

USPS Verification of Periodicals Advertising Percentage

The Postal Service requires publishers, qualifying for Periodicals mailing privileges, to provide the percentage of advertising and non-advertising content for each issue to determine the pound price charge (**DMM 207.2.1.5**) of the mailing. The Publisher provides the advertising percentages on **Periodicals Postage Statement Form 3541** and submits supporting documentation using one of three methods outlined below.

- 1. Marked Copy:** Publishers supply a marked copy for each issue -- with the calculated percentage of advertising carried out to two decimal places -- so the advertising content can be verified by the Postal Service. On the first page of each marked copy, the publisher must show the total units and percentage of space devoted to advertising and non-advertising in the copy. The marked copy can be presented to the Origin Entry or Additional Entry Office. (**DMM 207.16.2**)
- 2. Periodicals Accuracy, Grading, and Evaluation (PAGE) Program:** Mailers are not required to submit marked copies if they are certified by the USPS to use the PAGE Program. The advertising percentage may be calculated and submitted using Publishing and Print Planning (PPP) software that has been certified by the Postal Service's PAGE Program. Certification of PAGE software is available only to those companies that develop or write PPP software, and does not guarantee acceptance of the publisher's per-copy weights and advertising percentages prepared with PAGE-certified software. Although this program evaluates and validates advertising percentage calculations, PAGE does not eliminate physical review of issues or annual audits of Periodicals prepared using PAGE-certified software. (**DMM 207.16.6**)
- 3. Waive Non-advertising Prices:** Instead of marking a copy of each issue to show the advertising portion, the publisher may pay postage at the advertising zoned prices on both portions, advertising and non-advertising, of all issues or editions of a Periodicals publication (except a requestor publication).

The copies provided to the postmaster must be marked "Advertising over 75%" or "Advertising not over 75%" on the first page. The entire weight of the copy must be entered on the postage statement in the column provided for the advertising portion. The words "Over 75%" or "Not over 75%" must be annotated on the postage statement and the word "Waived" must be written in the space provided for the weight of the non-advertising portion. (**DMM 207.17.2.3**)

- 4. USPS Revision to Marked Copy Method:** On November 7, 2016, the Postal Service will provide publishers the option to submit marked copies for periodical mailings at the time of the Statement of Ownership review; eliminating the requirement to provide marked copies with every mailing. This new method would be optional.
 - During the Statement of Ownership review the USPS may request the publisher to submit single randomly selected marked copy(s) for each publication mailed after the publisher enrolled in the Alternate Marked Copy (AMC) method.
 - The Postal Service will verify the information provided within the marked copy is accurate and properly represented on any applicable postage statements.

- If it is determined that the marked copy advertising percentage is less than or equal to 5% of the advertising percentage represented on the applicable postage statement(s) (sample 1 – initial review) the verification is complete and no further action is taken.
- If it is determined that the marked copy advertising percentage is **greater than** 5% of the advertising percentage represented on the applicable postage statement(s) the initial verification fails (sample 1 – initial review); four additional marked copies representing issues mailed after the publisher enrolled in the AMC process may be requested.
 - The Postal Service will verify the information provided within the marked copy is accurate and properly represented on any applicable postage statements.
 - The Postal Service will determine an average error percentage on the 4 additional copies.
 - The error percentage will be applied to all un-sampled issues mailed after the publisher enrolled in the AMC process within the current year (October – September). Sampled copies will be charged the advertising percentage determined during the verification, if greater than 5%.
- If during the review process it is determined that the publisher did not retain the appropriate marked copies as outlined in **DMM 207.16.2** the publisher will be referred back to the traditional process of submitting marked copies with each mailing.

The below examples demonstrate the results of two verifications. In the first example the average error rate is under 5%. The second example shows an average error rate greater than 5%. Both verifications were performed on a publication with a monthly frequency.

Example 1: Average error rate less than or equal to 5%

	(A)	(B)	(C)	(D)	(E)	(F)
	Editions:	Number of Pieces in Mailing	Postage Statement Advertising Percentage (PostalOne!)	Marked Copy Advertising Percentage (Clerk's Review)	Difference	Advertising Review Status (Pass/Fail)
Periods Selected by Randomizer for Review:						
Sample #1 (Initial Review)	09/07/16	546	30.00%	38.00%	8.00%	Failed Initial Review Percentage Assessment - Difference GT 5% (apply % posted in Col D to postage statement for this edition)
Sample #2	06/10/16	954	30.00%	31.00%	1.00%	Passed - Difference Within +/- 5% Tolerance
Sample #3	12/02/15	301	20.00%	22.00%	2.00%	Passed - Difference Within +/- 5% Tolerance
Sample #4	04/01/16	926	10.00%	10.00%	0.00%	Passed - Difference Within +/- 5% Tolerance
Sample #5	12/06/15	403	15.00%	15.00%	0.00%	Passed - Difference Within +/- 5% Tolerance
Average Error Percentage					0.75%	Passed - Difference Within +/- 5% Tolerance

- In example 1, because the average error percentage is less than or equal to 5%, postage will be calculated for:
 - September 7, 2016 issue using the advertising percentage in column D.
 - June 10, 2016, December 2, 2015, April 1, 2016, and December 6, 2015 issues using the advertising percentage in column C (No Change).
 - Remaining un-sampled issues will not be impacted.

- Any additional postage will be withdrawn as one amount from the publication *PostalOne!* account through an adjustment process.
- The USPS will provide documentation showing how the additional postage was calculated.

Example 2: Average error rate is greater than 5%

	(A)	(B)	(C)	(D)	(E)	(F)
Periods Selected by Randomizer for Review:	Editions:	Number of Pieces in Mailing	Postage Statement Advertising Percentage (<i>PostalOne!</i>)	Marked Copy Advertising Percentage (<i>Clerk's Review</i>)	Difference	Advertising Review Status (Pass/Fail)
Sample #1 (Initial Review)	09/07/16	546	30.00%	38.00%	8.00%	Failed Initial Review Percentage Assessment - Difference GT 5% (apply % posted in Col D to postage statement for this edition)
Sample #2	06/10/16	954	30.00%	31.00%	1.00%	Passed - Difference Within +/- 5% Tolerance
Sample #3	12/02/15	301	20.00%	30.00%	10.00%	Failed Subsequent Review Percentage Assessment - Difference GT 5% (apply % posted in Col D to postage statements for this edition)
Sample #4	04/01/16	926	10.00%	25.15%	15.15%	Failed Subsequent Review Percentage Assessment - Difference GT 5% (apply % posted in Col D to postage statements for this edition)
Sample #5	12/06/15	403	15.00%	15.00%	0.00%	Passed - Difference Within +/- 5% Tolerance
Average Error Percentage					6.54%	Failed Final Review Percentage Assessment - Difference GT 5% (apply % posted in Col E to all postage statements outside the sampled selections for the previous 12 month period)

- In example 2, because the average error percentage is greater than 5%, postage will be calculated for:
 - June 10, 2016 and December 6, 2015 issues using the advertising percentage in column C (no change).
 - September 7, 2016, December 2, 2016 and April 1, 2016 issues using the advertising percentage in column D.
 - The remaining un-sampled issues will have the average error percentage of 6.54% (col E) applied to the advertising percentage represented on the applicable postage statements. As an example, if the July 14, 2016 issue originally claimed an advertising percentage of 30%. Postage would be recalculated using 36.54% (Original ad% of 30% + average error percentage of 6.54%).
 - Any additional postage will be withdrawn as one amount from the publication *PostalOne!* account through an adjustment process.
 - The USPS will provide documentation showing how the additional postage was calculated.
- Mailers may appeal the verification results to the PCSC.
- This does not eliminate the requirement to correctly populate the electronic documentation or postage statement with the correct advertising percentage for each periodical mailing.

Enrollment Process: Alternate Marked Copy

Beginning on November 7, 2016, the USPS is supporting an alternative to the existing Marked Copy process. Mailers enrolled in the alternative process will no longer be required to submit a marked copy to the USPS with every issue. This does not change the requirement that the mailer accurately include the advertising percentage in their postage statements and/or electronic documentation. Interested publishers should enroll their publications using the process outlined below:

1. E-mail the *PostalOne!* Help Desk (postalone@usps.gov)
 - Subject:
 - Request: Alternate Marked Copy Review
 - Attach the completed "Publisher's Authorized Marked Copy Request excel form
 - Publisher's must submit a separate excel form for each publisher
2. Help Desk will send acknowledgement email to the mailer's contact with a copy to the District, Manager BME and MEPT Program Manager
 - Note: If the publisher does not receive acknowledgement email from the *PostalOne!* Help Desk, the Publisher should review the initial enrollment request to verify that all of the publisher's pertinent information has been provided. Submit a follow up email to the help desk or call them at 1-800-522-9085.
3. District, Manager BMEU will notify the local Postmaster/BMEU at the origin entry office or additional entry office to discontinue requesting marked copies and use the alternative verification method as outlined in the Alternate Verification Process.
4. Local Postmaster/BMEU will contact the publisher to acknowledge enrolment in the new process.
5. Local Postmaster/BMEU Manager, using the original email generated by the Help Desk, emails the Help Desk, with a copy to the MEPT HQ Program Manager, acknowledging customer contact has been made and the ticket should be closed.
6. The MEPT HQ Program Manager will maintain a list of publishers/publications enrolled in the alternative process on the BMA webpage

Disenrollment Process: Alternate Marked copy

Publisher's wishing to discontinue participating in the alternate process should send an email to the PostalOne Help Desk.

1. E-mail the *PostalOne!* Help Desk (postalone@usps.gov)
 - Subject:
 - Request: Discontinue Alternate Marked Copy Process
 - Attach the completed "Publisher's Authorized Marked Copy Request excel form
 - Publisher's must submit a separate excel form for each Publisher
2. Help Desk will send acknowledgement email to the mailer's contact with a copy to the District, Manager BME and MEPT Program Manager
 - Note: If the publisher does not receive acknowledgement email from the *PostalOne!* Help Desk, the Publisher should review the initial enrollment request to verify that all of the publisher's pertinent information has been provided. Submit a follow up email to the help desk or call them at 1-800-522-9085.
3. District, Manager BMEU will notify the local Postmaster/BMEU at the origin entry office or additional entry office to request marked copies be presented by the publisher with every mailing and notifies the MEPT HQ Program Manager
4. The MEPT HQ Program Manager update the list of publishers/publications enrolled in the alternative process on the BMA webpage