consignee may charge an additional service fee at its option. The consignee will advertise promote the sale of stamps with advertising materials as may be made available by the USPS.
han	The consignee agrees to replenish stock as needed. Stock may be replenished until the total amount of stock on d equals double the amount specified in part 1.1; further replenishments require modification to this agreement. ck will be replenished at:
	Name and Location of replenishing USPS facility
valu	The consignee will remit, thirty calendar days from the date in part 1.1 and every thirty days thereafter, full face are payments for stamps sold to the public during the preceding thirty-day period. Remittance will be made to the tal official named in part 1.2.
pay	The consignee will be fully responsible for consigned stamps from the time of receipt until their sale, and for ments derived from consignment sales until their remittance to the designated post office. The consignee may not ign any of its interests or obligations under this agreement to any other party.
of c	The consignee will provide the USPS, within a month of this agreement's execution and quarterly thereafter, a list outlets through which consignee sells stamps. The list must designate the outlets by 5-digit ZIP Code and show the bunt and value of stock distributed to each outlet, and must be provided to:
	Retail Specialist Address/City/State/Zip
1.8	The consignee will allow the USPS to examine stamp inventory and related documents while this agreement is in

- 1.8 The consignee will allow the USPS to examine stamp inventory and related documents while this agreement is in effect and for a period of three years from the date of its termination.
- 1.9 The consignee will notify the USPS in writing within five calendar days of the initiation of any conservatorship, receivership, or bankruptcy proceedings. The notice must include: 1) the agency or court in which, and the date when, the proceeding was filed; and 2) a report describing the stamp stock and sales payments for which the consignee is responsible on the date of notice.

### 2. USPS Obligations:

- 2.1 The USPS will supply and replenish stamp stock.
- 2.2 The USPS may provide advertising to increase public awareness of consignment sales.

ATM CONSIGNMENT continued from page 31

### 3. The Parties Obligations:

- 3.1 Except as otherwise provided in this agreement, changes to the agreement's terms may only be made by written modification signed by both parties. Changes in the consignee's ownership require the execution of a new agreement.
- 3.2 This agreement may be terminated by either party on thirty calendar days' written notice to the consignee or contracting officer at the addresses in part 7. However, the USPS, if necessary to protect its interests, may terminate this agreement immediately, to be subsequently confirmed in writing within fifteen calendar days.
- 3.3 Within fifteen calendar days of any termination, the consignee must provide: 1) all stamps (or cash equivalent) in its possession to the USPS; 2) sales proceeds not yet remitted to the USPS; and 3) cash for stamps and sales proceeds not so provided for which consignee is responsible under part 1.6.
- 3.4 The parties agree that: 1) the agreement involves consignment sales and that the consignee does not receive title to the stamps; and 2) neither consignee and its employees, nor the USPS and its employees, may be considered employees of the other for any purpose.
- 3.5 This agreement constitutes the entire agreement of the parties and supersedes all former agreements. No oral representations of any kind affect any term of this agreement.
- 4. Consignee Tax Identification Number (TIN)
- 5. Parent Company TIN (if applicable)
- 6. Parent Company Name & Address (if applicable)
- 7. Signatures:

	20
United States Postal Service Contracting Officer's Address Consignee's Name: Consignee's Signature: Consignee's Title: Name of Firm/Bank: City, State and Zip Code:	(date)
	20
Contracting Officer	(date)
United States Postal Service	
Contracting Officer's Address	
Consignee's Name:	
Consignee's Signature:	
Consignee's Title:	
Name of Firm/Bank:	
Street Address:	
City, State and Zip Code:	
Contact Person:	
Telephone:	
CONTRACT NUMBER	

### **Self Service — Stamp on Consignment Agreement (Local)** Attachment E Date: 1. Consignee Obligations: 1.1 To accept on consignment, on [DATE], the following quantities of United States Postal Service (USPS) postage. First-Class Mail® postage (minimum of 300 stamp booklets/sheetlets or equivalent value): \_\_\_\_\_20 stamp booklets \_\_\_\_\_10 stamp booklets \_\_\_\_rolls of 100 stamps Express Mail® postage:\_\_\_\_\_ stamps Priority Mail® postage: stamps Other (specify) 1.2 The consignee must examine orders upon receipt and report any discrepancies within five calendar days to: Postmaster/Station Manager 1.3 The consignee will sell stamps to the public for face value, which is the same price the USPS charges its customers for stamps. The consignee will advertise and promote the sale of stamps with advertising materials as may be made available by the USPS. 1.4 The consignee agrees to replenish stock as needed. Stock may be replenished until the value of all stock on hand equals double the value specified in part 1.1; further replenishments require modification to this agreement. Stock will be replenished at: Name and Location of replenishing USPS facility 1.5 The consignee will remit thirty calendar days from the date in part 1.1 and every thirty days thereafter, full face value payments for stamps sold to the public during the preceding thirty-day period. Remittance will be made to the postal official named in part 1.2. 1.6 The consignee will be fully responsible for consigned stamps from the time of receipt until their sale, and for payments derived from consignment sales until their remittance to the designated post office. The consignee may not assign any of its interests or obligations under this agreement to any other party. 1.7 The consignee will provide the USPS, within a month of this agreement's execution and guarterly thereafter, a list of outlets through which consignee sells stamps. The list must designate the outlets by 5-digit ZIP Code and show the amount and value of stock distributed to each outlet, and must be provided to:

1.8 The consignee will allow the USPS to examine stamp inventory and related documents while this agreement is in effect and for a period of three years from the date of its termination.

Retail Specialist Address/City/State/Zip

1.9 The consignee will notify the USPS in writing within five calendar days of the initiation of any bankruptcy proceedings. The notice must include: 1) the court in which, and the date when, the proceeding was filed; and 2) a report describing the stamp stock and sales payments for which the consignee is responsible on the date of notice.

continued on page 34

LOCAL STAMPS BY CONSIGNMENT continued from page 33

1.10 Consignments to businesses the USPS deems commercial mail receiving agencies must agree to sell all First-Class stamp products, as well as Express Mail and Priority Mail products.

#### 2. USPS Obligations:

- 2.1 The USPS will supply and replenish stamp stock.
- 2.2 The USPS may provide advertising to increase public awareness of consignment sales.

### 3. The Parties Obligations:

- 3.1 Except as otherwise provided in this agreement, changes to the agreement's terms may only be made by written modification signed by both parties. Changes in the consignee's ownership require the execution of a new agreement.
- 3.2 This agreement may be terminated by either party on thirty calendar days' written notice to the consignee or contracting officer at the addresses in part 7. However, the USPS, if necessary to protect its interests, may terminate this agreement immediately, to be subsequently confirmed in writing within fifteen calendar days.
- 3.3 Within fifteen calendar days of any termination, the consignee must provide: 1) all stamps (or cash equivalent) in its possession to the USPS; 2) sales proceeds not yet remitted to the USPS; and 3) cash for stamps and sales proceeds not so provided for which consignee is responsible under part 1.6.
- 3.4 The parties agree that: 1) the agreement involves consignment sales and that the consignee does not receive title to the stamps; and 2) neither consignee and its employees, nor the USPS and its employees, may be considered employees of the other for any purpose.
- 3.5 This agreement constitutes the entire agreement of the parties and supersedes all former agreements. No oral representations of any kind affect any term of this agreement.
- 4. Consignee Tax Identification Number (TIN)
- 5. Parent Company TIN (if applicable)
- 6. Parent Company Name & Address (if applicable)
- 7. Signatures:

	20
Retail Specialist/Postmaster/Station Manager	(date)
United States Postal Service	22
Contracting Officer	20 (date)
United States Postal Service	(uate)
Contracting Officer's Address	
Consignee's Name:	
Consignee's Signature:	
Consignacia Titla	
Consignee's Title:	<del></del>
Name of Firm:	
Street Address:	
City, State and Zip Code:	
Contact Person:	
Telephone:	
CONTRACT NUMBER	
CONTRACT NUMBER	

### Implementation Support Materials to be Shipped

On the two following pages are two easy-to-duplicate rate charts. The first chart contains often-used calculations and the most frequently requested domestic rates and fees and can be used as a "quick glance" for employees in offices without electronic terminals. The other is intended to be displayed in the lobby until the printed materials arrive. A stamp combination matrix will appear in an upcoming Postal Bulletin.

The rate implementation items listed below will be printed and distributed in various amounts to all Post Offices, stations and branches, community Post Offices, and contract postal units:

- Retail Customer Card 3 ¾" x 8 ½"
- Carrier Pocket Card 4 ¼" x 5 ½"
- Large Lobby and Swing Room Poster (English and Spanish version) 18" x 24"
- Small Lobby Poster 8 ½" x 11"
- Simplified Rate Chart "Cheat Sheet" for offices without electronic terminals 8 ½" x 11"

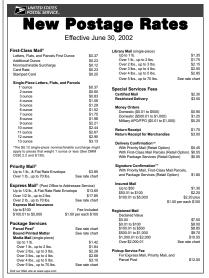
Distribution to all locations will begin in mid-May. With the exception of the "Cheat Sheet" (black and white only), all materials will be printed in two colors. Instructions on the use and display of these items will be included with the shipment. If you have questions, please contact your district rate implementation coordinator (see pages 75–76 for your coordinator).

Samples pictured below are not scaled to actual size.





Carrier Pocket Card



Simplified Rate Chart "Cheat Sheet"

# **New Postage Rates**

### Effective June 30, 2002

First-Class Mail® Service	<b>!</b>		Library Mail (single-piece)	
Letters, Flats, and Parcels —	First Ounce	\$0.37	Up to 1 lb.	\$1.35
Additional Ounce	. not ounce	\$0.23	Over 1 lb., up to 2 lbs.	\$1.75
Nonmachinable Surcharge		\$0.12	Over 2 lbs., up to 3 lbs.	\$2.15
Card Rate		\$0.23	Over 3 lbs., up to 4 lbs.	\$2.55
Stamped Card		\$0.25	Over 4 lbs., up to 5 lbs.	\$2.95
Ciampou Card		Ψ0.20	· · · · · · · · · · · · · · · · · · ·	See rate chart
Single-Piece Letters, Flats,	and Parcels		ever e ibe., up te re ibe.	oo rato onart
1 <sup>1</sup> ounce		\$0.37	Special Services Fees	
2 ounce		\$0.60	Certified Mail	\$2.30
3 ounce		\$0.83	Restricted Delivery	\$3.50
4 ounce		\$1.06	Restricted Delivery	ψ5.50
5 ounce		\$1.29	Money Orders	
6 ounce		\$1.52	Domestic (\$0.01 to \$500)	\$0.90
7 ounce		\$1.75	Domestic (\$500.01 to \$1,000)	\$1.25
8 ounce		\$1.98	Military APO/FPO (\$0.01 to \$1,000)	\$0.25
9 ounce		\$2.21	Williary Ar 6/11 6 (\$0.01 to \$1,000)	ψ0.23
10 ounce		\$2.44	Return Receipt	\$1.75
11 ounce		\$2.67	Return Receipt for Merchandise	\$3.00
12 ounce		\$2.90	Return Receipt for Merchandise	Ψ5.00
13 ounce		\$3.13	Delivery Confirmation™ Service	
<sup>1</sup> The \$0.12 single-piece nonma	achinable surch	arge might	With Priority Mail Items (Retail Option	n) \$0.45
apply to pieces that weight 1 o			With First-Class Mail Parcels and	1) ψ0.40
C050.2.2 and E130).	`		Package Services Parcels (Retail Op	tion) \$0.55
			Tuokago corvioco Farocio (Totali op	πιοτή φοισσ
Priority Mail® Service			Signature Confirmation™ Service	
Up to 1 lb., & Flat-Rate Envel	ope	\$3.85	With Priority Mail Items,	
Over 1 lb., up to 70 lbs.	See	rate chart	First-Class Mail Parcels,	
. ,			and Package Services Parcels	
Express Mail® Service			(Retail Option)	\$1.80
Post Office to Addressee Service	ce		Insured Mail	
Up to 1/2 lb., & Flat-Rate Env	elope	\$13.65	Up to \$50	\$1.30
Over 1/2 lb., up to 2 lbs.	•	\$17.85	\$50.01 to \$100	\$2.20
Over 2 lb., up to 70 lbs.	See	rate chart	\$100.01 to \$5,000	\$2.20 plus
Express Mail Insurance			· · ·	per each \$100
Up to \$100	Fee	included	Ψ1.55	por edon \$100
\$100.01 to \$5,000	\$1.00 per e		Registered Mail	
Ψ. σσ. σ. το ψο,σσο	ψσυ μσ. σ	ασ φσσ	Declared Value	
Package Services Mail S	ervices		\$0.00	\$7.50
Parcel Post® Service		rate chart	\$0.01 to \$100	\$8.00
Bound Printed Matter		rate chart	\$100.01 to \$500	\$8.85
Media Mail (single-piece)	366	iate chart	\$500.01 to \$1,000	\$9.70
Up to 1 lb.		\$1.42	\$1,000.01 to \$2,000	\$10.55
Over 1 lb., up to 2 lbs.		\$1.84		See rate chart
Over 2 lbs., up to 3 lbs.		\$2.26	, ,	
Over 3 lbs., up to 4 lbs.		\$2.68	Pickup Service Fee	
Over 4 lbs., up to 5 lbs.		\$3.10	For Express Mail, Priority Mail, and	
Over 5 lbs., up to 70 lbs.	See	rate chart	Parcel Post Services	\$12.50
5 701 0 103., up to 10 103.	566	ato orian		

# **New Postage Rates**

Effective June 30, 2002

NEW
37-cent
stamps on sale
June 7, 2002

## First-Class Mail® Service

Letters, Flats, and Parcels — First Ounce	\$0.37
Additional Ounce	\$0.23
Nonmachinable Surcharge	\$0.12
Card Rate	\$0.23
Stamped Card	\$0.25

## **Priority Mail® Service**

Up to 1 lb. & Flat-Rate Envelope \$3.85

## **Express Mail® Service**

Up to 1/2 lb. & Flat-Rate Envelope	\$13.65
Over 1/2 lb. & up to 2 lbs.	\$17.85

## **Special Services**

al Jelvices	
Certified Mail	\$2.30
Restricted Delivery	\$3.50
Money Orders	
Domestic (\$0.01 to \$500)	\$0.90
Domestic (\$500.01 to \$1,000)	\$1.25
Return Receipt	\$1.75
Return Receipt for Merchandise	\$3.00
<b>Delivery Confirmation</b> (Retail Option)	
With Priority Mail Items	\$0.45
With First-Class Mail Parcels	
and Package Services Parcels	\$0.55
Signature Confirmation (Retail Option)	
With Priority Mail Items, First-Class Mail Parcels,	
and Package Services Parcels	\$1.80
Insured Mail	
Up to \$50	\$1.30
\$50.01 to \$100	\$2.20
\$100.01 to \$5,000	<b>\$2.20</b> plus

**\$1.00** per each **\$100** 

## Point of Purchase Rate Change Support

New point of purchase (POP) elements to support the rate change will be shipped automatically to arrive in offices the week of June 22, 2002. Instructions will direct offices to hold the support material with the new rates for display on June 30, 2002.

## Rate changes POP elements will include:

**ELEMENTS** LOCATIONS

U.S. Shipping menuboard	All locations
Extra Services menuboard	All locations
Extra Services writing table decal	All locations
Money Order counter card	All locations
New Rates counter card	All locations
3-Cent Stamp Available vending poster	Multicommodity & 624 equipment locations
Bilingual Global Shipping poster (English/ Spanish)	Select locations
Bilingual U.S. Shipping poster (English/Spanish)	Select locations
Bilingual Extra Services poster (English/Spanish)	Select locations
Spanish Global Shipping poster	Puerto Rico locations
Spanish U.S. Shipping poster	Puerto Rico locations
Spanish Extra Services poster	Puerto Rico locations

## Stand-Up Talk — First-Class Mail Service Management and Administrative Employees

As you are aware, new postage rates will be effective June 30, 2002. We discussed in an earlier stand-up talk the highlights of the new rates that affect all Postal Service employees and customers. Now we will go over in more detail some key points related to First-Class Mail® service.

#### The Changes

- Overall, First-Class Mail rates will increase an average of 7.9 percent.
- The single-piece First-Class Mail letter rate is going up \$0.03, from \$0.34 to \$0.37.
- The single-piece First-Class Mail rate for each additional ounce will remain at \$0.23.
- The First-Class Mail single-piece card rate is going up to \$0.23 and the stamped card will go up to \$0.25.
- Delivery Confirmation<sup>™</sup> and Signature Confirmation<sup>™</sup> services have been extended to First-Class Mail parcels. The fees for Delivery Confirmation service will be \$0.55 for the retail option and \$0.13 for the electronic option. The fees for Signature Confirmation service will be \$1.80 for the retail option and \$1.30 for the electronic option.
- The current definition of nonstandard mail is being expanded to include some letters containing objects or having other characteristics that make the pieces nonmachinable and require higher-cost manual processing. Also included in this expanded definition are mailings for which the customer requests manual processing. For First-Class Mail service, the nonmachinable surcharge will apply only to First-Class Mail letter rate pieces 1 ounce or less.
- A lower additional ounce rate for workshare First-Class Mail service will be implemented. Pieces mailed at the single-piece rate will pay \$0.23 for each additional ounce; pieces mailed at any workshare rate will pay \$0.005 less for each additional ounce.
- The electronic return receipt service option has been approved. However, it will not be available before fall of 2002.

## Stand-Up Talk — First-Class Mail Service Retail Employees

As you are aware, new postage rates will be effective June 30, 2002. We discussed in an earlier stand-up talk the highlights of the new rates that affect all Postal Service employees and customers. Now we will go over in more detail some key points related to First-Class Mail® service.

#### The Changes

- Overall, First-Class Mail rates will increase an average of 7.9 percent.
- The single-piece First-Class Mail letter rate is going up \$0.03, from \$0.34 to \$0.37.
- The single-piece First-Class Mail rate for each additional ounce will remain at \$0.23.
- The First-Class Mail single-piece card rate is going up to \$0.23 and the stamped card will go up to \$0.25.
- Delivery Confirmation<sup>™</sup> and Signature Confirmation<sup>™</sup> services have been extended to First-Class Mail parcels. The Delivery Confirmation service fee for the retail option will be \$0.55. The Signature Confirmation service fee for the retail option will be \$1.80.
- A First-Class Mail and Package Services parcel will be defined as any piece that has an address side with sufficient surface area to fully display the delivery address, return address, postage, markings and endorsements, and Delivery Confirmation or Signature Confirmation label. The parcel will be required to be in a box or, if not in a box, will be required to be more than 3/4-inch thick at its thickest point.
- For Package Services, Delivery Confirmation and Signature Confirmation services will be restricted to parcels only and will no longer be available for flat-size mail.
- The current definition of nonstandard mail is being expanded to include some letters containing objects or having other characteristics that make the pieces nonmachinable and require higher-cost manual processing. Also included in this expanded definition are mailings for which the customer requests manual processing. For First-Class Mail, the nonmachinable surcharge will apply only to First-Class Mail letter rate pieces 1 ounce or less.
- The electronic return receipt service option has been approved. However, it will not be available before fall of 2002.

## Stand-Up Talk — Priority Mail Service and Express Mail Service Retail Employees

As you are aware, new postage rates will be effective June 30, 2002. We discussed in an earlier stand-up talk the highlights of the new rates that affect all Postal Service employees and customers. Now we will go over in more detail some key points related to Priority Mail® and Express Mail® service.

#### The Changes

#### **Priority Mail**

- The Priority Mail 1-pound rate increases from \$3.50 to \$3.85.
- As with all classes of mail, Priority Mail rates must cover the increasing costs associated with processing, transportation, and delivery. Weight increments over 1 pound will be zoned to more accurately reflect actual costs to the Postal Service for transportation and handling. The 1-pound rate will remain unzoned.
- Currently, the rate for the Priority Mail flat-rate envelope is the same as the 2-pound rate. Because all rates from 2 to 5 pounds will be zoned, the flat-rate envelope will now be charged at the 1-pound rate. The rate for the flat-rate envelope will decrease from \$3.95 to \$3.85, but the size of the envelope will remain the same. The Priority Mail flat-rate envelope will continue to be available from the Postal Service.
- Effective June 30, 2002, Priority Mail flat-rate envelopes with 2-pound rate markings cannot be used.

#### **Express Mail**

- The Post Office to Addressee service 1/2-pound rate increases from \$12.25 to \$13.65.
- The most significant change to Express Mail rates will be to the price of the flat-rate envelope at the 1/2- pound rate which is the lowest available rate for each Express Mail service offering. The rate for the flat-rate envelope will decrease for Post Office to Addressee service from \$16.25 to \$13.65, but the size of the envelope will remain the same. The Express Mail flat-rate envelope will continue to be available from the Postal Service.
- The indemnity coverage automatically included in the price of Express Mail service will be reduced from \$500 to \$100 for both merchandise and document reconstruction. This adjustment will more closely align Express Mail indemnity with general industry practice. The fee for every \$100 increment of additional merchandise insurance desired above the standard \$100 and up to \$5,000 will be \$1.

#### **Pickup Service**

■ The fee for pickup service, available for Express Mail, Priority Mail, and Parcel Post® services, will increase from \$10.25 to \$12.50 (per pickup).

## Stand-Up Talk — Package Services and Special Services Retail Employees

As you are aware, new postage rates will be effective June 30, 2002. We discussed in an earlier stand-up talk the highlights of the new rates that affect all Postal Service employees and customers. Now we will go over in more detail some key points related to Package Services and Special Services.

#### The Changes

#### Package Services

- Parcel Post® service will have a separate 1-pound rate for packages weighing 1 pound or less.
- The fees for Delivery Confirmation™ service will be \$0.55 for the retail option and \$0.13 for the electronic option.
- The fees for Signature Confirmation<sup>™</sup> service will be \$1.80 for the retail option and \$1.30 for the electronic option.
- For Package Services, both Delivery Confirmation and Signature Confirmation services will be restricted to parcels only and will no longer be available for flat-size mail. A Package Services parcel will be defined as any piece that has an address side with sufficient surface area to fully display the delivery address, return address, postage, markings and endorsements, and Delivery Confirmation service or Signature Confirmation service label. The parcel will be required to be in a box or, if not in a box, will be required to be more than 3/4-inch thick at its thickest point.
- There will be separate rates for Bound Printed Matter flats and parcels.

#### **Special Services**

- For domestic and APO/FPO money orders there will be two changes. The first change will increase the maximum amount from \$700 to \$1,000 for both money orders. The domestic money fee for amounts of \$0.01 to \$500 will be \$0.90, and the fee for amounts of \$500.01 to \$1,000 will be \$1.25. The inquiry fee will increase from \$2.75 to \$3.00 for all money orders, regardless of value. The fee for APO/FPO money orders will remain the same at \$0.25.
- Delivery Confirmation and Signature Confirmation services in both retail and electronic options will be
  extended to First-Class Mail® parcels. For Package Services, both Delivery Confirmation and Signature
  Confirmation services will be restricted to parcels only and will no longer be available for flat-size mail.
- The indemnity coverage included in the price of Express Mail® service will be reduced from \$500 to \$100 for both merchandise and document reconstruction. This adjustment will more closely align Express Mail Indemnity with general industry practice. The fee for every \$100 increment of additional merchandise insurance desired above the standard \$100 and up to \$5,000 will be \$1.
- The electronic return receipt service option has been approved. However, it will not be available before fall of 2002.

## Stand-Up Talk

#### Clerks, Mail Handlers, City Carriers, and Rural Carriers at Delivery Units

As you are aware, new postage rates will be effective June 30, 2002. We discussed in an earlier stand-up talk the highlights of the new rates that affect all Postal Service employees and customers. Now we will discuss product and service changes associated with the upcoming rate implementation that will specifically impact delivery unit operations.

#### First-Class Mail

- The single-piece First-Class Mail® letter rate is going up \$0.03, from \$0.34 to \$0.37.
- The single-piece First-Class Mail rate for each additional ounce will remain at \$0.23.
- The First-Class Mail single-piece card rate is going up to \$0.23 and the stamped card will go up to \$0.25.

### **Priority Mail**

 Pieces mailed in the flat-rate envelope will now be assessed the lower 1-pound rate instead of the 2pound rate.

## **Delivery Confirmation**

- This special service will now be available for First-Class Mail parcels. Parcels are defined as a piece in a box or, if not in a box, is more than 3/4-inch thick at its thickest point.
- Delivery Confirmation<sup>™</sup> service will no longer be available for Package Services (Bound Printed Matter, Media Mail, Library Mail) flat-shaped pieces.
- The Delivery Confirmation service electronic option will now be available at no extra fee for Parcel Select® parcels. This change will encourage the use of this special service.

#### Standard Mail

Delivery point barcodes will now be required on Enhanced Carrier Route high density and saturation
pieces submitted at letter rates. This will facilitate the integration of these pieces into automation delivery
point sequencing either at the plant or on carrier sequence barcode sorters.

#### **Destination Entry Discounts**

Destination delivery unit discounts have increased for Parcel Select and Bound Printed Matter pieces.
 These expanded discounts should encourage additional customer entry of mail at delivery units.

### Stand-Up Talk

### **Processing and Distribution Clerks and Mail Handlers**

As you are aware, new postage rates will be effective June 30, 2002. We discussed in an earlier stand-up talk the highlights of the new rates that affect all Postal Service employees and customers. Now we will discuss product and service changes associated with the upcoming rate implementation that will specifically affect processing and distribution operations.

#### **Letter Mail**

- First-Class Mail® and Standard Mail presorted letters will now be categorized and labeled as either machinable or nonmachinable. The nonmachinable letters, which are pieces that cannot be processed by our letter sorting equipment or for which the mailer has requested manual processing, will now be assessed an additional surcharge. This change should encourage letter mailers who do not claim automation discounts to at least prepare automation compatible letters.
- There will also be new content line designations on the tray labels associated with the new machinable and nonmachinable categories. Machinable letters will be labeled as "MACH" and nonmachinable letters will be labeled as "MANUAL" or "MAN." Trays labeled as "MANUAL" or "MAN" should be routed to a manual operation, or possibly an FSM 1000 operation.

#### **Periodicals Mail Service**

- A new destination area distribution center (DADC) entry discount has been added for pieces deposited by customers at destination ADCs. This may encourage entry of mail below the Periodicals transfer hubs and, instead, into these ADC plants. Employees responsible for accepting drop shipments at these facilities should make note of this change.
- New pallet discounts has been added that will drive customer preparation of flat-shaped mail out of sacks and onto pallets.

#### Standard Mail Service

- The maximum weight of an automation letter has been increased from 3.3 to 3.5 ounces. This change was intended to recognize the reality of our processing capabilities and the fact that heavier letters are preferred over flat-sized pieces.
- Delivery point barcodes will now be required on enhanced carrier route high density and saturation pieces submitted at letter rates. This will facilitate the integration of these pieces into automation delivery point sequencing either at the plant or on carrier sequence barcode sorters.

#### **Parcel Select Service**

 Nonmachinable parcels will now be eligible for destination sectional center facility (DSCF) discounts when entered at the correct SCF and sorted to 3-digit containers. This may move the entry of these larger/heavier items from the bulk mail centers (BMCs) to the plants.

#### **Bound Printed Matter**

• Flat-sized pieces weighing up to 20 ounces within this subclass will now be eligible for automation discounts assuming all requirements are met and a POSTNET barcode is applied.

## Stand-Up Talk

### **Bulk Mail Centers and Auxiliary Service Facilities**

As you are aware, new postage rates will be effective June 30, 2002. We discussed in an earlier stand-up talk the highlights of the new rates that affect all Postal Service employees and customers. Now we will discuss product and service changes associated with the upcoming rate implementation that will specifically affect bulk mail center and auxiliary service facility operations.

#### **Periodicals Mail**

- A new destination area distribution center (DADC) entry discount has been added. The new discount may
  encourage customer entry of mail below the Periodicals transfer hubs and, instead, into these ADC
  plants.
- New pallet discounts have been added that will drive customer preparation of flat-shaped mail out of sacks and onto pallets.

#### **Parcel Select**

- The Delivery Confirmation<sup>™</sup> service electronic option will now be available at no extra fee for Parcel Select.<sup>®</sup> This change will encourage the use of this special service.
- Nonmachinable parcels will now be eligible for destination sectional center facility (DSCF) entry when sorted to 3-digit containers. This change may move the entry of these larger/heavier items from the bulk mail centers (BMCs) to the plants.

## Stand-Up Talk — First-Class Mail Business Mail Entry Unit Employees

As you are aware, new postage rates will be effective June 30, 2002. We discussed in an earlier stand-up talk the highlights of the new rates that affect all Postal Service employees and customers. Now we will discuss in more detail some key points related to First-Class Mail® service.

#### The Changes

- The single-piece First-Class Mail letter rate is going up \$0.03, from \$0.34 to \$0.37.
- Pieces mailed at single-piece rates will pay \$0.23 for each additional ounce; pieces mailed at any
  workshared rate will pay \$0.225 for each additional ounce. The heavy piece discount still applies to
  pieces over 2 ounces.
- The First-Class Mail single-piece card rate is going up to \$0.23 and the stamped card will go up to \$0.25.
- Delivery Confirmation<sup>™</sup> and Signature Confirmation<sup>™</sup> services have been extended to First-Class Mail parcels. The fees for Delivery Confirmation service will be \$0.55 for the retail option and \$0.13 for the electronic option. The fees for Signature Confirmation service will be \$1.80 for the retail option and \$1.30 for the electronic option.
- A First-Class Mail parcel will be defined as any piece that has an address side with sufficient surface area to fully display the delivery address, return address, postage, markings and endorsements, and Delivery Confirmation service or Signature Confirmation service label. The parcel will be required to be in a box or, if not in a box, will be required to be more than 3/4-inch thick at its thickest point.
- The new rate structure will split the basic automation letter rate into an automated area distribution center (AADC) rate (for all pieces in an AADC tray) and a mixed AADC rate (for all pieces in a mixed AADC tray). The AADC rate also will apply to pieces in a less-than-full 3-digit tray. There are no sortation changes for automation cards and letters. The 5-digit sort level still will be optional; all other sort levels will be required. For automation flats, the current rate structure contains a 5-digit, 3-digit, and basic rate. The new rate structure will split the basic rate into an area distribution center (ADC) rate (for all pieces in an ADC package or tray) and a mixed ADC rate (for all pieces in a mixed ADC package or tray). The ADC rate also will apply to pieces in a less-than-full 3-digit tray. There are no sortation changes for automation flats. The 5-digit sort level still will be optional; all other sort levels will be required.
- The current definition of nonstandard mail is being expanded to include some letters 1 ounce or less containing objects or having other characteristics that make the pieces nonmachinable and require higher-cost manual processing. Nonmachinable criteria for letter-size pieces is in new DMM C050.2.2. The nonmachinable surcharge will apply to single-piece and Presorted rate letters that weigh 1 ounce or less and meet one or more of the criteria in that section. Also, the nonmachinable surcharge will apply to letter-size pieces (not card rate pieces) for which the mailer has chosen the manual only (do not automate) option.
- The nonmachinable surcharge will be \$0.12 for single-piece rate pieces, \$0.055 for Presorted rate, and \$0.055 for automation rate flat-size mail.
- Annual mailing fees will increase from \$125 to \$150 if paid on or after June 30, 2002.

## **Stand-Up Talk — Standard Mail** Business Mail Entry Unit Employees

As you are aware, new postage rates will be effective June 30, 2002. We discussed in an earlier stand-up talk the highlights of the new rates that affect all Postal Service employees and customers. Now we will discuss in more detail some key points related to Standard Mail service.

#### The Changes

- Enhanced Carrier Route (ECR) letter-size pieces mailed at high density and saturation piece (letter) rates will be required to meet the physical standards for automation compatibility (DMM C810) and will be required to have a delivery point barcode to get the letter rates, otherwise they pay the nonletter rates. Pieces using simplified address will not be required to have a delivery point barcode and therefore will not need to meet the physical standards for automation compatibility to qualify for letter rates.
- The maximum weight limit for Standard Mail regular automation letters will increase from 3.3 ounces to 3.5 ounces (inclusive). This change applies to regular and nonprofit automation letters and to automation carrier route letters. The rate charged for pieces that weigh between 3.3 and 3.5 ounces differs slightly from the rate for pieces that weigh 3.3 ounces or less.
- The maximum weight limit for automation-compatible ECR letters will increase from 3.3 ounces to 3.5 ounces (inclusive). This change applies to regular and nonprofit ECR saturation, high density, and automation basic rate letters. The rate charged for pieces that weigh between 3.3 and 3.5 ounces differs slightly from the rate for pieces that weigh 3.3 ounces or less.
- For automation letter rates, the new rate structure splits the Standard Mail regular basic automation letter rate into an AADC rate (for all pieces in an AADC tray) and a mixed AADC rate (for all pieces in a mixed AADC tray). The AADC rate also will apply to all pieces in any less-than-full origin or entry 3-digit or 3-digit scheme tray. There will not be any sortation changes for automation letter-size pieces. The 5-digit sort level will still be optional; all other sort levels will be required. Unlike in First-Class Mail® service, where the ADC and mixed ADC rates will apply to automation flats, there will not be any changes to the rate structure for Standard Mail automation flats.
- A nonmachinable surcharge will apply to some Standard Mail letter-size pieces. The criteria for nonmachinability for letter-size pieces is listed in new DMM C050.2.2. The nonmachinable surcharge will apply to Presorted rate letter-size pieces (including cards) that weigh 3.3 ounces or less and meet one or more of the criteria in that section. Machinable pieces are not subject to any restrictions regarding the OCR read area or barcode clear zone. Unlike in First-Class Mail service, where the nonmachinable surcharge will apply to flats, Standard Mail flats will not have a nonmachinable surcharge since flats already have separate nonletter rates. The nonmachinable surcharge will not apply to pieces mailed at any ECR rate or to automation rate letters (which are by definition machinable). The surcharge will apply to letter-size pieces for which the mailer has chosen the manual only (do not automate) option.

## Stand-Up Talk — Package Services Business Mail Entry Unit Employees

As you are aware, new postage rates will be effective June 30, 2002. We discussed in an earlier stand-up talk the highlights of the new rates that affect all Postal Service employees and customers. Now we will discuss in more detail some key points related to Package Services.

#### The Changes

- The destination entry mailing fee will increase from \$125 to \$150 if paid on or after June 30, 2002.
- For Package Services, Delivery Confirmation™ and Signature Confirmation™ services will be restricted to parcels only and will no longer be available for flat-size mail. A Package Services parcel will be defined as any piece that has an address side with sufficient surface area to fully display the delivery address, return address, postage, markings and endorsements, and Delivery Confirmation service or Signature Confirmation service label. The parcel will be required to be in a box or, if not in a box, will be required to be more than 3/4-inch thick at its thickest point.

#### Parcel Post Service and Parcel Select Service

- The Parcel Post® Inter-BMC nonmachinable surcharge will increase from \$2.00 to \$2.75 per parcel. The Intra-BMC and DBMC nonmachinable surcharges will remain at their current levels: \$1.35 for Intra-BMC parcels and \$1.45 for destination bulk mail center (DBMC) parcels. The Parcel Post origin BMC presort and BMC presort discounts will increase from \$0.90 to \$1.17 and \$0.23 to \$0.28 per piece, respectively. The barcoded discount for qualifying Parcel Post and Parcel Select® DBMC machinable parcels will remain at \$0.03 per piece.
- Three changes will be made. First, separate rates will be available for parcels weighing less than 1 pound. Second, Parcel Select pieces will be eligible for no-fee electronic Delivery Confirmation service. The final change will create a destination sectional center facility (DSCF) rate for nonmachinable parcels sorted to 3-digit ZIP Code prefixes and entered at destination SCFs. Nonmachinable DSCF Parcel Select pieces will be subject to a surcharge of \$1.09 per parcel in addition to the applicable DSCF rate.

#### **Bound Printed Matter**

There are two major changes to Bound Printed Matter (BPM) rates: separate rates for BPM flats and parcels, and a new \$0.03 POSTNET barcoded discount for single-piece rate and Presorted rate BPM flats weighing up to 20 ounces. Rates for flat-size BPM will be lower than the rates for BPM parcels in all three rate categories (single-piece, Presorted, and carrier route) and in the three available destination entry rates (DDU, DSCF, and DBMC).

#### Media Mail and Library Mail Services

- For Media Mail and Library Mail the 5-digit rate will be retained, but the BMC rate will be renamed the "basic" rate.
- There will be three changes to the preparation requirements for Media Mail and Library Mail. Media Mail and Library Mail pieces will now be sorted to the 5-digit, 3-digit, ADC or BMC, and mixed ADC or mixed BMC levels. This adjusts the presort requirements for Media Mail and Library Mail to reflect current postal processing. Machinable parcels will continue to be presorted to 5-digit, BMC, and mixed BMC.
- For Media Mail and Library Mail services the requirement for separate minimum volumes for each presort level will be eliminated, and the minimum volume requirement for a mailing will decrease from 500 to 300 pieces. To qualify for Presorted Media Mail or Library Mail rates, mailers will be required to have a minimum of 300 properly prepared and presorted pieces. Pieces in the mailing that meet 5-digit rate requirements will be eligible for the 5-digit rate. The remaining pieces in the mailing will be eligible for the basic rate.

## Stand-Up Talk — Periodicals Business Mail Entry Unit Employees

As you are aware, new postage rates will be effective June 30, 2002. We discussed in an earlier stand-up talk the highlights of the new rates that affect all Postal Service employees and customers. Now we will discuss in more detail some key points related to Periodicals mail service.

#### The Changes

- A new destination area distribution center (DADC) advertising pound rate and a per piece discount will be available for each Outside-County addressed piece. Destination rates and discounts will be limited to mail entered at the actual destination entry facility (DADC, DSCF, and DDU), unless designated otherwise by the Postal Service.
- A new pallet discount of \$0.005 per piece has been established for each addressed nonletter-size piece (flat-size and irregular parcel) prepared in packages directly on pallets that contain at least 250 pounds of mail. This discount will apply to all pallet levels. The discount will not apply to pieces in sacks on pallets or in trays on pallets.
- A new \$0.015 destination entry per piece pallet discount will apply to each addressed piece of nonlettersize mail (flats and irregular parcels) prepared in packages directly on any destination entry pallet of at least 250 pounds of mail.
- Palletized addressed pieces could claim either \$0.005 or the \$0.015 per piece discount (depending on the entry point), but not both.
- The Periodicals ride-along experiment will become a permanent classification. There will be no changes in the current standards for eligibility. The ride-along rate will increase from \$0.10 to \$0.124 per piece.
- In conjunction with the nonmachinable surcharge, any Periodicals item returned to the sender at First-Class Mail® rates is subject to the nonmachinable surcharge if the piece weighs 1 ounce or less and meets any one of the nonmachinability criteria.
- Original entry and additional entry application fees will increase from \$350 to \$375 and from \$50 to \$60, respectively, while the fees for re-entry and news agent registry will remain at \$40.

## Stand-Up Talk — Containerization, Labeling, and Documentation Business Mail Entry Unit Employees

As you are aware, new postage rates will be effective June 30, 2002. We discussed in an earlier stand-up talk the highlights of the new rates that affect all Postal Service employees and customers. Now we will discuss in more detail some key points related containerization, labeling, and documentation for First-Class Mail® service, Periodicals mail service, and Standard Mail service.

#### **Containerization and Labeling**

- The definition of a full tray has been modified slightly to encourage mailers to fill trays as much as possible. A full tray is one that is between 75 percent and 100 percent full. Mailers are encouraged to set their presort software at 85 percent; this creates fuller trays but gives mailers some room to "smooth" their tray levels across an entire mailing. The goal is to create fuller trays overall, which is good for customers and for the Postal Service. In addition, after the minimum volume for rate eligibility is reached (i.e., 150 pieces for a 3-digit area), overflow will be optional for all sort levels of letter trays. Also, mailers will be required to use as few trays as possible. Under current standards, a mailer could prepare one full 1-foot tray plus one less-than-full 1-foot tray; new standards will result in the preparation of a single less-than-full 2-foot tray. In addition, the measurement for the minimum volume of trays on pallets will be measured in linear feet, not by levels of trays.
- On all First-Class Mail and Standard Mail letter trays, "LTRS" will change to "LTR" and "CR-RTS" will change to "CR-RT." This change is necessary to allow more room for other information on the tray label. Mailers have until January 1, 2003, to comply with these labeling changes.

#### **Documentation**

Mailers will no longer be required to present a hard copy PS Form 3553, Coding Accuracy Support System (CASS) Summary Report, with their mailings. Instead, mailers or mailer agents will continue to keep this documentation on file for 1 year from the date of mailing and make it available to the Postal Service on 24-hour notice. Mailers will be required to annotate the postage statement with the date of the address matching.

#### Fact Sheet

#### **First-Class Mail Service**

First-Class Mail® is matter that is wholly or partially in handwriting or typewriting, or that has the character of actual and personal correspondence. Any matter eligible for mailing may be mailed, at the option of the mailer, using First-Class Mail service. First-Class Mail items are sealed against inspection and can include bills, statements of account, letters, and cards.

#### **Customer Opportunities**

- Two new special service options will be available for First-Class Mail parcels: Delivery Confirmation<sup>™</sup> service and Signature Confirmation<sup>™</sup> service. Both services will be available in retail and electronic versions. The fees for Delivery Confirmation service will be \$0.55 for the retail option and \$0.13 for the electronic option. The fees for Signature Confirmation service will be \$1.80 for the retail option and \$1.30 for the electronic option.
- Business mailers will get larger automation presort discounts. The carrier route automation discount and the nonautomation presort discount will remain at the current levels. The proposed increase in automation discounts and the proposed half-cent reduction in the "workshare" additional-ounce rate will result in more attractive workshare incentives, especially for large-volume First-Class Mail service users who presort and mail heavier pieces.

#### **First-Class Mail Service Highlights**

- Overall, First-Class Mail rates will increase an average of 7.9 percent.
- The single-piece 1-ounce First-Class Mail rate will increase from \$0.34 to \$0.37, and the single-piece card rate will increase from \$0.21 to \$0.23.
- For pieces mailed at single-piece rates, mailers will pay \$0.23 for each additional ounce; for pieces mailed at any workshared rate, mailers will pay \$0.225 for each additional ounce. The separate heavy piece discount still applies to pieces over 2 ounces.
- For automation cards and letters, the new rate structure will split the basic rate into an automated area distribution center (AADC) rate and a mixed AADC rate. For automation flats, the new rate structure will split the basic rate into an area distribution center (ADC) rate and a mixed ADC rate.
- The current definition of nonstandard mail is being expanded to include some letters 1 ounce or less containing objects or having other characteristics that make the pieces nonmachinable and require higher-cost manual processing. Nonmachinable criteria for letter-size pieces is in new DMM C050.2.2. The nonmachinable surcharge will apply to single-piece and Presorted rate letters that weigh 1 ounce or less and meet one or more of the criteria in that section. Also, the nonmachinable surcharge will apply to letter-size pieces (not card-rate pieces) for which the mailer has chosen the manual only (do not automate) option.
- The nonmachinable surcharge will be \$0.12 for single-piece rate pieces, \$0.055 for Presorted rate pieces, and \$0.055 for automation rate flat-size mail.
- The per piece charge for the high volume qualified business reply mail (QBRM) category with the quarterly fee will decrease from \$0.01 to \$0.008.
- Annual mailing fees will increase from \$125 to \$150 if paid on or after June 30, 2002.

## Fact Sheet Priority Mail Service

Priority Mail® is defined as First-Class Mail® weighing more than 13 ounces and, at the mailer's option, any other matter (including regular First-Class Mail items) weighing 13 ounces or less. Priority Mail consists of a variety of items, from lightweight documents to heavier merchandise.

## **Customer Opportunities**

- It's economical delivery of documents and parcels normally is made in several days anywhere in the country.
- Business and residential delivery every day except Sundays and national holidays at no additional charge.
- An easy to use flat-rate envelope is available at no additional charge, allowing mailers to pay a rate of \$3.85 regardless of weight or destination.

### **Priority Mail Service Highlights**

- Overall, Priority Mail rates will increase an average of 13.5 percent.
- The Priority Mail 1-pound rate increases from \$3.50 to \$3.85.
- As with all classes of mail, Priority Mail rates must cover the increasing costs associated with processing, transportation, and delivery. All weight increments over 1 pound will be zoned to more accurately reflect actual costs to the Postal Service for transportation and handling. The 1-pound rate will remain unzoned.
- Currently, the rate for the Priority Mail flat-rate envelope is the same as the 2-pound rate. Because all rates from 2 to 5 pounds will be zoned, the flat-rate envelope will now be charged at the 1-pound rate. The rate for the flat-rate envelope will decrease from \$3.95 to \$3.85, but the size of the envelope will remain the same. The Priority Mail flat-rate envelope will continue to be available from the Postal Service.
- Effective June 30, 2002, Priority Mail flat-rate envelopes with 2-pound rate markings cannot be used.

#### **Pickup Service**

■ The fee for pickup service, available for Express Mail®, Priority Mail, and Parcel Post® services, will increase from \$10.25 to \$12.50 (per pickup).

## Fact Sheet

### **Express Mail Service**

Express Mail® service is a premium service offering guaranteed next-day\* and second-day delivery service nationwide, 365 days a year. The service options are:

- Next Day and Second Day Post Office to Addressee service
- Next Day and Second Day Post Office to Post Office service
- Custom Designed service
- Express Mail Military service

## **Customer Opportunities**

- Express Mail service is the only overnight delivery package service that delivers to Post Office box addresses.
- Delivery status of packages available at any time by calling 1-800-222-1811 or by visiting www.usps.com.
- Waiver of signature option allows letter carriers to leave packages at a delivery address when the packages can be left in a safe location.
- Express Mail service corporate accounts are available and provide a single monthly statement.
- Complimentary, distinctive mailing supplies, including heavy-duty boxes in a variety of sizes, envelopes, tape, and labels are provided to qualified mailers.
- Daily delivery, including Sundays and all holidays (even Christmas and New Years Day), at no additional charge.

### **Express Mail Service Highlights**

- Overall, Express Mail rates will increase an average of 9.4 percent.
- The Post Office to Addressee service 1/2-pound rate increases from \$12.25 to \$13.65.
- The most significant change to the Express Mail service will be to price the flat-rate envelope at the 1/2-pound rate which is the lowest available rate for each Express Mail service offering. The rate for the flat-rate envelope will decrease for Post Office to Addressee service from \$16.25 to \$13.65, but the size of the envelope will remain the same. The Express Mail flat-rate envelope will continue to be available from the Postal Service.
- The indemnity coverage automatically included in the price of Express Mail service will be reduced from \$500 to \$100 for both merchandise and document reconstruction. This adjustment will more closely align Express Mail indemnity with general industry practice. The fee for every \$100 increment of additional merchandise insurance desired above the standard \$100 and up to \$5,000 will be \$1.

### **Pickup Service**

- The fee for pickup service, available for Express Mail, Priority Mail®, and Parcel Post® services, will increase from \$10.25 to \$12.50 (per pickup).
- \* Guaranteed delivery by noon the next day, depending on the destination.

## Fact Sheet Periodicals Mail Service

Periodicals mail consists of a wide range of periodical publications — principally magazines, newspapers, newsletters, and bulletins. To mail at Periodicals rates, each periodical publication must be authorized by the U.S. Postal Service. Periodicals mail consists of two subclasses — Outside-County and In-County.

#### **Customer Opportunities**

- A new destination area distribution center (DADC) advertising pound rate and a per piece discount for each Outside-County addressed piece. Destination rates and discounts will be limited to mail entered at the actual destination entry facility (DADC, DSCF, and DDU), unless designated otherwise by the Postal Service.
- New pallet discounts of \$0.005 per piece have been established for each addressed nonletter-size piece (flat-size and irregular parcel) prepared in packages on pallets that contain at least 250 pounds of mail. This discount will apply to all pallet levels. The discount will not apply to pieces in sacks on pallets or in trays on pallets.
- A new \$0.015 destination entry per piece pallet discount will apply to each addressed piece of nonlettersize mail (flats and irregular parcels) prepared in packages on any destination entry pallet of at least 250 pounds of mail.
- Palletized addressed pieces could claim either \$0.005 or the \$0.015 per-piece discount (depending on the entry point), but not both.
- The Periodicals ride-along experiment will become a permanent classification. There will be no changes in the current standards for eligibility. The ride-along rate will increase from \$0.10 to \$0.124 per piece.

### **Periodicals Mail Service Highlights**

- The overall average increase for Periodicals service will be 10 percent.
- Outside-County postage will increase on average 10.3 percent, and In-County postage will increase on average 1.7 percent.
- Original entry and additional entry application fees will increase from \$350 to \$375 and from \$50 to \$60, respectively, while the fees for reentry and news agent registry will remain at \$40.
- In conjunction with the nonmachinable surcharge, any Periodicals item returned to sender at First-Class Mail® rates is subject to the nonmachinable surcharge if the piece weighs 1 ounce or less and meets any one of the nonmachinability criteria in new DMM C050.2.2.

## Fact Sheet Standard Mail Service

Standard Mail consists of mailable matter that is neither mailed nor required to be mailed using First-Class Mail® service, is not entered as Periodicals, and weighs less than 16 ounces.

### **Customer Opportunities**

- The maximum weight limit for automation letters will increase from 3.3 ounces to 3.5 ounces. This change applies to regular and nonprofit automation letters and to automation carrier route letters.
- The maximum weight limit for automation-compatible Enhanced Carrier Route (ECR) letters will increase from 3.3 ounces to 3.5 ounces. This change applies to regular and nonprofit ECR high density and saturation letters.
- In both regular and ECR Standard Mail, the rate charged for pieces that weigh between 3.3 and 3.5 ounces differs slightly from the rate for pieces that weigh 3.3 ounces or less.

### Standard Mail Service Highlights

- Overall, the average rate increase for Standard Mail will be 7.1 percent.
- For automation letter-size pieces, the current Standard Mail regular rate structure contains 5-digit, 3-digit, and basic rates. The new rate structure splits the basic rate into an automated area distribution center (AADC) rate and a mixed AADC rate. Unlike in First-Class Mail service, where the ADC and mixed ADC rates will apply to automation flats, Standard Mail service there will not have changes to the rate structure for automation flats.
- A nonmachinable surcharge will apply to some Standard Mail letter-size pieces. The criteria for nonmachinability for letter-size pieces is listed in new DMM C050.2.2. The nonmachinable surcharge will apply to Presorted rate letter-size pieces (including cards) that weigh 3.3 ounces or less and meet one or more of the criteria in that section. Machinable pieces are not subject to any restrictions regarding the OCR read area or barcode clear zone. Unlike in First-Class Mail service, where the nonmachinable surcharge will apply to flats, the Postal Service is not adding a nonmachinable surcharge to Standard Mail flats since flats already have separate nonletter rates. The nonmachinable surcharge will not apply to pieces mailed at any ECR rate or to automation rate letters (which are by definition machinable). The surcharge will apply to letter-size pieces for which the mailer has chosen the manual only (do not automate) option.
- ECR letter-size pieces mailed at high density and saturation piece (letter) rates will be required to meet the physical standards for automation compatibility and will be required to have a delivery point barcode. Pieces using a simplified address will not be required to have a delivery point barcode and therefore will not need to meet the physical standards for automation compatibility to qualify for letter rates. This change will apply to both ECR and Nonprofit ECR.
- Annual mailing fees will increase from \$125 to \$150 if paid on or after June 30, 2002.

#### **Fact Sheet**

### **Package Services Mail Service**

Package Services mail consists of mailable matter that is neither mailed nor required to be mailed using either First-Class Mail® service, or entered as Periodicals mail. There are four subclasses of Package Services: Parcel Post®, Bound Printed Matter (BPM), Media Mail, and Library Mail.

#### **Customer Opportunities**

- Separate rates will be available for Parcel Post parcels weighing less than 1 pound.
- Parcel Select<sup>®</sup> pieces will be eligible for no-fee electronic Delivery Confirmation<sup>™</sup> service.
- A destination sectional center facility (DSCF) rate for nonmachinable parcels sorted to 3-digit ZIP Code prefixes and entered at destination SCFs will be available. Nonmachinable DSCF Parcel Select pieces will be subject to a surcharge of \$1.09 per parcel in addition to the applicable DSCF rate.
- There are two major changes to BPM rates: separate rates for BPM flats and parcels, and a new \$0.03 POSTNET barcoded discount for single-piece rate and Presorted rate BPM flats. Rates for flat-size BPM will be lower than the rates for BPM parcels in all three rate categories (single-piece, Presorted, and carrier route) and in the three available destination entry rates (DDU, DSCF, and DBMC).
- There will be three changes to the preparation requirements for Media Mail and Library Mail. Media Mail and Library Mail will now be sorted to the 5-digit, 3-digit, ADC or BMC, and mixed ADC or mixed BMC levels. This adjusts the presort requirements for Media Mail and Library Mail to reflect current postal processing. Machinable parcels will continue to be presorted to 5-digit, BMC, and mixed BMC.
- For Media Mail and Library Mail, the requirement for separate minimum volumes for each presort level will be eliminated, and the minimum volume requirement for a mailing will decrease from 500 to 300 pieces. To qualify for Presorted Media Mail or Library Mail rates, mailers will be required to have a minimum of 300 properly prepared and presorted pieces. Pieces in the mailing that meet 5-digit rate requirements will be eligible for the 5-digit rate. The remaining pieces in the mailing will be eligible for the basic rate.

#### **Package Services Highlights**

- Parcel Post rates will increase an average of 6.4 percent.
- Destination entry mailing fees will increase from \$125 to \$150 if paid on or after June 30, 2002.
- Media Mail rates will increase an average of 4.0 percent, and the Library Mail rates will increase an average of 3.3 percent.
- For Package Services, Delivery Confirmation<sup>™</sup> and Signature Confirmation<sup>™</sup> services will be restricted to parcels only and will no longer be available for flat-size mail.

#### Pickup Fee

■ The fee for pickup service, available for Express Mail®, Priority Mail®, and Parcel Post services, will increase from \$10.25 to \$12.50 (per pickup).

#### **Fact Sheet**

### **Special Services Mail Service**

Special services are enhancements that, for a fee in addition to postage, provide greater security and accountability and include confirmation of mailing, delivery, and receipt; special handling; and payment and acceptance options for mail. Special services also provide delivery alternatives and secure options for sending money through the mail.

#### **Customer Opportunities**

- Retail and electronic Delivery Confirmation<sup>™</sup> service options will be extended to First-Class Mail<sup>®</sup> parcels. For Package Services, Delivery Confirmation service will be restricted to parcels only and will no longer be available for flat-size mail.
- There will be no change to the current collect on delivery (COD) fees.
- For domestic and APO/FPO money orders, there will be two changes. The first change will increase the maximum amount from \$700 to \$1,000 for both money orders. The domestic money fee for amounts of \$0.01 to \$500 will be \$0.90, and the fee for amounts of \$500.01 to \$1,000 will be \$1.25. The inquiry fee will increase from \$2.75 to \$3.00 for all money orders, regardless of value. The fee for APO/FPO money orders will remain the same at \$0.25.

### **Special Services Highlights**

- The fee for regular return receipt service will increase from \$1.50 to \$1.75. The fee for return receipt after mailing (delivery record) will decrease from \$3.50 to \$3.25.
- The certified mail fee will increase from \$2.10 to \$2.30. A service enhancement will allow mailers to verify delivery status over the Internet at www.usps.com.
- All registered mail fees will increase. A service enhancement will allow mailers to verify delivery status over the Internet at www.usps.com.
- The fee for unnumbered insurance (value up to \$50 with no insured number applied) will increase from \$1.10 to \$1.30. The fee for numbered insurance service over \$50 and up to \$100 will increase from \$2.00 to \$2.20. The incremental fee of \$1 for each \$100 in value over \$100 and up to \$5,000 will remain the same.
- Annual accounting fees will increase from \$375 to \$475. The permit application fee and annual mailing fees will increase from \$125 to \$150.
- A new Post Office box fee category will be introduced for Post Office box service in the lowest-cost cities and highest-cost rural areas. This new fee group will provide a bridge to eventually move high-cost and low-cost ZIP Codes toward more appropriate fee assignments. There will be no change to the no-fee Post Office box service (Group E).
- The caller service fee for each separation provided per semiannual period will increase from \$375 to \$412. The fee for each reserved caller number per calendar year will increase from \$30 to \$32.
- The fee for pickup service, available for Express Mail®, Priority Mail®, and Parcel Post® services, will increase from \$10.25 to \$12.50 (per pickup).

## Frequently Asked Questions General

#### Why are rates going up again?

The costs of doing business — for things like fuel, transportation, utilities, labor, and health care benefits — have continued to increase. Without an increase to keep up with rising costs, we face significant losses that could adversely affect mail service.

Many people do not know that postal operations are not subsidized by tax dollars. We rely on the sale of postal products and services to cover our operating costs.

#### When will the new rates take effect?

The new rates go into effect June 30, 2002.

### Why don't you make the price of a stamp an even \$0.40?

No one should have to pay more than necessary. We want to make sure the mail remains a great value. An increase of more than \$0.03 in the price of a First-Class Mail® stamp would impose an unfair share of the burden of operating the Postal Service on First-Class Mail service users. A \$0.03 increase results in a more equitable distribution of postal costs among all mail classes.

Also, the majority of retail customers purchase their stamps not in singles but in booklets of 10 or 20 stamps so pennies are not usually involved in the transaction. A booklet of 10 stamps will increase only 30 cents from \$3.40 to \$3.70 and the booklet of 20 stamps will increase from \$6.80 to \$7.40.

#### When will new stamps be available?

New \$0.37 First-Class Mail stamps will be available June 7. A new \$0.03 *Star* stamp will be available in mid-June that can be added a to \$0.34 stamp to make up the First-Class Mail letter rate.

Buy stamps as early as possible. There are many convenient options to purchase stamps — by fax, by mail, by phone at 1-800-STAMP24, at the Post Office, through retail lobby vending equipment, or over the Internet at www.usps.com.

#### Did the terrorist attacks or the anthrax incidents have any bearing on the filing of the rate increase?

No. The Board of Governors approved the filing of this rate case on September 10, 2001, just before the terrorist attacks on September 11 and the subsequent anthrax mailings.

## I thought postage rates were not scheduled to increase prior to September 2002. Why are they going up now?

The Postal Service reached a settlement agreement with the mailing industry to raise postal rates on June 30, 2002 — three months earlier than originally expected. The Board of Governors approved the filing of the omnibus rate case just before the terrorist attacks on September 11, 2001, and the subsequent anthrax mailings. In light of those events and a slowing economy, the independent Postal Rate Commission

RATE FAQs continued from page 59

suggested settling the case to ensure that the Postal Service can continue to provide universal service at reasonable rates to every household and business. The rate-making process typically takes more than a year to complete, with 10 months of proceedings at the Commission, during which it considers testimony from customers and others before issuing a Recommended Decision. When the current proposals were filed by the Postal Service, rates were not expected to increase prior to September 2002.

### Do you think postage is getting too expensive?

At \$0.37 our single-piece First-Class Mail letter rate still is among the lowest of major industrialized nations. Citizens in Japan, for example, pay the equivalent of \$0.62 to mail a letter within their own country — an area somewhat smaller than California in square mileage.

Our record is excellent. We move more than 46 percent of the world's cards and letters, delivering more than 200 billion pieces of mail a year.

We are making our expedited services more convenient for customers. The rate for the Priority Mail® flat-rate envelope, which was based upon the rate for 2-pound items, will now be set at the 1-pound rate of \$3.85. The rate for the Express Mail® flat-rate envelope, which is currently based upon the rate for 2-pound items, will now be set at the 1/2-pound rate of \$13.65.

#### Will International rates also increase?

No. International rates are determined separately from domestic rates and will not increase until January 2003.

#### Where can additional information be found regarding the new rates and changes?

Additional information is available on the Web site at www.usps.com or by calling 1-800-ASK-USPS (1-800-275-8777).

#### First-Class Mail service

#### Will First-Class Mail letters containing odd-shaped items be mailable?

Yes. However, they will be charged the nonmachinable surcharge in addition to postage if they weigh 1 ounce or less.

The nonmachinable surcharge will be \$0.12 for pieces mailed at single-piece rates and \$0.055 cents for pieces mailed at Presorted and automation rates.

### What is the nonmachinable surcharge?

The current nonstandard surcharge will be expanded to include certain physical criteria that could make a mailpiece nonmachinable. Pieces that are nonmachinable are excluded from automated processing and must be handled manually. Nonmachinable pieces also may impede mail flow or damage the mail or mail processing equipment. Manual pieces are considerably more costly to process than machinable letters.

Nonmachinable criteria for letter-size pieces will be listed in new DMM C050.2.2. The nonmachinable surcharge will apply to single-piece and Presorted rate letters that weigh 1 ounce or less and meet one or more of the criteria in that section. Also, the nonmachinable surcharge will apply to letter-size pieces (but not card rate pieces) for which the mailer has chosen the manual only (do not automate) option.

#### Will the nonmachinable surcharge apply to postcards?

No, the nonmachinable surcharge does not apply to any pieces mailed at First-Class Mail card rates. However, cards mailed at Standard Mail rates could be subject to the surcharge.

#### Will the nonmachinable surcharge apply to flats and parcels?

Yes, it will apply to all First-Class Mail flats and parcels weighing 1 ounce or less.

## Is a key affixed to a card or piece of cardboard and inserted in an envelope considered a nonmachinable item and therefore subject to the surcharge?

A "non-bulky key" (such as a house key) firmly affixed to a piece of stiff paper inserted into an envelope would be machinable and no surcharge would apply. However, a bulky key (such as a vehicle key with thick plastic at the top) in an envelope would pay the surcharge, regardless of whether or not that key was affixed to anything, due to the uneven thickness of the piece.

## Will Delivery Confirmation service or Signature Confirmation service be allowed for use with First-Class Mail service?

Yes, for First-Class Mail parcels only.

### What is a First-Class Mail parcel?

For the purposes of adding Delivery Confirmation™ service or Signature Confirmation™ service to First-Class Mail, a parcel will be defined as any piece that has an address side with sufficient surface area to fully display the delivery address, return address, postage, markings and endorsements, and Delivery Confirmation service or Signature Confirmation service label. The parcel will be required to be in a box or, if not in a box, will be required to be more than 3/4-inch thick at its thickest point.

### **Priority Mail service**

#### Why are Priority Mail rates over 1 pound being zoned?

As with all classes of mail, Priority Mail rates must cover the increasing costs associated with processing, transportation, and delivery. Weight increments over 1 pound will be zoned to more accurately reflect actual costs to the Postal Service for transportation and handling.

## What will be the price of a Priority Mail flat-rate envelope?

The rate for the flat-rate envelope will be \$3.85.

RATE FAQs continued from page 61

#### Will there be a new Priority Mail flat-rate envelope?

A new Priority Mail flat-rate envelope will be available to use when the rates change. The size of the envelope will remain the same. The current Priority Mail flat-rate envelope should be used up to the rate change. Effective June 30, 2002 Priority Mail flat-rate envelopes with 2-pound rate markings cannot be used.

## **Express Mail Service**

#### How much insurance is included in the base price of Express Mail service?

The indemnity included in the price of Express Mail service will be reduced from \$500 to \$100 for both merchandise and document reconstruction. This adjustment will more closely align with general industry practice. The fee for every \$100 increment of additional merchandise insurance desired above the standard \$100 and up to \$5,000 will be \$1.

### What is the most significant change for Express Mail service?

The most significant change to the Express Mail service will be to price the flat-rate envelope at the 1/2-pound rate which is the lowest available rate for each Express Mail service offering. The rate for the flat-rate envelope will decrease for Post Office to Addressee service from \$16.25 to \$13.65, but the size of the envelope will remain the same. The Express Mail flat-rate envelope will continue to be available from the Postal Service.

## **Periodicals Mail Service**

#### Was the Periodicals Ride-Along experiment a success?

Yes, the Periodicals ride-along experiment was successful, and will be made a permanent classification. There will be no changes in the current standards for eligibility.

### What are the major changes for Periodicals?

Introduction of a new destination area distribution center (DADC) advertising pound rate and a per piece discount for each Outside-County addressed piece. The new DADC discount will be \$0.002 per addressed piece.

In addition, two new per addressed piece pallet discounts are introduced. The first is a \$0.005 per addressed piece discount for each addressed nonletter-size piece (flat-size and irregular parcel) prepared in packages on pallets. The second is a \$0.015 destination entry per piece pallet discount for each addressed nonletter-size piece (flat-size and irregular parcel) prepared in packages on a destination entry pallet. The discounts will not apply to pieces in sacks on pallets or in trays on pallets. Palletized addressed pieces could claim either \$0.005 or the \$0.015 per piece discount (depending on the entry point), but not both.

#### Have the fees for Periodicals changed?

The original entry and additional entry application fees will increase from \$350 to \$375 and from \$50 to \$60, respectively, while the fees for re-entry and news agent registry will remain at \$40.

#### Standard Mail Service

## Is there any difference between the nonmachinable surcharge for Standard Mail service as opposed to First-Class Mail service?

The criteria are the same. The nonmachinable surcharge will apply to Presorted rate letter-size pieces (including cards) that weigh 3.3 ounces or less and meet one or more of the nonmachinable criteria in new DMM C050.2.

Unlike in First-Class Mail service, where the nonmachinable surcharge will apply to flats, the Postal Service is not adding a nonmachinable surcharge to Standard Mail flats.

The nonmachinable surcharge will be \$0.04 per piece for regular rate pieces and \$0.02 per piece for Nonprofit rate pieces. The nonmachinable surcharge does not apply to ECR rates.

## Could the nonmachinable surcharge apply to residual pieces from a Standard Mail automation flats mailing?

Any piece mailed at the Presorted letter piece rate that meets one or more of the criteria in new DMM C050.2.2 would be subject to the nonmachinable surcharge. This includes pieces that are residual pieces from any automation mailing, including a mailing of automation flats if they are mailed at Presorted letter rates.

For example, a barcoded piece that is 8-1/2 by 5-1/2 inches and bears an address parallel to the shorter edge could be mailed as a Standard Mail automation flat. Pieces in this mailing that cannot be barcoded can be mailed at Presorted rates; the mailer would then have the option of paying the letter piece rate plus the nonmachinable surcharge (because the address is parallel to the shorter dimension) or the nonletter piece rate. Mailers also have the option of mailing residual pieces at the First-Class Mail single-piece rate.

### Will the nonmachinable surcharge apply to folded self-mailers held together with a staple?

Only if the self-mailer fits one or more of the nonmachinable criteria in new DMM C050.2.2, then it would be subject to the surcharge. The use of a staple in and of itself does not subject the piece to the nonmachinable surcharge.

#### Will the nonmachinable surcharge apply to ECR mailpieces?

No. It applies only to pieces mailed at Standard Mail regular Presorted letter-size piece rates.

### Will letters mailed at ECR high density or saturation letter rates be required to have a barcode?

Yes. The new requirement for high density and saturation letters requires pieces mailed at ECR high density and saturation letter rates to be automation-compatible and bear a delivery point barcode. Mailers who choose not to make their letter-size pieces automation-compatible or choose not to barcode will pay the ECR high density or saturation nonletter rate.

### Will simplified address pieces mailed at Standard Mail saturation rates be required to be barcoded?

Pieces using simplified addresses will not be required to have a delivery point barcode and therefore will not need to meet the physical standards for automation compatibility to qualify for letter rates.

RATE FAQs continued from page 63

### Has the weight limit for Standard Mail automation letters increased?

The maximum weight limit for automation-compatible letters has increased from 3.3 to 3.5 ounces. The rate charged for pieces that weigh between 3.3 and 3.5 ounces differs slightly from the rate for pieces that weigh 3.3 ounces or less.

#### Which Standard Mail letters are eligible for heavier weights?

This change applies to all Standard Mail regular and Nonprofit automation letters and carrier route letters and to regular and Nonprofit ECR high density and saturation letters.

## **Package Services**

#### What are the changes to the Parcel Post service?

Three changes will be made. First, a separate rate will be available for parcels weighing less than 1-pound. Second, Parcel Select® pieces will be eligible for no-fee electronic Delivery Confirmation service. The final change will create a DSCF rate for nonmachinable parcels sorted to 3-digit ZIP Code prefixes and entered at destination SCFs. Nonmachinable DSCF Parcel Select pieces will be subject to a surcharge of \$1.09 per parcel in addition to the applicable DSCF rate.

#### What are the changes to Bound Printed Matter service?

There are two major changes to Bound Printed Matter (BPM) rates: separate rates for BPM flats and parcels, and a new POSTNET Barcoded discount for single-piece rate and Presorted rate BPM flats. The parcel Barcoded discount for BPM single-piece and Presorted rate machinable parcels will remain at \$0.03 per piece.

#### How much is the barcoded discount for Bound Printed Matter Flats?

The discount will be \$0.03 and will be available for single-piece and Presorted rate BPM flats up to 20 ounces prepared with a POSTNET barcode.

### **Special Services**

#### When will electronic Return Receipt service be available?

The electronic return receipt service option has been approved. However it will not be available before fall of 2002.

#### Did the maximum value for money orders go up?

Yes. The maximum amount from \$700 to \$1,000 for both money orders. The domestic money fee for amounts of \$0.01 to \$500 will be \$0.90, and the fee for amounts of \$500.01 to \$1,000 will be \$1.25. The inquiry fee will increase from \$2.75 to \$3.00 for all money orders, regardless of value. The fee for APO/FPO money orders will remain the same at \$0.25.

### I currently use the pickup service. Will the price increase?

The fee for pickup service for Express Mail, Priority Mail, and Parcel Post® services will increase from \$10.25 to \$12.50. The fee is per pickup, not per package.

#### Are there any changes to Delivery Confirmation service or Signature Confirmation service?

First, Delivery Confirmation and Signature Confirmation in both retail and electronic options will be extended to First-Class Mail parcels. The second change is that for Package Services, both Delivery Confirmation service and Signature Confirmation service will be restricted to parcels only and will no longer be available for flat-size mail.

## Phone Script/Talking Points Responding to Customer Questions

#### Please explain why postage rates increase.

The costs of doing business — for things like fuel, transportation, utilities, labor, and healthcare benefits — have continued to increase. In addition, we are adding 1.6 million new delivery addresses each year. Many people do not know that postal operations are not subsidized by tax dollars. We rely on the sale of postal products and services to cover our operating costs.

#### Tell me about the new rates.

The single-piece First-Class Mail® letter rate is going up \$0.03, from \$0.34 to \$0.37.

The single-piece First-Class Mail rate for each additional ounce will remain the same at \$0.23.

The First-Class Mail card rate is going up to \$0.23.

The rate for the Priority Mail® flat-rate envelope, which is currently based upon the rate for 2-pound items, will now be set at the 1-pound rate of \$3.85.

The rate for the Express Mail® flat-rate envelope, which is currently based upon the rate for 2-pound items, will now be set at the 1/2-pound rate of \$13.65.

#### When will the new rates take effect?

The rate increase will go into effect June 30, 2002.

#### When can I purchase the new stamps to avoid long lines at the Post Office?

New \$0.37 First-Class Mail stamps will be available June 7, 2002. A new \$0.03 *Star* stamp will be available in mid-June that can be added a to \$0.34 stamp to make up the First-Class Mail letter rate.

Buy stamps as early as possible. There are many convenient options to purchase stamps — by fax, by mail, by phone at 1-800-STAMP24, at the Post Office, through retail lobby vending equipment, or over the Internet at www.usps.com.

#### What else is new?

A new Post Office box fee category will be introduced for Post Office box service in the lowest-cost cities and highest-cost rural areas. This new fee group will provide a bridge to eventually move high-cost and low-cost ZIP Codes toward more appropriate fee assignments.

Delivery Confirmation™ and Signature Confirmation™ services have been extended to First-Class Mail parcels. The fees for Delivery Confirmation service will be \$0.55 for the retail option and \$0.13 for the electronic option. The fees for Signature Confirmation service will be \$1.80 for the retail option and \$1.30 for the electronic option.

All Priority Mail rates over 1 pound will be zoned to more accurately reflect actual costs to the Postal Service for transportation and handling.

Indemnity included in the base price of Express Mail service will be reduced from \$500 to \$100.

The maximum value of money orders will go up to \$1,000. The fee for money orders up to \$500 will remain at \$0.90. The fee for money orders \$500 to \$1,000 will be \$1.25. The fee for APO/FPO money orders will remain the same \$0.25.

Nonmachinable letters, those pieces that cannot be processed through our letter sorting equipment, will be subject to a nonmachinable surcharge.

The electronic return receipt servcie option has been approved. However, it will not be available before fall of 2002.

#### Will International rates increase?

International rates are determined separately from domestic rates and will not increase until January 2003.

For additional information about the rate change please visit our Web site at www.usps.com.

## Template for Local Postal Letterhead Introduction

The following pages contain several sample letter templates to use when corresponding with customers or responding to negative editorials. You may use the text to develop your own localized letters or handouts. Words in bracketed italics are meant to be deleted and/or replaced with customized information, specific to your office, customers, and needs.

### **Letter Templates:**

**Business Reply Customer** — can be retyped and printed on local postal letterhead or used as a handout.

Meter Customer — can be retyped and printed on local postal letterhead or used as a handout.

Permit Customer — can be retyped and printed on local postal letterhead or used as a handout.

**Press Release** — Announcement of a rate increase is a time when postmasters can expect reporters to contact them for updated mailing information. Contact the public affairs and communications professional covering your area to get advice on using the sample press release included in this kit or to develop your own. Press releases should be typed on postal letterhead paper and double-spaced. The city/state on the first line should indicate the community served by your office. Send the completed release to local newspapers, radio, and television stations. Several days after mailing your release, follow up with a phone call to the local reporter, editor, or news director to provide additional information.

**Editorial Responses** — should be retyped and printed on local postal letterhead. The local postmaster should sign editorial responses to a weekly or small daily newspaper. The district manager or the appropriate PCES postmaster should sign responses to major newspapers covering a larger metropolitan area. **All responses should be sent within 24 hours of the editorial.** 

## Template for Local Postal Letterhead Business Reply Mail Customers

Dear Customer:

As a valued business reply mail customer, we want to keep you informed of changes in postal products, services, rates, and fees. Effective June 30, 2002, postage rates for all domestic classes of mail will increase.

The impact of this change for business mail customers will vary. Changes will depend on the amount of mail you send, how it is prepared, the classes of mail, and the types of products and services you use. Listed below are specific highlights from the rate change that pertain to business reply mail customers:

The single-piece 1-ounce First-Class Mail® rate will increase from \$0.34 to \$0.37.

The single-piece card rate will increase from \$0.21 to \$0.23.

The single-piece additional ounce rate will be \$0.23 for each additional ounce.

#### **Qualified Business Reply Mail**

For qualified business reply mail (QBRM), the letter-size single-piece rate will be \$0.34 and the card rate will be \$0.20. The per piece charge for the high volume QBRM category with the quarterly fee will decrease from \$0.01 to \$0.008. The QBRM quarterly fee of \$1,800 will remain the same. The basic QBRM per piece charge for the category without the quarterly fee will increase from \$0.05 to \$0.06.

#### **Business Reply Mail**

The business reply mail (BRM) per piece fee with an advance deposit account will remain at \$0.10. The annual accounting fee for advanced deposit accounts will increase from \$375 to \$475. The regular BRM per piece charge without an annual accounting fee will increase from \$0.35 to \$0.60 per piece.

The monthly fee for bulk weight averaged nonletter size BRM will increase from \$600 to \$750, while the perpiece charge of \$0.01 will remain the same.

The annual permit fee for all BRM will increase from \$125 to \$150 if paid on or after June 30, 2002.

For additional information about the rate change please visit our Web site at www.usps.com. You will be able to download all new rate information and have access to new printable postage statements.

Sincerely,

## Letter Template for Local Postal Letterhead Meter Customers

Dear Meter Customer:

As a valued meter customer, we want to keep you informed of changes in postal products, services, rates, and fees. Effective June 30, 2002, postage rates for all domestic classes of mail will increase.

The impact of this change for business mail customers will vary. Changes will depend on the amount of mail you send, how it is prepared, the classes of mail, and the types of products and services you use. Listed below are specific highlights from the rate change that pertain to meter customers:

#### **Highlights**

The single-piece 1-ounce First-Class Mail® rate will increase from \$0.34 to \$0.37.

The single-piece card rate will increase from \$0.21 to \$0.23.

Pieces mailed at single-piece rates will pay \$0.23 for each additional ounce; pieces mailed at any workshared rate will pay \$0.225 for each additional ounce. The heavy piece discount still applies to pieces over 2 ounces.

Delivery Confirmation<sup>™</sup> and Signature Confirmation<sup>™</sup> services will be available in retail and electronic options for First-Class Mail parcels. The fees for Delivery Confirmation service will be \$0.55 for the retail option and \$0.13 for the electronic option. The fees for Signature Confirmation service will be \$1.80 for the retail option and \$1.30 for the electronic option.

A nonmachinable surcharge will apply to First-Class Mail and Standard Mail letter-size pieces that have certain physical characteristics that could make a mailpiece nonmachinable. The nonmachinable surcharge for First-Class Mail pieces will be \$0.12 for single-piece rate pieces, \$0.055 for Presorted rate, and \$0.055 for automation rate flat-size mail. For Standard Mail letter-size pieces, the nonmachinable surcharge will be \$0.04 per piece for regular rate pieces and \$0.02 per piece for nonprofit rate pieces.

Annual mailing fees will increase from \$125 to \$150 if paid on or after June 30, 2002.

For additional information about the rate change please visit our Web site at *www.usps.com*. You will be able to download all new rate information and have access to new printable postage statements.

Sincerely,

## Template for Local Postal Letterhead Permit Customers

Dear Permit Customer:

As a valued permit customer, we want to keep you informed of changes in postal products, services, rates, and fees. Effective June 30, 2002, postage rates for all domestic classes of mail will increase.

The impact of this change for business mail customers will vary. Changes will depend on the amount of mail you send, how it is prepared, the classes of mail, and the types of products and services you use. Listed below are specific highlights from the rate change that pertain to permit customers:

#### **Highlights**

The single-piece 1-ounce First-Class Mail® rate will increase from \$0.34 to \$0.37.

The single-piece card rate will increase from \$0.21 to \$0.23.

Pieces mailed at single-piece rates will pay \$0.23 for each additional ounce; pieces mailed at any workshared rate will pay \$0.225 for each additional ounce. The heavy piece discount still applies to pieces over 2 ounces.

A nonmachinable surcharge will apply to First-Class Mail and Standard Mail letter-size pieces that have certain physical characteristics that could make a mailpiece nonmachinable. The nonmachinable surcharge for First-Class Mail pieces will be \$0.12 for single-piece rate pieces, \$0.055 for Presorted rate, and \$0.055 for automation rate flat-size mail. For Standard Mail letter-size pieces, the nonmachinable surcharge will be \$0.04 per piece for regular rate pieces and \$0.02 per piece for nonprofit rate pieces.

For First-Class Mail and Standard Mail automation letter-size pieces, the new rate structure splits the current basic rate into an automated area distribution center (AADC) rate and a mixed AADC rate.

The maximum weight limit for Standard Mail automation letters and automation-compatible Enhanced Carrier Route (ECR) letters will increase from 3.3 ounces to 3.5 ounces.

Standard Mail pieces mailed at ECR high density and saturation letter rates will be required to meet the physical standards for automation-compatible mail and will be required to have a delivery point barcode.

Annual mailing fees will increase from \$125 to \$150 if paid on or after June 30, 2002.

For additional information about the rate change please visit our Web site at *www.usps.com*. You will be able to download all new rate information and have access to new printable postage statements.

Sincerely,

## Press Release Local Announcement of Changes

FOR IMMEDITATE RELEASE [Date]

Contact: [Name]

Phone: [Add Telephone Number]

www.usps.com

### FIRST-CLASS LETTER RATE TO INCREASE JUNE 30, 2002 NEW RATE STAMPS AVAILABLE JUNE 7, 2002

**[CITY]** — The price of mailing a First-Class Mail® letter will increase 3 cents on June 30, 2002, from 34 to 37 cents — about 45 cents a month for the average household. "And while we're talking cents," says **[City]** Postmaster **[full name]**, "it makes good sense for customers to purchase stamps before the new rate takes effect."

"When you're at the Post Office, pick up some new rate stamps," advises Postmaster [last name]. New 37-cent First-Class Mail stamps will be available June 7, 2002. A new 3-cent *Star* stamp to add to 34-cent stamps to make up the First-Class Mail letter rate will be available in mid-June.

Buy stamps as early as possible. There are many convenient options to purchase stamps — by fax, by mail, by phone at 1-800-STAMP24, at the Post Office, through retail lobby vending equipment, or over the Internet at www.usps.com.

Attached is a summary of postage rate and special services fee changes to take effect on June 30, 2002. Additional information is also available at the Postal Service Web site at <a href="https://www.usps.com">www.usps.com</a>.

Letter to the Editor
Why Postage Rate Increase

[Date]

[Publication Name] [Address] [City, State ZIP +4]

Dear Editor:

Your editorial **[or, the letter to the editor]**, which you printed on **[date]** concerning the new postage rates, could create some confusion for your readers. So, I'd like to put things in perspective for your readers.

Why do rates go up at all? As the case with any other business, the Postal Service is not immune to inflationary pressures. We buy gas and oil, air and ground transportation, and business supplies and equipment from the same sources as any other business or organization.

Compared to most products, postage increases are rare. At 37 cents, our letter rate is still among the lowest of major industrialized nations. Citizens in Japan, for example, pay more than 60 cents to mail a letter in their own country — an area somewhat smaller than California in square mileage. For only 37 cents, the U.S. Postal Service delivers to every address in this vast nation — more than 138 million locations, from Key West, Florida, to Barrow, Alaska, from Honolulu, Hawaii, to Freeport, Maine, and to all the points in between.

We provide a service that binds the 274 million people of this nation together, regardless of their financial status or where they live. Remember too, that we do it without using taxpayer dollars to support our operations. We rely on the sale of our products and services to cover operating costs.

So that First-Class Mail® stamp — even at 37 cents — continues to be one of the world's best bargains.

Sincerely,

[Name] [Title] Letter to the Editor Value for Your Money

[Date]

[Publication Name] [Address] [City, State ZIP +4]

Dear Editor:

Your editorial **[or, the letter to the editor]**, which you printed on **[date]** concerning the new postage rates, could create some confusion for your readers. So, I'd like to put things in perspective for the people in our community.

Why do rates go up at all? As the case with any other business, the Postal Service is not immune to inflationary pressures. We buy gas and oil, air and ground transportation, and business supplies and equipment from the same sources as any other business or organization.

Compared to most products, postage increases are a rare. At 37 cents, our letter rate is still among the lowest of major industrialized nations. Citizens in Japan, for example, pay more than 60 cents to mail a letter in their own country — an area somewhat smaller than California in square mileage. For only 37 cents, the U.S. Postal Service delivers to every address in this vast nation — more than 138 million locations, from Florida to Alaska, from Hawaii to Maine, and to all points in between.

We provide a service that binds the 274 million people of this nation together, regardless of their financial status or where they live. And we do it without using taxpayer dollars to support our operations.

Simply put, you get "All-American" value with the U.S. Postal Service. Our stamp lets you communicate with anyone, anywhere. It has always been a great deal, and at 37 cents, that stamp will continue to be one of the world's best bargains.

Sincerely,

[Name] [Title]

## Local Contacts Rate Implementation Coordinators

This page and the following page contain the 3-digit ZIP Code service areas, district, contact name, phone, and e-mail address for the field rate implementation coordinators. Coordinators will ensure that each district is well informed and prepared for rate implementation. For questions or concerns with any of the enclosed materials in this *Field Implementation Kit*, or other matters relating to R2001-1 implementation, please contact your rate implementation coordinator.

3-Digit ZIP Code Service Area	District	Contact Name	Phone	E-mail
006-009,	Caribbean	Hector Mendez	787-793-0444	hmendez@email.usps.gov
010-013, 050-054, 056-059	Springfield	Spencer Weiss	413-731-0210	sweiss@email.usps.gov
014-019, 055	Middlesex	Michelle Saracusa	978-664-7639	msaracusa@email.usps.gov
020, 023, 025-029	SE New England	Gerry Mulvey	401-752-5648	gmulvey@email.usps.gov
021-022, 024	Boston	Marc Riley	617-654-5450	mriley3@email.usps.gov
030-03	New Hampshire	William Chatfield	603-644-3844	wchatfiled@email.usps.gov
039-049	Maine	Kathy Rokowski	207-828-8410	krokowsk@email.usps.gov
060-069	Connecticut	Russell St. John	860-610-3115	russellstjohn@aol.com
070-076	N New Jersey	Michael laconetti	973-468-7092	miaconet@email.usps.gov
077-079, 085-089	C New Jersey	Robert Wszolek	732-819-3672	rwzole@email.usps.gov
080-084, 197-199	S New Jersey	Hank DiAntonio	856-933-4262	hdianton@email.usps.gov
090-098, 100-102, 104, 340	New York	Barbara Holas	212-330-4228	bholas@email.usps.gov
103, 110-114, 116	Triboro	Martin Robi	718-321-5481	mrobi@email.usps.gov
105-109, 124-127, 004	Westchester	Jean McBryde	914-697-7015	jmcbryde@email.usps.gov
115, 117-119, 005	Long Island	Adriana Sallows	631-755-2935	asallows@email.usps.gov
120-123, 128-139	Albany District	Yvonne Gifford	518-452-2304	ygifford@email.usps.gov
140-149	W New York	Kimberli Shaw	716-846-2375	kshaw@email.usps.gov
150-154, 156, 260	Pittsburgh	Toni Coles	412-359-7810	tcoles@email.usps.gov
155, 157-168	Erie	Susan Thomas	814-533-4964	sthomas@email.usps.gov
169-172, 177-178, 180-188	Harrisburg	Sandra Moreau	717-257-4819	smoreau@email.usps.gov
173-176, 179, 189, 193-196	Lancaster	Robert Festa	610-964-6476	rfesta@email.usps.gov
190-192	Philadelphia	Joseph Wagner	215-895-8094	jwagner1@email.usps.gov
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