



Postal Explorer

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604 Postage Payment Methods and Refunds

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1.0 Stamps

1.1 Postage Stamp Denominations

Postage stamps are available in the following denominations:

TYPE AND FORMAT		DENOMINATION
Regular Postage	Panes	\$0.01, .02, .03, .04, .05, .10, \$1, \$2, \$5, \$6.45, \$10, and \$22.95
	Coils of 10,000 stamps	\$0.01, .02, .03, .04, .05, and .10
Precanceled Presorted Price Postage – First-Class Mail and USPS Marketing Mail	Coils of 500, 3,000, and 10,000 stamps	Various nondenominated (available only to permit holders).
Semipostal	Breast Cancer Research & Save Vanishing Species stamps	Postage value equivalent to FCM single-piece 1-ounce stamped letter price. Price also includes a contribution to the specific cause and a nominal amount to offset costs incurred by the Postal Service in managing the Semipostal program.
Forever Stamp (Nondenominated)	Panes of up to 20 stamps	If labeled "Forever", the current FCM 1-ounce stamped letter price.
	Booklets of 10 and 20 stamps	
	Sheetlets of 18 stamps	
	Coils of 100, 3,000, and 10,000 stamps	
	Panes of up to 20 stamps	The following Forever stamps will always be equal in value to the applicable price for the price category printed on them, at the time of use: <ul style="list-style-type: none"> ▪ The current FCM additional-ounce price ▪ FCM non-machinable surcharge price ▪ FCM 2-ounce stamped letter price ▪ FCM 3-ounce stamped letter price FCM postcard price

Coils of 100 stamps	The current FCM additional-ounce price and FCM postcard price.
Panes of up to 20 booklets	Commemorative stamps equal the current FCM single-piece 1-ounce stamped letter price stamps and 20-stamp (exception: 3-ounce stamp).

1.2 Postage Stamps Valid for Use

All postage stamps issued by the United States since 1860, unless listed in 1.3, are valid for postage from any point in the United States or from any other place where U.S. Mail service operates. Precanceled stamps may be used to pay regular postage and fees for extra services if the mailpiece is endorsed under the standards for the class of mail and service requested. Precanceled postage may be used only by permit holders authorized under 3.0. Unless excepted by standard, the total postage affixed must equal at least the postage charge for the class of the mail and, if applicable, the fee for the extra service requested. All nondenominated postage and makeup price stamps, including official mail stamps, are valid at the original prices of issue.

1.3 Postage Stamps Invalid for Use

The following are not valid to pay postage for U.S. domestic or U.S.-originated international mail:

- Postage due, special delivery, special handling, and Certified Mail stamps.
- Stamps of other countries.
- United Nations stamps, unless on mail deposited at the United Nations, NY.
- U.S. stamps that are mutilated or defaced; cut from stamped envelopes, aerogrammes, or stamped cards; covered or coated in such a manner that canceling or defacing marks cannot be printed onto the stamps; or overprinted with an unauthorized design, message, or other marking.
- Nonpostage stamps, such as migratory-bird hunting and conservation stamps, U.S. saving and thrift stamps.

1.4 Imitations of Stamps

Matter bearing imitations of postage stamps, in adhesive or printed form, or private seals or stickers resembling a postage stamp in form and design, is not acceptable for mailing.

1.5 Imitations of Markings

Matter bearing decorative markings and designs, in adhesive or printed form, resembling the markings and designs of official postal services, is not accepted for mailing (see Exhibit 1.5).

Exhibit 1.5 Prohibited Imitations



1.6 Stamp Reproduction

Postmasters may not advise the public about the reproduction of foreign or domestic postage stamps. Such information is available from Stamp Development, USPS Headquarters (see 608.8.0 for address).

1.7 Position of Stamp on Mailpiece

Stamps must be affixed firmly in the upper right corner of the address side of the mail cover. Any stamp partly concealed by an overlapping stamp may not be counted as postage.

1.8 Reuse of Stamps

Reuse of stamps with intent to cause loss to the government or the USPS is punishable by fine and imprisonment.

1.9 Perforating Stamps

Postage stamps may be marked with perforation holes. The mark may not cover more than 1/4 square inch (1/2 inch by 1/2 inch) of the stamp, and the diameter of the holes may not exceed 1/32 inch.

1.10 Additional Standards for Forever Stamps

Forever stamps are sold for the price of the current First-Class Mail single-piece 1-ounce letter price. The postage value of each forever stamp is the current First-Class Mail single-piece 1-ounce letter price. Forever stamps may be used only on single-piece price mail.

1.11 Additional Standards for Semipostal Stamps

Semipostal stamps are subject to the following special conditions:

- Semipostal stamps are stamps sold for a price that exceeds the postage value of the stamp. The difference between the price and postage value (also known as the "differential") less an offset for reasonable USPS costs, as determined by the USPS, is contributed to a specific cause. Semipostal stamps are offered for sale for a limited time as provided by law or by the USPS.
- The following semipostal stamps are available for sale:

1. The *Breast Cancer Research* semipostal stamp. The difference between the purchase price and the First-Class Mail single-piece first-ounce letter price in effect at the time of purchase constitutes a contribution to breast cancer research and cannot be used to pay postage. Funds (net of reasonable USPS costs) from the sale of the Breast Cancer Research semipostal stamp are transferred to the Department of Defense and the National Institutes of Health.
 2. The *Save Vanishing Species™* semipostal stamp. The difference between the purchase price and the First-Class Mail single-piece first-ounce letter price in effect at the time of purchase constitutes a contribution to the Multinational Species Conservation Funds. Funds (net of reasonable USPS costs) from the sale of the *Save Vanishing Species* semipostal stamps are transferred to the United States Fish and Wildlife Service.
- c. The postage value of each semipostal stamp is the First-Class Mail single-piece first-ounce letter price in effect at the time of purchase. Additional postage must be affixed to pieces weighing in excess of 1 ounce, pieces subject to the nonmachinable surcharge, or pieces for which extra services have been requested. The postage value of semipostal stamps purchased before any subsequent change in the First-Class Mail single-piece first-ounce letter price is unaffected by any subsequent change in that price. The purchase price is listed in 1.1.

1.12 Paying for Stamps

Payment may be made in U.S. currency. Foreign or mutilated money is not acceptable. The USPS may require payment of the exact amount of the purchase. Checks are acceptable subject to USPS check-acceptance policy and the assessment of charges to the customer for an uncollectible check returned by the bank. The customer must use a money order or certified check if the amount due is sent by mail.

1.13 Seals and Stickers

The nonaddress side of mail may have seals or stickers, if they do not imitate postage stamps and do not have words, numerals, or other markings indicating a value.

2.0 Stamped Stationery

2.1 Plain Stamped Envelope

2.1.1 Fee

Fee is in addition to the postage value preprinted on the envelope. See Notice 123—Price List.

2.1.2 Availability

Plain stamped envelopes are available at all Post Offices. Only sizes 6-3/4 and 10 envelopes are sold in less than full box lots (a full box contains 500 envelopes).

2.1.3 Envelope Dimensions

Envelope dimensions, which can vary 1/16 inch, are as follows:

- a. Size 6-3/4: 3-5/8 by 6-1/2 inches.
- b. Size 10: 4-1/8 by 9-1/2 inches.
- c. Intermediate sizes (between 6-3/4 and 10, as determined by surface area in square inches) are not less than 6-1/2 or more than 9-1/2 inches long, not less than 3-5/8 or more than 5 inches high, have a surface area of not more than 39 square inches, and have an aspect ratio (length divided by height) not less than 1.3 or more than 2.5.

2.1.4 Window Sizes

Window envelopes are available with these window sizes:

- a. The standard window is 1-1/8 inches high and 4-3/4 inches wide, and is placed 5/8 inch from the bottom edge of the envelope.
- b. In size 6-3/4 envelopes, the window is 7/8 inch from the left edge; in size 10 envelopes, 1 inch from the left edge.
- c. On double window envelopes, the second window (designed for a return address) is 1/2 inch from the top and left edges, and measures 3/4 inch high and 2-1/2 inches wide.
- d. Other window sizes and locations can be produced, if the window size is not more than 1-1/2 inches high and 5 inches wide, and the window is not less than 3/8 inch from any envelope edge. Windows must allow compliance with general USPS addressing guidelines.

2.1.5 Imprinting

Stamped envelopes may be privately imprinted in any style, if at least 3-1/2 inches of clear space remains at the right end of the address side.

2.2 Personalized Stamped Envelopes

2.2.1 Fee

Fee is in addition to the postage value preprinted on the envelope. See Notice 123—Price List.

2.2.2 Availability

Personalized envelopes (stamped envelopes imprinted with a return address) are available by mail order only. Customers mail Form 3203, with the full payment (by check or money order) for the envelopes ordered, to Stamp Fulfillment Services (see 608.8.0 for address).

2.2.3 Printing Specifications

All printing on personalized envelopes is subject to these specifications:

- a. Any line of printing is limited to 47 characters and spaces.
- b. The total number of lines is limited to seven.
- c. The last two lines of printing must be reserved for the street address or Post Office box number where mail is to be delivered, and the city, state, and ZIP Code.
- d. Stamp Development, USPS Headquarters, must approve any printing not permitted under 2.2.4 through 2.2.6. Requests for nonstandard printing are considered on orders of one million or more identical envelopes. Stamp Development's decision is final.

- e. Each envelope must bear a return address printed in uppercase and lowercase letters, with flush left margin, using 8-point Helvetica type. The firm name or main lines are in bold type.

2.2.4 Printed Return Address Standards

The printed return address must include the local address that includes a street address; a Post Office box number; a rural route and box number; a building name, room number, and street address; or both a street address and Post Office box number; and the name of the Post Office or branch Post Office, state, and either the ZIP+4 or the 5-digit ZIP Code. The ZIP Code must be correct for the address on the line immediately preceding the city and state. The postmaster determines whether the address is adequate to ensure return of undeliverable mail.

2.2.5 Printed Return Address Options

The printed return address may include:

- a. The name and title of an individual, or the name of a firm, corporation, institution, association, or society.
- b. Descriptive words that represent business or professional names.
- c. The branch or department name of a business if necessary to ensure return of undeliverable mail.
- d. The telephone number of an individual or group if printed immediately preceding the local address.
- e. A brief advertising statement or descriptive phrase following the name or on up to two separate lines. Indecent matter may not appear on wrappers or envelopes (18 USC 1463).

2.2.6 Optional Information

The following endorsements and instructions printed in at least 8-point type may be included as part of the return address:

- a. Any ancillary service endorsement under 507.1.1 through 507.1.9 that requests address correction, forwarding, or return appropriate for the intended class of mail (e.g., "Address Service Requested"). The endorsement must appear directly below the return address, separated with a minimum clear space of 1/4 inch.
- b. Any sender instruction that specifies a period for holding mail, not fewer than 3 and not more than 30 days. The instruction must appear directly above the return address.

2.2.7 Premium Options

Personalized stamped envelopes may be ordered with the following premium options:

- a. Pressure-sensitive sealing.
- b. 10-point or 12-point font size.
- c. Script or Times New Roman font style.
- d. Blue, red, or green font color.

2.2.8 Rejected Envelopes

A customer may reject personalized envelope orders for defective manufacture or mistakes in printing, denomination, size, etc.:

- a. If the purchaser's error, only the value of the postage is refunded. Such a refund may be made at a Post Office or by returning the envelopes to Stamp Fulfillment Services (see 608.8.0 for address). If the customer wants the envelopes replaced instead, the customer must pay the difference between the full selling price of the envelopes and the postage value. The customer must include an explanation for rejecting the envelopes in a request for replacement or refund.
- b. If an error is made by the USPS, Stamp Fulfillment Services refunds the total cost of the envelopes. The envelopes must be returned to Stamp Fulfillment Services (see 608.8.0 for address) with an explanation of the error. Only the customer whose name is in the return address, or the customer's representative, may submit rejected personalized envelopes for a refund. Rather than seeking a refund, the customer may request that the envelopes be replaced.

2.3 Other Stationery

2.3.1 Stamped Cards

2.3.2 Fee for Stamped Cards

Fee is in addition to the postage value preprinted on the card. See Notice 123—Price List.

2.3.3 Validity of Postal Stationery

All stamped envelopes, stamped cards (formerly called "postal cards"), and aerogrammes issued by the United States since 1873 are valid for postage from any point in the United States or from any other place where U.S. domestic mail service operates, under the same conditions as for postage stamps in 1.0.

2.3.4 Printing Specifications

The printing specifications for personalized stamped envelopes also apply to stamped postcards (see 2.2.3).

2.4 Stamp Fulfillment Service

2.4.1 Description

Stamp Fulfillment Services provides the fulfillment of stamp orders placed by customers via mail, phone, fax, or online to the Stamp Fulfillment Services organization. Stamp Fulfillment Services charges shipping and handling fees associated with fulfilling stamp orders. The fees vary depending on the dollar amount of the order. All prices and fees are listed on Notice 123—Price List.

3.0 Precanceled Stamps

3.1 General Information

3.1.1 Definition

Precanceling is the cancellation of adhesive postage, stamped envelopes, or stamped cards before mailing. Precanceling may be done by the mailer under a postal permit, or mailers may purchase precanceled stamps bearing a price category from the USPS.

3.1.2 Use of Precanceled Stamps

Precanceled postage is an optional postage payment method for mailings at Presorted and automation First-Class Mail prices and at all USPS Marketing Mail prices.

3.1.3 Prohibited Use of Precanceled Stamps

Precanceled postage stamps may not be used on any reusable mailing containers, such as boxes, cases, or bags.

3.1.4 Documentation

Unless excepted by standard, a precanceled stamp mailing must be accompanied by documentation subject to the standards for documentation for each class of mail if the mailing contains nonidentical-weight pieces or pieces without the full postage at the applicable price.

3.1.5 Amount of Postage

The value of precanceled stamps affixed to each piece in a mailing must be either the exact amount due or the exact monetary value of the USPS precanceled stamp appropriate to the price category of the mailpiece. Unless permitted by other standards or Business Mailer Support authorization, the same monetary value of stamp(s) must be affixed to every piece in the mailing. Refunds for overpayment must meet the standards in 9.0.

3.1.6 Depositing Precanceled Stamp Mailings

Mail bearing precanceled postage must be presented to the Post Office where the permit is held, at the times and places designated by the postmaster. Mail bearing precanceled postage must not be deposited in street collection boxes.

3.1.7 Combining Precanceled Stamps With Other Postage Payment Methods

Precanceled mail may be combined in a mailing with mail paid with other means only if authorized by the USPS.

3.1.8 Return Address

Except for mailpieces otherwise requiring a return address under 602.1.5.3, USPS Marketing Mail pieces, 13 ounces or less and bearing stamps precanceled with a mailer's postmark, are not required to include a return address. All other mailpieces bearing precanceled stamps must have a complete domestic return address. Mailpieces bearing precanceled stamps and any return addresses outside the Post Office of mailing must meet one of the following standards:

- a. At the time of mailing, the mailer must submit a duplicate of the postage statement and a sample mailpiece, enclosed in a stamped envelope and addressed to the postmaster at the Post Office of the return address.
- b. The mailer must put a cancellation endorsement to the left of the postage showing the city, two-letter state abbreviation, and ZIP Code of the office of mailing.
- c. The mailer must use the cancellation endorsement "Mailed From ZIP Code" followed by the 5-digit ZIP Code assigned to the postmaster at the office of mailing.

3.1.9 Markings and Endorsements

Whether the mailer or the USPS precanceled the stamps, each mailpiece with precanceled postage must bear markings and endorsements required for the price claimed or services requested.

3.2 Permit to Use Precanceled Stamps

3.2.1 Authorization to Use Precanceled Stamps

A mailer who wants to use USPS-precanceled stamps and stamped envelopes must complete Form 3615 and file it at the Post Office where mailings are to be deposited. If an applicant has a completed Form 3615 on file for other services, precanceled authorization is annotated on the existing application. There is no fee for this permit.

3.2.2 Revocation of Precanceled Stamp Permit

A permit may be revoked if used in operating any unlawful scheme or enterprise, or for buying or acquiring stamps or mailer's precancel postmarks for other than mailing, or for failing to comply with the format requirement or instructions on Form 3615. The permit holder has 10 days to file a written statement showing why the permit should not be revoked. The manager, customer service support (district), issues the decision on such appeals.

3.3 USPS Precanceled Stamps

USPS precanceled stamps are preprinted with a price category as the precancellation method. The following also applies:

- a. Unless used to pay single-piece postage under 3.3d or to pay postage under 3.5 or 3.6, or permitted by other standards or Business Mailer Support authorization, only one USPS precanceled stamp may be affixed to each piece in a mailing.
- b. Mailpieces bearing a USPS precanceled stamp must include the return address.
- c. If the return address is not within the delivery area of the Post Office of mailing, the mailer must place a cancellation endorsement on the piece or provide mailing information to the Post Office shown in the return address.
- d. USPS precanceled stamps may be used to pay single-piece postage if the piece bearing the stamps has the correct marking (e.g., "First-Class Mail") immediately under the postage.

3.4 Precancellation of Stamps by Mailer

3.4.1 Definition of Stamps Precanceled by Mailer

A mailer meeting the standards in 3.4 may precancel adhesive stamps, stamped cards, and stamped envelopes with a mailer's precancel postmark. Mailers authorized under 3.4 may precancel one or more postage stamps provided the total of the postage on the mailpiece equals the exact monetary value of the corresponding USPS precanceled stamp appropriate to the price category of the mailpiece. Stamped cards are precanceled at the time of printing and do not require a mailer's precancel postmark.

3.4.2 Authorization to Precancel Stamps

A mailer must request authorization to preprint price markings on precanceled stamps or to use a precancel postmark on adhesive stamps, stamped cards, and stamped envelopes. The applicant must submit a specimen mailpiece showing the preprinting method or proposed precancel postmark. If more than one preprinted marking is prepared or more than one format is used, a specimen for each must be submitted. Form 3615 must be endorsed "Preprinting of Price Markings," or "Mailer's Precancel Postmark," or both, as appropriate. The application and format samples must be submitted to the postmaster of the office where the precanceled mailings are to be deposited for approval by the district Business Mail Entry manager. If the application and samples are approved, the applicant receives written notice of approval from the postmaster and a unique permit number assigned by the postmaster.

3.4.3 Authorization Conditions

Mailer precancellation is authorized only for the specimen mailpieces submitted and approved. After that, a specimen must be submitted and approved for each new precancel postmark format or preprinted marking to be used.

3.4.4 Denial of Authorization to Precancel Stamps

If the application and format samples are not approved by the district Business Mail Entry manager, the applicant receives written notice from the postmaster stating the reasons for the denial and the applicant's appeal rights. The applicant may file a written appeal with the Pricing and Classification Service Center (PCSC). (See 608.8.4.)

3.4.5 Revocation of Authorization to Precancel Stamps

A permit may be revoked for operating any unlawful scheme or enterprise, for buying or acquiring stamps for other than mailing, or for failing to comply with the required format standards. Within 10 days of receipt of the revocation notice, the permit holder may file a written appeal with the PCSC. (See 608.8.4.) The PCSC issues the final agency decision.

3.4.6 Design and Content of Mailer's Postmark

The mailer's precancel postmark must contain specific elements:

- The mailing date (day, month, and year) if used on First-Class Mail; the month and year of mailing may be shown on USPS Marketing Mail.
- The words "Mailer's Postmark" followed by the permit number and enough lines to deface (cancel) the postage.
- Either the city, state, and 5-digit ZIP Code of the Post Office where the precancel permit is held and the mailing is to be deposited, or the words "Mailed From ZIP Code" followed by the 5-digit ZIP Code of the mailing office. (If that Post Office is assigned more than one 5-digit ZIP Code, the precancel postmark must show the 5-digit ZIP Code assigned to the postmaster.)

3.4.7 Price Marking

The precancel postmark may include the words or authorized abbreviations of the price marking required for the price claimed. Alternatively, if authorized under 3.4.2, the mailer may preprint price markings required by other standards on adhesive stamps to be used for mailings at the corresponding prices. Such preprinted markings must be in uppercase letters of at least 6-point type, printed in black indelible ink on the stamp where optimum contrast is possible. A preprinted price marking applied by the mailer, by itself or with a precancel postmark, must not obscure other printing on the stamp that is part of the USPS design (e.g., "USA").

3.4.8 Cancellation of Stamps

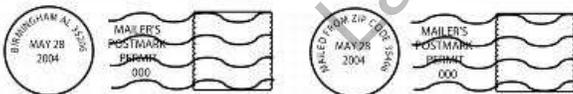
Black ink must be used for cancellation. It must provide enough indelibility and contrast to prevent reuse of the stamps. The precancel permit number must not be obscured by the cancellation.

3.4.9 Required Format

A mailer must use one of the Format A designs in Exhibit 3.4.9. Format B may be used only by a mailer previously authorized to do so and who has the necessary die. The only permissible alternative or modification to any format is the addition of a price marking permitted by 3.4.7.

Exhibit 3.4.9 Format for Mailer's Precancel Postmarks

Format A



Format B



3.5 Stamp Collectors

Subject to USPS policy in 608.4.0, precanceled postage may be bought for philatelic purposes as well as postage payment. A stamp collector may mail matter bearing precanceled postage if the collector has a permit to use precanceled postage at the Post Office where the mail is presented. Creating philatelic oddities or precanceling issues or denominations that would not otherwise see legitimate mail use is not permitted. Mail orders must include a stamped, self-addressed envelope.

3.6 Using High Value Stamps

If precanceled postage on a single piece is more than \$1.00, the precanceled stamps must be overprinted or handstamped in black ink with the mailer's initials and the numerical abbreviations of the month and year for use (e.g., "A. B. Co. 9-78"). These stamps are acceptable on mail during the month shown and through the 10th of the following month.

4.0 Postage Meters and PC Postage Products ("Postage Evidencing Systems")

4.1 Basic Information

4.1.1 Definitions

Postage meters and PC Postage products are collectively identified as "postage evidencing systems." A postage evidencing system is a device or system of components a customer uses to print evidence that postage required for mailing has been paid. Postage evidencing systems print indicia such as information-based indicia (IBI) or intelligent mail indicia (IMI), to indicate postage payment. Customers print indicia directly on a mailpiece or on a label that is affixed to a mailpiece. Customers must place indicia in the upper-right corner of the mailpiece or label, according to 4.3.3. When used to apply postage to commercial mailings, the postage evidencing system indicia must bear the numerical value of postage.

4.1.2 Product Categories

Product categories include postage meters and PC Postage products. The primary characteristics of postage meters and PC Postage products are described below.

- a. Postage meters are devices that allow download, storage, and accounting of postage in the device. Meters print indicia that may be IBI or IMI, to indicate postage payment and are digitally generated indicia that include a two-dimensional barcode. IBI are digitally generated indicia that include a two-dimensional barcode. Postage meters are available only through authorized providers. Meters may only be leased or rented and may not be sold or resold. Some components of metering systems may be purchased as authorized by the USPS.
- b. PC Postage products allow customers to purchase and print postage with IBI or IMI indicia directly onto mailpieces, shipping labels, and USPS-approved customized labels.
- c. USPS-approved commercial providers offer PC Postage products for customers through subscription service agreements.

4.1.3 Authorized Meter Providers

The following providers are authorized:

DATA-PAC MAILING SYSTEMS CORP
1217 BAY RD
WEBSTER NY 14580-1958
800-355-1755
www.data-pac.com

FP MAILING SOLUTIONS
140 N MITCHELL CT STE 200
ADDISON IL 60101-5629
800-341-6052
www.fp-usa.com

NEOPOST INC
478 WHEELERS FARMS RD
MILFORD CT 06461
800-624-7892
www.neopostinc.com

PITNEY BOWES INC
1 ELMCROFT RD
STAMFORD CT 06926-0700
800-322-8000
www.pitneybowes.com

4.1.4 Authorized PC Postage Providers

The following providers are authorized:

ENDICIA.COM
385 SHERMAN AVE
PALO ALTO CA 94306-1864
800-576-3279 x140
www.endicia.com

PITNEY BOWES INC
1 ELMCROFT RD
STAMFORD CT 06926-0700
800-322-8000
www.pitneybowes.com

STAMPS.COM
1990 E. GRAND AVE
EL SEGUNDO CA 90245-5013
888-434-0055
www.stamps.com

4.1.5 Authorized Classes of Mail

Mailers may use postage evidencing systems to affix or apply indicia on any class of mail except Periodicals and Bound Printed Matter. PC Postage products may be used for USPS Retail Ground only by USPS-Approved Shippers.

4.2 Authorization to Use Postage Evidencing Systems

4.2.1 Customer Agreement

Customers must enter into an agreement with the USPS for authorization to use postage evidencing systems. By entering into the agreement, the customer accepts responsibility for control and use of the system and agrees to abide by all rules and regulations governing its use. The following conditions apply to these agreements.

- a. Customers enter into an agreement with the USPS (e.g., via electronic click-through or contract signature) in conjunction with executing a separate agreement with the provider for rental, lease, or use of a postage evidencing system. Actual implementation of the agreement with the USPS varies by product category and provider and is typically facilitated by the provider on behalf of the USPS. Postage evidencing systems are rented or leased. They may not be purchased, sold, or resold.
- b. A meter lease or rental agreement with an authorized provider is required for postage meter use. Registration with an authorized provider is required for PC Postage system use.
- c. The customer must provide updated address information to the provider in the event of relocation.
- d. The customer agrees to make the postage meter available for provider or USPS examination upon request.
- e. The customer agrees to promptly report a defective meter, or loss or theft of a meter, to the provider.

4.2.2 Authorized Possession

Only authorized customers may possess or use postage evidencing systems. Customers must surrender postage evidencing systems to the provider or its agent as follows:

- a. Upon termination of the lease or rental agreement.
- b. Upon device malfunction.
- c. Upon a 30-day notice by the USPS in writing.

4.2.3 Use Outside the United States

The manager of Payment Technology (see 608.8.0) must give specific approval to the provider before a provider may place or operate a postage evidencing system for use outside the customs territory of the United States.

4.2.4 Denial of Use

The customer authorized to use a postage evidencing system may be denied use when the customer:

- a. Fails to comply with mailing standards.
- b. Submits false or incomplete information.
- c. Enters mailpieces for which there is a postage discrepancy into the mailstream.

4.2.5 Surrender of Postage Evidencing System

If authorization to use a Postage Evidencing System is denied, the customer must surrender the systems, upon request, to the service provider, or USPS authorized agent.

4.3 Postage Payment

4.3.1 Paying for Postage

The numerical value of postage displayed (in dollars and cents) on each mailpiece must be equal to or greater than the amount due for the applicable price and any extra service fees, or another amount permitted by mailing standards. Authorized USPS payment options vary by provider and product category.

4.3.2 Legibility of Postage

Postage indicia must be legible (readable by mail processing equipment) and meet the reflectance measurements in 204.1.4. Illegible or unreadable (unscannable) indicia are not acceptable as payment of postage. The postage amount must be shown in dollars and cents (e.g., \$0.49).

4.3.3 Placement of Postage

Customers must print or apply indicia in the upper-right corner of the envelope or, if postage is printed on an address label, the upper-right corner of that label. When placing indicia on mailpieces, position indicia at least 1/4 inch from the right edge of the mailpiece and 1/4 inch from the top edge of the mailpiece and as follows:

- a. Position indicia within the required boundaries. The boundaries of indicia are defined by the right edge of the envelope, the top edge of the envelope, and the bottom edge and the left edge of any USPS-required indicium element printed by the postage evidencing system.
- b. Maintain the required 1/2-inch clear zone to the left of and below all elements of the indicium, within which nothing must be printed or placed, except as follows:
 1. Indicia containing images obtained from a USPS-approved licensed vendor of customized PC Postage.
 2. For letterpress indicia only, advertising material may be printed with the indicia within space limitations. These advertising messages and slogans are known as "ad plates." Customers must obtain the ad plates from their authorized postage meter provider. Ad plate messages must be distinguished by the inclusion of the name of the mailer or words such as "Mailer's Message."
- c. For postage evidencing systems that print digital indicia, an approved indicium must include within its boundaries only postal markings and text required or recommended by the USPS, except that the indicium may identify the provider. Other material may be printed only outside the boundaries of the clear zone identified in 4.3.3b.
- d. Any additional material printed by a postage evidencing system under 4.3.3b and 4.3.3c must comply with the following requirements:
 1. The material must be consistent with the Postal Service's intent to maintain neutrality on religious, social, political, legal, moral, or other public issues.
 2. The material must not be obscene, deceptive, or defamatory of any person, entity, or group and must not advocate unlawful action.
 3. The material must not emulate any form of valid postage, government, or other official indicia or payment of postage.

4. The material must not harm the public image, reputation, or goodwill of the Postal Service and must not be otherwise derogatory or detrimental to the Postal Service's interest.
- e. Do not allow the indicia to infringe on the areas reserved for the FIM, POSTNET barcode, or optical character reader (OCR) clear zone.
- f. Orient indicia with the longest dimension parallel to the address.
- g. Single-piece, First-Class Mail letters must contain a mechanism so that the Postal Service can face the mailpiece during automated processing. Acceptable methods for a mailpiece produced by a postage meter or PC Postage system include:
 1. Printing postage meter indicia with fluorescent ink approved by the Postal Service. To determine if an ink has been approved by the Postal Service, send written requests to the Manager, Payment Technology (see 608.8.1 for address).
 2. Printing a postage meter or PC Postage indicia directly on a label containing fluorescence that has been approved by the Postal Service. To determine if a label has been approved by the Postal Service, send written requests to the Manager, Payment Technology.
 3. Printing a FIM D with the indicia or applying the indicia to an envelope containing a preprinted FIM. Position the FIM according to standards in 202.8.0.
- h. When placing multiple indicia on an envelope (e.g., for redate or postage correction) the indicia must not overlap each other. Overlapping indicia are not acceptable as payment of postage.

4.3.4 Postal Markings

Indicia are comprised of human-readable information. Information-based indicia (IBI) and intelligent mail indicia (IMI) also contain machine-readable information that identifies the postage evidencing system, postage payment information, and mail service requested. There are particular data sets associated with different types of indicia, depending on the product and the type of mailing. Indicia may include postal markings related to the class of mail and presort level and an ancillary service endorsement. All words must be legible and in bold capital letters at least 1/4 inch high or 18-point type. See 202.3.0 for standards on markings and 202.4.0 for placing ancillary service endorsements on letter-size mailpieces, flat-size mailpieces, and parcels.

4.3.5 Refund Procedures

Refund procedures for unused printed postage, postage purchased but not printed, and postage lost due to postage evidencing system failure varies by product category. See 9.0 for refund procedures.

4.4 Postage Discrepancies

4.4.1 Definitions

Mailpieces with a postage discrepancy are those for which the total postage and fees affixed are not equal to the postage required for the applicable price and any extra services fees as determined by current, at the time of mailing, Postal Service prices. Postage discrepancies include no postage paid, or the use of counterfeited, replicated, duplicated, falsified, otherwise modified postage or postage with zero value.

4.4.2 Detection Process for Postage Discrepancies

For mailpieces with shortpaid or unpaid postage found in the mailstream, both manual and automated processes are used to detect and verify the discrepancy. Comparisons of the piece characteristics captured within the mail processing network will be matched against the characteristics affirmed by the customer to identify where a potential postage discrepancy exists.

4.4.3 Handling of Mailpieces with Postage Discrepancies

For mailpieces with a detected postage discrepancy when postage is due, corrective measures may include one of the following:

- a. A payment adjustment from the customer, facilitated by the PES provider in the amount equivalent to the postage due, described in 4.4.4.
- b. Returning the mailpiece to the sender.
- c. Delivering the mailpiece to the addressee and collecting the deficiency as postage due.
- d. If identified at the time of induction, collecting the postage due from the customer at the retail location.

4.4.4 Notification of Payment Adjustments for Postage Discrepancies and Suspension

PC Postage customer discrepancies may be resolved via an automated payment adjustment from the customer when possible which will be reflected in the customer's account by the PES provider. If an adjustment for the entire postage discrepancy amount is not possible, the customer will be notified by the PES provider to provide funds to resolve the discrepancy within 14 calendar days, or 10 business days if by electronic means, from the date of the notification. The PES provider may be notified to temporarily suspend the customer's ability to print PC Postage under the following circumstances:

- a. After the 14- or 10-day notification payment period has ended and the customer has not paid the postage due.
- b. When an electronic notification to the customer is undeliverable.
- c. Following notification, the customer's cumulative revenue deficiency increases during the 14- or 10-day period due to additional mailpieces being identified as shortpaid or unpaid.
- d. Suspensions may be reversed and the ability to print PC Postage may be reactivated once the postage discrepancy resulting in the suspension is resolved, or the Manager of Payment Technology provides written approval based on exceptional circumstances.

4.4.5 PC Postage Discrepancies Dispute Process

Customers wishing to dispute postage discrepancies must do so electronically through the PES provider within 60 calendar days of either 1) the reflection in the customer's account of the automated payment adjustment by the PES provider; or 2) the notification by the PES provider to make funding available to resolve identified discrepancies, whichever is applicable. Customers must substantiate that the postage affixed was valid and sufficient for the postage and applicable fees owed. An electronic notification will be sent to the customer of the decision to uphold or deny the dispute along with a brief rationale. The USPS reserves the authority to make the final decision on all disputes.

4.5 Special Indicia

4.5.1 Date and Postage Corrections

Mailers may print a date correction or additional postage indicium directly on the mailpiece or on a USPS-approved label under the following conditions.

- a. A date correction indicium is required for any mailpiece not deposited by the date of mailing in the indicium. Only one date correction indicium is permitted on a mailpiece. For all postage evidencing systems except PC Postage systems, a date correction must show the actual date of deposit and zero postage value ("0.00"). Place the date correction as follows:
 1. On letter-size mail, place the date correction on the nonaddress side in the upper right corner or on the address side in the lower left corner.
 2. On flat-size mail or parcels, place the date correction next to the original indicium, except when applied by an ink jet printer on barcoded flats.
- b. Indicia for additional postage on shortpaid mailpieces must equal the total amount of required postage.

4.5.2 Reply Postage

Mailers may use indicia generated by any postage evidencing system to prepay reply postage as provided under 505.2.0.

4.6 Mailings

4.6.1 Mailing Date Format

[10-2-17] The mailing date in meter indicia must meet the format standards in this section. The year must be represented by all four digits or by the last two digits. Mailers may print the indicia directly onto mailpieces or onto separate labels or tape affixed to mailpieces. The mailing date format used in the indicia is also subject to the following conditions.

- a. Complete Date. Mailers must use a complete date for the following:
 1. All Priority Mail Express, Priority Mail, First-Class Mail, First-Class Package Service — Retail, and First-Class Package Service — Commercial pieces.
 2. All mailpieces with Insured Mail, COD, or Special Handling service.
 3. All mailpieces prepared with the indicia printed on nonadhesive paper (e.g., computer printer paper) and affixed to the mailpiece or used as part of an insert in a window envelope.
- b. Month and Year. Mailers may use a complete date or a mailing date consisting solely of the month and year in the indicia only for USPS Marketing Mail and Package Services pieces.
- c. No Date. Mailers must use indicia with no mailing date for prepaid metered reply postage. As an option, mailers may use indicia with no mailing date for USPS Marketing Mail and Package Services pieces not subject to 4.6.2a.

4.6.2 Mailing Date Accuracy and Mailing Periods

The date or period when mailers may deposit or present metered mail for mailing is controlled by the mailing date in the indicia under the following conditions.

- a. Complete Date. Mailpieces bearing a complete date in the indicia must be deposited or presented on that date, except that pieces entered after the day's last scheduled collection from the Post Office or collection box may bear the actual date of entry or the date of the next scheduled collection from the Post Office or collection box. When authorized by USPS, presort mail accepted after midnight may bear the previous day's date. If the mailer knows that the mail is not to be deposited or presented on the date in the indicia, the mailer must use a date correction indicium under 4.5.1.
- b. Month and Year. Mailpieces bearing only the month and year in the indicia may be deposited or presented for mailing on any day during the month shown in the indicia and through the third day of the following month.
- c. No Date. Mailpieces bearing no date in the indicia may be deposited or presented for mailing on any date.

4.6.3 Deposit of Mail

[10-2-17] Mailers must deposit or enter mailpieces with metered or PC Postage indicia according to the following conditions.

- a. Mailers may deposit Priority Mail Express, Flat Rate Priority Mail, Priority Mail weighing one pound or less, single-piece price First-Class Mail, First-Class Package Service — Retail, single-piece price Media Mail, and single-piece price Library Mail items with a metered or PC Postage indicia at any postal facility, preferably within the area of the customer's local Post Office. Mailers may also deposit zone-priced Priority Mail pieces at any postal facility, provided the postage affixed to each mailpiece is calculated to include the amount due as specified in 4.3.1, taking into account the weight, shape, and the zone from the ZIP Code of the office where the mailpiece is deposited to the ZIP Code of the destination address.
- b. Mailers must deposit all mail not specified in 4.6.3a as follows:
 1. At a postal facility within the ZIP Code shown in the indicia.
 2. For Presort price mail, at the authorized mailing office if not at a facility within the ZIP Code shown in the indicia.
- c. Mailers also may dropship metered mail according to standards in 705.19.0.

4.7 Authorization to Produce and Distribute Postage Evidencing Systems

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

5.0 Permit Imprint (Indicia)

5.1 General Standards

5.1.1 Definition

A mailer may be authorized to mail material without affixing postage when payment is made at the time of mailing from a permit imprint advance deposit account established with USPS. This payment method may be used for postage and extra service fees for Priority Mail Express ("eVS" only), Priority Mail, First-Class Mail, First-Class Package Service — Commercial, USPS Marketing Mail, Package Services, and Parcel Select mailpieces. This method is not available for Periodicals. A picture permit imprint indicia (5.4) may not be used on reply mail pieces.

5.1.2 Minimum Volume

[8-7-17] Permit imprint mailings must contain at least 200 pieces or 50 pounds of mail, except:

- a. Other higher minimum quantities may apply, depending on the price claimed.
- b. An occasional First-Class Mail mailing may contain fewer than 200 pieces if from a mailer whose total daily mailings are not much more than 200 pieces but who, to cooperate with the Post Office, presents a part of that mail early in the day.
- c. A mailing may contain fewer than 200 pieces if it is the completion of a large mailing extending over 2 or more consecutive days and the mailer includes an explanation on the accompanying postage statement.
- d. Single-piece price mailings submitted either, under the terms of an approved manifest mailing system agreement with a minimum volume reduction provision, or when using electronic documentation, including piece-level barcode information, for First-Class Mail letters as authorized by Business Mailer's Support (see 608.8.0 for address).
- e. Bound Printed Matter nonpresorted, non-discounted mailings.
- f. Parcel Select Ground mailings made under 253.4.2.
- g. A mailing containing 50 pieces or 50 pounds of nonpresorted single-piece domestic mail parcels submitted under the terms of an approved Manifest Mailing System (including eVS) agreement under 705.2.0. Mailers may include any combination of the following products under this provision: Priority Mail Express (eVS only), Priority Mail, First-Class Package Service — Commercial parcels, nonpresorted Bound Printed Matter parcels, Parcel Select Ground parcels, and single-piece Media Mail and Library Mail parcels. Parcels in USPS-provided packaging, including Flat Rate Envelopes and Boxes, may be included.

5.1.3 Use of Permit Imprint

Each mailpiece sent under this payment method must bear a permit imprint indicia showing that postage is paid. Permit imprint indicia may be printed directly on mailpieces, on labels (including address labels) permanently affixed to mailpieces, or on mailpiece wrappers, envelopes, and other containers. Except where the enclosure is prohibited by other standards, matter bearing a permit imprint indicia may be mailed as an enclosure when postage for the enclosure or the host matter is not paid with the enclosed permit imprint, and the enclosed permit imprint indicia is not visible when the matter is mailed.

5.1.4 Permit and Application Information

[1-22-17] A mailer may obtain a permit to use a permit imprint indicia by submitting Form 3615 to the Post Office where mailings are made, or online under the terms and conditions in the Business Customer Gateway portal at <https://gateway.usps.com>. Mail Anywhere allows a qualified mailer to maintain a single permit for a postage payment method for mailings at any Business Mail Acceptance site under 705.23.3.2.

5.1.5 Application Fee

[8-7-17] [4-3-17] [1-22-17] An application fee is required only when a permit imprint is used as the payment method for First-Class Mail, USPS Marketing Mail, Bound Printed Matter Flats and international mail, and the mailer does not use the Electronic Verification System (eVS). If a customer pays a permit imprint application fee, it is accepted for domestic and/or international outbound mailings.

5.1.6 Payment of Permit Imprint Postage

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

5.1.7 Preparation of Mailing

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

5.1.8 Weight Standards for Permit Imprint Mailing

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

5.1.9 Combining Permit Imprint Mailings With Other Payment Methods

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

5.1.10 Presenting Mailings to be Weighed

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

5.1.11 Depositing Permit Imprint Mailings

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

5.2 Suspension and Revocation

5.2.1 Suspension of Authorization

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

5.2.2 Revocation of Permit

[1-22-17] A permit may be revoked for use in operating any unlawful scheme or enterprise, if no mailings or payment of postage occurred during any consecutive 2-year period, for refusal to provide information about permit imprint use or mailings, and for noncompliance with any standard applicable to permit imprints. The permit holder may submit a written appeal to the postmaster within 10 days of receipt of the revocation notice.

5.3 Indicia Design, Placement, and Content

5.3.1 Production

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

5.3.2 Permit Imprint Indicia Content and Format

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

5.3.3 Indicia Legibility and Color

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

5.3.4 Indicia Placement on Mailpiece

Permit imprint indicia must read in the same direction as the delivery address on the mailpiece. The indicia may not be placed below the address or encroach on reserved space (e.g., ACS participant code, delivery point barcode). The indicia can be placed in one of these four positions:

- a. Upper right corner of the mailpiece. (Also the recommended location for picture permit imprint indicia).
- b. Upper right corner of the address area.
- c. Upper right area (not lower than the address area) on an affixed address label or when printed in an address block.
- d. To the right of the address on an insert appearing through a window envelope.

5.3.5 Marking Expedited Handling on Permit Imprint Mail

Mailpieces bearing unofficial markings that reference directly or indirectly expedited attention, handling or delivery (e.g., "Urgent," "Rush Delivery," "Time Sensitive") must meet the following conditions:

- a. The indicia must show the class of mail (e.g. "Marketing" or "MKT"; "Presorted USPS Marketing" or "PRSRMKT"; or "Nonprofit Organization," "Nonprofit Org.," or "Nonprofit" or as applicable for the class of mail as provided under 5.3.6 or 5.3.7) more prominently than other words in the indicia.
- b. Include a clear space of at least 3/8 inch around the entire indicia.
- c. Pieces may not include markings identical to or confusingly similar to USPS trademarks (word marks or logos), trade dress, or other words, symbols, or designs used by the USPS to identify a class of mail, price of postage, or level of service, unless such markings are correctly used under the applicable standards for the mailpiece on which they appear and the corresponding postage and fees have been paid. Words, symbols or designs that are unlawful or legally actionable, or create a claim for false advertisements or contributory infringement (infringement of third party rights) are not permitted.

5.3.6 Priority Mail Express, Priority Mail, First-Class Mail, and First-Class Package Service — Commercial Format

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

5.3.7 USPS Marketing Mail, Parcel Select and Package Services Format

A USPS Marketing Mail, Parcel Select or Package Services permit imprint indicia must contain the same information required in 5.3.6, except that the USPS Marketing Mail, the applicable Parcel Select (Parcel Select or Parcel Select Lightweight), or the applicable Package Services (Bound Printed Matter, Media Mail or Library Mail) marking must be used instead of "First-Class Mail." If eVS is used under 705.2.9, the marking "eVS" (or alternative "e-VS" or "E-VS") must appear directly below the permit number. The indicia may include the amount of postage paid, the weight of the piece, and price markings as required. The indicia must not include the mailing date.

5.3.8 Indicating Extra Services

Mailpieces for which postage and extra services fees are paid for by permit imprint must show the applicable class of mail ("First-Class Mail," for example); "U.S. Postage Paid" (or "U.S. Postage and Fees Paid," at the mailer's option); city and state; and permit number. The city, state, and permit number may be omitted in a company permit imprint indicia, subject to 5.3.9.

5.3.9 Use of a Company Permit Imprint

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

- a. For 1 year from the date of mailing, the permit holder or its agent must keep records for each mailing paid with a company permit imprint and make them available for USPS review on request. These records include (for each version of what was mailed, if applicable) the weight of a single piece; the total number of pieces mailed; the total postage; the date(s) and Post Office(s) of mailing; and other records required by the postage price claimed or the payment method used. A complete sample mailpiece must be included for each identical-weight mailing, or each commingled or combined version in a nonidentical-weight mailing. Sample pieces are not required for nonidentical-piece USPS Marketing Mail and Package Services machinable or irregular parcel mailings (e.g., merchandise and other fulfillment mailings).
- b. Each mailpiece must bear a complete domestic return address. The return address on official mail is subject to the corresponding standards. On unendorsed USPS Marketing Mail and Bound Printed Matter, the return address is permitted below the indicia. Except for official mail, if the

return address is *not* the physical location at which the USPS may review the records listed in 5.3.9a (i.e., where they are kept or can be made available) or is *not* a point of contact from which such a physical location can be readily determined, the mailer must:

1. Include in the indicia the 5-digit ZIP Code of the physical location at which the records listed in 5.3.9a are either kept or can be made available for USPS review.
2. Provide the postmaster of that Post Office with a complete sample mailpiece (except as noted above); the date(s) and Post Office(s) of mailing; and the name and local address of the party from whom the records listed in 5.3.9a may be obtained.

5.3.10 Use of a Local Permit Imprint in Other Mailing Locations

[1-22-17] A permit imprint displaying the city, state, and permit number of a mailer's original permit may be applied to pieces in a mailing presented for verification and acceptance at another Post Office location under the following conditions:

- a. Mailpieces must be entered as part of a full-service automation mailing (see 705.23.0) within an authorized *First-Class Mail or USPS Marketing Mail Mailings With Different Payment Methods Mailing System* (under 705.5.0).
- b. For 2 years from the date of mailing, the permit holder or its agent must keep records, including copies of postage statements and all other required documentation, for each mailing that is presented for acceptance at another mailing location, and must make these available for USPS review on request.
- c. For each mailing, the mailer must provide documentation, to the postmaster of the Post Office displayed in the permit imprint, showing the mailing date(s), the Post Office location(s) of mailing, and the name and local address of the customer from whom the records listed in 5.3.10b may be obtained.

5.3.11 Indicia Formats

[4-3-17] Unless prepared under 5.3.12 or 5.4, permit imprint indicia on mailpieces must be prepared in one of the formats in Exhibit 5.3.11, as applicable to the price claimed or type of mail. (Not all permissible combinations of content elements are shown.) Specific markings may be required as applicable for the price claimed.

Exhibit 5.3.11 Indicia Formats for Official Mail and Other Classes

Priority Mail Express Official Mail:



Note: For this example, when not in indicia, mail class or price must be marked on mailpiece, directly below or to the left of the indicia. The "Priority Mail Express" marking may be omitted when using USPS-provided Priority Mail Express envelopes.

First-Class Mail Official Mail:



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

USPS Marketing Mail Official Mail: (Customer should not convert to the USPS Marketing Mail markings until a date is announced.)



Note: "Standard" (or "STD") may also be used. These are only examples; not all possible variations are shown. When not in indicia, class or price must be marked on mailpiece, directly below or to the left of the indicia.

Package Services Official Mail:



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

Priority Mail Express:



Note: For this example, when not in indicia, mail class or price must be marked on mailpiece, directly below or to the left of the indicia. The "Priority Mail Express" marking may be omitted when using USPS-provided Priority Mail Express containers.

Priority Mail:



Note: For this example, when not in indicia, mail class or price must be marked on mailpiece, directly below or to the left of the indicia. The "Priority Mail" marking may be omitted when using USPS-provided Priority Mail containers.

First-Class Mail:



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

USPS Marketing Mail: (Customer should not convert to the USPS Marketing Mail markings until a date is announced.)

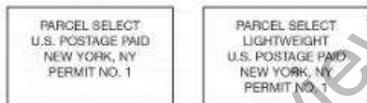


Note: "Standard" (or "STD") may also be used.

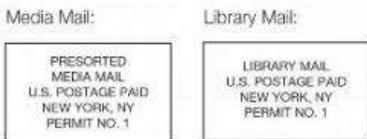
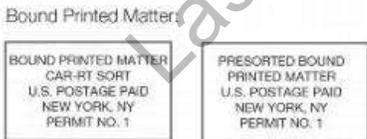
(Class omitted from indicia - see note below)

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

Parcel Select



Package Services



5.3.12 Optional Indicia Format

As options to the basic format under 5.3.11, permit imprint indicia may be prepared as picture permit imprint indicia under 5.4 or in other formats subject to these conditions:

- a. The rule that forms a box around the content of the indicia may be omitted if the content remains as specified in 5.3.6 through 5.3.9 and Exhibit 5.3.11.
- b. Unless printed directly on an address label, the indicia content must be placed within a clear area no smaller than 1/2 inch high and 1/2 inch wide, no more than 1-1/2 inches below or left from the upper right corner of the mailpiece or of the address area when oriented to read the address, regardless of processing category or postage price claimed. If printed on an address label (including paper, adhesive, and multilayer sandwich labels), the space allowed for the indicia content must be rectangular, large enough to ensure legibility of that content from a normal

reading distance and to separate it from other information on the label, and located in the upper right corner of the label when oriented to read the address.

- c. No printing appears in the indicia other than that required or allowed under 5.3.6 through 5.3.9.
- d. Except as required to enclose the permit information, no printing appears above or to the right of the permit information when the indicia is printed directly on the mailpiece or within the address area or on the address label.
- e. Except for indicia printed on address labels, the permit information is printed in no smaller than 4-point type. In indicia printed on address labels under 5.3.12b, the permit information must be legible.
- f. Except as required to enclose the permit information, decorative designs intended to be part of the indicia design must appear below or to the left of the permit information in an area extending no farther than 4-1/2 inches to the left of the right edge, and 1-1/2 inches below the top edge of the mailpiece, address area, or address label, as applicable. Such designs must not resemble or imitate a postage meter imprint, postage stamp, postcard postage, or other postage payment method; and they must not include words, symbols, or designs used by the USPS to identify a class of mail, price of postage, or level of service, *unless* such elements are correctly used under the applicable standards for the mailpiece on which they appear and the corresponding postage and fees have been paid.
- g. All other applicable standards in 5.0 are met.

5.4 Picture Permit Imprint Indicia

5.4.1 Description

Picture permit imprint indicia may contain business-related color images, such as corporate logos, brand, trademarks and other pictorial business images. These images are known as picture permit imprints. Picture permit imprints may be used to pay postage and extra service fees on commercial mailings of full-service automation First-Class Mail or USPS Marketing Mail postcards, letters, or flats.

5.4.2 Postage and Fees

Except when used under 5.5, picture permit imprint is charged a per piece fee, in addition to the postage applicable for the class of mail. See Notice 123–Price List.

5.4.3 Prohibitions

Color images used in picture permit imprint indicia must maintain neutrality on social or political issues in order to avoid the creation of a public forum for the debate or dissemination of political ideas by private parties and images must also adhere to the following prohibitions:

- a. Must not resemble or imitate U. S. postage stamps, postage evidencing system indicia (4.0), postcard postage, Customized Postage, postage printed from USPS self-service kiosks and USPS Certified 3rd Party Kiosks, precancelled postage stamps or other postage payment methods.
- b. The color image used in picture permit imprint indicia must not include USPS-registered trademarks or words, symbols, or designs used by the USPS to identify a class of mail, price of postage, or level of service, unless such elements are correctly used for the mailpiece on which they appear and the corresponding postage and fees have been paid.
- c. Two-toned, black and white images are not permitted.
- d. Only commercial images and/or text are eligible for inclusion. *Commercial images and/or text* means images and/or text that promote only a product or service available in commerce. Images and/or text that take a position, explicitly or implicitly, on government, public policy, morality, politics, or religion (whether or not they also convey a commercial message) are not eligible for inclusion.
- e. Eligible commercial images and/or text must not: (1) be indecent or obscene; (2) depict violent or sexual material that would be harmful to minors; (3) be unlawful or legally actionable; (4) compete with a Postal Service product or service; or (5) promote alcohol, tobacco, weapons, or gambling.
- f. A picture permit imprint indicia may not be used on reply mail pieces.

5.4.4 Application

An application to use picture permit imprint must be completed and Postal Service authorization must be obtained for each picture permit imprint indicia prior to the acceptance of mailpieces bearing these indicia. Customers must sign an indemnification statement and, upon request, provide valid addressed samples of mailpieces bearing the color images for testing. Contact the manager, Transaction and Correspondence (608.8.1) for more information. Additional information is available at <https://www.usps.com/business/postage-options.htm>.

5.4.5 Picture Permit Imprint Indicia Format

As options to the basic format under 5.3.11 and if all other applicable standards in 5.0 are met, permit imprint indicia may be prepared in picture permit imprint format subject to these conditions:

- a. Printed Indicia elements, as required in 5.3.6 through 5.3.9, must be OCR readable (prefer sans serif) and no smaller than 8 point font.
- b. The class of mail must be printed in all capital letters.
- c. Indicia must not be placed in any location lower than the complete address information. The upper right corner of the mailpiece is the preferred location.
- d. A clear space of at least 0.25 (1/4) inch must be maintained to the right and above the picture permit imprint indicia.
- e. A clear space of at least 0.50 (1/2) inch must be maintained to the left and below the picture permit imprint indicia.
- f. Commercial mailings of First-Class Mail and USPS Marketing Mail postcards, letters or flats bearing picture permit indicia must be prepared as IMb full-service automation mailings under 705.23.0. Residual mailpieces that result from a mailer's normal preparation of the full-service IMb mailing also can be mailed bearing a picture permit imprint and not be paid at the full-service price.
- g. All pieces in the mailing must bear a picture permit.
- h. Imprint (i.e.: image and text area) dimensions may be between 1.625" to 2.00" in height and between 1.31" to 1.50" in width.
- i. Image dimensions may be between .84" to 1.00" in height and between 1.31" to 1.5" in width.
- j. A clear space of 5/32 inch (+/- 1/32 inch) on all sides must be maintained between the color image and indicia text.
- k. Only color images are permitted in image area (two-tone, black and white print is prohibited).

5.5 Share Mail

[1-22-17] Share Mail is an electronic postage payment mechanism for single-piece First-Class Mail letters or postcards, addressed to any domestic address, that weigh no more than one ounce each. Customers wishing to participate in this program must submit their request in writing to the Manager, New Solutions, Mailing Services, USPS, 475 L'Enfant Plaza SW, Room 5440, Washington, DC 20260-4440. Customers participating in the Share Mail postage payment program must, at a minimum, meet the following requirements:

- a. Have a Centralized Account Processing System (CAPS) account link with USPS;
- b. Submit production quality mailpieces to USPS for pre-approval and have received subsequent USPS approval; and
- c. Have approved mailpieces that bear unique or static Intelligent Mail barcodes, an approved permit imprint indicia in the upper-right hand corner of the mailpiece, and a special facing identification mark (FIM E) (see 202.8.2e.).

6.0 Payment of Postage

6.1 Basic Standards

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

- a. Reply mail and return services under 505.
- b. Alternate Postage payment under 5.5.
- c. Certain mail sent by members of the Armed Forces (see 703.4.0).
- d. Certain matter by or for the blind or handicapped (see 703.5.0).
- e. Official mail (see 703.6.0 and 703.7.0).
- f. Keys and identification devices returned to owners (see 123.2.0 and 133.1.4).
- g. Packages from private carriers being delivered to a customer at a competitive Post Office Box service location, when using the street addressing designation option, as provided under 508.4.5.4.

6.2 Unpaid Mailable Matter for Private Delivery

If mailable matter without postage, intended for delivery by a private delivery company, is found in USPS collection boxes (or other receptacles for mail deposit), USPS facilities, or USPS mail processing operations, the company is contacted to pick up the matter by the close of the next workday. If the company does not pick up the matter, it is returned to the sender, postage due. If the sender cannot be identified or refuses the matter, it is treated as dead mail.

6.3 Payment for Postage Due Mail

Customers must pay in cash for postage-due mail before the mail is delivered. If postage-due collections equal about \$10 or more every 60 days, payment may be made by advance deposit of money in a postage due account. Postage on quantity mailings found in private mailboxes is subject to 8.1.1. Government agencies using penalty mail must pay postage due through an OMAS postage due account. Government agencies may no longer use penalty meter strips or penalty mail stamps to pay postage due.

6.4 Advance Deposit Account

[4-3-17] Mailers may choose to establish an advance deposit account(s) from which postage, per piece charges, and other fees are deducted. For certain return services, an advance deposit account is required. Mailers may use a single advance deposit account to pay postage due charges for more than one return service (e.g., business reply mail, merchandise return service, and bulk parcel return service).

6.5 Annual Accounting Fee for Return Services

[4-3-17] Except for accounts used solely to pay postage due for shortpaid mail, address correction notices, and undeliverable-as-addressed pieces returned to sender (e.g., return service requested) mailers must pay a separate annual accounting fee, if applicable, for each return service paid through an advance deposit account. This fee covers the administrative cost of maintaining the account and provides the mailer with the accounting of all charges deducted from that account. The accounting fee is charged once each 12-month period on the anniversary date of the initial accounting fee payment. The fee may be paid in advance only for the next year and only during the last 60 days of the current service period. The fee charged is that which is in effect on the date of payment.

7.0 Computing Postage

7.1 General Standards

7.1.1 Determining Single-Piece Weight for Retail and Commercial Mail

To determine single-piece weight in any mailing at single-piece prices, in a bulk mailing at Media Mail, or Library Mail prices, or in any bulk price mailing of nonidentical-weight pieces, weigh each piece individually. To determine single-piece weight in any other bulk or presort price mailing, weigh a sample group of at least 10 randomly selected pieces and divide the total sample weight by the number of pieces in the sample. Express all single-piece weights in decimal pounds rounded off to two decimal places for the following mailpieces: Priority Mail Express, Priority Mail, Parcel Select, Bound Printed Matter, Media Mail, and Library Mail prices. For all other mailpieces, express all single-piece weights in decimal pounds rounded off to four decimal places.

7.1.2 Expression of Numerical Values

For these standards, express:

- a. Piece counts in whole numbers.
- b. Weights in decimal pounds (e.g., 1.1250 pounds) rounded as shown below.
- c. Postage in decimal dollars (e.g., \$0.1625) rounded as shown below.
- d. Intermediate postage figures on all permit imprint and Periodicals statements (rounded off) to four decimal places. On all postage affixed statements (rounded off) to three decimal places. An intermediate postage figure is defined as follows: For First-Class Mail, USPS Marketing

Mail, and Package Services mailings, any figure on any line of a postage statement, with the exception of the "Total Postage" line, is an intermediate figure. For Periodicals mailings, any figure on any line of a Form 3541, with the exception of the "Total Outside-County Postage," "Total In-County Postage," and "Total Postage" lines is an intermediate figure.

- e. Total postage figures (rounded off) to two decimal places. A total postage figure is defined as follows: For First-Class Mail, USPS Marketing Mail, and Package Services mailings any figure on a "Total Postage" line. For Periodicals mailings, any figure on a "Total Outside-County Postage," "Total In-County Postage," and "Total Postage" line.

7.1.3 Rounding Numerical Values

For these standards:

- Round off* requires increasing by 1 the last digit to be kept if the digit to its right, which is not to be kept, is 5 or greater. If that digit is 4 or less, the last digit kept is unchanged (e.g., 3.376 rounded off to two decimal places is 3.38, 3.374 is 3.37).
- Round up* requires increasing by 1 the last digit to be kept if there are any digits to its right, regardless of significance (e.g., rounding up either 3.3701 or 3.379 to two decimal places yields 3.38).
- Round down* requires eliminating any digits to the right of the last number to be kept (e.g., rounding down either 3.371 or 3.379 to two decimal places yields 3.37).

8.0 Insufficient or Omitted Postage

8.1 Insufficient Postage

8.1.1 Definition

Mail of any class, including mail indicating extra services (except Priority Mail Express, Registered Mail, and nonmachinable First-Class Mail), that is received at either the office of mailing or office of address without enough postage is marked to show the total (rounded off) deficiency of postage and fees. Such individual pieces (or quantities fewer than 10) are delivered to the addressee on payment of the charges marked on the mail. For mailings of 10 or more pieces, the mailer is notified so that the postage charges may be paid before dispatch. For any mailpiece with insufficient postage generated by postage evidencing systems, the USPS may follow the process in 4.4.4 through 4.4.5.

8.1.2 Undeliverable and Refused Mail

[10-2-17] Mail with insufficient postage that is refused by the addressee or otherwise undeliverable is:

- Returned to the sender with the reason for nondelivery "Returned for Additional Postage" if First-Class Mail with a return address. *The sender may affix the additional postage, cross out the reason for nondelivery, and remail the piece.*
- Returned to the sender and delivered when the sender pays the total deficient postage and additional postage for forwarding or return if other than First-Class Mail or First-Class Package Service — Retail, and with a return address.
- Treated as dead mail if it has no return address.

8.1.3 Nonmachinable Mail

Shortpaid nonmachinable First-Class Mail letters are returned to the sender for additional postage.

8.1.4 Adding to Original Postage

Postage stamps or meter stamps originally affixed to insufficiently prepaid mail are accepted in payment of postage to the amount of their face value when the mail is again presented for mailing.

8.1.5 Damaged Postage

When the cancellation impression shows that a postage stamp (or stamps) was wholly or partly lost, the piece is handled as if correct postage had been paid for the class and weight of the piece absent any evidence to the contrary.

8.1.6 Registered Mail With Insufficient Postage

[10-2-17] If shortpaid Registered Mail is found in ordinary mail, with only the First-Class Mail or First-Class Package Service — Retail, price of postage paid, the piece is delivered to the addressee as ordinary First-Class Mail or First-Class Package Service — Retail. If the amount of postage and fees affixed indicates that the piece was intended to be registered, the piece is priced as postage due and forwarded to the addressee through the Registered Mail. If shortpaid Registered Mail is found in the Registered Mail, the piece is delivered without the collection of postage due. The additional postage is collected from the sender.

8.1.7 USPS Corporate Accounts and Federal Agency Accounts

USPS Corporate accounts and federal government accounts that use a "Postage and Fees Paid" indicia are debited for the correct amount of postage and fees at the time of mailing.

8.1.8 Priority Mail Express with Insufficient Postage—Acceptance

When Priority Mail Express items are received at the office of mailing with insufficient postage, the Postal Service will contact the mailer to correct the postage deficiency prior to dispatch of the item. If the mailer cannot be contacted prior to dispatch, the deficiency is handled under 8.1.9.

8.1.9 Priority Mail Express with Insufficient Postage—Processing Operations

For Priority Mail Express items with insufficient postage that are identified during processing operations or at the destination Post Office, the Postal Service will:

- Endorse the item "Postage Due."
- Mark the item to show the total deficiency of postage and fees.
- Deliver the item to the addressee upon payment of the postage due.
- If payment is refused by addressee, endorse the item "Return to Sender—Refused" and return the item to the sender, upon collection of the postage deficiency.

8.1.10 Priority Mail Express with Insufficient IBI Postage—Postage Evidencing Systems

For Priority Mail Express items with insufficient IBI postage generated by postage evidencing systems, USPS may follow the process in 4.4.4 through 4.4.5.

8.1.11 Remailing Priority Mail Express with Insufficient Postage

Priority Mail Express items with insufficient postage are returned to the sender after collecting the postage deficiency when an effort to contact the sender before dispatch fails and when the addressee refuses to pay the postage due. If the item is remailed as Priority Mail Express, the sender must affix a new Priority Mail Express label with new postage and any applicable fees.

8.2 Omitted Postage

8.2.1 Handling Mail With Omitted Postage

Matter of any class, including that for which extra services are indicated, received at either the office of mailing or office of address without postage, is endorsed "Returned for Postage" and is returned to the sender without an attempt at delivery. If a mail recipient attempts to return or forward the mail without paying additional postage when required, the mail is endorsed "Returned for Postage" and returned to the recipient. If no return address is shown, or the delivery and return addresses are identical, or the delivery and return addresses are different but for the same person or organization, the piece is treated as dead mail.

8.2.2 Handling Unpaid Metered Reply Mail

Metered reply mail on which the mailer failed to imprint a meter stamp is treated as business reply mail (BRM). Such mail is delivered on payment of postage and the applicable business reply per-piece charge for basic BRM.

8.3 Mailable Matter Without Postage in or on Mail Receptacles

8.3.1 Penalty

Whoever knowingly and willfully deposits any mailable matter (such as statements of account, circulars, sale bills, or other like matter) on which no postage is paid, in any letterbox established, approved, or accepted by the Postal Service for the receipt or delivery of mail matter on any route, with intent to avoid payment of lawful postage thereon, shall for each such offense be fined not more than \$5,000.00 per individual or \$10,000.00 per organization (18 USC 1725, 3571).

8.3.2 Liability for Postage

Except for limited use by newspapers under 508.3.0, any mailable matter not bearing postage found in, upon, attached to, supported by, or hung from private mail receptacles described in 508.3.0 is subject to payment of the same postage if carried by mail.

8.3.3 Full Distribution

If there is a distribution of identical pieces to all or substantially all addresses on a route, only a representative number of pieces is returned to the delivery unit. Postage is computed as described in 8.3.4.

8.3.4 Partial Distribution

[10-2-17] If there is a distribution of pieces to some, but not all, addresses on a route, pieces are returned to the delivery unit for use in computing the postage due. First-Class Mail or First-Class Package Service — Retail prices are applied to matter that would require First-Class Mail or First-Class Package Service — Retail postage if mailed. For other matter, if the piece weighs less than 16 ounces, the applicable single-piece First-Class Mail, First-Class Package Service — Retail, or Priority Mail price based on the weight of the piece is applied, or USPS Retail Ground or an applicable Package Services price is applied, whichever is lower. If the piece weighs 16 ounces or more, the USPS Retail Ground or applicable Package Services price is applied.

8.3.5 Known Distributor

If there is reason to believe that a private delivery firm or an individual within the Post Office delivery area is responsible for the delivery, the local postmaster notifies that party of the number of pieces and the postage due. If, within 5 days after notice, the firm or individual agrees to pay the postage due, payment is accepted and the pieces are delivered to the addressees. The party paying the postage may choose to redeliver the pieces rather than have the USPS deliver them. If the pieces are found to have been removed from receptacles improperly, they are delivered without postage charge.

8.3.6 Unknown Distributor

If the party responsible for delivery is not known or if the firm requested fails to pay the postage, the pieces are returned to the publisher or manufacturer, postage due and endorsed to show they were found in or on the addressee's mailbox without postage. If a publisher or manufacturer gives the name and telephone number of a person to contact and guarantees postage payment, the pieces are redelivered to the addressees. If the publisher or manufacturer is unknown or refuses the pieces, the matter is treated as dead mail.

9.0 Exchanges and Refunds

9.1 Stamp Exchanges

9.1.1 USPS Fault

The Post Office may correct mistakes in selling damaged, defective, or otherwise unserviceable stamps by exchanging stamps at full postage value.

9.1.2 Unusable, Damaged Stamps, or Stamped Paper

Stamps, including stamped paper (cards and envelopes), that are damaged or otherwise unusable for postage (because of humidity, moisture, or other causes) while in a customer's possession may be exchanged only for an equal number of stamps, or stamped paper, alike and of the same denomination. Unusable stamps, including stamped paper, accepted from a customer must be those on sale at Post Offices within 12 months before the transaction. Quantities of the same denomination totaling over \$10 (i.e., sheets, coils, booklets) must be returned in the same configuration as when bought. Except as provided in items d. and e., each such transaction is limited to \$100 worth of postage from each customer. These additional conditions apply to exchanges of damaged or unusable stamps or stamped paper:

- a. Only the buyer may exchange stamped paper with a printed return address or other matter printed by the buyer.

- b. Stamped envelopes (mutilated no more than is necessary to remove contents): Postage value plus value of any added postage due to a price increase or for additional service.
- c. Unmutilated single and double stamped cards: 85% of postage value, plus full value of postage added. Unused double stamped cards printed for reply should not be separated but, if they are separated in error and the buyer presents both halves, the cards may be redeemed. Reply halves of double stamped cards returned to sender outside of the mail are not redeemable by the original buyer, even though the reply half received no postal service.
- d. Postage stamps (ordinary or precanceled when applicable) affixed to commercial envelopes and postcards: 90% of postage value. Envelopes and postcards must be in substantially whole condition and in lots of at least 50 of the same denomination and value.
- e. Unused precanceled stamps in full coils and in full sheets redeemed from precanceled permit holders: 90% of postage value.

9.1.3 Condition and Quantity

The stamps presented for exchange must be in substantially whole condition, with the denomination evident. If coils of stamps are partially stuck together and cannot be counted, the postmaster may accept the customer's estimate of the number of stamps left in the coil and give equal quantities in exchange.

9.1.4 Purchase Error

If a customer bought the wrong denomination stamps (or the wrong kind, size, or denomination envelope), they may be exchanged at full postage value. Only full panes of stamps, coils of stamps in the original sealed wrappers, full boxes of stamped envelopes, or original sealed packs of stamped cards may be exchanged. A customer exchanging \$250 or more of such stock must show proof of identity (e.g., a driver's license) and must present the stock for exchange to the postal unit from which his or her mail is delivered.

9.1.5 Semipostal Stamps

Customers may exchange semipostal stamps for their postage value (i.e., the price of the stamps less the contribution amount) to the extent that exchange of postage stamps is permitted. The postage the customer exchanges is equal to the First-Class Mail single-piece one-ounce letter price in effect at the time of exchange. However, if the customer provides a receipt showing the date of purchase, the postage exchanged is equal to the postage price in effect at the time of purchase. The contribution amount is not refundable and is not included in the exchange value.

9.1.6 Not Exchangeable

The following postage items cannot be exchanged:

- a. Adhesive stamps, unless mistakes were made in buying (9.1.4), stamps were defective, stamps are affixed to commercial envelopes and postcards, or under 9.1.2.
- b. Stamps cut from stamped cards, stamped envelopes, or aerogrammes (airletter sheets).
- c. Parts and pieces of stamped cards.
- d. Stamped cards, stamped envelopes, and aerogrammes received for reply.
- e. Mutilated and defaced stamps.

9.1.7 Appeal of Denied Exchange

Any customer denied an exchange for damaged stamps may appeal the postmaster's decision to the Consumer Advocate, USPS Headquarters (see 608.8.0 for address).

9.2 Postage and Fee Refunds

[10-2-17] A customer may apply for a refund of postage and fees as provided under 9.2. For information on filing an indemnity claim for loss or damage see 609.

9.2.1 General Standards

[10-2-17] A refund for postage and fees may be made:

- a. Under the standards below if postage and retail or extra service fees are paid and no service is rendered, or if the amount collected was more than the lawful price.
- b. Under 9.3 for postage evidencing systems (4.0) refund requests, which includes postage meters and PC Postage products.
- c. Under 9.4 for Value Added Refund (VAR) requests made at the time of mailing.
- d. Under 2.0 for rejected personalized envelopes.
- e. Under 9.5 for Priority Mail Express postage and Sunday/holiday premium and 10:30 a.m. delivery fees refunds.

Exhibit 9.2.1 Postage and Fees Refunds

Customers must apply for a refund within the time limits in the chart below.

MAIL TYPE OR SERVICE	WHEN TO APPLY (FROM MAILING DATE)	
	No Sooner Than	No Later Than
Priority Mail Express (9.5.4)	2 days	30 days
Extra Services (9.2.4h)	10 days	60 days

9.2.2 Ineligible Matter

The USPS is presumed at fault and no service is rendered in cases involving returned articles improperly accepted in either domestic or international service because of excess size or weight. Any mailer who customarily weighs and prices mail is expected to be familiar with basic standards. The USPS is not at fault if the mailer is required to withdraw articles from the mail before dispatch.

9.2.3 Full Refund

[10-2-17] [9-11-17] [4-3-17] A full refund (100%) may be made when:

- a. The USPS is at fault.
- b. Postage or fees are paid in excess of the lawful price.
- c. Service to the country of destination is suspended.
- d. Postage is fire-scarred while in USPS custody (including in the letterbox), and the mail is returned to sender without service.
- e. Fees are paid for special handling, Certified Mail services, USPS Tracking, or USPS Signature Services, and the article fails to receive the extra service for which the fee is paid.
- f. Surcharges are mistakenly collected on domestic Registered Mail or collected over the proper amount, or represented by stamps affixed to matter not actually accepted for registration.
- g. Fees are paid for return receipt or for any extra service restricted delivery option, and the USPS (through fault or negligence) fails to furnish the return receipt or its equivalent, or makes erroneous delivery or nondelivery.
- h. An annual presort mailing fee is paid for Presorted First-Class Mail, USPS Marketing Mail, or a destination entry mailing fee is paid for Bound Printed Matter Flats and no mailings are made during the corresponding 12-month period. The permit holder should request a credit to its advance deposit account, unless an advance deposit account is not used or is unavailable and a refund is requested.
- i. Customs clearance and delivery fees are erroneously collected.
- j. Fees are paid for registry or insurance service on mail addressed to a country to which such services are not available, unless claim for indemnity is made.
- k. Priority Mail Express is not delivered according to the applicable service standard, except as provided in 9.5.5.
- l. If a First-Class Mail, First-Class Package Service — Retail, First-Class Package Service — Commercial, USPS Retail Ground or Package Services mailpiece is torn or defaced during USPS handling so that the addressee or intended delivery point cannot be identified. Where possible, the damaged item is returned with the postage refund.
- m. Under the terms of a contract between a contract postal unit (CPU) and the USPS for unused postage printed by the CPU.

9.2.4 Postage and Fee Refunds Not Available

[7-10-17] Refunds are not made for the following:

- a. An application fee to use permit imprints.
- b. Collect on delivery (COD), Priority Mail Express insurance, insured mail, and Registered Mail fees, after the USPS accepts the article (even if the article is later withdrawn from the mail).
- c. Unused adhesive stamps (may be exchanged under 9.1).
- d. Adhesive stamps affixed to unmailed matter.
- e. Unused Priority Mail Forever Prepaid Flat Rate packaging. Only same packaging exchanges may be made directly through the Express and Priority Mail Supply Center (EPMSC) by calling 800-610-8734. Exchanges are only authorized when the unused packaging, purchased by credit card from <http://www.usps.com/>, arrives in damaged condition.
- f. For postage (and/or fees for extra services not rendered) when a postmarked (round-dated) mailing receipt, retail Post Office mailing receipt or valid USPS acceptance/mail processing scan events are not available.
- g. For undeliverable Certified Mail, return receipt for merchandise, and Signature Confirmation extra service fees, when the mailpiece has received an event scan that indicates an attempted delivery (e.g., UAA, Refused, etc.).
- h. For fees paid for extra services, as allowed under 9.2.3, when refund request is made by the mailer less than 10 days, or more than 60 days, from the date the service was purchased, unless otherwise authorized by the manager, Revenue and Field Accounting (see 608.8.0 for address).

9.2.5 Applying for Refund

[10-2-17] A customer may apply for refunds under 9.2, as follows:

- a. *Online (preferred) at www.USPS.com/help*: For domestic, Priority Mail Express (postage, Sunday/holiday premium fee, 10:30 a.m. delivery fee), and for Certified Mail, Return Receipt (hardcopy and electronic), Signature Confirmation, and USPS Tracking (USPS Marketing Mail only), extra services only. Evidence of services purchased must be retained by the mailer until the refund request is resolved. Customers may be required to upload evidence of services purchased (.jpeg, .pdf or .png) and provide their mailing date. Appeals of denied online refund requests must be processed online and must be submitted within 30 days of receipt of the denial.
- b. *Form 3533*: For all refunds listed under 9.2, a customer may submit Form 3533 to the postmaster and provide the envelope, wrapper (or a part of it) showing the names and addresses of the sender and addressee, canceled postage and postal markings, or other evidence of postage and fees paid. The local postmaster grants or denies refund requests under 9.2. Payment processing is local or through the Accounting Service Center as applicable. Adverse rulings may be appealed through the postmaster to the manager, Pricing and Classification Service Center (see 608.8.0), who issues the final agency decision. Refunds for postage evidencing systems postage are submitted under 9.3.

9.2.6 Postage Affixed to Business Reply Mail

A business reply mail (BRM) permit holder may request a credit to an advance deposit account for postage affixed to returned BRM pieces. A refund may be requested for postage affixed to BRM only if an advance deposit is not used or is unavailable. Only the value of the postage affixed may be credited or refunded. Refunds are not given for foreign postage affixed to BRM. The permit holder must submit a completed Form 3533 to the postmaster documenting the excess postage payment for which a credit or refund is desired. The permit holder also must present properly faced and

banded bundles of 100 (when quantities allow) identical BRM pieces with identical amounts of postage affixed. A charge of \$50.00 per hour, or fraction thereof, is assessed for the workhours used to process the credit or refund. Credits or refunds are not given for any BRM or QBRM per piece charges, annual accounting fees, quarterly fees, or monthly maintenance fees.

9.3 Refunds for Postage Evidencing Systems

9.3.1 Description

Postage meters and PC Postage products are collectively identified as postage evidencing systems. A postage evidencing system is a device or system of components a customer uses to print evidence that required postage has been paid. Refunds for postage and fees when payment is made by postage evidencing system indicia are granted as applicable in 9.3.2 through 9.3.12 and as follows:

- a. Refund requests must include the entire envelope or wrapper or a sufficient portion of the container showing the indicia must be included to validate that the item was never deposited with the USPS. Unused metered postage must not be removed from the mailpiece (including unmailed meter reply mail).
- b. Indicia printed on labels or tapes not adhered to wrappers or envelopes must be submitted loose and must not be stapled together or attached to any paper or other medium. Self-adhesive labels printed without a backing may be submitted on a plain sheet of paper.
- c. If a part of one indicium is printed on one envelope or card and the remaining part on one or others, the envelopes or cards must be fastened together to show that they represent one indicium.
- d. Refunds are allowable for indicia on metered reply envelopes only when it is obvious that an incorrect amount of postage was printed on them.

9.3.2 General Standards for Metered Indicia Refunds

Unused metered indicia are postage amounts (which may include fees) already imprinted onto any mailpiece, shipping label or meter strip (stamp) that was never mailed. Such meter indicia are considered for refund only if complete, legible, and valid. Authorized users must submit requests within 60 days of the date(s) shown in the indicia. Requests must include proof (such as a copy of the lease or contract) that the person or entity requesting the refund is the authorized user of the postage meter that printed the indicia. See 9.3.3 for additional standards applicable to dated, unused metered indicia and 9.3.4 for additional standards applicable to undated, unused metered indicia. For both types of unused metered indicia, submit refund requests as follows:

- a. The items with unused postage must be sorted by meter used and then by postage value shown in the indicia, and must be properly faced and bundled in groups of 100 identical items when quantities allow.
- b. Submit a refund request with a separate Form 3533 for each meter for which a refund is requested. Complete all identifying information and sections of the form. Charges for processing a refund request for unused, dated meter indicia are as follows, depending on the total face value of the indicia:
 1. When the total face value of the indicia is \$500.00 or less, the amount refunded is 90% of the face value. USPS may process the refund payment via a no-fee postal money order.
 2. When the total face value of the indicia is more than \$500.00, the amount refunded is the total face value reduced by \$50.00 per hour for the USPS time to process the refund, with a minimum charge of \$50.00. The charge is \$50.00 for each hour spent, with the last fraction of an hour treated as a full hour. Payment processing for refunds of \$500.01 or more is through the Accounting Service Center.
- c. If a request is denied, the authorized user may appeal within 30 days of the ruling to the Manager, Pricing and Classification Center (see 608.8.0), who issues the final agency decision. The original meter indicia must be submitted with the appeal.

9.3.3 Dated, Unused Meter Indicia

Refund requests for dated, unused meter indicia must be submitted to the local Post Office, under 9.3.1 and 9.3.2. The request is processed by the local Postmaster, who grants or denies the refund.

9.3.4 Unused, Undated Meter Indicia

Authorized users, or the commercial entity that prepared the mailing for the authorized user, must submit refund requests for undated, unused meter indicia under 9.3.1 and 9.3.2 as follows:

- a. The request must include a letter signed by the authorized user, or by the commercial entity that prepared the mailing, explaining why the mailpieces were not mailed.
- b. The minimum quantity of unused, undated metered postage that may be submitted for refund is 500 pieces from a single mailing or indicia with a total postage value of at least \$500 from a single mailing.
- c. Supporting documentation must be submitted to validate the date. Examples of supporting documentation include the job order from the customer, production records, the USPS qualification report, spoilage report, and reorders created report, as well as customer billing records, postage statements, and a sample mailpiece.
- d. The request must be submitted (with the items bearing unused postage and the documentation) to the manager, business mail entry at the USPS district overseeing the mailer's local Post Office, or to a designee authorized in writing. The manager or designee approves or denies the refund request.

9.3.5 Ineligible Metered Postage Items

The following metered postage items are ineligible for refunds:

- a. Meter reply pieces unless an incorrect postage price was printed.
- b. Indicia printed on labels or tape removed from wrappers or envelopes.
- c. Loose indicia printed on labels or tape that have been stapled together or attached to paper or other medium, except under 9.3.2c.
- d. Indicia lacking identification of the local Post Office or other required information.
- e. Indicia printed on mail returned to sender as undeliverable as addressed.

9.3.6 Rounding Numerical Values

Any fraction of a cent in the total to be refunded is rounded down to the whole cent. Any such rounding is unrelated to calculating a 90% maximum.

9.3.7 Unused Postage Value in Meter

The unused postage value remaining in a meter system when withdrawn from service may be refunded, depending upon the circumstance and the ability of the USPS to make a responsible determination of the actual or approximate amount of the unused postage value. When postage meters are withdrawn because of faulty operation, a final postage adjustment or refund will be withheld pending the system provider's report of the cause. Once provided, the USPS will make the determination of whether a refund is warranted and any refund amount, if applicable. When a meter damaged by fire, flood, or similar disaster is returned to the provider, postage may be refunded or transferred when the registers are legible and accurate, or the register values can be reconstructed by the provider based on adequate supporting documentation. When the damaged meter is not available for return, postage may be refunded or transferred only if the provider can accurately determine the remaining postage value based on adequate supporting documentation. The authorized user may be required to provide a statement as to the cause of the damage and the absence of any reimbursement by insurance or otherwise, and that the authorized user will not also seek such reimbursement. No refund is given for faulty operation caused by the authorized user, for a decertified meter, or if a meter is reported lost by the provider and recovered after 365 days. Refunds for unused postage value in meter systems are provided as follows:

- a. Authorized users must notify their provider to withdraw the meter and to refund any unused postage value remaining on it.
- b. The meter must be examined to verify the amount before any funds are cleared from the meter. Based on what is found, a refund or credit may be initiated for unused postage value, or additional money owing for postage value used.
- c. The provider forwards the refund request to the USPS for payment or credit to the authorized user's mailing account.
- d. The USPS will not issue individual customer refunds for unused postage value less than \$25 remaining in a meter.

9.3.8 General Standards for PC Postage Indicia Refunds

Unused PC Postage indicia are considered for refund only if complete, legible, valid and documented pursuant to 9.3.1. See 9.3.9 for additional standards applicable to requests for undated unused PC Postage indicia and 9.3.10 and 9.3.11 for additional standards applicable to requests for refunds of dated unused PC Postage indicia. For all types of unused PC Postage indicia, submit refund requests as follows:

- a. Only authorized PC Postage users may request a refund.
- b. The PC Postage system provider grants or denies a request for a refund for PC Postage indicia using established USPS criteria.
- c. If a request is denied, the authorized user may appeal within 30 days of the adverse ruling through the manager, Payment Technology, USPS Headquarters (see 608.8.0) who issues the final agency decision. Requests for appeal must include the physical submission of the original label. If the exact numerical value of postage paid is not displayed in the indicia, the customer must submit the corresponding transaction log. The customer's specific reason for requesting the appeal must be included. If the appeal to an unfavorable refund request ruling results in a refund being granted, the amount refunded may not exceed 90% of the indicia's face value.

9.3.9 Unused, Undated PC Postage Indicia

Refunds will not normally be provided for valid, undated, serialized PC Postage indicia containing commonly used postage values. If the authorized user believes extraordinary circumstances justify an exception, requests for such refunds must include a detailed explanation. Requests will be considered by the PC Postage system provider on a case by case basis and as provided in 9.3.1 and 9.3.8.

9.3.10 Unused, Dated PC Postage Indicia With PIC

The refund request should reflect any package identification code (PIC). Requests for refund of international mail postage (domestic origin only) and fees may include valid PICs for any form of USPS Tracking, Signature Confirmation, Adult Signature, or Priority Mail Express, and include those PICs available through Track & Confirm on www.usps.com. Requests for refund of PC Postage indicia that contain a valid PIC are provided as follows:

- a. Requests must be submitted by authorized users to their provider electronically in accordance with procedures available from their provider. Physical submission of labels to the provider is not permitted.
- b. Requests must be initiated for within thirty (30) days of printing the indicia.
- c. If a postage refund is granted, the original physical shipping label must be destroyed by the authorized user.
- d. The provider may, at its discretion, charge for processing a refund request.

9.3.11 Unused, Dated PC Postage Indicia Without PIC

Requests for refund of dated, unused PC Postage indicia which do not have an associated package identification code (PIC) must be submitted as provided in 9.3.1 and as follows:

- a. Must be physically submitted by authorized users to their provider, along with the items bearing the unused postage, in accordance with procedures available from their provider. Authorized users must submit the refund request within sixty (60) days of the date(s) shown in the indicia.
- b. The provider may, at its discretion, charge for processing a refund request.

9.3.12 Unused Postage Value in PC Postage Systems

Authorized users must notify their PC Postage provider to withdraw a system and to refund any unused postage value remaining in that account. The provider refunds the unused postage value remaining in the user's system on behalf of the USPS. Individual customer refunds are not issued for unused postage value less than \$25 remaining in a PC Postage system.

9.4 Value Added Refunds

9.4.1 Definition of Value Added Refund

Subject to the standards in 9.4, a *presenter* (i.e., the mailer or other party, such as a presort service bureau), who prepares letter-size First-Class Mail or USPS Marketing Mail under 9.4.12 and 9.4.13 for their customers and presents it to the USPS in their behalf, may request a *value added refund* (VAR) for postage affixed to mail in excess of the price applicable to that mail when presented to the USPS. A presenter must be authorized by the USPS to

seek the refund. Any refund is issued to the presenter, and the disposition of any such refund is a private matter between the presenter and the presenter's customer.

9.4.2 Application

The presenter must make a written application to the postmaster serving each location where VAR mailings are to be deposited, verified, and paid. The application must describe the presenter's mail preparation system and the documentation that it can produce. The application must also show that the presenter can produce the postage statements and the refund documentation required by 9.4.17. The postmaster forwards the application and supporting documentation for approval to the Business Mailer Support manager, USPS Headquarters.

9.4.3 Mailer System

Eligibility to submit requests for VARs requires that the presenter process and document mail through a fully automated mail sorting system. The system must include barcoding equipment (e.g., multiline optical character readers) to read the address information and determine the correct ZIP+4 code; an ink jet or laser printer to apply the correct Intelligent Mail barcode in the required location; and a barcode reader (BCR) to read the Intelligent Mail barcode, verify it for accuracy, and sort the mailpiece to the correct location.

9.4.4 Presenter Agreement

In applying for authorization to make VARs, the presenter agrees:

- a. That verification samples taken by the USPS represent the entire mailing and are to be used to adjust the total refund amount requested.
- b. To provide the USPS with advance written notice of plans for system changes that affect the calculation of postage, amount of refund, generation of required documentation, or mail presorting.
- c. To cooperate with the USPS during mail verification or system audits, and to process sampled mail through barcode readers (BCRs) when requested.

9.4.5 Authorization

If the application is approved, an authorization to make refund requests remains in effect until such time as the Business Mailer Support manager or the mailer cancels the agreement. If Postal Service periodic reviews or mailer supplied information demonstrates a need for a modification, the authorization will be modified, with concurrence by the Business Mailer Support manager and the mailer.

9.4.6 Appeal

If the application is denied, the presenter may file a written appeal within 15 days through Business Mailer Support, USPS Headquarters, to the Marketing and Technology Channel Management manager, who issues the final agency decision.

9.4.7 Suspension

The Business Mailer Support manager may suspend an authorization after determining that the presenter does not meet the standards in 9.4.

9.4.8 Cancellation

The Business Mailer Support manager may cancel an authorization for any of these reasons:

- a. The presenter consistently provides incorrect information and is unwilling or unable to correct the problem.
- b. The presenter continually fails to meet the standards in 9.4.
- c. No mailings are made under these procedures during any 12 consecutive months.

9.4.9 Appeal of Cancellation or Suspension

A cancellation or suspension takes effect 15 days from the presenter's receipt of the notice unless, during that time, the presenter files a written appeal with the Business Mailer Support manager, USPS Headquarters, stating why the authorization should not be canceled or suspended. If the manager upholds the action, the appeal is forwarded to the Marketing and Technology Channel Management manager, USPS Headquarters, who issues the final agency decision. A final cancellation takes effect 15 days after receipt by the presenter.

9.4.10 Form 8096 Required

An original PS Form 8096 must be completed and signed by each of the presenter's customers whose metered pieces are eligible for a VAR. The original PS Forms 8096 and a list of customers presenting a PS Form 8096 must be on file with the postmaster where the mailings are deposited for acceptance and payment. If postage is affixed to the pieces using a postage evidencing system by an intermediate agent (not the presenter of the mailing) for the owner of the pieces, a signed Form 8096 must be on file from the agent whose postage evidencing systems were used to affix the postage. Refund requests are denied if all required Forms 8096 are not provided.

9.4.11 Form 8096 Not Required

Form 8096 is not required for a customer whose mail is metered by the presenter with the presenter's own postage evidencing system. In such cases, the presenter must provide the Post Office where it submits refund requests with a list, in ascending numeric order, of its own postage evidencing system serial numbers and those of any intermediate agent used for affixing postage to the pieces included in the mailing.

9.4.12 First-Class Mail

If a VAR request is submitted when a First-Class Mail mailing is presented to the USPS, each piece in the mailing must be:

- a. Letter-size and weigh less than the applicable maximum weight for automation price mail as required in 201.3.4.
- b. Part of an automation price mailing prepared by the presenter.
- c. Metered by the presenter or the presenter's customer at the Presorted First-Class Mail or automation prices applicable to a piece of that weight, including the full postage for the second and third ounces, if applicable.

9.4.13 USPS Marketing Mail

If a VAR request is submitted when a USPS Marketing Mail mailing is presented to the USPS, each piece in the mailing must be:

- a. Letter-size and weigh less than the applicable maximum weight for automation price mail as required in 201.3.5.
- b. Part of an automation price mailing prepared by the presenter.

- c. Metered by the presenter or the presenter's customer at a nonautomation price or at any automation minimum per piece price. Pieces for each entry must be prepared as a separate mailing if the destination entry prices are claimed.

9.4.14 Criteria for Mailing

A mailing for which a VAR request is submitted must meet these criteria:

- a. The presenter must process the mail for each customer so that the price of postage affixed on each piece can be documented by customer, unless otherwise authorized by Business Mailer Support, USPS Headquarters, and price category.
- b. Documentation must be kept showing internal quality control procedures done for each mailing submitted for which a VAR is claimed.
- c. Mail must be prepared by the standards corresponding to the First-Class Mail or USPS Marketing Mail price claimed.
- d. The presenter must be authorized by Business Mailer Support to submit USPS Marketing Mail mailings that contain both Regular and Nonprofit price pieces under the applicable standards.
- e. Each piece in the mailing for which barcodes are applied by an MLOCR must bear an automation marking that also describes the method of postage payment and the price of postage affixed for metered and precanceled stamp mail or other postage information for permit imprint mail as described in 705.5.0.
- f. Each mailing refund request must be for at least \$50 in postage. Customers may not combine multiple postage statements on a single Form 3533 to reach the \$50 minimum threshold.

9.4.15 Postage Statement

The presenter must provide a complete and accurate postage statement with each mailing annotated to show the presort option used to prepare that mailing, and reporting postage data based on the price category for which each piece qualifies when presented to the USPS.

9.4.16 Applying for Refund

To request a VAR, Form 3533 and supporting documentation as described below must be provided with the corresponding mailing at the time of mailing. After the time of mailing, refund applications are not considered. The entry office postmaster pays refunds weekly or on another schedule agreed to with the mailer.

9.4.17 Documentation for Mailing

Mailers are required to submit or generate the following reports:

- a. Each mailing must be accompanied by all of the following documentation to enable the VAR request and the specific and efficient USPS verification of that request:
 1. Form 3533, if a net VAR refund is due.
 2. The applicable postage statement.
 3. The USPS qualification report in standardized format detailing by ZIP Code the number of pieces qualifying for each price by presort level. If plant-verified drop shipment (PVDS) is used for USPS Marketing Mail, a separate USPS qualification report must be generated for each entry destination.
 4. The USPS Summary ZIP Destination report in one of two standardized formats that lists by tray destination and price category: each mail category, postage payment type, weight and price affixed (report all postage affixed First-Class Mail pieces as weighing one ounce); number of pieces; dollar amount of postage affixed to those pieces; cumulative postage affixed; total postage; net postage due; cumulative postage due; and a running total of the number of pieces. If plant-verified drop shipment (PVDS) is used for USPS Marketing Mail, a separate USPS Summary ZIP Destination report must be generated for each entry destination. This report is not required if there is only one metered price in the mailing. Business Mailer Support, USPS Headquarters, may authorize submission of only portions of this report.
 5. The USPS Postage Summary in a standardized format. This report shows, by type of payment method, the total postage claimed for all pieces in the mailing by price level and the total postage affixed by price level. It also shows a grand total summary of postage affixed, postage claimed, and total postage due. If plant-verified drop shipment (PVDS) is used for USPS Marketing Mail, a separate USPS Postage Summary report must be generated for each entry destination.
 6. Other documentation that may be required by other standards for the price claimed.
- b. The USPS Customer Mail Report must be generated for each mailing, but is required to be submitted to the USPS only when requested by USPS personnel for the resolution of errors (shortpaid and potential MLOCR profiling) detected in a specific mailing. The Customer Mail Report must list each customer by name and provide the following information about their mail: price affixed, mail category including postage payment type, weight, total postage, postage affixed, number of pieces, cumulative number of pieces, number of pieces rejected, and total pieces fed.

9.5 Priority Mail Express Postage and Fees Refunds

9.5.1 Priority Mail Express 1-Day and 2-Day Delivery

[9-11-17] For Priority Mail Express 1-Day and 2-Day Delivery, the USPS refunds the postage and Sunday or holiday premium fee and/or the 10:30 a.m. delivery fee for an item not delivered, for an item for which delivery was not attempted, or if the item was not made available for claim by the delivery date and time specified at the time of mailing, subject to the standards for this service, unless the delay was caused by one of the situations in 9.5.5.

9.5.2 Priority Mail Express Military Service (PMEMS)

For PMEMS, the USPS refunds postage for an item not available for customer pickup at the APO/FPO or DPO address or for which delivery to the addressee was not attempted domestically within the times specified by the standards for this service, unless the item was delayed by Customs; the item was destined for an APO/FPO or DPO that was closed on the intended day of delivery (delivery is attempted the next business day); or the delay was caused by one of the situations in 9.5.5.

9.5.3 Who May Apply

A claim for a refund for Priority Mail Express postage may be made only by the mailer (the sender of a Priority Mail Express item or the holder of the USPS Corporate Account used to pay for postage).

9.5.4 Conditions for Refund

A postage refund request, as allowed under 9.0, must be made within 30 days after the date of mailing.

9.5.5 Refunds Not Given

A postage refund will not be given if the guaranteed service was not provided due to any of the following circumstances:

- a. The item was properly detained for law enforcement purposes (see Administrative Support Manual 274).
- b. The item was delayed due to strike or work stoppage.
- c. The item was delayed because of an incorrect ZIP Code or address; or forwarding or return service was provided after the item was made available for claim.
- d. The shipment is available for delivery, but the addressee made a written request that the shipment be held for delayed delivery.
- e. The shipment is undeliverable as addressed.
- f. If authorized by USPS Headquarters, and the delay was caused by governmental action beyond the control of USPS or air carriers; war, insurrection, or civil disturbance; delay or cancellation of flights; projected or scheduled transportation delays; breakdown of a substantial portion of USPS transportation network resulting from events or factors outside the control of USPS; or acts of God.
- g. The shipment contained live animals and was delivered or delivery was attempted within 3 days of the date of mailing.
- h. The Priority Mail Express 1-Day shipment was mailed December 22 through December 25 and was delivered or delivery was attempted within 2 business days of the date of mailing.
- i. The postage refund was other than for loss, and the Priority Mail Express piece was destined to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Republic of the Marshall Islands, or the Federated States of Micronesia (see 608.2.4.1 for ZIP Codes).

9.5.6 How to Apply for a Refund

[10-2-17] A mailer may apply for a refund online at usps.com/help (*preferred*) under 9.2.5a, or must complete Part I of Form 3533 in duplicate and submit it, along with the original customer copy of Label 11, to any Post Office.

9.5.7 Refund Payment

- a. [10-2-17] *Online*: Refunds are paid by check or as a credit to an account (e.g., USPS Corporate Account, a federal government agency account, etc.).
- b. *Form 3533*:
 1. **Immediate Refund**: If the USPS can determine immediately that the mailer is entitled to a refund and the Priority Mail Express item had postage affixed, then the USPS refunds the postage immediately in cash or with a no-fee money order for refund amounts up to \$1,000.
 2. **Deferred Refund**: If the USPS cannot determine immediately that the mailer is entitled to a refund, then the USPS researches the application and, if appropriate, issues a refund by check or as a credit to an account (e.g., USPS Corporate Account, a federal government agency account, etc.) to the mailer within 5 business days.

10.0 Revenue Deficiency

10.1 General

10.1.1 Definition of Revenue Deficiency

Revenue deficiency means a shortage or underpayment of postage or fees. Revenue deficiencies are generally assessed by the postmaster; manager, Business Mail Entry; or the manager, Revenue Assessment and Control, who issues a written notification to the customer citing the amount of the deficiency and the circumstances.

10.1.2 Appeal of Ruling

Except as provided in 4.4.4 through 4.4.5, 10.2, and 703.1.0, a mailer may appeal a revenue deficiency assessment by sending a written appeal to the postmaster or manager in 10.1.2a through 10.1.2c within 30 days of receipt of the notification. In all cases, the mailer may be asked to give more information or documentation to support the appeal. Failure to do so within 30 days of the request is grounds for denying an appeal. Any decision that is not appealed as prescribed becomes the final agency decision. Mailers may send appeals as follows:

- a. To the district manager, Finance, for revenue deficiencies for fees. The district manager, Finance, issues the final USPS decision.
- b. To the postmaster, manager, Business Mail Entry, or manager, Revenue Assessment and Control for revenue deficiencies for postage. The postmaster; manager, Business Mail Entry; or manager, Revenue Assessment and Control forwards the appeal to the PCSC manager, who issues the final agency decision.
- c. To the manager, Product Classification (see 608.8.0 for address), if the PCSC manager first assessed the deficiency. The manager, Product Classification issues the final agency decision.

10.2 Nonprofit USPS Marketing Mail

10.2.1 Assessment and Appeal

A revenue deficiency may be assessed in the amount of the unpaid postage against any person or organization that mailed, or caused to be mailed, ineligible matter at the Nonprofit USPS Marketing Mail prices in violation of 703.1.0. Nonprofit mailers have two levels of appeal. They may appeal revenue deficiency assessments as follows:

IF THE INITIAL REVENUE DEFICIENCY ASSESSMENT
WAS MADE BY:

Postmaster; manager, Business Mail Entry; or manager, Revenue
Assessment and Control

FIRST-LEVEL APPEAL

PCSC

SECOND-LEVEL APPEAL
AND FINAL USPS DECISION

Manager, Product Classification

PCSC
Manager, Product
Classification
(see 608.8.0 for address)

Vice President, Pricing and Classification (see
608.8.0
for address)

All appeals must be submitted in writing within 30 days of the previous USPS decision. Any decision that is not appealed as prescribed becomes the final agency decision; no appeals are available within the USPS beyond the second appeal.

10.2.2 Collection

Any deficiency assessed under 10.2.1 that is found to be due and payable to the USPS in the final USPS decision must be paid promptly. If the USPS does not receive payment within 30 days, the USPS may deduct from the violator's trust account or any other funds in USPS possession any deficiencies incurred within 12 months of the date of the final mailing on which the deficiency was assessed.

11.0 Postage Due Weight Averaging Program

11.1 Basic Information

11.1.1 Description

The Postage Due Weight Averaging (PDWA) program is a comprehensive, statistically valid program to calculate postage due returns in bulk, rather than rating each individual piece. This program, subject to application, approval, and authorization, is available for customers who receive a minimum of 50,000 combined postage due parcels and flats, Merchandise Return Service (MRS) pieces, or Bulk Parcel Return Service (BPRS) pieces. The PDWA program applies a postage due cost factor, generated through a 4-week rolling average sampling period, to assess postage and fees based upon the net weight of each container. A new postage due cost factor is calculated and applied weekly, based on the previous 4 weeks of sampling data. The 4-week rolling average is not applicable if a new PDWA system is implemented or if there is a postage price change. When these circumstances occur, the new postage due cost factor is determined through the sampling in the first week. That new postage due cost factor is then applied in the first 2 weeks. After the fourth week of sampling, the postage due cost factor is a complete 4-week rolling average. PDWA is designed to significantly reduce processing time and provide for shorter verification time for customers.

11.1.2 General Qualification

A PDWA program may be authorized for applicants who receive a minimum of 50,000 combined returns per year. Returns can include all classes of mail where postage due fees are assessed, including MRS and BPRS return pieces. Only parcels and flats may be processed through the PDWA program. See 11.2 for application process.

11.1.3 Quality Control

[1-22-17] PDWA customers may elect to establish a quality control program to ensure that all missorted and accountable mail (including Certified Mail, return receipt for merchandise, USPS Tracking, Adult Signature, and Signature Confirmation) is identified and returned to the servicing Post Office prior to being opened. If the customer elects to not implement a quality control program, the customer must assume all responsibility for claims filed by clients who returned their product to them via accountable mail. The program must include:

- a. Training all employees who process returns on how to identify accountable items.
- b. Permanently displaying examples of accountable return items in full view of employees responsible for the identification of accountable returns.
- c. Instructional material pertaining to identifying accountable returns.
- d. The random selection and tracking of individual sample pieces within the customer's operational process to assure that they are identified.

11.2 Authorization

11.2.1 Application

The customer or agent must submit a PDWA application to the postmaster of the office through which delivery service is provided. The customer must provide information including current permits, authorizations, and average volume figures. The postmaster will provide input regarding staffing, hours of operation, standard operating procedures, and recommendations or comments for approval.

11.2.2 Approval

The Business Mailer Support manager, USPS Headquarters, approves or denies applications for PDWA systems. Approved mailers are provided an authorization letter (or previously-approved service agreement) specifying, among other things, the customer's quality control procedures and procedures for handling missorted and accountable mail.

11.2.3 Denial

If the PDWA application is not approved, the Business Mailer Support manager will send a written notice to the applicant with the reason for denial.

11.2.4 Authorization Period

Authorization remains in effect until the Business Mailer Support manager or the customer cancels the agreement. If Postal Service periodic reviews or customer-supplied information indicates a need for modification, then the authorization or service agreement will be amended with concurrence of the Business Mailer Support manager and the customer.

11.2.5 USPS Suspension

The Business Mailer Support manager may suspend a PDWA at any time if the authorization or service agreement does not provide adequate revenue protection, or the customer (or agent) fails to meet the criteria established by the agreement.

11.2.6 Mailer Cancellation

The customer may cancel a PDWA authorization (or service agreement) by writing to the Business Mailer Support manager (see DMM 608.8.0 for address).

12.0 Scan Based Payment

12.1 Basic Information

12.1.1 Description

The scan based payment (SBP) program is designed to calculate postage based on sampling, rather than weighing and rating each individual piece. Participation in this program, subject to application and authorization, is available for customers who receive a minimum of 10,000 combined SBP parcel returns to one or more locations. Prices are calculated as follows:

- a. Applicants are provided with an initial agreed-upon uniform price per mailpiece, from the published price schedules, through an initial USPS/mailer agreement.
- b. Mailpieces are identified by the presence of one or more USPS scan events.
- c. Program volume is sampled for each participant and an adjusted average uniform price, from the published price schedules, is developed through revolving 4-week sampling periods. During these sampling periods, postage and fees are assessed based upon the weight and zone of sampled pieces.
- d. The participant's initial uniform price, from the published price schedules, is adjusted in accordance with the result of the sampling.
- e. A new SBP value is calculated and applied monthly, based on the previous 4 weeks of sampling data. The adjusted uniform price, from the published price schedules, will become effective on the 11th of each month.
- f. If there is a general change in the published price schedules, prices under this program will automatically adjust to reflect the new prices.

12.1.2 Eligibility

SBP participation may be authorized for applicants who receive a minimum of 10,000 combined qualifying returns per year to one or more locations. Returns include Ground Return Service, First-Class Package Return Service, Priority Mail Return Service, and Parcel Return Service shipments. Only parcels and flat rate parcels and flats may be processed through the SBP program. Participants must pay for postage through a Centralized Account Processing System (CAPS) debit account.

12.2 Authorization

12.2.1 Application

Application for this program is available through the Business Customer Gateway via the USPS.com website.

12.2.2 Authorization Period

Authorization remains in effect until the USPS or the customer cancels the agreement. The authorization or agreement may be modified with concurrence by USPS and the mailer.

12.2.3 USPS Suspension

The USPS may suspend an SBP authorization at any time, pending investigation, if the authorization does not provide adequate revenue protection, or the customer (or agent) fails to meet the criteria established by the authorization. The decision to suspend the authorization may be appealed to the vice president, Mail Entry and Payment Technology, within 15 days of the receipt of the notice, by submitting a written appeal with explanation.

12.2.4 Mailer Cancellation

The customer may cancel an SBP authorization by writing to the manager, Business Mailer Support (see 608.8.1). Customers are responsible for payment on all outstanding packages even after cancellation of the SBP agreement.

12.3 Price Adjustment

Each price change will take effect on the 11th of the month. Following a price adjustment, the customer will have ten days to dispute the change in writing to the manager, Business Mailer Support.

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