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Use of Mailing Permit 138, and 47(metered mail)

A number of changes are taking place within the Postal Service. Effective November 23, 2008 another change will take effect that extends the Move Updating Requirement to Standard Mail (including Nonprofit Mail) as well as discounted First-Class Mail. This change also requires updating every 95 days instead of 185 days. Along with this change comes stepped up enforcement efforts by the Postal Service. Mailers such as Mail House Inc assume greater liability now as we sign mailing statements where we are called upon to certify that the customer is in compliance and eligible for the rates being claimed on that mailing statement. Strict penalties have been proposed for mailings found non-compliant and enforcement plans are in place. Areas still under discussion include confirmation of the amount of those penalties and whether or not there will be a permissible margin of error before a mailing is identified as non-compliant.

Mailing permit 138 and 47 in Sioux City, Iowa belongs to Mail House Inc. It is registered under the name of Mail House Inc. Mail House Inc maintains this permit and is responsible for managing funds to be deposited into this permit at the Sioux City Post Office.

Allowing our customers to mail using permit 138 and 47 is a value-added service to our customers. Using our permit means that the customer does not have to do the following:

- Take out their own mailing permit prior to generating their artwork. Ours has already been established and is available to use.
- Pay a fee (currently \$185) to open their own mailing permit
- Pay another fee annually (currently \$185) by class of mail to mail using that permit
- Monitor fund usage under that permit

We do all of those things for the customer – and the best part about it is that it is absolutely free! We also realize that we are assuming some liability if a mailing is presented as eligible and it turns out the mailing was not in move-update compliance. The Postal Service could choose to deduct penalties directly from our permit if the mail found to be non-compliant was mailed under our permit. This can happen when the customer does not have a permit of their own and the mailing has been mailed under the mailer's permit.

Because we believe that use of our permit is a value-added service and because we are risking liability if a mailing is found to be non-compliant, we have decided to enact a policy regarding use of permit 138. This policy is intended to limit our liability such that only mailings that we can ensure are within compliance will be permitted to mail using Mail House Inc's permit 138. We must include all pre-cancelled stamp mail and metered mail under our policy for permit 138 because we sometimes affix stamps, or meter at the lowest denomination applicable and additional postage due at time of mailing is taken from permit 138. Our new policy states that for a customer to mail using Mail House Inc's permit 138 or 47 (or to send out pre cancelled stamp mail):

1. Mail House Inc must NCOA the customer's list within 95 days of mailing. OR
2. The customer must furnish proof that the list was NCOA'd by another vendor within 95 days of mailing. Acceptable proof includes either an NCOA processing certificate or NCOA summary report from the vendor who performed the processing. OR
3. The customer must mail using an exceptional address format. OR
4. The customer must use a Postal approved Ancillary Service endorsement OR
5. The customer must mail any non-updated pieces at single-piece rates.