

# GLS Postal Basics (Internal Use Only)

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## General Information

### THE UNITED STATES POSTAL SERVICE (USPS)

In Fiscal Year 2018, the USPS:

- Delivered 146.4 billion pieces of mail
- Delivered 47% of the world's mail volume
- Processed 36.8 million changes of address
- Added 1.3 million new delivery points
- Delivered to 158.6 million delivery points total
- Received 0 tax dollars for operations
- Would have ranked 40<sup>th</sup> on the Fortune 500 list if it were a private sector company

The USPS brought in revenue from the following sources in FY 2018:

- \$25 billion in First-Class Mail
- \$16.5 billion in Marketing Mail (Standard)
- \$21.5 billion in Shipping & Package Services
  - This is currently the only area of mailing that is growing year over year
- \$1.3 billion in Periodicals

[Source](#)

**WHY WE DO WHAT WE DO**

As a retail USPS customer, you can walk into any location and mail just about anything you want, as long as you pay the full price.

If you are mailing in higher volumes, the USPS has a discounted system of pricing called commercial pricing. However, the more discounts you aim for, the more hoops you have to jump through in order to get those discounts. Most of these discounts require special software, as well as very specific handling and packaging. Most companies needing to mail in bulk do not have the resources to handle the extra requirements for commercial pricing.

## WHAT HAPPENS TO THE MAIL THAT GOES THROUGH GLS?

Assuming that all of the upfront job planning has been completed and a job ticket has been generated, the Data Processing department will process the customer's file(s) according to the ticket specifications. This means that the data file is pulled into our postal software (BCC) using the GLS house layout. The GLS house layout is a data template that has Name and Address fields, as well as a number of internal fields required both for keeping track of the file through all processes and for postal purposes. Unless the customer file has a large number of fields, all additional customer fields (e.g. customer IDs, codes, etc.) will be added to the end of the file layout. The file will also be split into GLS packages as needed. A package (not to be confused with a USPS Parcel), is a group of records that will all use the same material and will mail at the same time and in the same mail class.

After the file has been pulled into BCC, if postage discounts are desired, the records need to be cleansed according to USPS address hygiene standards (see the [Address Hygiene](#) section for more information). At a minimum, CASS will be run to standardize addresses and assign the Zip+4, delivery points, and other postal codes. If the customer has not provided additional documentation indicating they have performed some form of NCOA (National Change of Address) processing, NCOA will need to be run as well. Data Processing will then either remove potentially undeliverable records or leave them in per the ticket.

After address cleansing and any record removals (including duplicates or suppressions) are complete, Data Processing will run a process called postal presort. Basically, this sorts the records within a package to the carrier route level and generates the backend files needed for the mail entry process, including postage estimates. Once the package is presorted, signoffs are generated for customer approval.

Once the job has been printed and run through any bindery requirements, the lettershop will sort the final pieces into trays or sacks, and then stack the trays or sacks into pallets, keeping everything in presort order for mail entry. The mail entry clerks will check the backend files for any errors, and if they are okay, will push them out to the USPS's electronic portal, *PostalOne!*. The pallets of mail will then be inspected by a postal clerk and taken to the post office of entry.

## Postal Processing

### WHAT HAPPENS TO THE MAIL AFTER IT LEAVES GLS?

GLS takes most of its mail to the Network Distribution Center (NDC) in Eagan. There are 21 NDCs and 8 auxiliary NDCs across the US. These are large processing centers that are usually the first stop for bulk mail. They cover larger geographic areas, and they only handle mail in trays or pallets, with the exception of individual parcels. A single letter that you send as a retail customer would not end up in an NDC.

From the NDC, the USPS sorts the mail to its next stop, the Sectional Center Facility (SCF). There are 230 SCFs across the US. They cover smaller geographical locations than the NDCs, and most mail will go through an SCF at some point. They are the last stop before the individual post office and final delivery by the carrier.

The following sections outline how a mailing needs to be set up in order to receive maximum discounts.

## POSTAL AUTOMATION

The USPS runs the majority of the mail it processes through huge machines that, by reading the Intelligent Mail Barcode (IMb) on each piece, can automatically put the mail in the order in which it is delivered. If the piece did not have an IMb, or an incorrect or unreadable barcode was used, the machines will affix a white label over the top of any existing barcode, read the mailing address, and spray a new barcode. Most mailing addresses, including handwritten addresses, can be read by the machines.

Mailers can receive what is called an automation discount if the piece meets all USPS design standards and they pre-apply all IMbs. Proper [address hygiene](#) must also be applied to all records in the mailing in order to get this discount. It is the deepest machine-level discount available. There are also quantity and/or weight minimums within each mail class that must be met in order to qualify for automation rates.

If the IMb has not been pre-applied but the piece is still able to run through the machines and has a readable mailing address, it can receive what is called a machinable discount. Machinable rates are not as low as Automation rates, but they are still cheaper than the full Non-Auto rate.

If the piece for any reason cannot be run through the machines, or the mailing address is unreadable by the machine scanners, then no discounts are available. This mail is known as Non-Auto and Non-Machinable. Some of the reasons a mailpiece will not qualify for automation or machinable rates are:

- It is a Letter-sized piece and does not have the proper aspect ratio (from 1.3 to 2.5)
- It has clasps, strings, buttons, or similar closure devices
- It is too rigid to go around the drums in the machines
- The mailing address is not placed in an optimal scanning location
- It contains any items (e.g. pens, pencils, keys) that create an uneven thickness (not including an affixed single coin)

[Source](#)

## FULL SERVICE AND THE INTELLIGENT MAIL BARCODE

An additional discount is available for individual pieces which qualify for Full Service processing. Any pieces that do not qualify for Full Service are considered Basic and will not receive the discount.

In order to receive the Full Service discount, the following qualifications must be met:

- The package within the mailing qualifies for Automation rates either by quantity or weight, depending on the mail class
- Address hygiene must have been performed. Only pieces not considered as [Undeliverable](#) or [International](#) will receive the Full Service discount.
- The IMb (or IMpb for parcels; see GLS reference doc [DPRef006](#) for more information) has been pre-applied to every piece within the mailing
  - The IMb contains a MailerID (MID) that every mailer must apply for. The MID is either 6 or 9 digits, depending on the amount of mail the mailer processes each year. If the mailer processes more than 10 million pieces of mail in a year, a 6-digit MID will be assigned.
  - The IMb also contains a 6 or 9 digit Serial Number that must be unique for each piece and must not be reused within 45 days of the mailing. GLS has a program set up to manage this process for the MIDs currently in use.
  - The IMb contains, in addition to the MID and Serial Number, a 3-digit code indicating the Service Type (STID), and the full 9-digit Zip Code with 2-digit Delivery Point
- The Intelligent Mail tray barcode (IMtb) has been applied to each tray
- The Intelligent Mail container barcode (IMcb) has been applied to each container (pallet, etc.)
- Electronic mailing documentation has been submitted to *PostalOne!*
  - There are several options available for submitting electronic documentation to *PostalOne!*. GLS uses a set of files created out of BCC called a mail.dat, which is loaded to a program called Windowbook. This program will validate the mail.dat and, if it is correct, load it into *PostalOne!*.
  - The mailing documentation submitted to *PostalOne!* must match the physical pieces submitted to the USPS, meaning quantities should be exact and the individual piece attributes (weight, thickness, length, and height) should be as close as possible to the finished piece. If pieces need to be added or removed from the mailing after processing has started but before printing, Data Processing will need to resort the mailing (even if it is just one piece). If records need to be removed after the mailing has printed, lettershop can use a pull list to remove the requested records and Mail Entry can append a Postage Adjustment Record (par) to the mail.dat explaining which records were removed.

[Source](#)



## SHAPE PROCESSING

As mentioned earlier, the USPS utilizes large machines to automate the sortation of the vast majority of the mail it processes. There are three different sizes of machines to accommodate different sizes of mail. In order to receive any discounts, mailpieces must fit within the physical specifications listed below by shape.

### *Letters*

- Minimum size is 3.5" high, 5" long, .007" thick
  - For pieces larger than 4.25" high or 6" long, the minimum thickness is .009"
- Maximum size for cards or Letters in envelopes is 6.125" high, 11.5" long, 0.25" thick
- Maximum size for booklets or folded self-mailers is 6" high, 10.5" long, 0.25" thick
- Must be rectangular in shape with an aspect ratio no less than 1.3 and no more than 2.5. To get the aspect ratio, divide the length of the piece by the height.
- Maximum weight is 3.5 ounces for Automation rates
- The length of a Letter piece is always parallel to the mailing address
- Must have square corners unless made of cardstock. Cardstock pieces may have finished corners that do not exceed a radius of .125"

### [Source](#)

### *Cards*

- Cards are a subset of Letters and will be run on the Letter machines. Except for the specifications listed below, all other Letter specifications apply to Cards. Postage is lower for Cards versus Letters.
- Can only be run as First-Class
- Minimum size is 3.5" high, 5" long, .007" thick
- Maximum size is 4.25" high, 6" long, 0.016" thick
- Maximum weight is 3.5 ounces for Automation rates
- Stock must be light in color and uniform in thickness
- Can mail double postcards (e.g. a mailing card with a tear-off reply card of the same size) at the Card rate for the outgoing portion. These must be tabbed or glued shut.

### [Source](#)

### *Flats*

- Generally, any piece that is too large to be a Letter by any dimension while still meeting the minimum and maximum requirements listed below
  - A piece may have to mail as a Flat even if it is within the Letter dimensions if the aspect ratio is too small or too large
- Minimum size is 11.5" long, 6.125" high

- Maximum size is 15" long, 12" high, .75" thick
  - Some Periodicals and Polywrapped flats with selvage longer than the contents may be 15.75" long as long as the contents do not exceed 15"
- Maximum weight for First-Class is 13 ounces
- Maximum weight for Standard is 16 ounces
- Maximum weight for Bound Printed Matter is 20 ounces
- Must have square corners or finished corners that do not exceed a radius of .125"
- The length of a Flat is always the longest dimension of the piece
- Must pass the Flexibility Test (see Mail Entry clerk with questions)
- Must be uniformly thick

[Source](#)

#### *Parcels*

- Divided into 3 categories: Machinable, Irregular, or Nonmachinable
- Machinable parcels have to meet the following criteria:
  - Minimum size of 6" long, 3" high, .25" thick, and 6 oz. in weight
  - Maximum size of 27" long, 17" high, 17" thick, and 25 pounds in weight (Parcel Select and Parcel Return have a maximum weight of 35 pounds unless they contain books or other printed matter)
  - Lightweight Machinable parcels with a weight of between 3.5 and 6 ounces have lower postage rates, but more criteria to meet. Check with the Mail Entry clerk or the DMM with any questions.
  - Must contain the Intelligent Mail package barcode (IMpb), or the mailing will be subject to Non-Auto rates and a \$0.20/piece surcharge for not having the correct barcode. See GLS reference document DPref006 for more information about the IMpb.
- Irregular parcels are any parcel that do not meet the criteria of a Machinable parcel or any parcel that cannot be processed by NDC parcel sorters, including:
  - Rolls and tubes up to 26" long
  - Unwrapped, paper-wrapped, or sleeve-wrapped articles that are not Letter- or Flat-sized
  - Any article enclosed in an envelope that are not Letter-, Flat-, or Machinable parcel-sized
  - Irregular parcels have a \$0.20/piece surcharge regardless of whether the IMpb is placed on the piece; if the IMpb is not used, the total surcharge will be \$0.40/piece
- Nonmachinable (Outside) parcels are any parcel that exceeds any of the maximum dimensions for a machinable parcel
- Any parcel .25" thick or less must be a minimum of 5" long, 3.5" high, and .007" thick

[Source](#)

## MAIL CLASSES

The commercial pricing structure for USPS mail is divided into several classes. GLS most often uses First-Class and Standard. Bound Printed Matter and Priority will most often be used for mailings which qualify as Parcels (or, in the case of Bound Printed Matter, Automation Flat mailings that are between 16 and 20 ounces in weight). The other mail classes listed below are used rarely, if ever.

The following information is taken from the [USPS Domestic Mail Manual](#).

### *First-Class Mail*

- Must have a minimum of 500 pieces per package to receive automation discounts
  - Pieces that qualify as [Postcass Lite-Moderate](#) and international pieces do not count towards the minimum
- A single piece cannot weigh more than 13 ounces in most cases
  - Automation or machinable letters cannot weigh more than 3.5 ounces
- Bills and Statements of Account, as well as any handwritten or typewritten material must be sent via First-Class
- Includes return service on undeliverable pieces and forwarding service to changes of address at no additional charge
- Delivery is not guaranteed
- Receives expeditious handling, but delivery times are not guaranteed
  - Expect between 2-5 days for delivery from time of mailing
- Closed against postal inspection
- Eligible for Full Service discount

### *Standard Mail (USPS Marketing Mail)*

- Lower rates than First-Class
- Must have a minimum of 200 pieces or a cumulative 50 pounds per package to receive automation discounts
  - Pieces that qualify as [Postcass Lite-Moderate](#) and international pieces do not count towards the minimum
- Must contain marketing or advertising language in some form
- Machinable or Automation pieces have the following single piece weight maximums:
  - Letters = 3.5 ounces
  - Flats = Up to 16 ounces
    - above 4 ounces will receive an additional per pound rate
  - Presorted Marketing or Irregular Parcels = up to 16 ounces
    - anything above 3.3 ounces will receive an additional per pound rate
  - Machinable parcels = less than 16 ounces (subject to an additional per pound rate)

- Lower Non-Profit rates are available under Standard Mail
  - A customer wishing to mail at Non-Profit rates must have an active USPS NonProfit number on file with the USPS indicating they are in fact a Non-Profit organization
  - Non-Profit rates are a reflection of an additional discount; all Standard Mail requirements and restrictions still apply
- If return or forwarding service is required, the proper [Ancillary Service](#) must be applied at an additional cost
- Not closed against postal inspection
- Delivery times are slower than First-Class mail, and delivery is not guaranteed
  - Expect between 5-14 days for delivery from time of mailing
- Eligible for Full Service Discount

#### *Priority Mail*

- Generally has the highest postage rates
- Flat-Rate boxes and envelopes are available
  - If Flat-Rate materials are not used, must be sent as Zoned Mail
- Additional services available at an extra cost/piece (Certified Mail, Registered Mail, Signature Confirmation, Overnight etc.)
- Not eligible for Full Service discount
- Closed against postal inspection
- Receives expeditious handling, but delivery times are not guaranteed
  - Expect between 2-3 days for delivery from time of mailing

#### *Bound Printed Matter (BPM)*

- Generally lower rates than First Class or Priority
- No minimum amount of pieces required, but must have at least 300 deliverable pieces per package to get lower Presorted rates
- BPM Flats can weigh between 16 and 20 ounces per piece
  - BPM Flats use the IMb instead of the IMpb
- BPM Parcels can weigh between 20 ounces and 15 pounds per piece
  - All BPM Parcels must have the IMpb regardless of whether or not presorted rates are used
- Must contain printed matter in some form that is bound by permanent fastenings (e.g. books, catalogs, etc.)
- Must consist of advertising, promotional, directional, or editorial material
- Must consist of at least 90% non-handwritten and non-typewritten material
- Cannot be stationery or personal correspondence
- Not closed against postal inspection



#### PRECISION MARKETING

- A per-pound postage rate applies in addition to the per-piece rate
- If return or forwarding service is required, the proper [Ancillary Service](#) must be applied at an additional cost
- Eligible for Full Service discount
- Cannot be stamped or metered; a Permit Imprint (Indicia) must be used
- Slower delivery times than First-Class or Priority Mail, and delivery is not guaranteed
  - Expect 5-14 days for delivery from time of mailing

#### *Parcel Select & Parcel Lightweight*

- Used for parcel mailings that cannot go as Bound Printed Matter, or when Priority postage is too expensive
- Parcel Lightweight pieces can weigh no more than 16 ounces
- There are no minimums if mailed using USPS PC postage, but must have at least 50 deliverable pieces per package to mail with a permit or meter strip
- Not closed against postal inspection
- A per-pound postage rate applies in addition to the per-piece rate
- Always shipped using ground transportation, and may receive deferred handling
  - Expect between 5-14 days for delivery from time of mailing
- Delivery is not guaranteed
- An IMpb must be printed on each piece
- A higher Oversize piece rate applies to any piece that measures over 108 inches but not more than 130 inches in combined length and girth

#### *Media Mail, Library Mail, Periodicals*

- Rarely used by GLS
- More information to come; please see the Mail Entry department about requirements for these classes

## ADDITIONAL POSTAGE DISCOUNTS

GLS has a few additional options to capitalize on all postage discounts available. It is recommended that all customers take advantage of these discounts whenever possible. GLS may utilize a combination of these discounts within a single package. If additional discounts are desired, Mail Entry and Data Processing will analyze each mailing package to see which options are the best.

### *Dropshipping*

The USPS offers discounts for skipping steps in their sorting process. If a package within a mailing hits a certain saturation threshold, dropshipping may be a good option for discounted postage. If the discount is higher than what it costs to ship pieces of mail directly to their entry SCF or NDC without having to enter them at the Eagan NDC, GLS will utilize this discount.

Dropshipping is only available for Standard Auto Mail (including Non-Profit), Periodicals, Bound Printed Matter, Parcel Select, or Parcel Lightweight. It usually results in faster delivery, since a step in the USPS sorting process was bypassed.

### *Commingle*

If a package within a mailing is running as an Auto Letter, GLS can send either some or all of the pieces in that package to an outside vendor for commingling. The outside vendor has machines that will read the IMBs from multiple mailings at once (including non-GLS mailings) and put them all together in final sort order. There is a set rate/piece for commingle. There are different rates available for Standard Mail, Non-Profit, and First-Class. Check with Mail Entry or the Lettershop Manager to find out what the current rates are.

Any amount of pieces can be commingled, even if it is just a single piece. When higher volumes are involved, however, commingle is usually not feasible. The USPS offers a lower rate than the commingle rate for mailings that have a high 5-digit Zip Code saturation level. Data Processing has programming in place to check which option is the best. Commingling will add a few extra days to production time, so time-sensitive pieces may not be the best candidates for this process.

### *Copal*

If a package within a mailing qualifies for dropshipping, GLS may choose to send some of it out as Copal. This process is similar to commingling as described above, but instead of combining individual pieces from multiple mailings, whole pallets from multiple mailings are combined.

It is recommended to check with the sales rep or Operations Manager on whether the customer is a good candidate for copal.

### *Walk Sequence*

If a package within a mailing is going to a high saturation of addresses in a carrier route, a walk sequence sort may be used. Walk sequence will sort the file in the order in which the carrier will deliver their route. The data file must contain the walk sequence number in order to perform this presort, and there must be at least 10 pieces going to the same carrier route in order to qualify for a walk sequence discount, though the higher the saturation level, the higher the discount.

Walk sequence may only be used on Periodicals, or Standard Auto Letters, Flats, or Parcels. Walk sequence mailings will be dropshipped when possible.

#### [Source](#)

### *Every Door Direct Mail (EDDM)*

Every Door Direct Mail is a program offered by the USPS for customers who want to send highly saturated mailings that do not need to be personalized. EDDM postage rates are very low and are static for each piece (check with the USPS or Mail Entry Clerk for current rates). EDD mailings must also be sent to entire carrier routes. GLS usually sets up mailings to go to PO Box routes, City routes, Rural routes, or a combination of the three route types. Highway Contract and General Delivery routes can also be requested, but are rarely used.

If the customer is paying for the mailing through their own Retail account, there are a few restrictions on size and quantity. The maximum quantity that can be mailed is 5,000 pieces/day. The individual mailing piece must also be 3.3 ounces or less and meet Automation Letter or Flat sizing requirements.

If the customer is utilizing Commercial pricing (also called BMEU pricing), EDD mailings may only utilize pieces that are within the Standard Flat, Bound Printed Matter Flat, or Irregular Parcel specifications. There must be at least 200 pieces within a package to qualify for Commercial EDDM rates. The pieces themselves should not be personalized to the recipient, but must be addressed with one of these options (also known as “Simplified Addressing”):

- “Postal Customer” for all delivery points on the route
- “Residential Customer” to omit businesses from the mailing
- “PO Box Holder” if the mailing is only going to PO Boxes

All pieces must also include an EDDM indicia and a Walk-Sequence Endorsement Line. The City, State, and Zip Code of where it is mailing is optional.

#### [Source](#)

## POSTAGE PAYMENT OPTIONS

### *Postage Estimates*

Data Processing will provide a postage estimate for each package within a mailing, but please keep in mind this is an estimate and may not reflect the exact final postage. Every effort is made to get the estimate as close to the final number as possible, but cannot take into account things like production spoilage or production variances (paper changes, etc.).

### *Permits*

From a production standpoint, permits are generally the best option to use for postage payment, since it usually does not incur extra production costs to affix to the piece. The permit holder must have a permit set up with the post office of mailing; once a mailing is accepted by the USPS, the postage amount will be automatically deducted from the permit account. The easiest way for a customer to pay for postage is through their Centralized Account Processing System (CAPS) account, but it is not required to have a CAPS account in order to use a permit for postage.

We can use the GLS house permit for our customers' mailings, but it is preferred that they use their own whenever possible. If we do use the customer's permit, their information must be submitted to Mail Entry before the first mailing can be worked on.

Permit mailings are subject to these restrictions:

- The mail class cannot be changed after printing; the printed indicia must reflect the correct mail class
- The permit account must have enough funds in it at the time of mailing to cover the cost of postage
- First-Class or Priority mailings with at least 200 deliverable pieces or 50 cumulative pounds per package may use a permit imprint. In the case of First-Class, the word "PRESORTED" must be added to the top if the package is utilizing presorted rates.
  - The term "First-Class" must always have the hyphen in permit imprints, as this is a trademarked service from the USPS
- All mailings that qualify as Standard may use a permit imprint
- All Bound Printed Matter mailings must use a permit imprint. The word "PRESORTED" can only be used in the indicia if there are at least 300 deliverable pieces in a package
- Parcel Select mailings of 50 pieces or more may use a permit imprint

### *Stamps*

Standard or First-Class stamps can be affixed to each piece before mailing if the customer does not want to use a permit imprint. This may incur extra production time and costs, as in some cases stamps must be affixed by hand. Pre-canceled stamps for First-Class or Standard Mail (meaning GLS pays less for the



stamp up front and pays the difference in postage when the mail is delivered to the USPS) will be affixed in-line. Stamps must always be placed in the upper right-hand corner of the mailpiece.

When using stamps, the GLS stamp permit 20481 will be used to cover the initial cost of each stamp (generally only a couple of cents/piece), then GLS permit 95017 will be used to cover the remaining postage costs. If the customer wants to use their own permit for the additional postage costs, their permit information must be provided to Mail Entry before data processing can commence, and it needs to be indicated in the Postal Presort section of the ticket to use a particular permit number for Additional Postage. The physical stamps must be purchased before lettershop production commences, and there must be sufficient funds in the additional postage permit at the time of mailing. If stamps have already been applied to a package and it gets cancelled, only 80% of the stamp cost can be refunded.

### *Meter*

Metered postage is used when a customer wants a more personalized look to the mailpiece, as the markings required for metered postage are similar to the postmarks the USPS adds to retail mail. This will add extra time to lettershop production, as each piece must be fed through the meter machine, so it is not recommended for large mailings. Metered postage will also be used in the following situations:

- Foreign records in a domestic package
- Priority Mail packages with less than 200 records or 50 cumulative pounds
- First-Class Basic mailings with less than 200 records or 50 cumulative pounds in which the customer does not want to use a stamp

When using metered postage, the GLS meter permit 18256 will be used to cover the initial meter cost, then GLS permit 95017 will be used to cover the remaining postage costs. Also, postage will be subtracted from the permit at the time the meter markings are applied, so sufficient postage must be available before lettershop production commences. If metered postage has already been applied to a package and it gets cancelled, we cannot get a full refund on the postage.

The meter markings must always be in the upper right-hand corner of the mailpiece.

## MAIL TRACKING OPTIONS

The USPS offers a tracking service for any mailing using the IMb at an additional cost. If the STID in the IMb is properly coded for tracking, the USPS will generate reports indicating when each IMb was scanned and delivered. These reports are usually retrievable through a third-party vendor. GLS utilizes BCC's Track N Trace option for all tracked IMbs, but can utilize another vendor if a customer has an existing agreement with them (Grayhair, Track My Mail, etc.).

Please note that mail tracking information may not be provided by the USPS for pieces mailed as Walk Sequence, as those pieces are not required to be scanned.

If a package is mailing as a parcel utilizing the IMpb, no additional tracking methods are available. The IMpb is already a tracked barcode, but the reporting options are very slim. In order to get delivery information, individual IMpb numbers must be entered into the USPS website in groups of 35.

## Address Hygiene

### WHAT IS ADDRESS HYGIENE?

The USPS does not want to waste its time trying to deliver to addresses that are incorrect or incomplete. In order to receive any automation or machinable discounts, mail lists must be properly cleaned and updated. This is known as address hygiene.

GLS utilizes BCC's built-in CASS and NCOA engines to clean the data.

Data Processing does not automatically check for the following when performing address hygiene:

- Obscene language
- Fields populated with the word "NULL"
- Company names or Individual names in address fields (this is almost impossible to check)
- Foreign records when no Country field is provided on the customer's file

Any requests to check for these items must be added to the Data Convert instructions of the ticket.

## CASS

CASS stands for Coding Accuracy Support System. This system bounces the mail list against the USPS's database of all current deliverable addresses, known as delivery points. If it finds a match in the database, it will assign an extra 4 digits to the end of the Zip Code known as the Zip4. These digits group 10-20 delivery points on the same side of the street together to make it easier for the USPS to figure out which carrier route the piece will be on. The system will also standardize the language of the addresses to match postal standards (e.g. "Street" becomes "St").

If the system cannot find an exact match for the address in the database, it will look at the range of numbers on the street listed in the address and try to find the delivery point if the number provided is within that range. A Zip4 will not be appended. Postal language standardizations will be applied.

If the system cannot perform either of these functions, the address will still be standardized as best it can, but a Zip4 will not be appended and the record will be considered as Non-Auto.

CASS will most often take any unit information from the Secondary Address field and add it to the end of the Delivery Address. CASS will also split any Delivery Address containing both a street address and a PO Box number into separate address lines. The PO Box number is the preferred address, and the delivery point will usually be assigned to that number.

Data Processing will always perform CASS on a file that will be mailed regardless of whether or not a customer requests it. The only exceptions are mailings which are running as First-Class Basic and the customer requests no changes be made to their file.

CASS changes are good for 95 days. If the list is being reused after that, CASS will need to be run again.

## **NCOA**

NCOA stands for National Change of Address. Any change of address registered with the USPS will remain in the NCOA database for 4 years.

Data Processing will run the data file against the NCOA database only at the customer's request. A minimum of 100 unique records is required to run NCOA. Any record that is considered invalid (no actual name on the record, incomplete address information, international record, etc.) will not be counted towards the minimum. Data Processing always runs CASS on the file before running NCOA in order to get the best matches possible. The updated addresses provided are all automatically run through CASS.

NCOA changes are good for 95 days. If the data file is used again after that time period has passed, NCOA must be run.

A signed Processing Acknowledgment Form (PAF) is required before Data Processing can perform NCOA processing. The PAF is a form indicating that it is okay to change the customer's data. It must be signed by both the customer and the Data Processing manager. The PAF is valid for one year after the date it was signed.

## **NCOA REVERTS**

If a mailing is required by law to go to the recipient address the customer has on file, Data Processing can revert any NCOA changes back to the original address. If this option is used, however, these records must be put into a separate package and mailed as First-Class Basic.

## **ALTERNATIVE NCOA METHODS**

If a customer does not want GLS to perform NCOA processing on a data file, one of the following alternative methods must be used in order to receive automation rates:

- Some form of "Current Resident" prints in the address block, either in addition to or in lieu of the recipient name. This is not feasible for all mailings, but is ideal for mailings that are intended for the address rather than the recipient.
- If another vendor has performed NCOA processing, their NCOA documentation must be provided with the data file.
- If the customer is using other methods to keep their data up to date, they must have a signed GLS Mail067 (USPS 6014) form on file with Data Processing.

## ADDITIONAL HYGIENE OPTIONS

### *Address Element Correction*

If a customer would like a higher level of address hygiene than CASS and NCOA, the USPS offers an additional service called Address Element Correction (AEC). With this service, Data Processing will provide the USPS a CASS-corrected file of Postcass Aggressive undeliverable records to the USPS, who will then pass the file through their AEC processing to make any changes possible in order to make the record deliverable. The AEC-corrected file will be provided back to Data Processing, who will then run NCOA (if required).

There is an additional per-piece cost for each address corrected by AEC. This process will also add 1-2 extra business days of processing time.

### *Address Element Correction 2*

This process is rarely used as it adds 30 days to the processing. Within this process, the USPS engages individual carrier units to review addresses in order to provide corrections that are known at the local delivery areas.

### *Deceased Processing*

Data Processing can request BCC to identify any recipient on the mailing list who has been reported to the USPS as being deceased. These records can be suppressed as needed.

There is an extra cost associated with Deceased Processing, and it does take an additional 1-2 business days for processing.

## UNDELIVERABLE RECORDS

During both the CASS and NCOA processes, a set of codes is appended to each record in the data file. These codes provide information about how well the record matched to the CASS and NCOA databases. Data Processing uses these codes to determine which records are deliverable. If the ticket indicates that Postcass removal needs to happen, undeliverables will be removed according to the level listed in the ticket.

There are two levels of undeliverable removal: Postcass Lite/Moderate and Postcass Aggressive. The Lite/Moderate level will remove any records in which one or more address components are listed as invalid, as well as any records which matched to the NCOA database but for some reason a valid updated address is not available. Postcass Aggressive will remove any records that did not get a full Zip4 in addition to the records removed at the Lite/Moderate level. It is recommended to use the Aggressive level any time undeliverables are removed from a mailing. The Lite/Moderate level should only be used at the customer's request.

If the mailing is listed as a "DP No Waste Job" in the ticket and a package is mailing at Letter, Flat, or Card Automation rates, undeliverables will not be removed. However, any records that matched to the NCOA database but no valid updated address is available cannot be mailed at automation rates unless some form of "Or Current Resident" is printed in the mailing address. If printing "Or Current Resident" is not feasible for the mailing, these records must be moved to a separate package and mailed at Non-Auto rates.

If a package is mailing as a parcel and the IMpb is being used, all Postcass Aggressive records must either be removed from the mailing or moved to a separate package and mailed at Non-Auto rates.

Data Processing will provide a Postcass Report with every mailed job. The report indicates how many records are deliverable vs. undeliverable, the seed records that were added to each package, the longest name and address fields in the file, and a state count by country before any records are removed. The Postcass Report is designed to be sent to the customer if necessary.

## ANCILLARY SERVICES

A customer can request address correction, forwarding, or return service (or a combination of these services) from the USPS at the point of delivery at an additional cost. These are requested via specific text that is printed on the piece. In most cases, the proper Service Type ID (STID) must also be embedded within the IMb. Ancillary Services are put in place for pieces that the USPS registers as undeliverable as addressed (either because the address is invalid or the recipient has registered an address change) at the point the IMb is scanned; all other pieces will be mailed at normal rates.

If the piece was sent as First-Class or Priority without any Ancillary Services, address changes will be forwarded to the new address, undeliverables will be returned to the sender, but no address changes will be provided back to the sender. For all other mail classes with no Ancillary Services, undeliverables will be destroyed by the USPS with no notifications.

The customer must have a payment profile set up with the USPS in order to utilize these services, and to receive any electronic address updates. We can use the GLS Mailer ID as a last resort in these cases, but it is strongly preferred to use the customer's Mailer ID if Ancillary Services are requested. Mailer IDs are linked to individual USPS profiles. The customer can also opt to receive manual updates, in which case the USPS will send physical pieces of mail with the new address or undeliverable reason added on a yellow label back to the return address provided on the piece. The IMb must reflect the correct STID to indicate electronic or manual updates, or the printed Ancillary Service Endorsement becomes essentially useless.

There are five different options for Ancillary Services. The service levels do change according to the mail class, but the basic concept for each service follows:

- “ELECTRONIC SERVICE REQUESTED” – the mailpiece will be handled according to the instructions the sender has set up in their profile. However, if the IMb on the piece has a STID indicating a service that is different from what is indicated in the sender's profile, the IMb service will be used. The IMb must have the correct STID and the customer's MailerID to utilize this service.
- “ADDRESS SERVICE REQUESTED” – there are several levels available based on what the sender pays for, but basically any undeliverable piece that has a match in the NCOA database will automatically be forwarded to the new address for one year after the date of the address change, and the address change will be provided electronically to the sender. After one year, the piece will be returned to the sender with the new address attached. After 18 months, the piece will be returned to the sender with an explanation for why it didn't deliver, but the new address will be provided electronically. Any undeliverable piece with no match to the NCOA database will be returned to the sender with an explanation.
- “FORWARDING SERVICE REQUESTED” – if the mailpiece has a match in the NCOA database, the piece will automatically be forwarded to the new address for up to one year. After one year, the



piece will be returned to the sender with the new address attached. After 18 months, the piece will be returned to the sender with an explanation of why the record was undeliverable. Any undeliverable piece with no match to the NCOA database will be returned to the sender with an explanation.

- “RETURN SERVICE REQUESTED” – all undeliverable pieces will be returned to the sender with either an explanation of why it was undeliverable, or a new mailing address from the NCOA database.
- “CHANGE SERVICE REQUESTED” – all undeliverable pieces will be destroyed by the USPS, but electronic address updates or undeliverable reasons will be provided to the sender.

A return address must be included in the mailing panel for all pieces utilizing Ancillary Services.

[Source](#)

## DOMESTIC VS. INTERNATIONAL MAIL

The USPS delivers to the following states, territories, and other countries. These are considered as domestic mail and do not require the country to be printed in the mailing address.

- The 50 U.S. states and the District of Columbia
- American Samoa
- Federated States of Micronesia
- Guam
- Marshall Islands
- Northern Mariana Islands
- Palau
- Puerto Rico
- Virgin Islands
- U.S. Military Bases overseas (State codes AE, AA, or AP)

### [Source](#)

All other mail is considered international mail and will incur extra postage costs. If a package within a mailing has a high quantity of international records, GLS may have its international mail vendor clean and presort the mailing list(s). The vendor will take the mail after it has been printed and enter it into the post office of the mailing country. This is generally only done if the international postage discounts are high enough to outweigh the cost of having the vendor enter the mail on GLS's behalf, or if the customer has specifically requested international address hygiene. If there are not enough international records within a package to justify sending it to the international vendor, GLS will enter the mail with the USPS, who will send it to the mailing country. If the USPS is the mailing vendor for international records, the country must print in all caps at the bottom of the mailing address block.

GLS's current international vendor is OnTrac.

## **MAILERS SCORECARD**

The USPS has certain thresholds that must be met in order for a mailer to keep its Full Service status. The thresholds include:

- Undeliverables in Automation packages
  - The threshold for this is smaller on any mailing using the IMpb
- Duplications of IMb or IMpb serial numbers within a 45-day period
- Incorrect sorting of Automation or Machinable mail into bundles, trays, pallets, or sacks
  - It is incredibly important that the correct piece attributes (length, height, weight, and thickness) are entered into the Postal Presort section of the ticket so proper sorting can be completed and correct pricing can be applied to the package.

The scorecard is compiled on a monthly basis for each eDoc submitter (GLS). If the acceptable percentages for the thresholds listed above are violated too many times in a year, the eDoc submitter can receive fines, and possibly, termination of mailing privileges. Every effort must be made on each job to ensure that our scorecard metrics are acceptable.

## Glossary

**Automation** – Describes a discount that can be applied to a package if piece or weight minimums are met, [Address Hygiene](#) has been performed, the design of the piece meets USPS standards, and the proper Intelligent Mail barcodes have been applied to each piece, tray or sack, and pallet or skid.

**BCC** – The software suite used by Data Processing and any automated IT POD programs to prepare data lists for mailing.

**CAPS Account** – An account set up with the USPS's Centralized Account Processing System. It is the easiest way to pay for outgoing and reply postage, ancillary services, and to receive any electronic address updates.

**CASS** – The process of validating delivery points against the USPS database and standardizing address language.

**Delivery Point** – A specific address in the USPS database. In data processing terms, it is a 2-digit numeric code that is most often (but not always) the first 2 digits of the delivery address.

**IMb** – The Intelligent Mail barcode (as described in [Full Service and the IMb](#)). It needs to be printed on all Automation Letter, Card, or Flat pieces. This also replaces all instances of the Postnet and planet barcodes.

**IMpb** – The Intelligent Mail package barcode. It needs to be printed on all Automation Parcel pieces. See reference document [DPREF006](#) (*Intelligent Mail package barcode Basics*) for more specific information on the IMpb.

**Machinable** – Describes a discount that can be applied to a package if piece or weight minimums are met, [Address Hygiene](#) has been performed, and the design of the piece meets USPS standards for sending through a machine.

**NCOA** – The process of running a list against the USPS's National Change of Address database and updating the list with any valid address changes.

**Package** – A group of records within a mailing that will receive exactly the same materials and will drop at the same time in the same Mail Class. Not to be confused with USPS Parcels.

**Pallet** – Refers to both the plastic or wooden platform upon which sorted mail is stacked, and the final grouping of stacked mail. Mail must be sorted either in trays, tubs, sacks, or skids before being stacked on the pallet.

**PostalOne!** – The USPS electronic mailing portal. All mailing information and postage statements for each package must be entered into the portal before the USPS will accept it.

**Postcass** – The removal of undeliverable records from a mailing. There are two levels available: Lite-Moderate, and Aggressive.

**Sack** – A bag of loose Flats or Parcels that do not fit on a skid, or in some cases, cannot be sorted into skids.

**Saturation** – The amount of records entering the USPS mail stream at the same point (SCF, NDC, or final post office). Higher concentrations of saturation will receive lower postage rates.

**Selvage** – An edge produced on wrapping material during production to prevent unraveling.

**Skid** – A stack of loose Flats or Parcels that are shrink-wrapped or strapped together for delivery to the USPS. Most Automation Flat or Parcel packages will be prepared in skids.

**STID** – Service Type ID in the IMb or IMpb. This gives the USPS a lot of information about the piece, including whether it is tracked or not, and any ancillary services that have been requested.

**Tray/Tub** – A plastic container for Letters/Cards (Trays), or Flats (Tubs). These should be sorted to individual Zip Codes; if there is more than one Zip Code in a container, each code must be strapped together into bundles.

**Zip Code** – The 5-digit number assigned by the USPS to the final post office of delivery.

**Zip4** – A set of 4 numbers appended to the end of the 5-digit Zip Code in the CASS process. 10-20 delivery points on the same side of the street are grouped together to create a Zip4.