

PRESORT 101

USING THIS COURSE

Here are some tips on using this site to get the most from the course. Roll over each item to see an example.

- **Links** - There are two kinds of links in this course, external hyperlinks that lead to additional resources and terms which are underlined. When you click or rollover the link additional information resources are available. Some links require internet access.
- **Navigation** - Click on the page corners to navigate one page at a time. You may go forward or back.
- **Home** button - Located bottom center of each page, this button directs you to the interactive Table of Contents page.
- **Objectives** - Defines the specific knowledge you will gain as a result of this training.
- **Terms** - Explains the meaning of a word, phrase, methodology or additional information that applies to a processes applicable for the user.
- **More Information** - An information icon will be located on the lower right corner of the page. This displays additional information about the topic. Roll over the icon to see more.

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GETTING STARTED

Presort 101 is comprised of three units:

1. Important postal history as it relates to the presort industry
2. Key postal terms and presort practices
3. High level overview of the presort process for Pitney Bowes Presort Services.

POSTAL HISTORY OBJECTIVES

- The participant will be able to identify key terms like ZIP Code, barcode, automation and USPS.
- The participant will be able to identify the important USPS dates related to presorting mail.



AGE OF AUTOMATION

At one time the United States Postal Service (USPS) sorted all mail that it received by hand. By the early 1960s mail volumes were booming and business mail made up eighty percent of the USPS total mail volume. With so much growth, it was obvious that the USPS needed a more efficient solution for sorting the mail.



HISTORY - DATES

Important information:

1963

1965

1976

1982

1983

1990

1991

2005

2006

2013

2014

Roll over the date for more information

MAIL AUTOMATION

Mail automation is a process using mail sorters, cameras, barcode readers and other necessary equipment to eliminate as much manual labor as possible to sort mailpieces. By automating mail sortation, the USPS is able to deliver mail faster and more reliably.



ADDRESS STANDARDIZATION

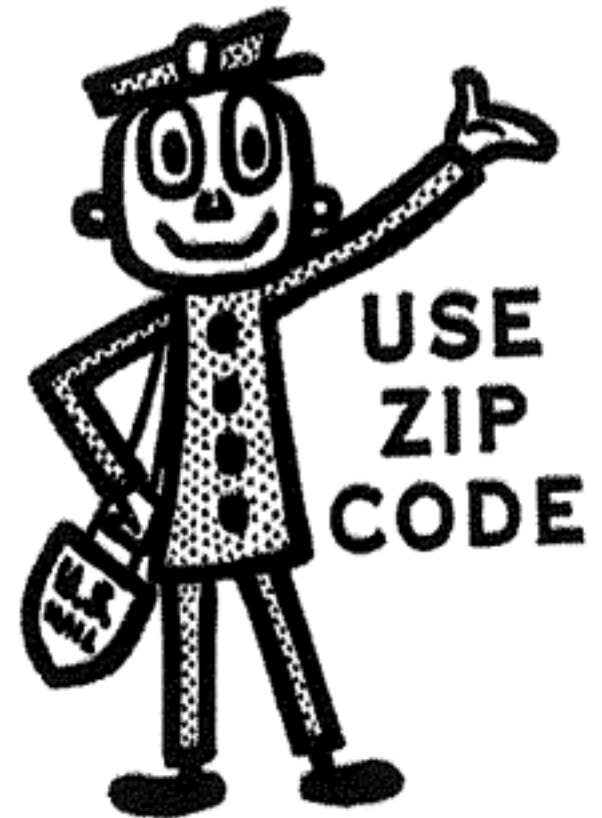
USPS [address standardization](#) and address quality standards enhance the processing and delivery of mail, reduce undeliverable mail, and provide mutual cost reduction opportunities through improved efficiency. Standardization is the key to: mail automation compatibility, ZIP+4, [delivery point barcode](#) accuracy, presort accuracy, carrier route coding, postage payment accuracy and processing of non-barcode mailpieces. Without addressing standards, the process would not be as efficient.



ZIP CODES

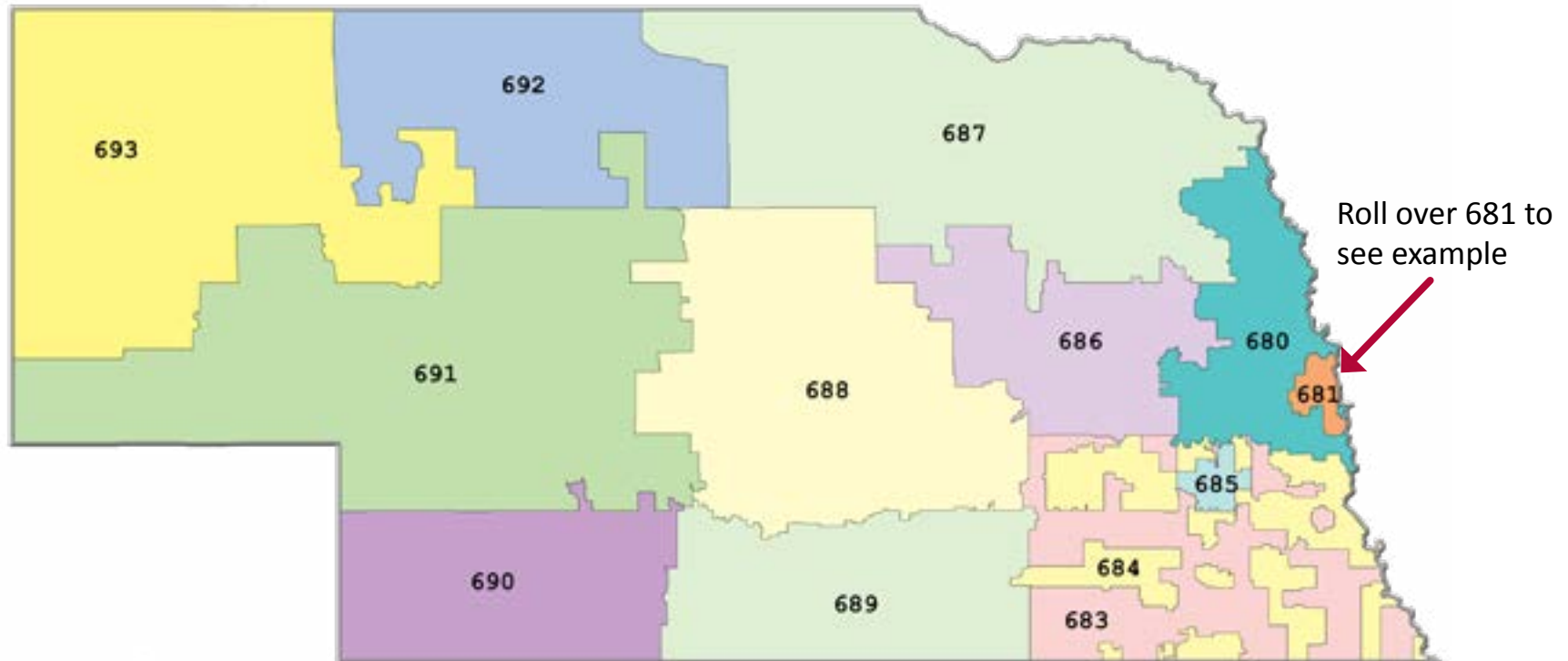
The Zoning Improvement Plan (ZIP) Code was launched by the United States Postal Service (USPS) in 1963 to better handle increasing volumes of mail. The basic format consists of 5 numeric digits.

20081
ZIP Code



ZIP CODES - 3/5 DIGIT

ZIP Codes strategically divide the country into hundreds of 3-digit ZIP Code areas and thousands of 5-digit ZIP Code zones. These new geographical divisions greatly increased the efficiency of mail sortation and delivery.



ZIP+4

In 1983 the USPS began using the expanded ZIP+4 coding system. A ZIP+4 code uses the basic five-digit code plus four additional digits to identify a geographic segment within the five-digit delivery area like a city block, a group of apartments or an individual high-volume receiver.

681 27-1129

681 27 - 1129

SFC Post Office Specific geographic location

DELIVERY POINT

To take letter mail processing to the next level (sorting it automatically to the customer level) the Postal Service lengthened the nine-digit ZIP+4 code by two digits in 1990. These additional digits represent specific addresses, called “delivery points.”

Barcodes representing these delivery points enable USPS equipment to sort letters into trays in delivery order.



The actual delivery point is the last two numbers of a residential address, a P.O. Box, rural route, or highway contract route.

BARCODES

The ZIP Code system improved the mail sorting process, but rapid mail volume growth made it necessary to find a less expensive and more efficient sorting process. With the success of barcodes in other industries, the USPS adopted barcode technology.

Can you... guess the name of the initial barcode technology used by the USPS by clicking the correct answer?

Intelligent Mail
POSTNET
UPC

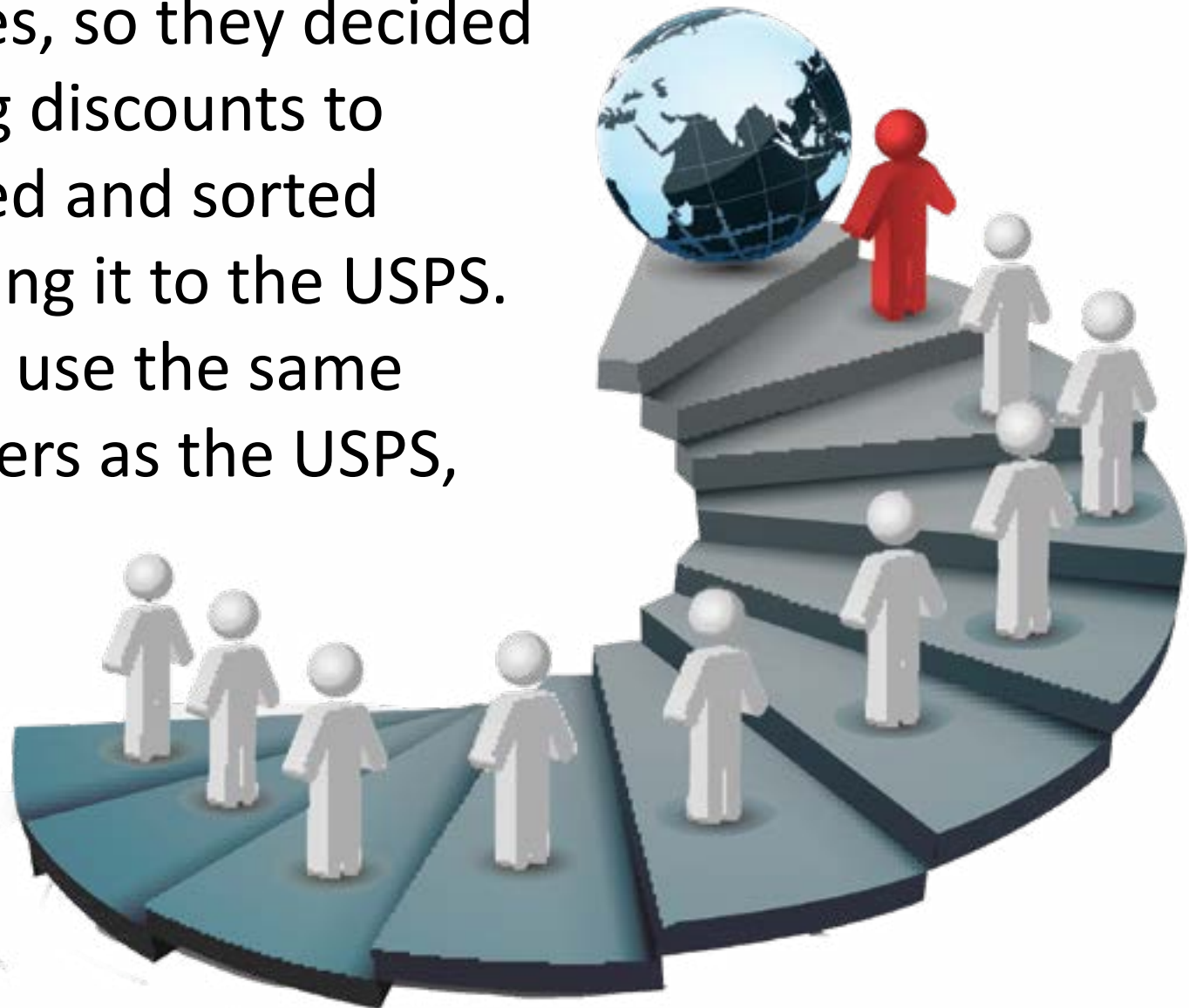
OPTICAL CHARACTER READER

In 1982, the USPS deployed its first computer-driven, single-line optical character reader (OCR) in Los Angeles. The OCR “read” the ZIP Codes on envelopes and converted them into barcodes, which were printed on the envelopes and then used for sorting at destination Post Offices by barcode sorters.



WORK-SHARE

The USPS realized it may not be able to keep up with the growing mail volumes, so they decided to offer work-sharing discounts to mailers who barcoded and sorted their mail before giving it to the USPS. These mailers would use the same automated mail sorters as the USPS, thereby saving the USPS time and labor. Thus, the presort industry was born.



MAILERS

Mailers work with the USPS using automated equipment, including multi-line optical character readers (MLOCRs), to sort customers' mailpieces to the finest sortation level possible for presentation to the USPS. If the mail is processed correctly, a postage reduction is offered to mailers who pre-barcode their mailpieces and meet addressing, readability, and other requirements for processing on automated equipment.

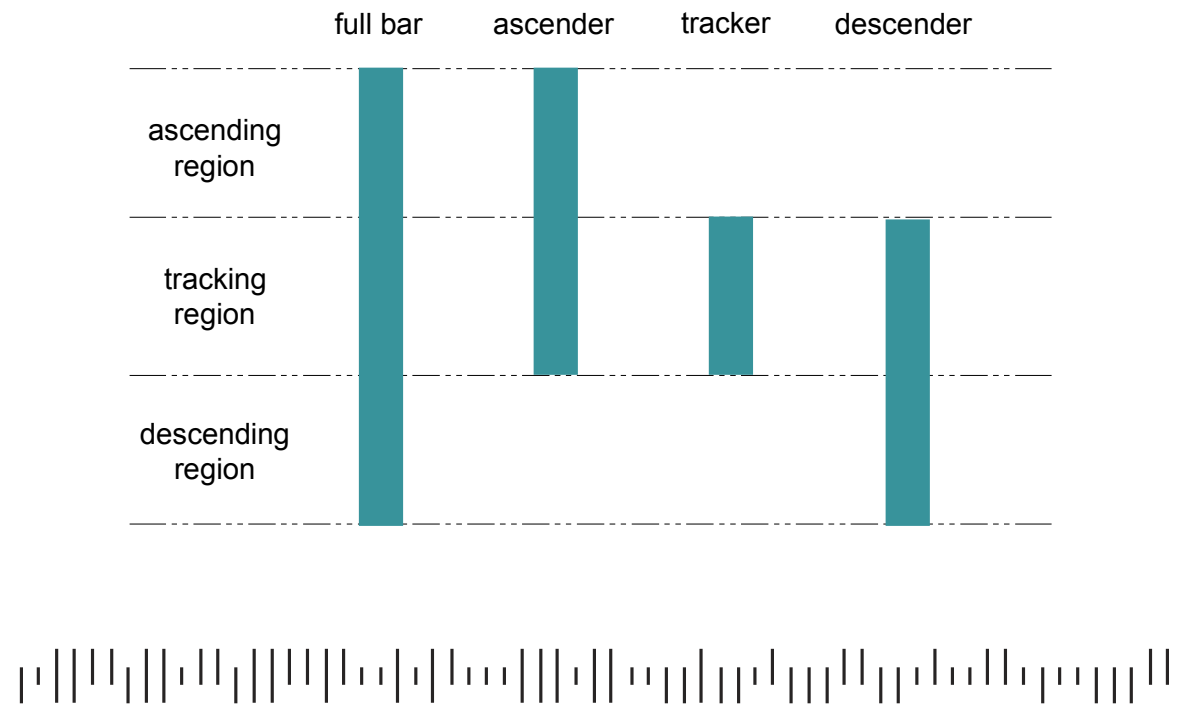


CHANGES

Because work-sharing and presorting postage for discounts is a relatively young concept, the USPS and the mailing industry have rapidly continued to change. Processing equipment is faster and more accurate. In order to capture more information, there needed to be a better way of encoding information in a barcode. The Intelligent Mail barcode was developed by the USPS to capture this information while minimizing space on the mailpiece.

INTELLIGENT MAIL BARCODES

Recently, the USPS introduced a more advanced barcode, known as the Intelligent Mail barcode (IMb). The Intelligent Mail barcode is used by Presort Services and the USPS to automate the sortation process for letters and flats.

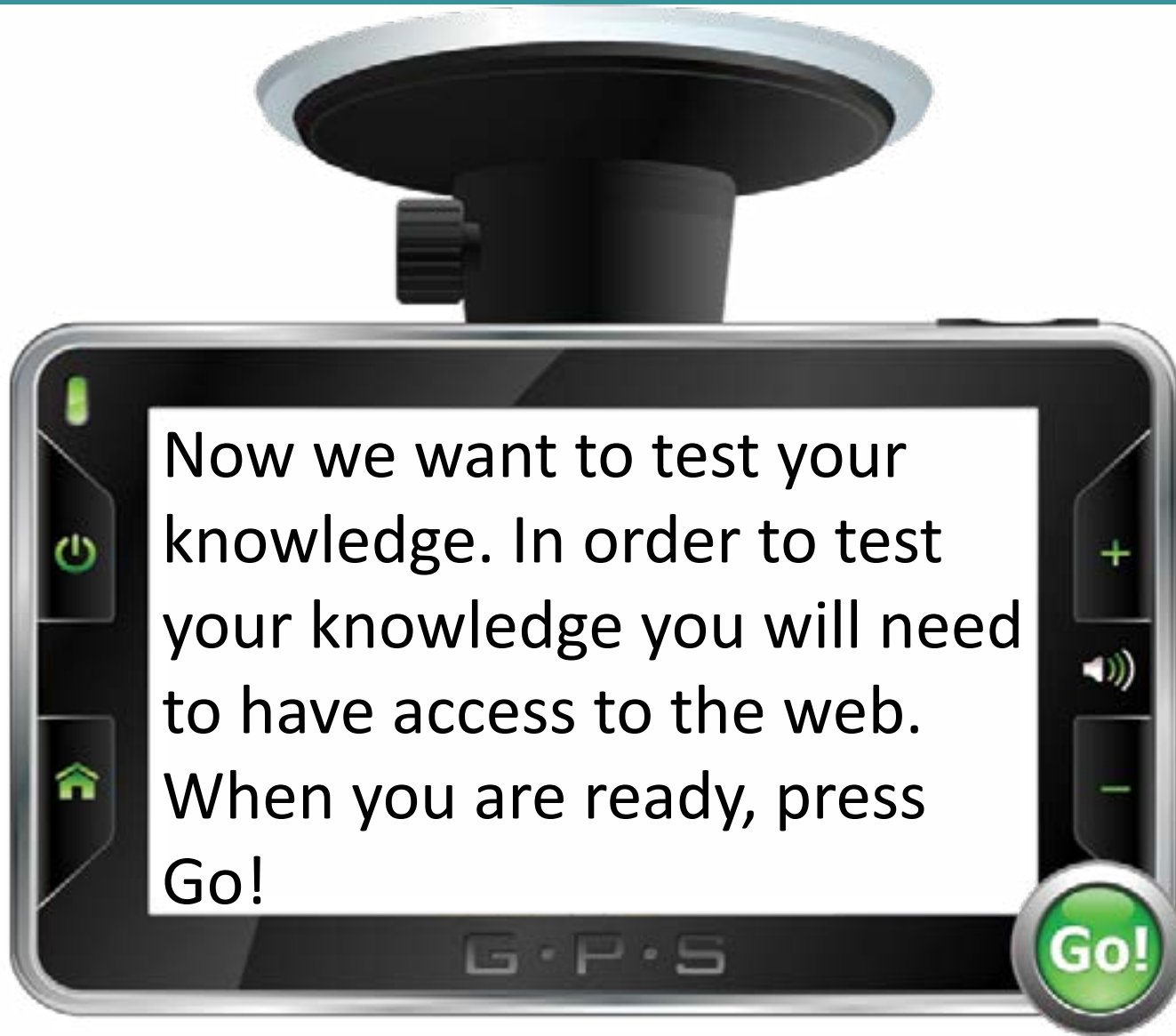


WHAT IT MEANS

Our partnership with our customers and the USPS allow both to benefit. The customer saves money with postal discounts and the USPS benefits by having to do less work.



KNOWLEDGE CHECK



MAIL 101 OBJECTIVES

- The participant will be able to identify the difference between letters, postcards and flat mailpieces.
- The participant will be able to identify delivery types and postage payments.

RULES AND REGULATIONS

The USPS is responsible for determining the rules and regulations for business mailers like Presort Services. There are several resources that provide a basic understanding of mail and USPS procedures for the Presort Industry.

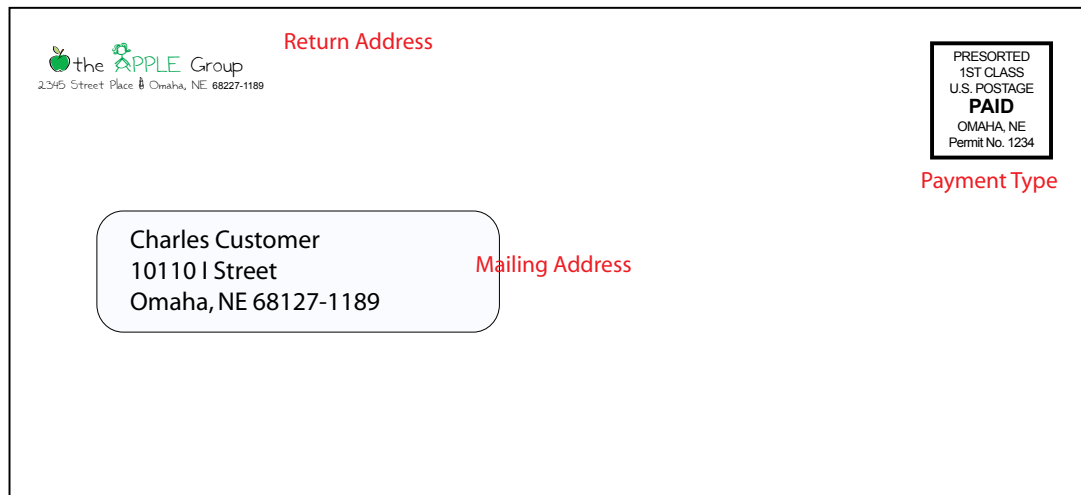


PRE-AUTOMATION

Before processing the mail, the customer typically includes the following on every mailpiece:

- Return Address
- Mailing Address
- Payment Type

For more information roll over the term.



MAIL CATEGORIES

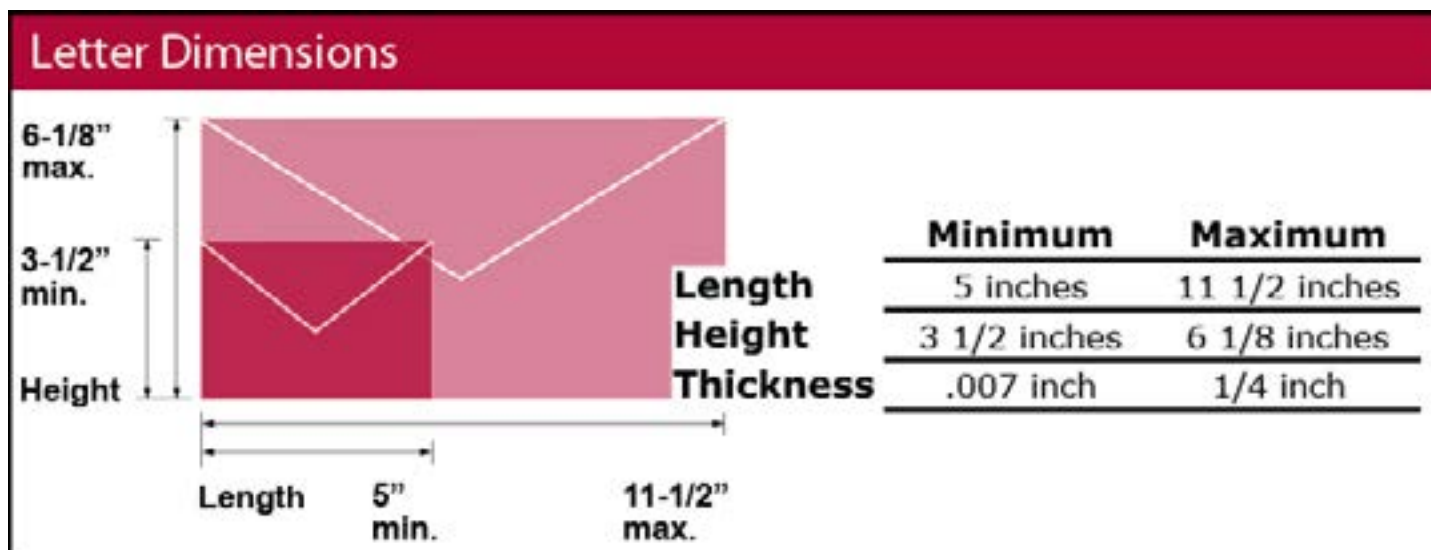
Mail is grouped into several categories based on the dimensions of the mailpieces. The categories are:

- Letters
- Flats
- Postcards



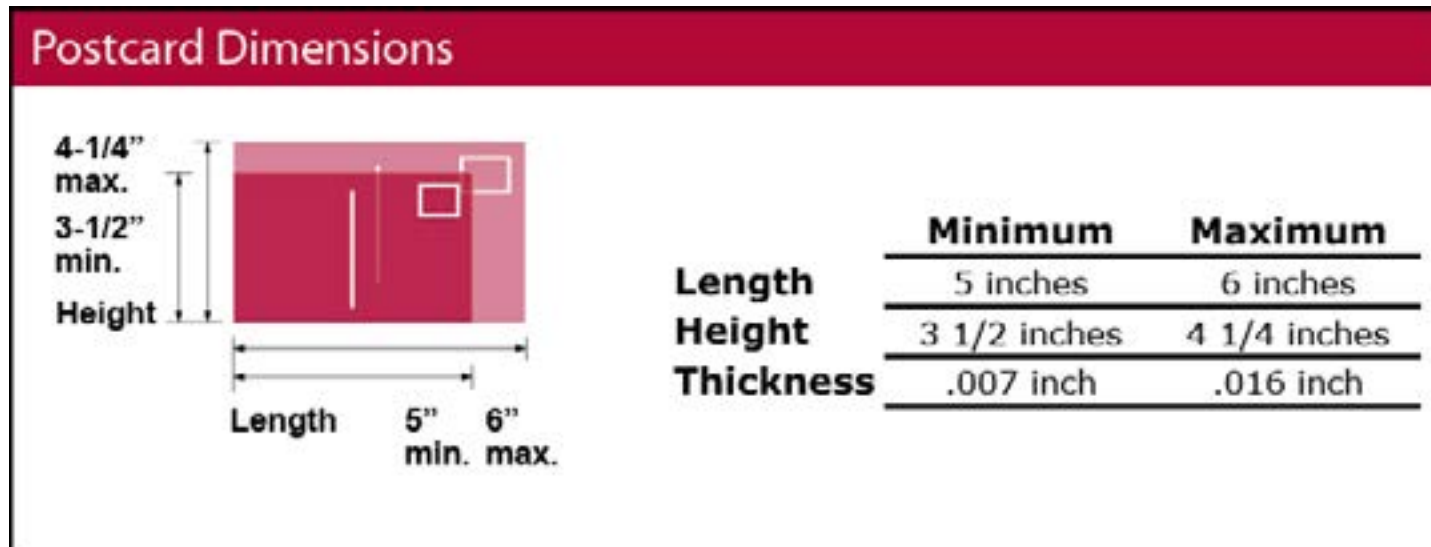
LETTERS

- Letters are the largest mail category, in terms of volume, for both the USPS and Presort Services.
- Letter-size mailpieces are often easier to automate than any other mail category.
- Presort Services' core business is automated sorting, as a result, letters represent the majority of our business volume.



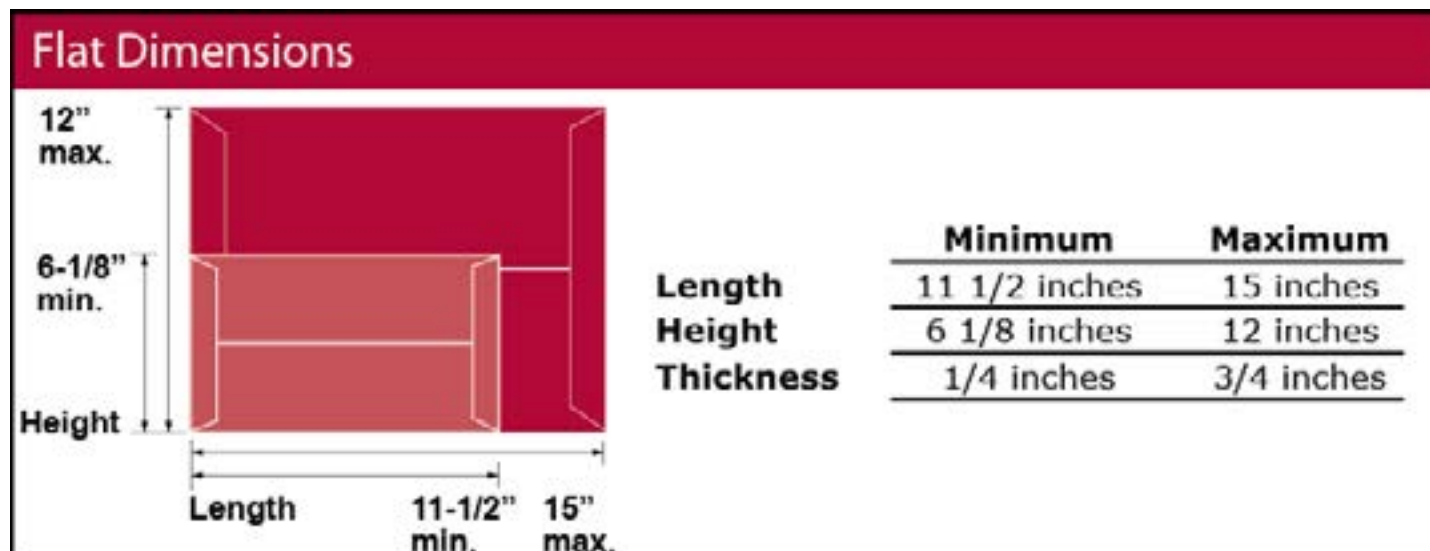
POSTCARDS

- Postcards are smaller than letters, and are generally composed of a single piece of thick paper (card stock).
- Postcards are processed on the same sorting equipment as letters, but because they are smaller and thinner than letters, postcards cannot be automated as efficiently as letters on most sorting machines.



FLATS

- Flat-size mailpieces are larger than letters and do not automate as efficiently as letters.
- Some Operating Centers have specially designed automated flat sorters, others sort flats by hand and some choose not to process flats at all.



MAIL CLASSES

Mail is also divided into different classes. These classes include: First-Class Mail, Standard Mail, Periodicals, Package Services, and Express Mail. Presort Services only handles First-Class and Standard Mail.

FIRST-CLASS MAIL

Any mailable matter may be sent First-Class. Some mailpieces such as bills or invoices, statements of account, credit cards, personal correspondence, or personalized business correspondence must be sent First-Class. First-Class Mail has two sub-categories: Automation and Full Rate.

To see a larger preview, click on the image. Rollover the envelop to see more information on First-Class Mail.

STANDARD MAIL

Standard Mail is the most economical class of mail offered by the USPS, however it may not be delivered as quickly as First-Class Mail because the postage is cheaper. Standard Mail does not normally have a date in the meter indicia. There are only certain mailpieces like newsletters, flyers, circulars, bulletins, catalogs, advertising, and small parcels which may be sent using Standard Mail rates. Standard Mail has two sub-categories: Regular and Non-Profit.

- Regular Standard Mail
- Non-profit Standard Mail

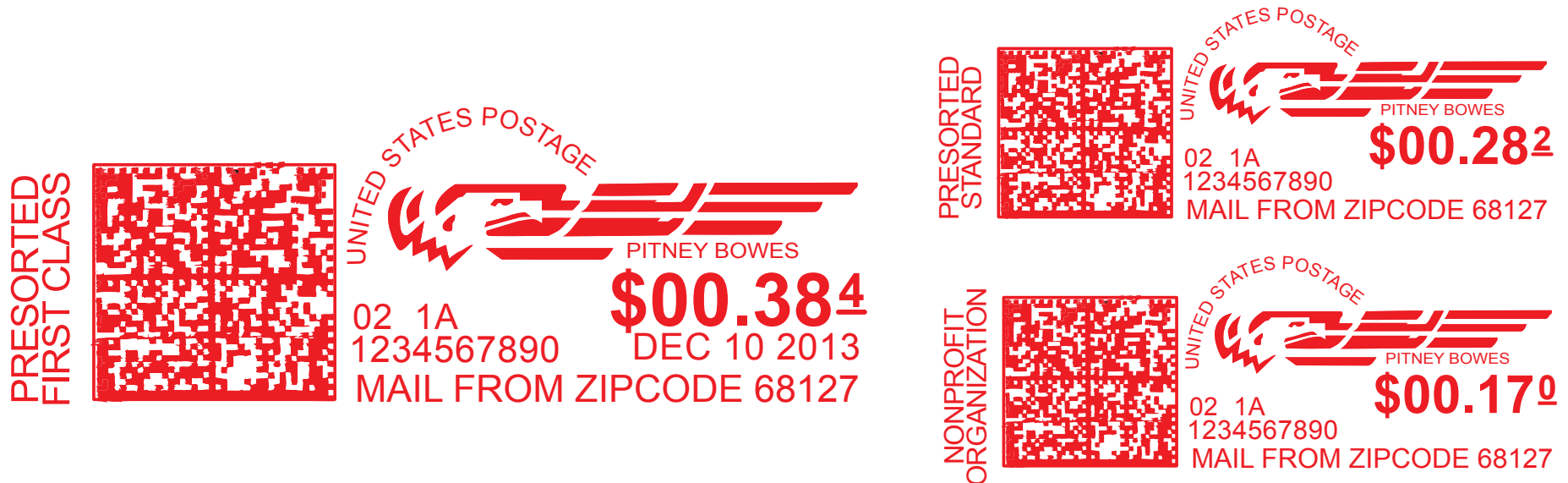
Rollover the term to see more information.

POSTAGE PAYMENT TYPES

Both First-Class Mail and Standard Mail must have a postage payment type applied in order to be accepted and delivered by the USPS. Postage payment types for First-Class and Standard Mail are metered, permit, and precanceled stamp.

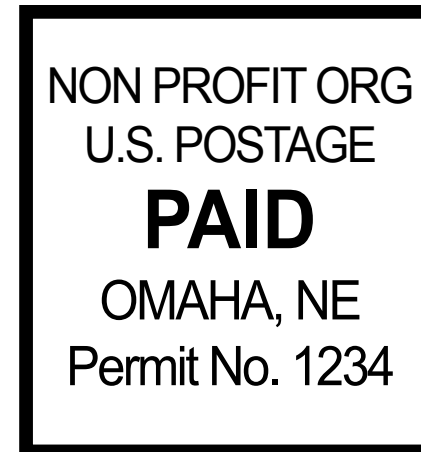
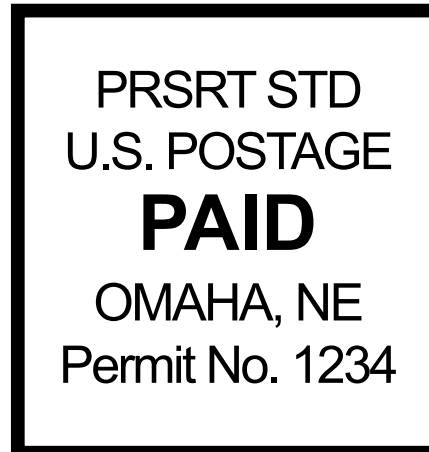
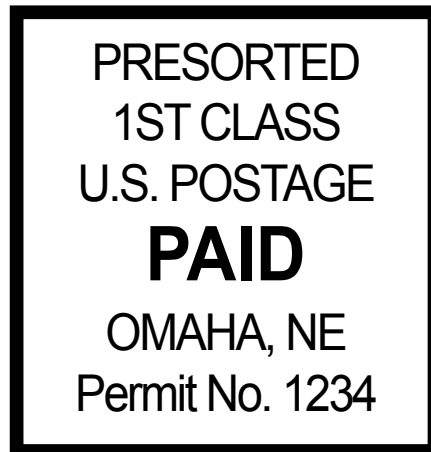
METERED

Metered mail has actual postage applied by a meter machine. The meter impression applied to the mailpiece represents actual money. Most of the metered mail that Presort Services processes comes in pre-metered by the customer, but Presort Services offers metering services to some customers.



PERMIT

Permit mail has a permit imprint applied to each mailpiece, but the imprint does not represent actual postage. The permit imprint identifies to the USPS who will pay for the mailpiece postage. Permit postage is deducted from a permit account when the USPS receives the mail.



PRECANCELED STAMP

Precanceled stamp mail has an actual adhesive stamp applied to it. There are four available denominations of precanceled stamps: (classes and categories) Presorted First-Class Mail, Presorted First-Class Cards (postcards), Regular Standard Mail, and Non-Profit Standard Mail.

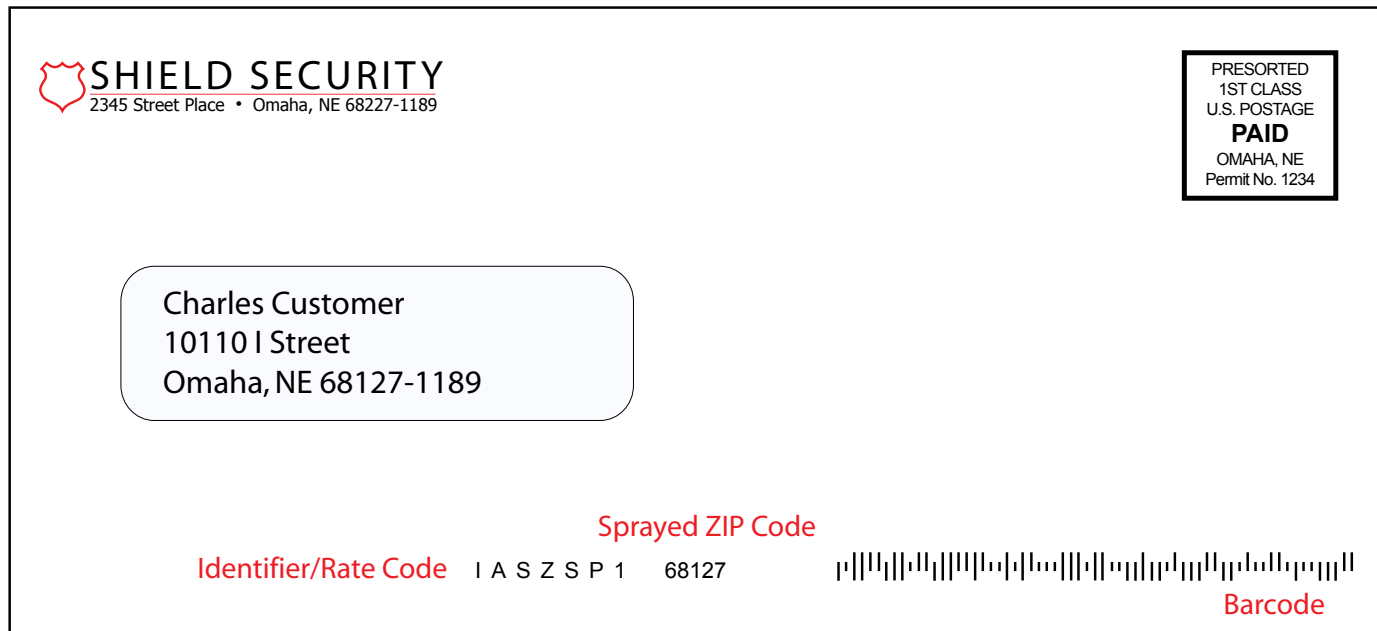


POST-AUTOMATION

The components of post-automation mail include:

- Identifier/Rate Code
- ZIP Code (sprayed)
- Address Correction
- Barcode

Roll over the term for more information.



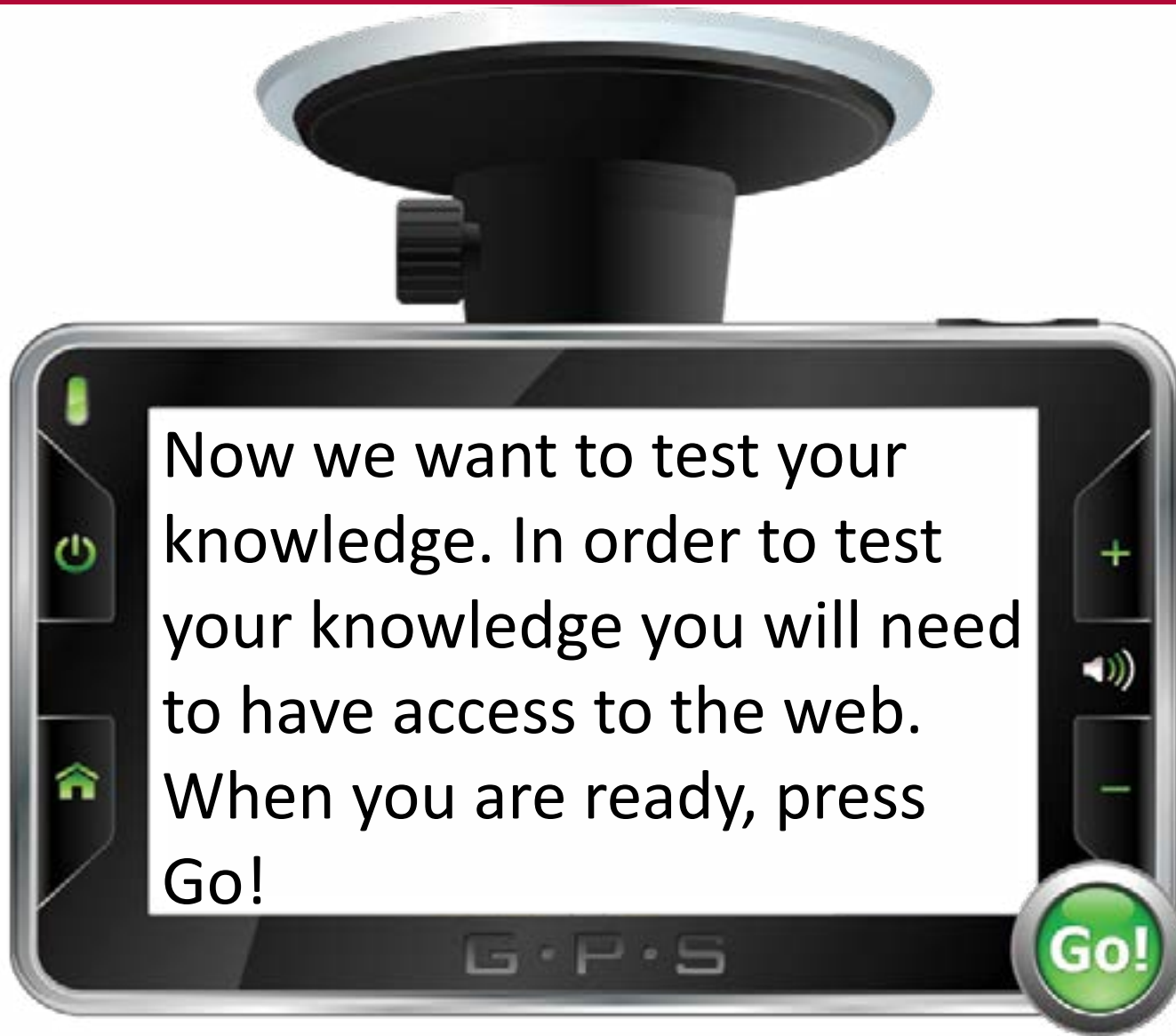
Address correction not displayed in the example.

MACHINABLE BARCODE

When this happens, the MLOCR is not able to achieve a delivery point lookup. However, if the MLOCR is at least able to capture the ZIP Code portion of the address, a machinable barcode can be sprayed on the mailpiece. It is important to note that a machinable and delivery point Intelligent Mail barcode look no different to the naked eye, but they contain much different information.

A machinable barcode is not as useful to the USPS as a delivery-point barcode; therefore, the postage discount for machinable mail is much less than automated mail. For this reason, we make every attempt to spray a delivery-point barcode on all mailpieces. In most cases the MLOCR should only be set up to spray machinable barcodes on the final reject pass.

KNOWLEDGE CHECK



PRESORTING OBJECTIVES

- The participant will be able to understand basic presorting practices.
- The participant will be able to identify the different stages of presorting.

PRESORT SERVICES

Presort Services is the leading outsource provider of mail presort services for automated First-Class and Standard Mail in the United States. Headquartered in Omaha, Nebraska, Presort Services is a national network of Operating Centers. Presort Services is part of Pitney Bowes Corporation (PBI), which is a multi-billion dollar global provider of integrated mail and document management solutions headquartered in Stamford, Connecticut. Presort Services handles over 14 billion pieces of First-Class and Standard Mail annually.



BUSINESS MODEL

Our business model is designed to provide maximum economic return to our customers while offering the highest level of quality and services available in the mailing industry.

Our business model is built on the foundation of a national network of mail presort Operating Centers.



MAILER PARTNERSHIP

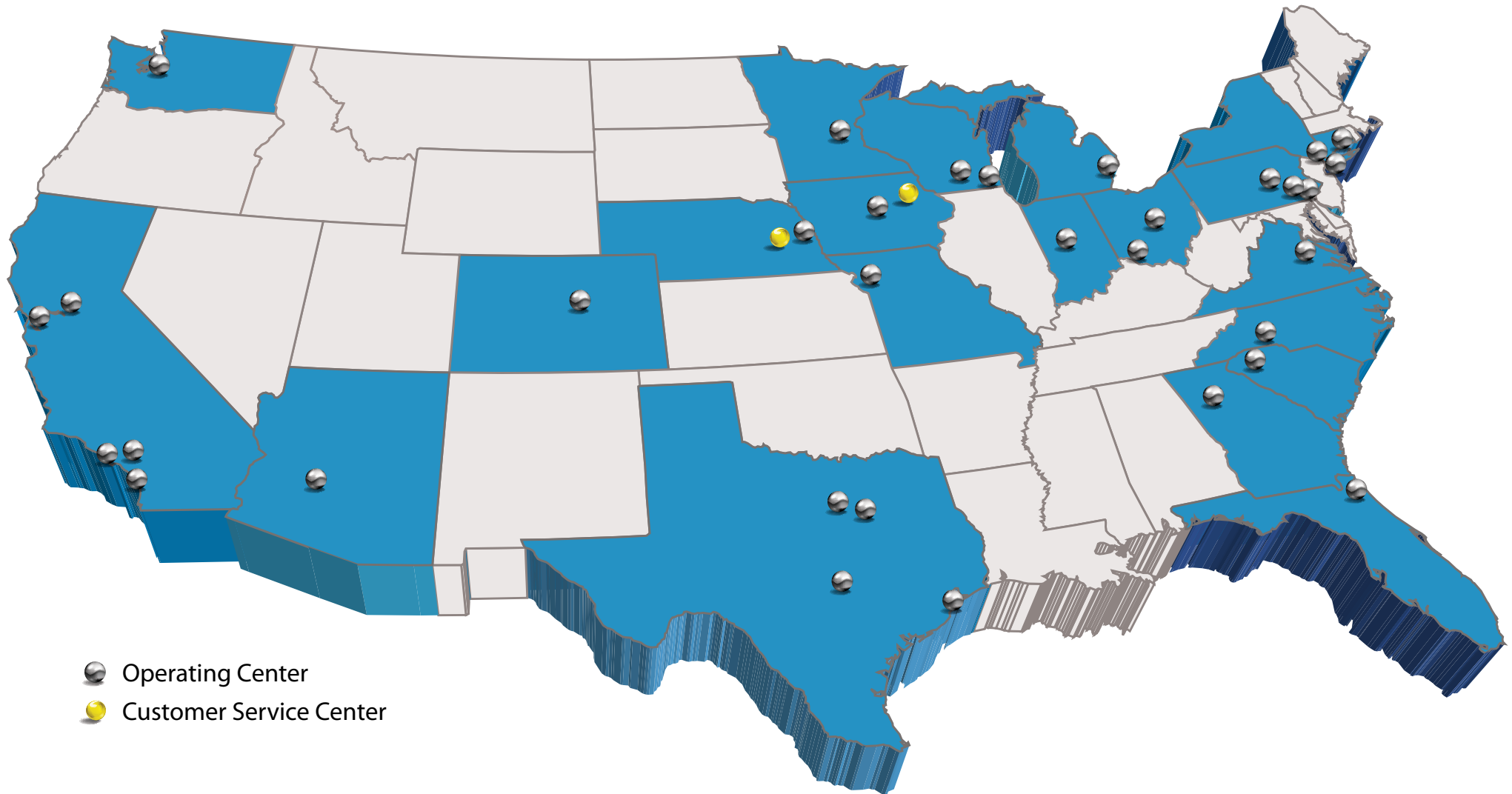
Business mailers send mailpieces to their customers, or other companies (First-Class or Standard Mail).

Presort Services forms the partnership between business mailers and the USPS by barcoding and presorting the business mailers' mail.



CENTERS

Presort Services has grown from a privately held company of six locations to a national network of more than thirty operating centers.



CUSTOMERS

As an automated presort service bureau, our customers are comprised mostly of business mailers. Our network enables Presort Services to support the largest business mailers in the country who have requirements for multiple mail origination points, disaster backup/recovery plans, and a single blanket contract that supports their entire mail volume across the country.



USPS PARTNERSHIP

Presort Services is the largest work-sharing partner of the United States Postal Service (USPS). Presort operations and work-share partnerships benefit the mailing industry by lowering postage costs, improving the speed and accuracy of service and ultimately enhancing the overall value of the mail. Presort Services prepares, sorts and commingles mail to earn postal discounts and expedite delivery for its customers.



OPERATING CENTERS

Our operating centers are equipped with the latest technology, MLOCR sorters and experienced teams. Most Presort Services centers process mail twenty-four hours a day. Every center has a committed team



of employees with the skills and experience to ensure success in processing mail and in maintaining a safe, professional workplace for everyone.

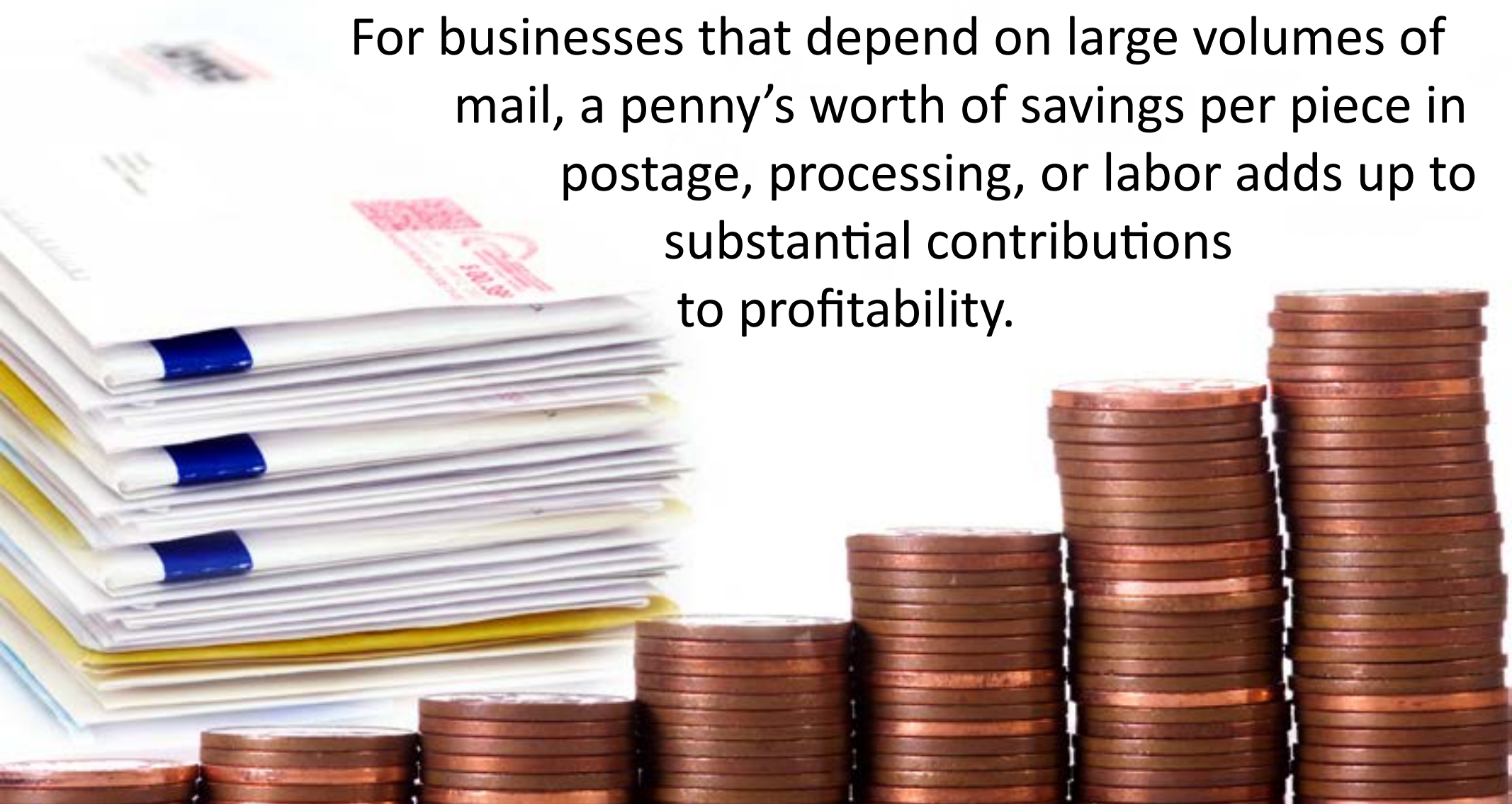
COMMAND CENTER

The Command Center located is located within the production area of an operating center and houses all software, host computers and necessary production office equipment required to manage Operations. It is the primary location used by Supervisors and Operations Managers to manage the workflow of the operating center, create sort plans, and generate USPS electronic documentation.

CUSTOMER MAIL

The customer's mail is evaluated for volume, quality and density to determine the best custom pricing for their needs.

For businesses that depend on large volumes of mail, a penny's worth of savings per piece in postage, processing, or labor adds up to substantial contributions to profitability.



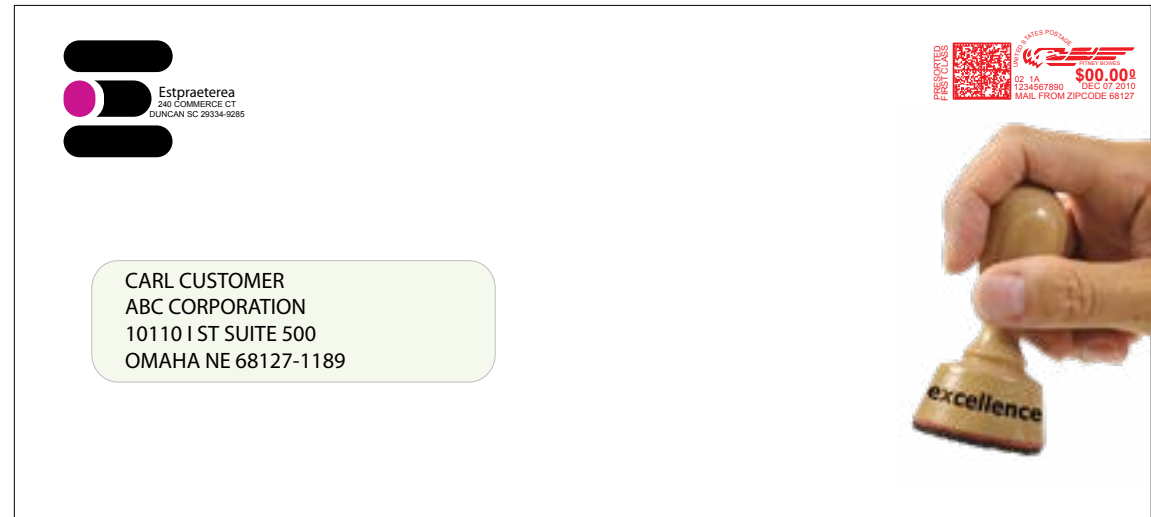
COMMINGLING ADVANTAGE

Business mailers who presort their mail to keep their costs down, receive greater discounts in postage by allowing Presort Services to commingle and presort their mail with other customers. By commingling mail from numerous mailers, it is possible to sort a higher percentage of the mail to a finer sort and to qualify for all available discounts, before transferring the mail to the USPS for delivery.



QUALITY

Our commitment to quality is key to our success. Our employees are committed to providing efficient, reliable and effective service. From the time the mail is picked up, to the presentation of mail to the USPS, we carefully inspect the mail for quality to assure that it will meet the USPS requirements and qualify for all available discounts. Those requirements are achieved by following the Total Quality Management program.



TOTAL QUALITY MANAGEMENT

The TQM (Total Quality Management) program is designed in accordance with the requirements of an ISO 9001 and USPS based quality program. TQM is designed to encourage ongoing improvements to processes and quality of mail preparation in the ever-changing postal environment.



QUALITY STANDARDS

Presort Services has established, documented, implemented, and currently maintains a quality management system. Our PBPS/TQM certified Operating Centers have met the stringent requirements of the TQM program. By participating in the TQM program, our Operating Centers ensure that all activities fully support the production process and the quality output standards required by TQM and the USPS.



SERVICES

We serve our customers by offering the following:

- Guaranteed per-piece pricing
- Shared incentives for higher volumes
- Quality assurance program
- Tailored presort mail solutions
- Enhanced information management
- Presort Services' commitment to deliver
- Metering mail
- Transportation of mail

METERING

Metering is the process of applying the required postage rate to an envelope. This service is offered to customers who request daily metering or when additional mail volumes do not allow customers the time to meter. After the appropriate postage is applied to customers' mail it is forwarded to Quality Control for normal inspection.



HANDSORTING

Handsort is performed when a mailpiece is not machine compatible by USPS standards and does not qualify for automated rates. Handsort processing varies from center to center based on demand and available equipment.



MOVE UPDATE

Presort Services Move Update Solutions prints change of address information directly on the mailpiece during MLOCR processing. We only provide Move Update services to customers who opt for this method to comply with the USPS Move Update Requirement.

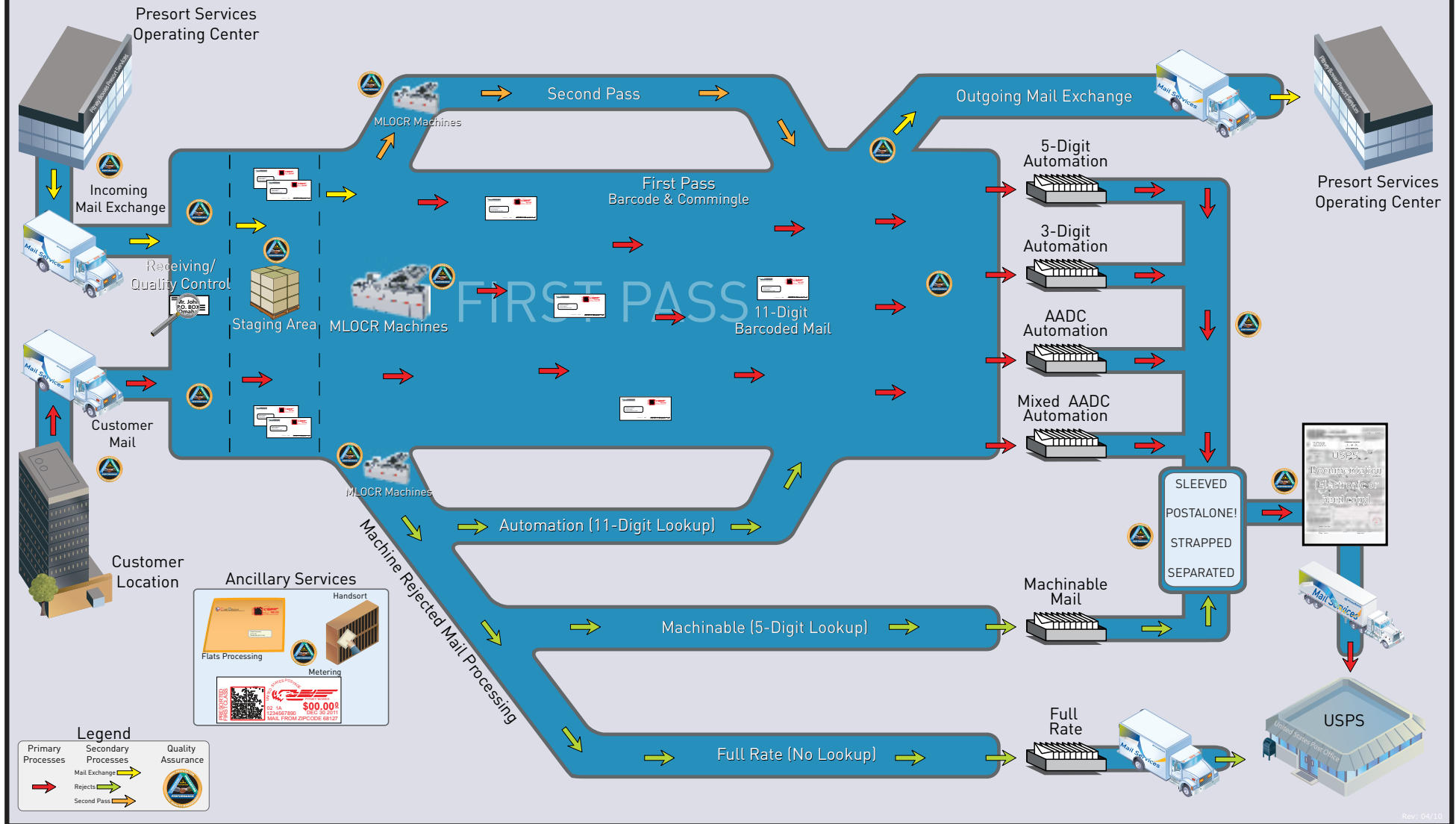
The Move Update Requirement requires addresses on all automation rate or presort rate First-Class Mail to be updated within 95 days before the mailing date with a USPS approved method.

MAIL FLOW PROCESS

FIRST-CLASS MAIL FLOW



Presort Services



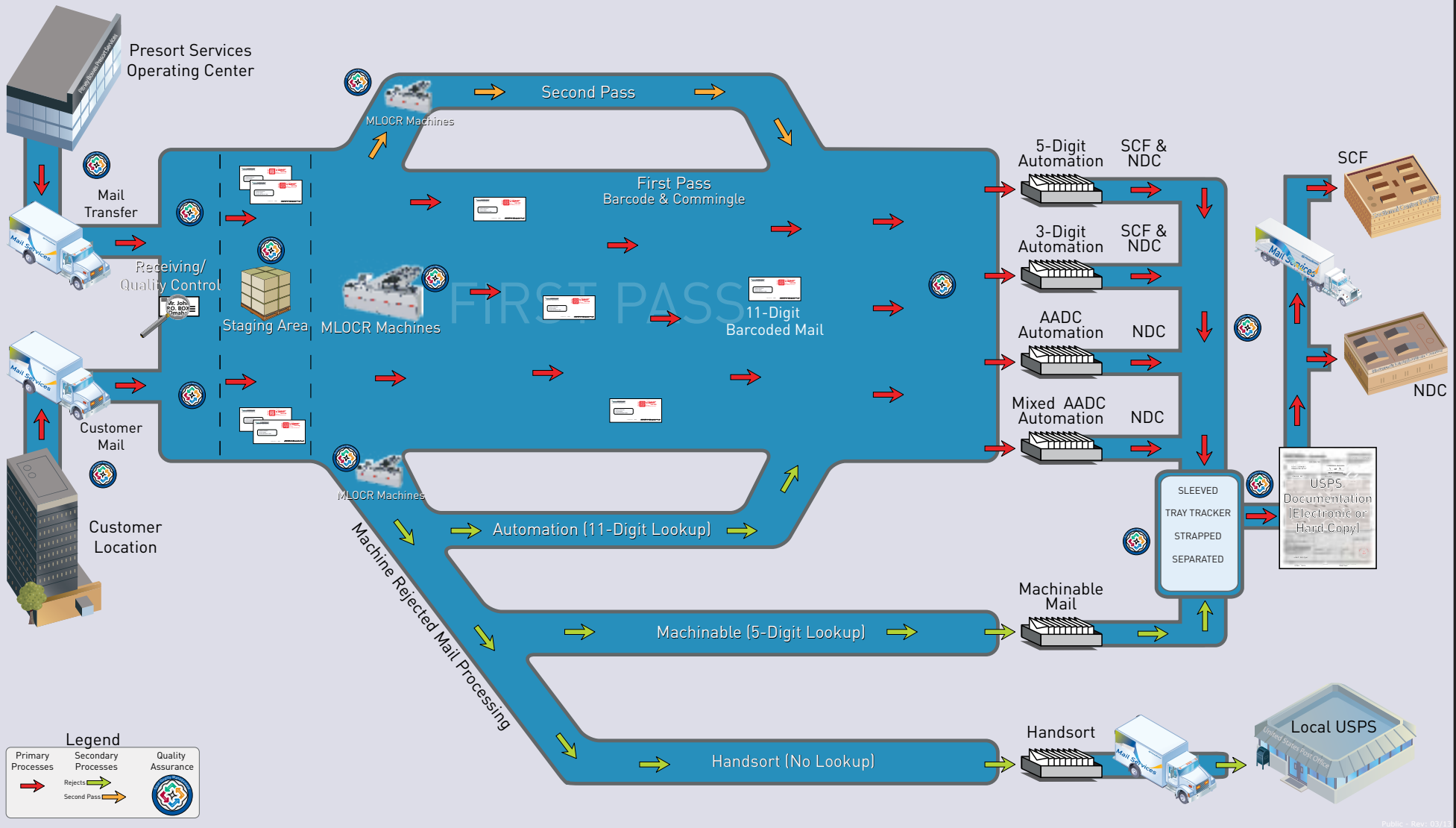
Rev: 04/10

MAIL FLOW PROCESS

STANDARD MAIL FLOW



Presort Services



Public - Rev: 03/13

TRANSPORTATION

Presort Services offers mail transportation service to its customers. Mail picked up at the customers' location is transported to Presort Services for processing prior to submission to the USPS. Mail may be delivered by a Presort Services Driver, contracted courier or by the customer. Transportation services may be included with the fee for presort services. However, based upon volumes and distance, Presort Services may elect to charge some customers a transportation fee.



DRIVERS

Drivers pick up the mail at a scheduled time, sign the **Customer Pick Up Slip** from each customer and verify tray counts. Additionally, Drivers enter the counts in the Mobile Mail Flow application, which provides load visibility to operations. The Driver is responsible for maintaining the physical separation of each customer's mail at all times during the route and while unloading at Presort Services. Drivers must notify receiving personnel if the customer does not present the mail correctly, if there is a discrepancy or if a customer does not have mail for a scheduled pick up. After all mail is collected, it is delivered to the receiving area.

RECEIVING

Receiving is the designated area of an Operating Center where incoming mail or other goods are received. The incoming mail is received and must pass through a series of quality control measures to ensure that the mail has been prepared for MLOCR processing.



QUALITY CONTROL

Quality Control is a system for ensuring the maintenance of proper standards by periodic random inspection of mailpieces and mail processes. The incoming mail must pass through a series of quality control measures to ensure the mail has been correctly prepared for MLOCR processing. The mail is then moved into the staging area, where it is held before being processed on a sorter.



QUALITY CONTROL PERSONNEL

Quality Control personnel are employees designated to ensure that mail received from customers has been prepared to USPS standards.

They are responsible for:

- Segregating the mail
- Verifying incoming mail is prepared to USPS standards for MLOCR processing
- Verifying driver's tray counts
- Addressing any concerns with customers' mail
- Matching the mail to each pick-up slip
- Inspecting the mail for substandard mailpieces
- Documenting and referring mail to the appropriate department for corrective action (if necessary)
- Completing Job Orders
- Entering incoming jobs and discrepancies in the Mail Flow Management application

STAGING MAIL

Mail that has been checked in by QC personnel is staged in a designated area in the operating center until it is ready to be processed. Mail in the staging area must be tagged, marked, or otherwise identified as cleared to ensure that the operating center processes only mail that has passed quality control inspections.



MOVING THE MAIL

The process of getting mail to the correct sorter for optimum sortation and efficiency is known at PB Presort Services as “moving the mail.”

Designated personnel must consider several factors when moving the mail, such as: mail type, machine type, camera type, machine failure, customer drop times, USPS drop times, deployment of resources, and work flow when setting up the production process. This process creates an environment of continuous and efficient mail flow.

SORTATION EQUIPMENT

PB Presort Services utilizes high speed mail sorting machines which can sort up to 40,000 mailpieces per hour. There are two types of mail sorting machines used: Multi-line Optical Character Readers (MLOCRs) and Barcode Readers (BCRs).



PROLINK

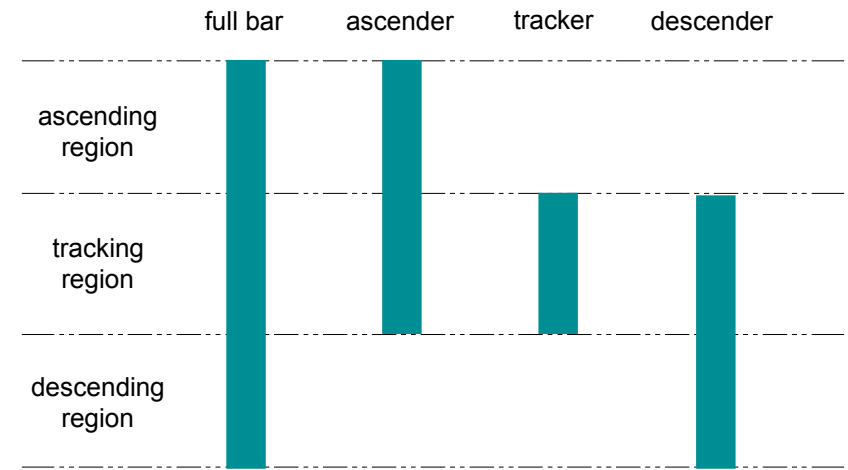
PROLink is PB Presort Services' proprietary operations software application, which integrates data and information between the various types of automated sorting machines. PROLink allows machines to exchange information by converting sort plans and data into one format and methodology.

PROLink is also used to create eDocumentation (eDoc) for the USPS.



IMb STRUCTURE

The barcode consists of 65 height-modulated bars and includes five different barcode fields which contain delivery and tracking information. The Routing ZIP field represents the ZIP+4 information and delivery point data. A ZIP+4 Code consists of the original 5-digit ZIP Code in the delivery address plus a 4-digit add-on code. The ZIP+4 extra digits identify the precise block, side of the street and address of the addressee.



INTELLIGENT MAIL/FULL SERVICE

Discounts are available from the USPS for mailers who meet stringent Intelligent Mail Full-Service requirements. These requirements include (but are not limited to):

- Unique Intelligent Mail barcodes on every mailpiece, every tray, and every container (pallet, APC, etc.);
- Uniqueness of Intelligent Mail barcodes, tray barcodes, and container barcodes must be maintained for a period of 45 days;
- All Intelligent Mail tray and container barcodes must be scanned for inclusion in the electronic documentation; and
- Documentation must be submitted electronically to the USPS.

The deeper discounts for Full-Service mailings are granted by the USPS because the unique barcodes on the mailpieces, trays, and containers, along with the electronic documentation, allow for enhanced tracking and end-to-end visibility.

PRODUCTION – SET UP

Technicians perform daily machine maintenance for our automated mail processing equipment, test barcode readability on each MLOCR machine and ensure the accuracy of all other mail processing equipment such as scales, strapping machines and tray management systems. Each operating center performs daily house cleaning duties to keep our equipment as efficient as possible.

QUALIFICATION LEVELS

In order to qualify for postage discounts, an automated mailing must be sorted to the following qualification levels, based on the 150 piece rule: 5-digit, 3-digit, AADC, and Mixed AADC.

It is not required to sort the mail to a certain level by the USPS; however, the finer a mailer sorts the mail, the deeper the postage discounts offered by the USPS. The goal is to sort as much mail as possible to the 5-digit level.

total number of pieces must equal 150 or more

300 pcs.

68501



5-digit tray



total number of pieces must equal 150 or more

100 pcs.

68117



+

100 pcs.

68114



=

200 pcs.



3-digit tray



total number of pieces must equal 150 or more

50 pcs.

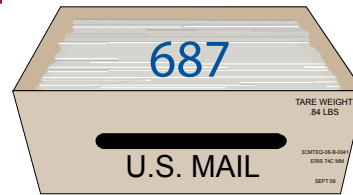
681



+

100 pcs.

687



=

150 pcs.



AADC tray



1 or more mailpieces that do not qualify at any level

50 pcs.

689



Mixed AADC tray



FIRST PASS

First pass mail is mail that has not yet been processed on a mail sorting machine. Incoming mail is read, barcoded, and sorted to 5-digit, 3-digit or AADC quick kill bins or Second Pass bins. ZIP data (ZIP Codes) can be analyzed and mail resorted to achieve finer sortation levels. Mail that has been prepared to the 3-digit or AADC level allows Presort Services the option of processing it to a finer 5-digit sortation. If time or resources are not available, mail may be presented to the USPS without further sortation.

SECOND PASS

Because there are a limited number of bins on each machine, sorting all the ZIP Codes as required by the USPS 150 piece rule on one pass is not possible. For this reason, each Operating Center generally dedicates a number of bins on each sorter for Second Pass groups. There are two types of groups: static groups and SPGs.

MAIL EXCHANGE

Mail Exchange is mail destined for another Presort Services Operating Center for additional processing. Mail Exchange was created to allow the movement of mail with specific ZIP Codes from one Presort Services location to another to increase the number of qualifying pieces and reduce overall postage. All mail is First Passed at the origin center and predetermined 5-digit ZIP codes are sorted into specific Second Pass pockets that are finalized at the destination center.



EXCEPTION HANDLING

Throughout the presort process mailpieces may require exception handling. Exception handling is the process of managing atypical events that occur during the presort mail process, such as reprocessing machine rejected mail, processing machinable mail or redating mail. These will vary from operating center to operating center and are dependent on the needs of specific customers.

MACHINE OPERATORS

Machine Operators operate various MLOCR/BCR sorting machines within an operating center and are responsible for identifying QC cleared mail, inputting the correct Job Order information into the computer, setting the read area on the camera and processing the mail with the appropriate sort plan. The amount of postage on mailpieces is verified against machine settings and a Job Order to ensure that the postage is correctly calculated. The Machine Operator is responsible for communication with all necessary personnel to remove all mailpieces from bins between sort plans and rate changes, ensuring the quality of barcodes and Move Update addresses, the correct sort of machine rejected mail, removal of machine jams and proper placement of removed mailpieces during the entire mail processing phase.



PRESORTER

The responsibility of a Presorter is to transfer mailpieces from the sorting machines to mail trays (ensuring barcoded mailpieces satisfy USPS quality standards). The Presorter communicates with the Machine Operator to prepare for the correct job or sort plan to be processed. Presorters fan random handfuls of mail quickly checking for correct postmark, postage code, postage rate, presort slug and endorsement code. The Presorter will move up and down the machine aisle and clear bins approaching full capacity ensuring that the mail continuously flows from the sorting machine to the mail trays. Presorters must constantly check for discrepancies by identifying and removing



defective or rejected mailpieces and separating by rate, clearing mailpiece jams from the sorter and communicating with other personnel as necessary. As a mail tray becomes full, a Presorter ensures the mail tray has the correct tray label by type and classification, and places it on the conveyor or an All Purpose Container (APC), and sends it on to Quality Assurance, Dispatch or Staging areas for Second Pass, Mail Exchange, or finalization.

REJECTS

Sorters reject mailpieces when they are not able to read the address or barcode. In order to maximize efficiency and profitability, Machine Operators and Presorters must pay close attention to reject volumes. There will always be rejects; however, an unusually large percentage most likely means there is a problem with the machine setup or the mail itself. If there is a high number of barcoded mailpieces in the rejects, there may be a problem with the machine. Common reasons why mailpieces would be rejected:

- Double barcode on envelope
- Incomplete address
- Print in barcode clear zone
- Address out of window

SINGLE PIECE

Single Piece mail is mail that the MLOCRs were not able to assign a barcode to and therefore must be paid up to full postage. This mail is fed through an MLOCR and “SNLGP” is sprayed on each piece of mail. These mailpieces are counted by the MLOCR and sent to the bins in groups of 100. When placing the mail into the tray, these groups of 100 must be separated with a paper divider or rubber banded for USPS verification purposes.

FULL RATE

It is sometimes necessary to add additional postage to mailpieces, such as rejects, so they can be mailed at the full rate (this is commonly referred to as full-rating mail). When full-rating mail, the mailpieces should be run through the meter machine so that the meter imprint is placed on the back of the envelope (preferred placement is the back, top right corner of the envelope). The additional postage amount is calculated by subtracting the postage on the mailpiece from the full postage amount for that weight. For example, a 1 oz. mailpiece with \$0.384 on it would need an additional \$0.076 to be mailed at full rate ($\$0.46 - \$0.384 = \$0.076$).

QUALITY ASSURANCE

Quality Assurance is performed in all phases of processing mail in the Operating Center to ensure overall quality. Quality Assurance (QA) personnel perform quality inspections on every sorting machine and on finished mail in mail trays. Each shift, a QA Specialist ensures that mailpieces will pass mailing requirements and MERLIN inspections. Daily tray audits are performed to help ensure the mail was processed correctly, the correct job number was entered, piece counts are accurate, and postage is paid through correct profiling of the machine for the customers' mail. Quality inspections and audit exceptions must be documented and errors corrected according to quality standards.



TRAY SCANNING

All Presort Services operating centers are equipped with tray scanning devices:

- A TrayTracker's only function is to scan the Intelligent Mail tray barcodes as the trays pass by on the conveyor. This data is then imported by PROLink for inclusion in the eDoc.
- Some operating centers have a PostalOne!® TMS which performs the weighing, scanning, printing and applying of routing tags on trays as they pass down the conveyor. The PostalOne! TMS is also able to scan Intelligent Mail tray barcodes.

Some operating centers have a Tray-Tracker instead of a PostalOne! Unit, while some centers have both. Additionally, for operating centers without conveyors, hand-held tray scanners are utilized.

DISPATCH/CONTAINERIZING

Mail trays are separated by ZIP destination and placed on the appropriate transport device such as pallets, APCs or hampers. The mail must be weighed and wrapped, and must have barcoded container placards affixed outside of the shrink wrap. The container placards must be scanned for inclusion in eDoc prior to presentation. When applicable, weights on USPS placards are required. Mail is loaded onto a carrier according to the local USPS agreement once the Postal Validator has cleared the presented mail and paperwork.



DROP TIMES

Each Presort Services operating center processes the mail and ensures that it is finalized for shipment according to locally established drop time schedules. Drop times are times established between an operating center and the USPS facility, which prepares local and national mail for shipment to other USPS destinations. Drop times also determine when mailings must be completed and presented for acceptance to the USPS®.

PRESENTATION

During the presentation phase, the USPS accepts segregated business mailings by mail categories (automation, machinable, non-machinable or single piece) to receive a discounted rate. Required electronic documentation and other necessary USPS forms are submitted with the presentation of each mailing. Mail Acceptance clerks at the postal facility or at the Presort Services location perform final manual inspections and/or utilize MERLIN for: verification of mail quality, submitted documents/data and review samples of the mail.



MERLIN

Mail verification is frequently accomplished with MERLIN (Mail Evaluation Readability and Lookup INstrument).

The equipment is designed to shorten mail verification process time from two hours to 15 minutes. The MERLIN mailpiece test simultaneously verifies barcode readability, address accuracy, mailpiece characteristics, presort makeup, mailpiece count, short-paid mail, Value Added Refund (VAR) and the identity of individual mailpieces and tray label accuracy.



VERIFICATION FAILURE

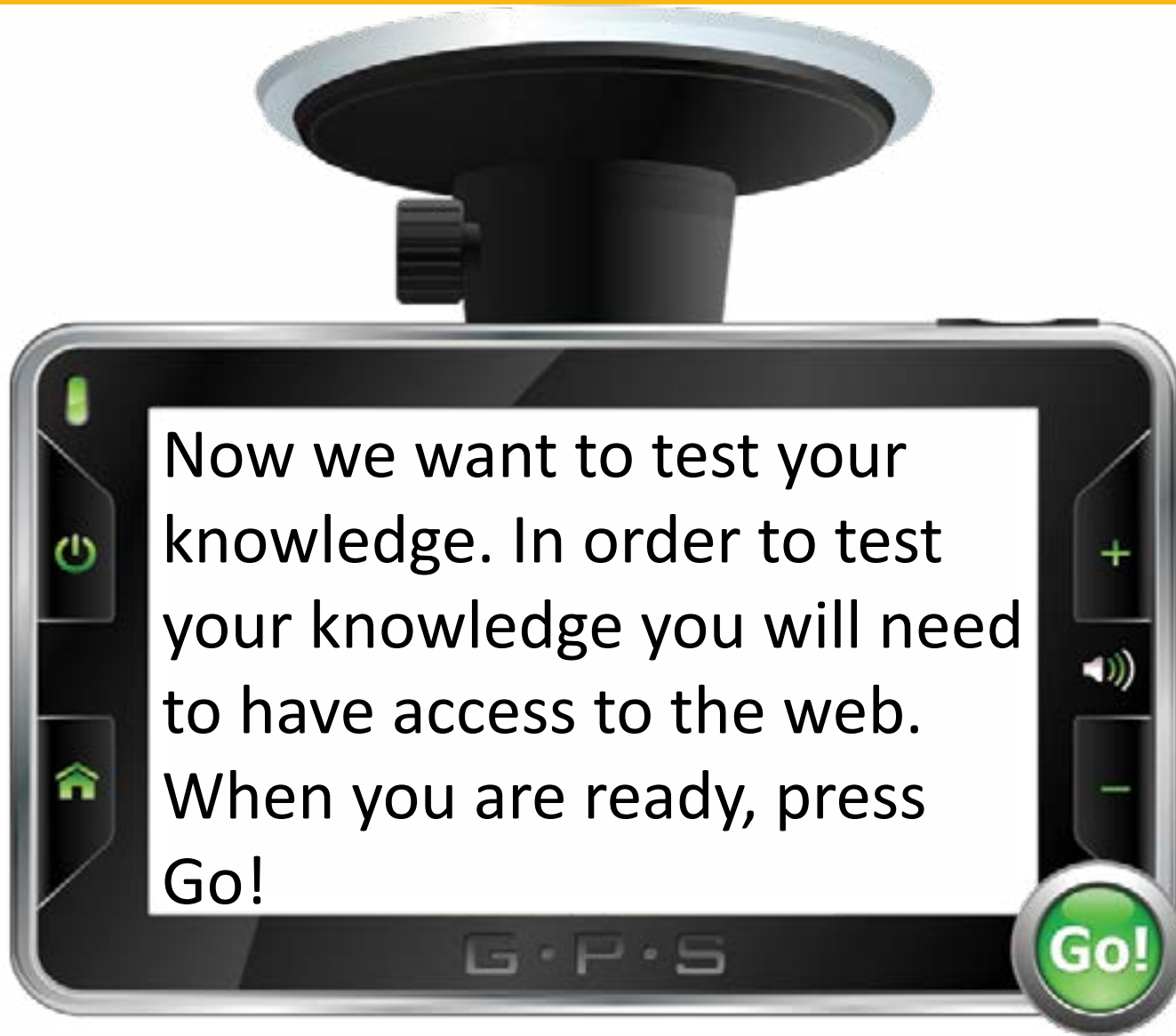
If mail fails any USPS acceptance or verification process, specific steps are taken to document failures and correct the mail, including:

- Second-Level Review
- Appeal
- Postage Assessment

HOW WE MAKE MONEY

There are four main ways we generate revenue: through various fees that are charged for services, through better qualification levels achieved (and therefore lower postage paid) due to commingling customers' mail, through the Value Added Refunds (VAR) received from the USPS, and the Full-Service Intelligent Mail discounts received from the USPS.

KNOWLEDGE CHECK



SURVEY

We would like to know what you think. Please take our survey.