USPS Returns - Webinar

Start Time: 11:00 AM ET

United States Postal Service

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Mgr., Shipping Solutions
Shipping Products and Services

To listen to a recording of this presentation: Click here

Tuesday June 23, 2015

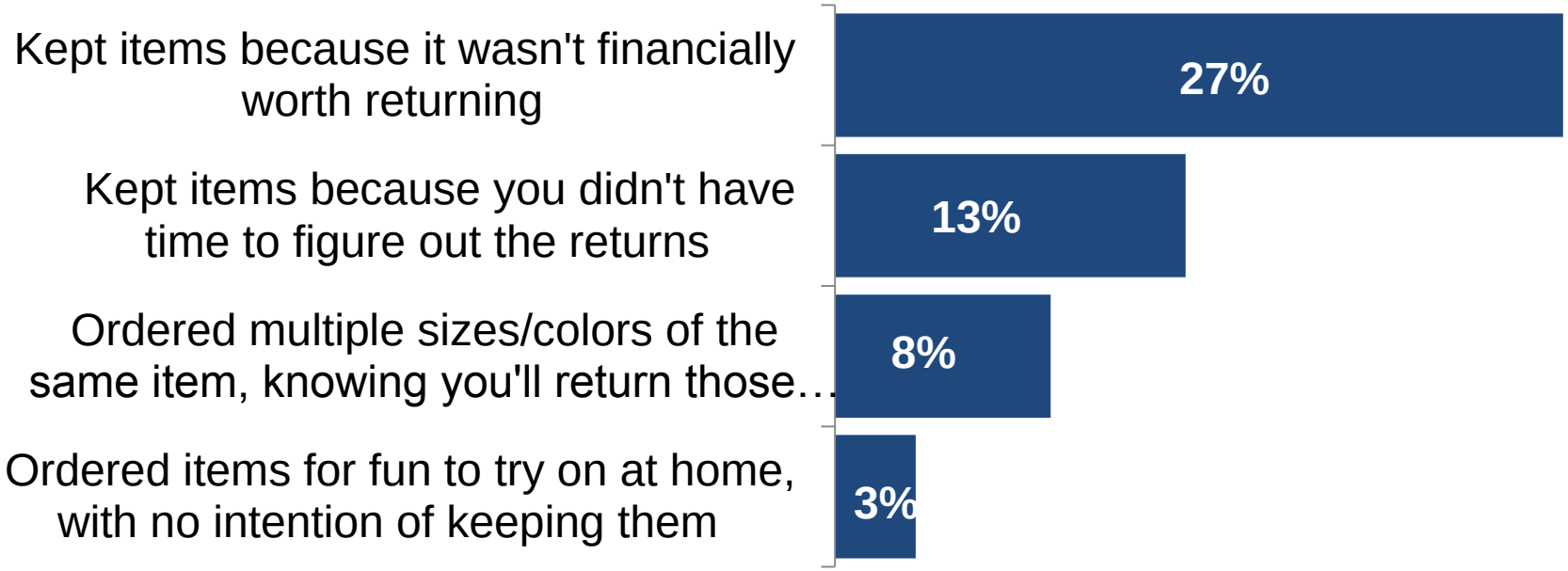
Agenda

- **Returns Market and Opportunity**
- Recent and Upcoming Changes
- Returns Portfolio
  - Parcel Return Service (PRS)
  - USPS Return Services
  - Merchandise Return Service (MRS)
  - Business Reply Mail (BRM) Parcels
- Bulk Parcel Return Service
- Online Tools
- Appendix

Almost 40% of consumers are shopping more via website / catalog / phone compared to two years ago

- **42%** Are shopping more via website/catalog/phone
- **45%** Are shopping the same amount via website/catalog/phone
- **13%** Are shopping less via website/catalog/phone

Customer perception of the returns process influences approximately 40% of consumer purchase decisions



Consumer Needs

"An easy returns process is important to me."

Majority Consumer Survey Response

USPS Returns are:

- **Simple**: Easy to understand the steps necessary to return the product
- **Convenient**: Easy to send package back or have it picked up; label in the shipping box or options to print it
- **Transparent**: Can view the delivery status of package to ensure the merchant receives it
- **Free or Low Cost**: No or little charge
- **Fast:** Package reaches the merchant in a timely manner

Recent and Proposed Changes

January 25, 2015

1. First-Class Package Return Flat-Rate Service (up to 1lb)
2. Click-N-Ship Business Pro for Returns
3. Print and Deliver Label Service (Returns)

Changes May 31, 2015

1. Return Services Permit
2. Bulk Parcel Return Service
3. Elimination of Upfront Fees for Returns Customers
4. Streamline Merchandise Return Service (MRS)
5. Increase insurance for Returns to $5,000
6. Retire Parcel Return Service Full-Network

Consolidate your Return Services Permits

USPS has three permits for Returns and each require an annual fee of $225:

- Parcel Return Service (PRS)
- USPS Return Service
- Merchandise Return Service (MRS)

Consolidated to one Return Services permit and save up to $450 annually

Eliminate Annual Permit and Account Maintenance Fees

- Eliminate as a return product offering and establish as an endorsement.
- Products available for:
  - Standard Mail parcels
  - Parcel Select Lightweight
- Customer will be responsible for paying the $3.10 per piece fee.
  - Eliminate the $220 annual permit fee <u>and</u> $685 annual account maintenance fees. (Annual Savings of $905)
- Require IMpb with USPS Tracking Service Type Code for Returns visibility.
- Automate charge per Price Change fee when scan event occurs:
  - Arrival At Unit (AAU)
  - Return to Sender – Unclaimed
  - Refused

Note: Change is not applicable to Business Reply Mail parcels

Streamline MRS to three Services

- Align with products offered for USPS Returns.
- July 2014 Intelligent Mail package barcode was required. (Transition September 2015)

Service
1. Priority Mail
2. First Class Package Service / First Class Mail Parcels
3. Standard Post
4. Bound Printed Matter Parcels
5. Library Mail
6. Media Mail

Eliminate

Service
1. Priority Mail
2. First Class Package Return Service
3. Ground Returns

Video

USPS Returns Portfolio

USPS offers a variety of flexible Returns solutions for businesses of all sizes and for all respective needs.

Parcel Return Service

- A dedicated return service for shippers with high volume returns.
- Merchants are charged after the manifest verification process through a reverse-logistics process.
- Pickups occur at RDU, RSCF or RNDC.

USPS Return Services

- Annual volume requirement 10,000.
- Scan-based postage pricing and flexible return label options including:
  - Priority Mail Return Service
  - First-Class Package Return Service
  - Ground Return Service

Merchandise Return Service

- A convenient way for businesses that process fewer than 10,000 returns a year to track their inventory.
- Usually the customers are provided a prepaid return shipping label that can be provided to USPS through a carrier, at a post office or collection box.

Business Reply Mail Parcels

- Business Reply Mail (BRM) enables merchants to create prepaid return labels for use by their customers.
- Mail pieces shipped by First-Class Mail and Priority Mail.
- BRM postage is assessed only when the label is used.

Parcel Return Service (PRS)

PRS is a workshare returns product designed for medium to large online retailers to bypass destination postal plants. In this product, the Postal Service is the first-mile carrier, working in coordination with a reverse logistics provider that picks up the packages at an origin postal facility and delivers them to the merchant's returns facility. The Postal Service consolidates the PRS packages at a postal plant near the origin entry for pickup by a reverse logistics provider.

Product Details

Features & Benefits

- Uses reverse logistics providers
- 'First-Mile' solution
- Postage plus vendor fees
- Vendors set volume thresholds
- Codes identify reverse logistics provider

Extra Service Options	Value Added Services	Products & Services
▪ USPS Tracking (IMpb) ▪ Certificate of Mailing available for purchase by customer at USPS retail locations only	▪ N/A	▪ RNDC ▪ RDU ▪ RSCF

Product Details (continued)

Service Type Codes	▪ Publication 199, Intelligent Mail Package Barcode Implementation Guide https://ribbs.usps.gov/intelligentmail_package/documents/tech_guides/PUB199IMPBImpGuide.pdf ▪ Service Type Codes for IMpb https://ribbs.usps.gov/intelligentmail_package/documents/tech_guides/IMPBServiceTypeCode.pdf
Permit	▪ No permit is required for clients of a reverse logistics provider with an existing Return Services permit (formally PRS permit).
Postage & Fees	▪ Postage plus PRS vendor Fees ▪ Notice 123 Price List http://pe.usps.gov/text/dmm300/Notice123.htm
Application Process	▪ Submit PS Form 3615, Mailing Permit Application and Customer Profile to Post Office or at http://about.usps.com/forms/ps3615.pdf
Resources	▪ Domestic Mail Manual (DMM) 505 Return Services http://pe.usps.com/text/dmm300/505.htm#1224365
Onboarding Contact	▪ HQTIS@usps.gov – Technical Integration Specialist

Parcel Return Service (PRS) Return Flow

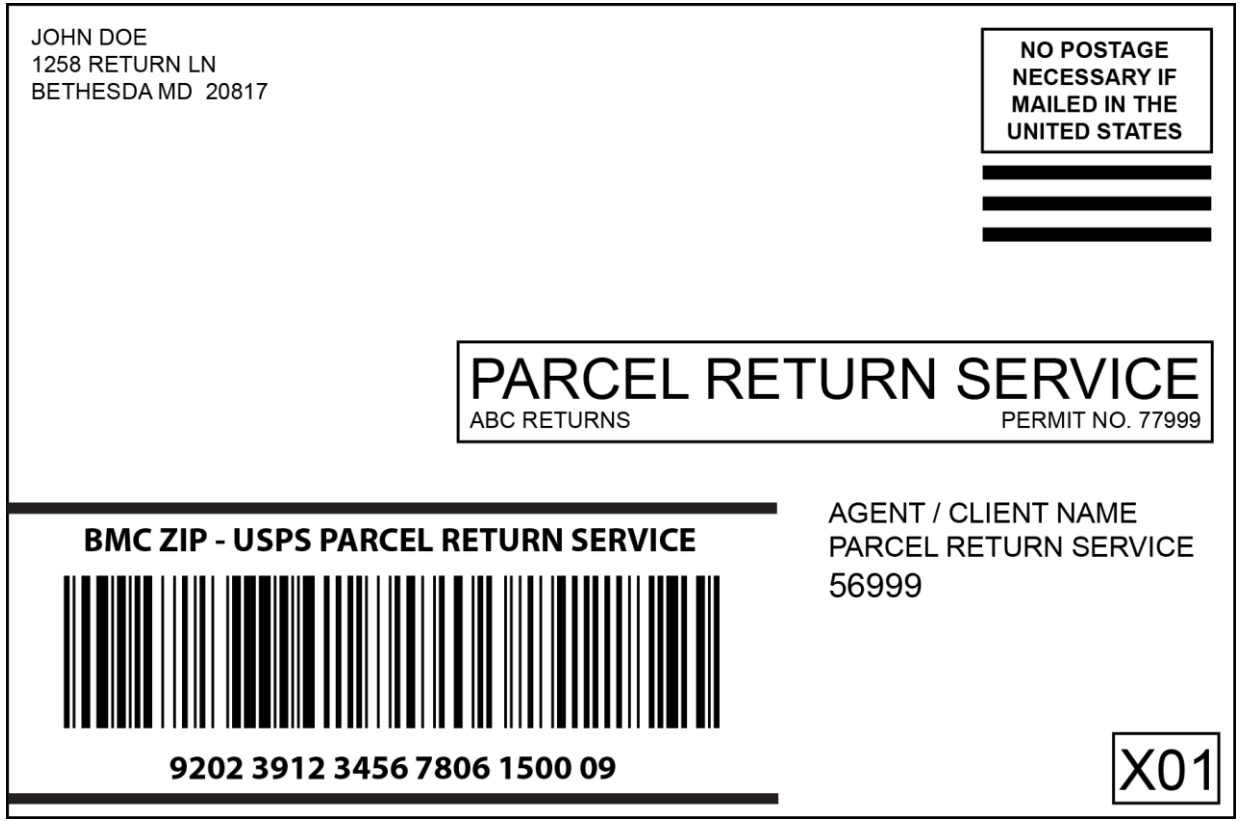
Packages Picked up from Household or Dropped off at Nearest Post Office or placed in a collection box

Scans Captured at Origin Post Office or Origin Processing Center

Acceptance Scan Data Provided to Merchant thru Extract File

Packages Picked up by PRS Provider

Parcel Return Service Label



- Pre Printed or Handwritten Return Address
- Postage Guarantee Imprint
- Three Horizontal Bars (Minimum)
- Postage Calculation and Extra Services
- Endorsement
- Service Banner
- PRS Legend
- Intelligent Mail Package Barcode with MID/STC
- Delivery Address

USPS Return Services

- USPS Return Services allow a merchant to provide a preprinted postage-paid label to consumers to return merchandise, samples and other items.
- This service has been referred to as Scan Based Payment Returns because postage payment is triggered by first physical barcode scan during postal processing.

Product Details

Features & Benefits

- Return label is addressed directly to the permit holder
- Packages are charged an average uniform price based on sampling
- Average uniform price is adjusted monthly
- Postage is collected based on the number of packages receiving a physical scan event (List in Appendix) in Product Tracking and Reporting (PTR)
- Detailed reporting

Extra Service Options	Value Added Services	Products & Services
▪ Insurance up to $5,000 available for purchase by customers at USPS retail locations only	▪ N/A	▪ Priority Mail Return Service (Including Critical Mail) ▪ First-Class Package Return Service ▪ Ground Return Service

USPS Return Flow

Customer Creates / Receives Labels

→

Mail Enters Network thru carrier pickup, dropped off at Retail of collection box – Label is scanned

→

Mail pieces Sampled

→

Pricing Calculated Based on Sampling

→

Mail pieces Delivered to Return Destination

Sample Labels

Service Marking

Service Banner

Carrier Route Indicator

IMpb with Human Readable Text, "USPS Tracking"

Merchandise Return Service (MRS)

Merchandise Return Service (MRS) allows merchants to provide a preprinted postage-paid label to their consumers to return merchandise, test kits, samples and other items. Merchants are charged only when labels are used.

Product Details

Features & Benefits

- No minimum volumes
- Piece level visibility with Intelligent Mail package barcode (Impb/MID/STC/Extract file)
- Flexible label printing options (USPS Webtools API, Merchant Returns Label Tool, and privately printed labels)

Extra Service Options*	Value Added Services	Products & Services
▪ Registered Mail ▪ USPS Insurance ▪ USPS Tracking ▪ Special Handling ▪ Mailing Acknowledgement (Permit holders) ▪ Certificate of Mailing (Consumers)	▪ Package Pickup ▪ Pickup on Demand	▪ First-Class Package Return Service ▪ Priority Mail Return Service ▪ Ground Return Service

*Source: DMM 503: Extra and Additional Services

MRS Return Flow

MRS Labels Distributed

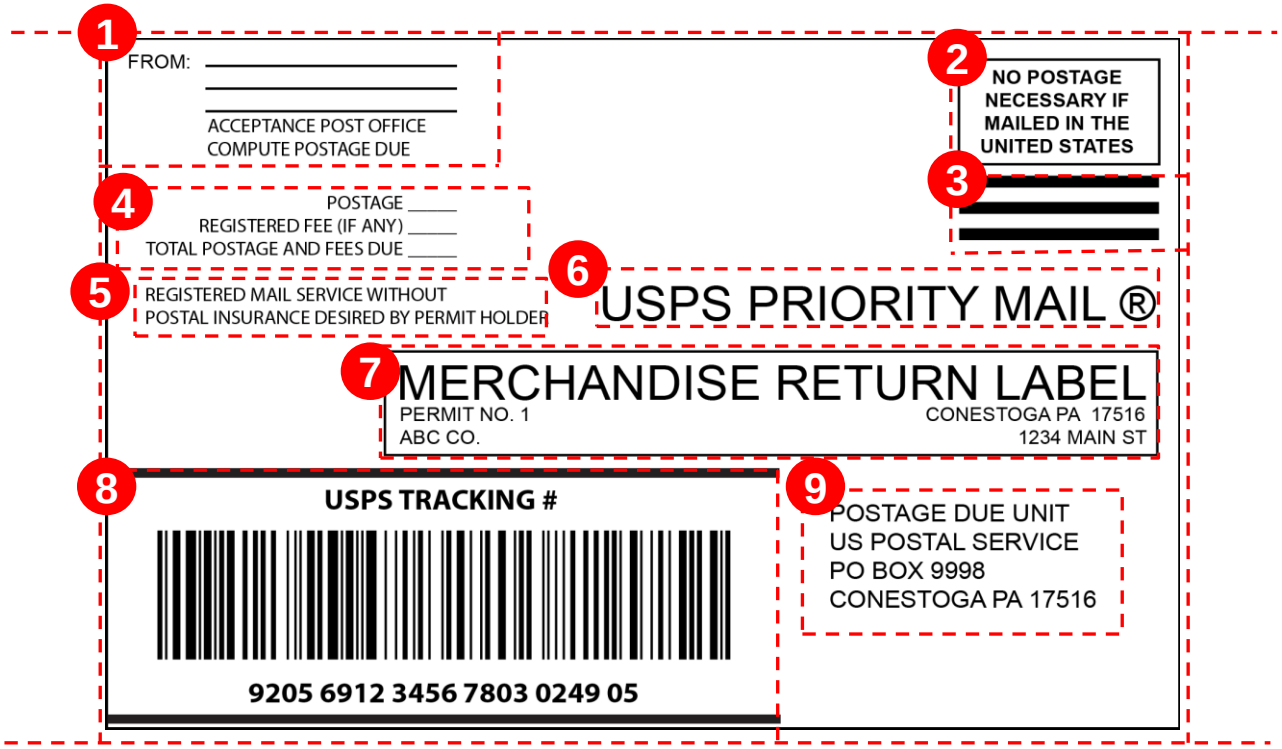
USPS Accepts Return via Package Pickup or Retail location

Returns Processed

Returns Individually Weighed & Rated

Return Delivered to Merchant

MRS Label



1. Pre Printed or Handwritten Return Address
2. Postage Guarantee Imprint
3. Three Horizontal Bars (Minimum)
4. Postage Calculation and Extra Services
5. Endorsement
6. Service Banner
7. MRS Legend
8. Intelligent Mail Package Barcode with MID/STC
9. Delivery Address

Business Reply Mail (BRM) Parcels

Business Reply Mail enables merchants to create prepaid return labels for use by their customers. Although primarily intended for letters and flats, Business Reply Mail (BRM) also enables merchants to create BRM labels that can be applied to a parcel-shaped package. BRM postage is assessed only when the label is used. A per-piece fee is applied to each package in addition to the applicable First-Class Mail Parcel or Priority Mail postage.

Product Details

Features & Benefits
▪ BRM Parcels postage is assessed only when the label is used. ▪ The only Extra Service authorized for BRM is USPS Tracking, which is enabled through the use of a unique Intelligent Mail Package Barcode (IMpb) on each BRM parcel. ▪ Merchants must privately print labels and have them certified. ▪ BRM labels are addressed to the merchant or agent's address, but are processed in the Postage Due Unit prior to delivery.

Extra Service Options	Value Added Services	Products & Services
▪ USPS Tracking (IMpb)	▪ N/A	▪ Priority Mail ▪ First-Class Mail Parcels

Business Reply Mail (BRM) Parcels Return Flow

Privately printed BRM Parcel Labels

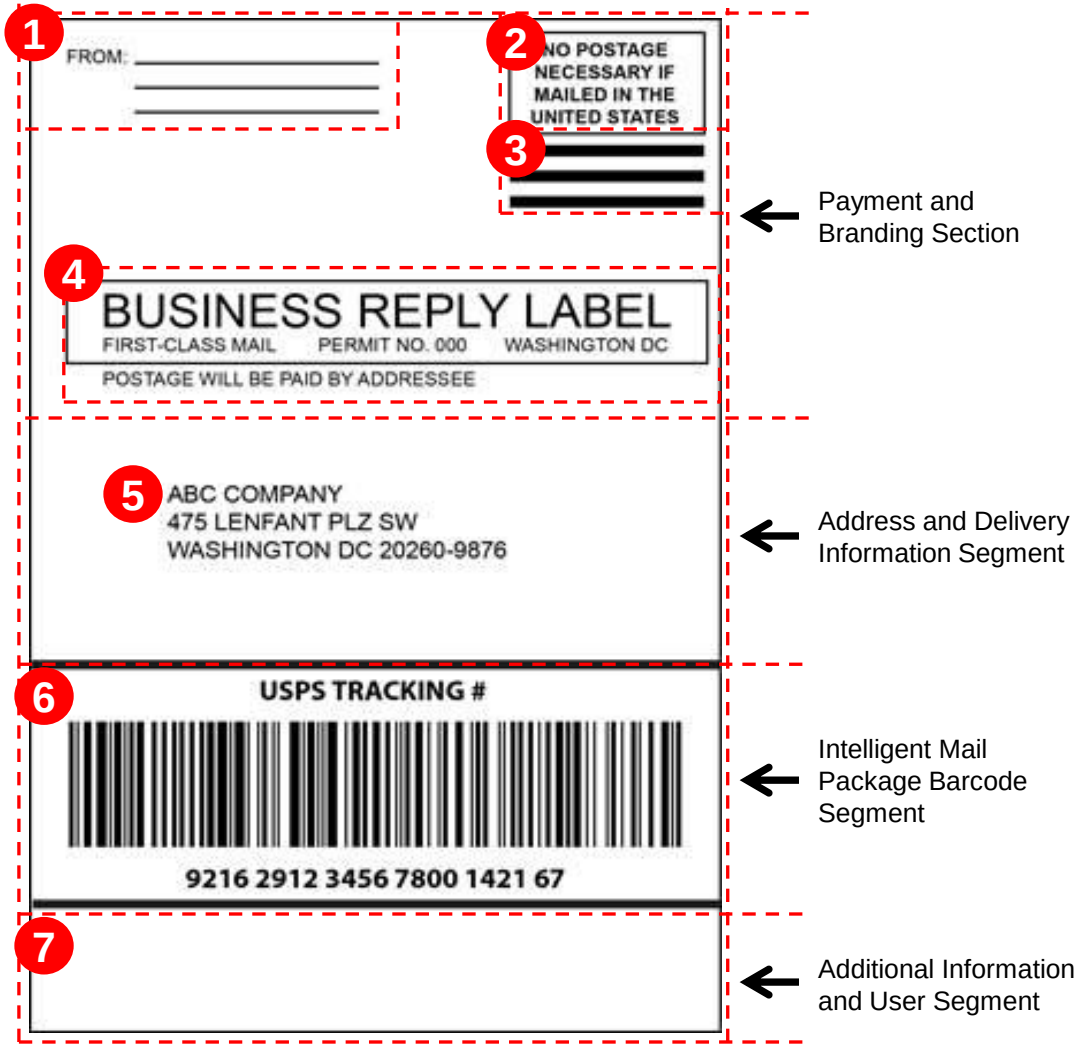
USPS Accepts Parcel at Retail or Collection Box

Parcel Processed by USPS

Parcel Individually Weighed & Rated

Parcel Delivered to Business

BRM Label



1. Pre Printed or Handwritten Return Address
2. Postage Guarantee Imprint
3. Horizontal Bars (Three Minimum)
4. BRM Parcel Legend
5. Delivery Address
6. Intelligent Mail Package Barcode with MID/STC
7. Additional Information and User Segment

Bulk Parcel Return Service (BPRS)

Bulk Parcel Return Service is designed for shippers of Parcel Select Lightweight or Standard Mail machinable packages as a solution to handle both unopened refused and undeliverable-as-addressed packages, and opened relabeled packages.

- Undeliverable-As-Addressed (UAA)
- Uses on-piece endorsement or a return label
- Refused or opened and returned to sender parcels

Product Details

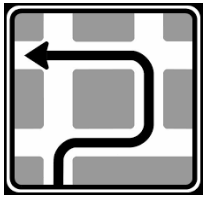
Features & Benefits
▪ Per piece flat fee ▪ Regular Rate and Nonprofit Standard Mail machinable parcels ▪ Parcel Select Lightweight machinable parcels and standard mail parcels ▪ No Extra Services

Extra Service Options	Value Added Services	Products & Services
▪ None	▪ N/A	▪ Standard Mail Parcels ▪ Parcel Select Lightweight machinable parcels

BPRS Return Flow – Unopened / Undeliverable

Package Undeliverable-as-Addressed

Routed Back to Merchant's Return Address



BPRS Flat Fee Collected at Delivery Unit

Packages Delivered to Merchant's Return Address

BPRS Return Flow – Opened / Relabeled

Customer Receives BPRS Label from Merchant

→

Package Enters Mail Stream – Label Scanned

→

BPRS Flat Fee Collected at Delivery Unit

→

Package Delivered to Return Destination

BPRS Label

Payment and Branding Section

Address and Delivery Information Segment

Intelligent Mail Package Barcode Segment

Additional Information and User Segment

1. Service Icon Block
2. Service Banner
3. Postage Payment Area
4. Return Address
5. Endorsement for BPRS
6. Delivery Address
7. Intelligent Mail Package Barcode/MID/STC
8. Additional Information and user Segment

Click-N-Ship for Business Pro

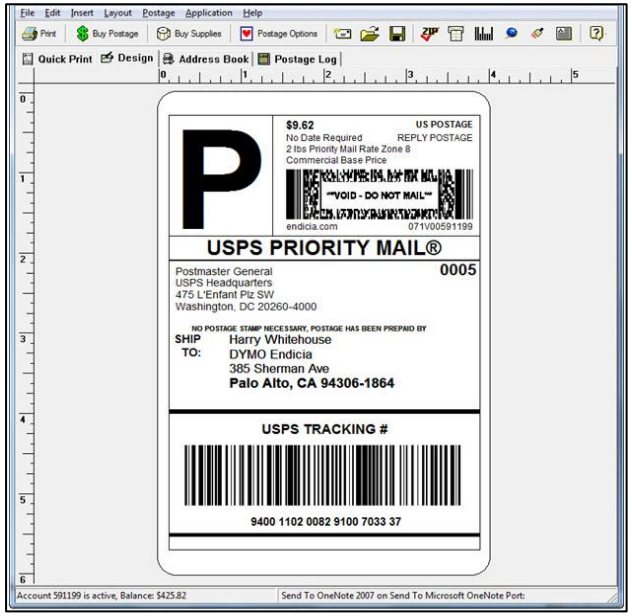
- Free desktop software
- Intelligent Mail package barcode (IMpb) compliant
- Supports USPS Returns label
- Merchant downloads software from USPS.com
- No fee for permit

Webtools Application Program Interface (API)

- Web developer resources required
- Intelligent Mail package barcode (IMpb) compliant
- Supports Merchandise Return Service labels
  - Priority Mail Return Service
  - First-Class Package Return Service
  - Ground Return Service

Merchant Returns Label Tool

- Customized URL to generate returns label
- Intelligent Mail package barcode (IMpb) compliant
- Supports:
  - USPS Return Services
  - Merchandise Return Service
    1. Priority Mail
    2. First-Class Package Service
    3. Ground Return Service



Privately Printed Labels

- Dynamic printing capability required
- Must be certified by National Customer Service Center (NCSC)

Q & A

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  - USPS Return Services
  - Merchandise Return Service (MRS)
  - Business Reply Mail (BRM) Parcels
- Bulk Parcel Return Service
- Online Tools
- **Appendix**

APPENDIX

Mailing Permit Application and Customer Profile (PS Form 3615)

United States Postal Service®

Mailing Permit Application and Customer Profile

Instructions available on reverse

Two forms of identification are required when submitting this application. One form of ID must contain a photograph of the applicant(s). The applicant must enter the two ID numbers on line 8a and line 8b which is subject to verification by the postal employee completing the application. Social Security cards, credit cards and birth certificates are not acceptable forms of identification.

A. Applicant Information *(Please print or type requested information)*

1. Mail Owner *(Individual or Company Name)*
2. Date
3. Applicant's Signature *(See Privacy Notice below)*
4. Email Address *(required if known)*
5. Address *(Street and number, apt. or suite no., city, state, and ZIP + 4®)*
6. Other Names Under Which Company Does Business *(If applicable)*
7. How Can We Contact You? ☐ Telephone ☐ Email ☐ Mail

8a. Enter first ID number.

9. Federal Agency Cost Code *(If applicable)* – – – – – – – –

10. Will Present Plant Verified Drop Shipment (PVDS)? ☐ Yes ☐ No

8b. Enter second ID number.

11. Contact Person

12. Telephone No. *(Include area code)*

B. Check Applicable Type of Permit/Authorization Requested

Will you be mailing anything that is liquid, fragile, perishable, or potentially hazardous? See DMM 601 Yes ☐ No ☐

	For Postal Service™ Use Only: Permit Number	Date Issued	Date Canceled	Sample Approved
1. ☐ **Permit Imprint Authorization** *(One time Application fee required)** First-Class® Mail ☐ Standard Mail® ☐ Package Services ☐ Company Permit Imprint ☐				
2. ☐ **Precanceled Stamp Authorization***				
☐ **Government Precanceled Stamped Envelope Authorization***				
Mailer Precanceled Postmark/Preprinted Rate Markings Authorization* See DMM 604.3 Preprinting of Rate Markings ☐ Mailer Precancel Postmark ☐				
3. ☐ **Postage Evidencing System (Meter/PC Postage™) Authorization***				
4. ☐ **Business Reply Mail™ (BRM) Authorization**** (Cards, Letters and Flats Only) a. Post Office™ (Station or Branch) where BRM will be received: (a) b. Post Office where BRM permit number was issued and annual fee was paid, if applicable: (b)				
☐ **Business Reply Mail Account Maintenance Fee** *(For advance deposit account)****				
☐ **Qualified Business Reply Mail™ (QBRM) Approved*****				
5. ☐ **Merchandise Return Service (MRS) Authorization** *(Select below)*****				

a. Type of Application Initial ☐ Reapplication ☐

b. Return Location Single ☐ Multiple ☐

If Multiple Return locations are selected, complete appropriate section on back of form.

* Annual mailing fee is required to present presorted mail
** Annual permit fee required
*** Annual permit and annual account maintenance fee required

PS Form **3615**, January 2014 PSN 7530-03-000-6048 *Privacy Notice: Information provided may be used for marketing purposes, see our privacy policy at *usps.com*

Permit Imprint Authorization
(Please keep this card for your records. Instructions available on reverse.)

Permit Number | Date Permit Issued | Issuing Office
Application Fee Due $ | AIC 140
Postmaster or Designee Signature

Authorization for Precanceled Stamps or Postage Evidencing Systems (Meter/PC Postage) to Present Presorted Mail in Bulk
(Please keep this card for your records. Instructions available on reverse.)

Permit Number | Date Permit Issued | Issuing Office
Postmaster or Designee Signature

Business Reply Mail Authorization
(Please keep this card for your records. Instructions available on reverse.)

Permit Number | Date Permit Issued | Issuing Office
Fee Due $ | Unique BRM ZIP+4(s)
BRM w/Advance Deposit Account Maintenance Fee Due $
Postmaster or Designee Signature

Merchandise Return Service Authorization
(Please keep this card for your records. Instructions available on reverse.)

Permit Number | Date Permit Issued | Issuing Office
Fees Due $ | AIC 141
Postmaster or Designee Signature

http://about.usps.com/forms/ps3615.pdf

USPS Returns Scan Events

SBP_EVENT_CODE	SBP_EVENT_CODE_DESCRIPTION	SBP_EVENT_CODE	SBP_EVENT_CODE_DESCRIPTION
01	Delivered	39	Processed (Registered Mail Only)
02	Notice Left	40	Processed (Registered Mail Only)
03	Accept or Pickup	41	Received at Opening Unit
04	Refused	42	USPS Handoff to Shipping Partner
05	Undeliverable as Addressed	43	Picked Up
06	Forwarded	44	Customer Recall
07	Arrival at Unit	45	Dispatched from International Service Center
08	Missent	46	Duplicate Label ID
09	Return to Sender	51	Business Closed
10	Processed	52	Notice Left
11	Dead Letter	53	Receptacle Blocked
14	Arrival at Pickup Point	54	Receptacle Full/Item Oversized
15	Mis-shipped	55	No Secure Location Available
16	Available for Pickup	56	No Authorized Recipient Available
17	Picked Up by Agent	57	Held at Customer Request
18	Random sampling - oversized	80	Picked Up by Shipping Partner
19	DC/EVS Arrive	81	Arrived Shipping Partner Facility
21	No Such Number	82	Departed Shipping Partner Facility
22	Insufficient Address	A1	Arrive Sort Facility
23	Moved, Left No Address	AE	Arrived USPS Sort Facility
24	Forward Expired	B2	Into Customs
25	Addressee Unknown	B3	Out Of Customs
26	Vacant	BE	Processed
27	Unclaimed	CI	Inbound Into Customs
28	Other	CO	Inbound Out Of Customs
29	Other	DE	Depart USPS Sort Facility
31	Return to Sender / Not Picked Up	DX	Delivery Status Not Updated
32	Dead Mail / Disposed by Post Offic	L1	Depart Sort Facility
33	Dead Mail / Sent to Recovery Cent	OA	Origin Acceptance
35	Processed (Registered Mail Only)	OD	Processed at Destination Facility
36	Processed (Registered Mail Only)	OF	Out for Delivery
38	Processed (Registered Mail Only)	PC	Sorting/Processing Complete
		R1	Arrive Sort Facility
		RB	Processed
		SF	Dispatched to Sort Facility
		T1	Depart Sort Facility
		TM	Shipment Acceptance
		U1	Arrive Sort Facility

Online Permit Creation Process Flow –

Customer Goes Online

Location

- Log into Business Customer Gateway via USPS.com
- Select Manage Permits from the Mailing Services or Shipping Services tab

Identify User Needs

Customer Identifies

- Mailing Needs
- How they intend to pay

Choose Permit Type

Choose Permits

- Outgoing Permits
  1. Permit Imprint
  2. Metered
  3. PreCanceled

Find PO Location

Choose Location where you will enter and pay for your mail

- Customer will have to pay a permit fee at every post office that they want to enter/pay for their mail.

Business Location

Contact Information

- All permits associated with the CRID and same PO will have updated contact information

Application Fee

Review application fees based on mail class

- Mailing Fee may vary based on mail class.

Review and Confirm

Review information for accuracy

- If correct, choose 'Create Permit'
- The user will have the option to link Permit to a CAPs account by contacting CAPS Service Center
- The user will be taken to a confirmation page where they will need to print and take it to the PO to pay fees
- User can begin shipping after fees are paid

USPS Returns - Webinar

Question and Answer Session

United States Postal Service

Karen Ward
Mgr., Shipping Solutions
Shipping Products and Services

Tuesday June 23, 2015

USPS Returns Webinar

The webinar is now concluded

RIBBS Website: https://ribbs.usps.gov

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