



M900 Advanced Preparation Options for Flats

## M940 Merged Palletization of Bundles Using the City State Product and a 5% Threshold

**Summary** M940 describes the eligibility and preparation requirements for copalletizing bundles of automation, Presorted, and carrier route rate pieces into merged 5-digit scheme and merged 5-digit pallets using both the City State Product and a 5% threshold.

### 1.0 PERIODICALS

- Basic Standards** [6-10-04] Five-digit scheme bundles (under L007) must be prepared under M940.
- 1.1 Five-digit scheme bundles may not be copalletized on merged pallets with carrier route bundles. Five-digit bundles from an automation rate mailing and 5-digit bundles from a Presorted rate mailing (including pieces cobundled under M950) may be placed on the same pallet as carrier route bundles under the following conditions:
- a. A carrier route mailing must be part of the mailing job.
  - b. The pieces in the carrier route mailing, the automation rate mailing, and the Presorted rate mailing must be part of the same mailing job.
  - c. Pieces in the automation rate mailing must meet the criteria for a flat under C050.3.2 and C820. Pieces in the Presorted rate mailing and the carrier route mailing must be nonletter-size.
  - d. Mailers must use the Carrier Route Indicators field in the City State Product and the 5% limit criteria in 1.4 to prepare the mailing. The mailing must be entered no later than 90 days after the release date of the City State Product used.
  - e. Automation rate 5-digit bundles, Presorted rate 5-digit bundles, and cobundled 5-digit bundles may be copalletized with carrier route bundles and firm bundles on merged 5-digit or merged 5-digit scheme pallets as follows:
    - (1) For 5-digit ZIP Codes with an “A” or “C” indicator in the Carrier Route Indicators field in the City State Product, carrier route and 5-digit bundles may be merged with no limit on the number of pieces in 5-digit bundles placed on the pallet. 5-digit scheme bundles cannot be placed in merged containers.
    - (2) For 5-digit ZIP Codes with a “B” or “D” indicator in the Carrier Route Indicators field in the City State Product, the pieces in the 5-digit bundles must not exceed 5% of the total number of pieces for each individual 5-digit ZIP Code on the pallet as described in 1.4. Since 5-digit scheme bundles cannot be placed on merged pallets, pieces in 5-digit scheme bundles do not count as 5-digit sorted pieces for purposes of determining the 5% limit.
  - f. If sortation under this section is performed, merged 5-digit pallets and merged 5-digit scheme pallets, must be prepared whenever there is enough volume of carrier route and 5-digit bundles under M041 to prepare such pallets using the criteria in 1.1e and the sortation criteria in 1.5. All possible merged 5-digit scheme, 5-digit scheme carrier routes, and 5-digit scheme pallets must be prepared under 1.4 and 1.5.



- g. The carrier route mailing must meet the eligibility criteria in E230, the automation rate mailing must meet the eligibility criteria in E240, and the Presorted rate mailing must meet the eligibility criteria in E220.
- h. The rates are based on the level of bundle and the number of pieces in the bundle under E220, E230, and E240.
- i. The bundles from each separate mailing must be sorted together on pallets (copalletized) under 1.5 using presort software that is PAVE-certified.
- j. A complete, signed postage statement(s), using the correct USPS form or an approved facsimile, must accompany each mailing job prepared under these procedures.
- k. In addition to the postage statement(s), documentation prepared by PAVE-certified software must be submitted with each copalletized mailing job that describes for each pallet sortation level and pallet the number of pieces qualifying for each applicable carrier route rate, each applicable automation rate, and each applicable Presorted rate under P012. A separate 5% threshold summary also must be provided under P012 for each "logical" merged 5-digit scheme or "logical" merged 5-digit pallet presort destination that contains mail for one or more 5-digit ZIP Codes with a "B" or "D" indicator in the City State Product. This 5% threshold summary must show for each 5-digit ZIP Code with a "B" or "D" indicator on the logical merged 5-digit scheme or logical merged 5-digit pallet: the total number of pieces on the pallet for the 5-digit ZIP Code; the total number of pieces sorted in carrier route bundles for the 5-digit ZIP Code (including each firm bundle eligible for the carrier route rate and low-volume carrier route bundles); the total number of pieces sorted in 5-digit bundles for the 5-digit ZIP Code (including each firm bundle eligible for the 5-digit or basic rate and low-volume 5-digit bundles), and; of the total number of pieces for the 5-digit ZIP Code, the percentage of pieces sorted in 5-digit bundles for that 5-digit ZIP Code. This additional 5% threshold summary must appear within the body of the documentation beneath the pallet rate listing for the last physical pallet for the logical pallet presort destination. *Note:* If there are two or more physical pallets for the same presort destination, for example, the same merged 5-digit pallet destination, these two or more physical pallets would be considered as one "logical pallet." The separate pallet summary must be for the mail on all of the physical pallets (the "logical pallet") for that presort destination.
- l. Portions of the mailing job that cannot be palletized must be prepared in sacks under M210, M220, M820, M910, or M920.

**Bundle Preparation**  
1.2

Bundles placed on pallets must be prepared under the standards in M045.

**Low-Volume Bundles on Pallets**  
1.3

Carrier route and 5-digit bundles prepared under M210, M220, M820 or M950, and M045 that contain fewer than six pieces may be placed on pallets under 1.5a through 1.5i, when the publisher determines that such preparation improves service. Pieces in such low-volume bundles must pay the applicable basic rate.

**5% Threshold Standard**  
1.4

[10-6-04] Five-digit bundles, carrier route bundles, and firm bundles may be placed on the same merged 5-digit scheme or merged 5-digit pallet under 1.5 if all of the following conditions are met:

- a. Firm bundles claimed as one piece may be eligible for carrier route rates, 5-digit rates, or basic rates. Firm pieces (bundles), regardless of the rate



claimed, are not subject to the 5% limit calculation. When firm bundles are placed on merged 5-digit scheme or merged 5-digit pallets, all eligible 5-digit bundles within the same logical bundle as the firm bundles must be merged, subject to the restrictions outlined in 1.4b through 1.4g, prior to merging any other 5-digit bundles.

- b. The number of pieces prepared in 5-digit bundles for any single 5-digit ZIP Code with a “B” or “D” indicator on a logical merged 5-digit or merged 5-digit scheme pallet does not exceed 5% of the total number of pieces for the 5-digit ZIP Code on the logical pallet for the presort destination. That is, the total number of pieces for a 5-digit ZIP Code in 5-digit and carrier route bundles must not be greater than the number of pieces in carrier route bundles divided by 0.95. 5-digit ZIP Codes with an “A” or “C” indicator are not subject to the 5% limit.
- c. The 5% threshold is calculated separately for each 5-digit ZIP Code with a “B” or “D” indicator. For example, if a scheme contains four different 5-digit ZIP Codes, a separate 5% threshold applies to each 5-digit ZIP Code with a “B” or “D” indicator for the scheme on a merged 5-digit scheme pallet. (5-digit ZIP Codes with an “A” or “C” indicator are not subject to the 5% limit.) Since 5-digit scheme bundles may not be placed on merged pallets, pieces in 5-digit scheme bundles do not count as 5-digit sorted pieces for purposes of determining the 5% limit.
- d. Except when bundles are prepared under the cobundling option in M950, all mail in a logical 5-digit bundle for a 5-digit ZIP Code with a “B” or “D” indicator must be able to be placed on the logical pallet under the 5% rule. A logical 5-digit bundle is all pieces for a mailing (rate level) prepared in a 5-digit bundle or bundles for the same 5-digit destination. For each 5-digit ZIP Code, it is possible to have a logical 5-digit bundle of automation rate mail and a logical 5-digit bundle of Presorted rate mail. If the total number of pieces in a logical 5-digit bundle exceeds the 5% limit, none of the pieces for that 5-digit bundle level may be placed on a merged 5-digit or merged 5-digit scheme pallet. For some ZIP Codes, the total number of pieces prepared in logical 5-digit bundles (both an automation rate 5-digit bundle and a Presorted rate 5-digit bundle) may exceed 5% of the total mail for that ZIP Code, but the number of pieces for an individual automation rate logical 5-digit bundle for that ZIP Code does not exceed the 5% limit nor does an individual Presorted rate logical 5-digit bundle for that ZIP Code exceed the 5% limit. In such instances, mailers may choose to place all of the pieces in a logical 5-digit bundle for a single rate category on the logical merged 5-digit or merged 5-digit scheme pallet so that the 5% threshold is not exceeded.
- e. Except for bundles prepared under the cobundling option in M950, if the total number of pieces in both the logical 5-digit automation rate bundle and the logical 5-digit Presorted rate bundle each separately exceed 5% of the total number of pieces for the 5-digit ZIP Code with a “B” or “D” indicator, none of the pieces in 5-digit bundles may be merged with carrier route bundles on a merged 5-digit or merged 5-digit scheme pallet.
- f. For mailing jobs prepared using the cobundling option in M950, if the total number of pieces prepared in a logical 5-digit bundle (containing automation rate and Presorted rate pieces) exceeds the 5% limit for a 5-digit ZIP Code in 1.4b, a mailer may, for each 5-digit ZIP Code, choose to place a portion of the pieces prepared in the logical 5-digit bundle on a merged 5-digit or 5-digit scheme pallet using one of the options below. Regardless of the option selected, a minimum of six pieces must be prepared in 5-digit bundle(s)



placed on the merged pallet and a minimum of six remaining pieces prepared in 5-digit bundle(s) not placed on the merged pallet, with the total number of pieces not exceeding the 5% limit. The options are:

- (1) Place either all automation rate pieces or all Presorted rate pieces for the 5-digit ZIP Code on the merged pallet.
- (2) Place a portion of either the automation rate pieces or the Presorted rate pieces for the 5-digit ZIP Code on the merged pallet.
- (3) Place either all the automation rate pieces plus a portion of the Presorted rate mail or all the Presorted rate pieces plus a portion of the automation rate pieces for the 5-digit ZIP Code on the merged pallet.

- g. Pieces in low-volume carrier route bundles will count as carrier route sorted pieces for purposes of determining the 5% limit under 1.4b through 1.4e even though the basic rate is paid. Pieces in low-volume 5-digit bundles will count as 5-digit sorted pieces for purposes of determining the 5% limit under 1.4b through 1.4e even though the basic rate is paid.

### Pallet Preparation and Labeling

1.5

[6-10-04] Mailers must prepare pallets of bundles in the manner and sequence listed below and under M041. Mailers must prepare all merged 5-digit scheme, 5-digit scheme carrier routes, 5-digit scheme, and merged 5-digit pallets that are possible in the mailing based on the volume of mail to the destination (M041) using L001, the City State Product, and the 5% threshold (1.4), as applicable. Mailers must label pallets according to the Line 1 and Line 2 information listed below and under M031. If, due to the physical size of the mailpieces, the automation rate pieces are considered flat-size under C820 and the carrier route sorted pieces and Presorted rate pieces are considered irregular parcels under C050, "FLTS" must be shown as the processing category on the pallet label. If a mailing contains no automation rate pieces and the carrier route mailing and the Presorted rate mailing are irregular parcels, use "IRREG" for the processing category on the contents line of the pallet label.

- a. *Merged 5-Digit Scheme*. Required. For schemes that contain at least one 5-digit ZIP Code that has an "A" or "C" indicator in the City State Product, the pallet contains 1) carrier route bundles for all 5-digit ZIP Codes in the scheme, 2) 5-digit automation rate and 5-digit Presorted rate bundles for those 5-digit ZIP Codes in the scheme with an "A" or "C" indicator in the City State Product, and 3) 5-digit automation rate and/or 5-digit Presorted rate bundles for those 5-digit ZIP Codes in the scheme with a "B" or "D" indicator when the number of pieces in the 5-digit bundle(s) does not exceed 5% of the total number of pieces for that 5-digit ZIP Code under 1.4. For schemes in which all 5-digit ZIP Codes have "B" or "D" indicators and for which there is at least one 5-digit ZIP Code for which 5-digit bundles may be placed on the pallet under the 5% limit in 1.4, place all carrier route bundles plus the 5-digit bundles within the 5% limit on the pallet. For schemes in which all 5-digit ZIP Codes have "B" or "D" indicators and for which there are no 5-digit ZIP Codes for which 5-digit bundles may be placed on the pallet under the 5% limit, do not prepare a merged 5-digit scheme pallet (sort bundles to pallets under 1.5b through 1.5j).

- (1) Line 1: use L001, Column B.
- (2) Line 2: "PER" or "NEWS" as applicable; followed by "FLTS" or "IRREG" as applicable; and followed by "CR/5D SCHEME."



- b. *5-Digit Scheme Carrier Routes*. Required. May contain only carrier route bundles for all carrier routes in an [L001](#) scheme for which all 5-digit ZIP Codes in the scheme have a “B” or “D” indicator and for which no 5-digit bundles could be placed on a merged 5-digit scheme pallet with the carrier route bundles because the 5-digit bundles exceeded the 5% threshold.
- (1) Line 1: use [L001](#), Column B.
  - (2) Line 2: “PER” or “NEWS” as applicable; followed by “FLTS” or “IRREG” as applicable; and followed by “CR-RTS SCHEME.”
- c. *5-Digit Scheme*. Not permitted for flats that meet the dimension, weight, and flexibility criteria of the AFSM 100 in [C820.2.0](#), including copalletized or combined AFSM 100 flats and other flats, and not permitted for sacks or trays. Required for all other flats and irregular parcels. May contain only 5-digit bundles of automation rate and Presorted rate mail for the same 5-digit scheme under [L001](#) for which one or more 5-digit ZIP Codes in the scheme had a “B” or “D” indicator in the City State Product, and the 5-digit bundles could not be placed on a merged 5-digit scheme pallet (the pieces exceeded the 5% threshold).
- (1) Line 1: use [L001](#), Column B.
  - (2) Line 2: “PER” or “NEWS” as applicable; followed by “FLTS” or “IRREG” as applicable; followed by “5D”; followed by “BARCODED” or “BC” if the pallet contains automation rate mail; followed by “NONBARCODED” or “NBC” if the pallet contains Presorted rate mail; and followed by “SCHEME” or “SCH.”
- d. *Merged 5-Digit*. Required. May contain carrier route bundles, automation rate 5-digit bundles, and Presorted rate 5-digit bundles for those 5-digit ZIP Codes that are not part of a scheme. For 5-digit ZIP Codes with an “A” or “C” indicator in the City State Product, there is no limit on the number of pieces in 5-digit bundles that may be placed on the pallet and a merged 5-digit pallet is prepared even if there are no 5-digit bundles for that ZIP Code. For those 5-digit ZIP Codes with a “B” or “D” indicator in the City State Product, the number of pieces in 5-digit bundles is limited to 5% of the total number of pieces for the 5-digit pallet destination under [1.4](#). However, if no 5-digit bundles for ZIP Codes with “B” or “D” indicators can be placed on this level pallet under the 5% limit, do not prepare this a merged 5-digit pallet (sort bundles under [1.5e](#) through [1.5j](#)).
- (1) Line 1: use city, state, and 5-digit ZIP Code destination (see [M031](#) for military mail).
  - (2) Line 2: “PER” or “NEWS” as applicable; followed by “FLTS” or “IRREG” as applicable; and followed by “CR/5D.”
- e. *5-Digit Carrier Routes*. Required. May contain only carrier route rate bundles for the same 5-digit ZIP Code that is not part of a scheme and that could not be placed on a merged 5-digit pallet.
- (1) Line 1: use city, state, and 5-digit ZIP Code destination (see [M031](#) for military mail).
  - (2) Line 2: “PER” or “NEWS” as applicable; followed by “FLTS” or “IRREG” as applicable; and followed by “CARRIER ROUTES” or “CR-RTS.”
- f. *5-Digit*. Required. May contain only automation rate 5-digit bundles and Presorted rate 5-digit bundles for the same 5-digit ZIP Code that could not be placed on a merged 5-digit pallet, or 5-digit scheme ([L007](#)) bundles (automation rate and cobundled automation and Presorted rate pieces only).



Five-digit scheme bundles are assigned to 5-digit pallets according to the OEL “label to” 5-digit ZIP Code.

- (1) Line 1: use city, state, and 5-digit ZIP Code destination (see [M031](#) for military mail).
  - (2) Line 2: “PER” or “NEWS” as applicable; followed by “FLTS” or “IRREG” as applicable; followed by “5D”; followed by “BARCODED” or “BC” if the pallet contains automation rate mail; and followed by “NONBARCODED” or “NBC” if the pallet contains Presorted rate mail.
- g. *5-Digit Metro*. Optional. May contain carrier route, automation, and Presorted rate bundles for the 5-digit ZIP Codes listed in [L006](#), Column A, and for the 3-digit ZIP Code areas listed in [L006](#), Column B.
- (1) Line 1: use [L006](#), Column C.
  - (2) Line 2: “PER” or “NEWS”; followed by “FLTS” or “IRREG”; followed by “METRO” or “MET”; followed by “BARCODED” or “BC” if the pallet contains automation rate mail; followed by “NONBARCODED” or “NBC” if the pallet contains Presorted rate and/or carrier route mail.
- h. *3-Digit*. Optional. Option not available for 3-digit ZIP Code prefixes marked “N” in [L002](#). May contain carrier route rate, automation rate, and Presorted rate mail.
- (1) Line 1: use [L002](#), Column A.
  - (2) Line 2: “PER” or “NEWS” as applicable; followed by “FLTS” or “IRREG” as applicable; followed by “3D”; followed by “BARCODED” or “BC” if the pallet contains automation rate mail; and followed by “NONBARCODED” or “NBC” if the pallet contains Presorted rate mail and/or carrier route mail.
- i. *SCF*. Required. May contain carrier route rate, automation rate, and Presorted rate bundles.
- (1) Line 1: use [L002](#), Column C.
  - (2) Line 2: “PER” or “NEWS” as applicable; followed by “FLTS” or “IRREG” as applicable; followed by “SCF”; followed by “BARCODED” or “BC” if the pallet contains automation rate mail; and followed by “NONBARCODED” or “NBC” if the pallet contains Presorted rate mail and/or carrier route mail.
- j. *ADC*. Required. May contain carrier route rate, automation rate, and Presorted rate bundles.
- (1) Line 1: use [L004](#).
  - (2) Line 2: “PER” or “NEWS” as applicable; followed by “FLTS” or “IRREG” as applicable; followed by “ADC”; followed by “BARCODED” or “BC” if the pallet contains automation rate mail; and followed by “NONBARCODED” or “NBC” if the pallet contains Presorted rate mail and/or carrier route mail.

## 2.0 STANDARD MAIL

### Basic Standards

#### 2.1

**[6-10-04]** Five-digit scheme bundles (under [L007](#)) must be prepared under M940. Five-digit scheme bundles may not be copalletized on merged pallets with carrier route bundles. Five-digit bundles from an automation rate mailing and 5-digit bundles from a Presorted rate mailing (including pieces cobundled under [M950](#)) may be placed on the same pallet as carrier route bundles under the following conditions:

- a. A carrier route mailing must be part of the mailing job.



- b. The pieces in the carrier route rate mailing, the automation rate mailing, and the Presorted rate mailing must be part of the same mailing job, and all three mailings must be reported on the same postage statement.
- c. Pieces in the automation rate mailing must meet the criteria for a flat under [C050.3.2](#) and [C820](#). Pieces in the Presorted rate mailing and the carrier route mailing must meet the criteria for a flat under [C050.3.1](#).
- d. Mailers must use the Carrier Route Indicators field in the City State Product and the 5% limit criteria in [2.3](#) to prepare the mailing. The mailing must be entered no later than 90 days after the release date of the City State Product used.
- e. Automation rate 5-digit bundles, Presorted rate 5-digit bundles, and cobundled 5-digit bundles may be copalletized with carrier route bundles and firm bundles on merged 5-digit or merged 5-digit scheme pallets as follows:
  - (1) For 5-digit ZIP Codes with an “A” or “C” indicator in the Carrier Route Indicators field in the City State Product, carrier route and 5-digit bundles may be merged with no limit on the number of pieces in 5-digit bundles placed on the pallet. 5-digit scheme bundles may not be used.
  - (2) For 5-digit ZIP Codes with a “B” or “D” indicator in the Carrier Route Indicators field in the City State Product, the pieces in the 5-digit bundles must not exceed 5% of the total number of pieces for each individual 5-digit ZIP Code on the pallet as described in [2.3](#). Since 5-digit scheme bundles cannot be placed on merged pallets, pieces in 5-digit scheme bundles do not count as 5-digit sorted pieces for purposes of determining the 5% limit.
- f. If sortation under this section is performed, then merged 5-digit scheme pallets must be prepared whenever there is enough volume of carrier route and 5-digit bundles under [M041](#) to prepare such pallets using the criteria in [2.1e](#) and the sortation criteria in [2.4](#).
- g. The carrier route mailing must meet the eligibility criteria in [E620](#), the automation rate mailing must meet the eligibility criteria in [E640](#), and the Presorted rate mailing must meet the eligibility criteria in [E620](#).
- h. The rates are based on the level of bundle that the pieces are contained in under [E620](#) and [E640](#).
- i. The pieces in each separate mailing must bear the applicable markings required under [M610](#), [M620](#), or [M820](#) and under [M012](#).
- j. The bundles from each separate mailing must be sorted together on pallets (copalletized) using presort software that is PAVE-certified.
- k. A complete, signed postage statement, using the correct USPS form or an approved facsimile, must accompany each mailing job prepared under these procedures.
- l. In addition to the applicable postage statement, documentation produced by PAVE-certified software must be submitted with each copalletized mailing job that describes for each pallet sortation level and pallet the number of pieces qualifying for each applicable carrier route rate, each applicable automation rate, and each applicable Presorted rate. A separate 5% threshold summary also must be provided under [P012](#) for each “logical” merged 5-digit scheme or “logical” merged 5-digit pallet presort destination that contains mail for one or more 5-digit ZIP Codes with a “B” or “D” indicator in the City State Product. This 5% threshold summary must show for each 5-digit ZIP Code with a “B” or “D” indicator on the logical merged 5-digit scheme or logical merged 5-digit



pallet: the total number of pieces on the pallet for the 5-digit ZIP Code; the total number of pieces sorted in carrier route bundles for the 5-digit ZIP Code; the total number of pieces sorted in 5-digit bundles for the 5-digit ZIP Code, and; of the total number of pieces for the 5-digit ZIP Code, the percentage of pieces sorted in 5-digit bundles for that 5-digit ZIP Code. This additional 5% threshold summary must appear within the body of the documentation beneath the pallet rate listing for the last physical pallet for the logical pallet presort destination. *Note:* If there are two or more physical pallets for the same presort destination, for example, the same merged 5-digit pallet destination, these two or more physical pallets would be considered as one “logical pallet.” The separate pallet summary must be for the mail on all of the physical pallets (the “logical pallet”) for that presort destination.

- m. Portions of the mailing job that cannot be palletized must be prepared in sacks under [M610](#), [M620](#), [M820](#), [M910](#), or [M920](#).

**Bundle Preparation**  
2.2

Bundles placed on pallets must be prepared under the standards in [M045](#).

**5% Threshold Standard**  
2.3

**[8-5-04]** Five-digit bundles and carrier route bundles may be placed on the same merged 5-digit scheme or merged 5-digit pallet if all of the following conditions are met:

- a. The number of pieces prepared in 5-digit bundles for any single 5-digit ZIP Code with a “B” or “D” indicator on a logical merged 5-digit or merged 5-digit scheme pallet does not exceed 5% of the total number of pieces for the 5-digit ZIP Code on the logical pallet for the presort destination. That is, the total number of pieces for a 5-digit ZIP Code in 5-digit and carrier route bundles must not be greater than the number of pieces in carrier route bundles divided by 0.95. 5-digit ZIP Codes with an “A” or “C” indicator are not subject to the 5% limit.
- b. The 5% threshold is calculated separately for each 5-digit ZIP Code with a “B” or “D” indicator. For example, if a scheme contains four different 5-digit ZIP Codes, a separate 5% threshold applies to each 5-digit ZIP Code with a “B” or “D” indicator for the scheme on a merged 5-digit scheme pallet. (Five-digit ZIP Codes with an “A” or “C” indicator are not subject to the 5% limit.) Since 5-digit scheme bundles cannot be placed on merged pallets, pieces in 5-digit scheme bundles do not count as 5-digit sorted pieces for purposes of determining the 5% limit.
- c. Except when bundles are prepared under the cobundling option in [M950](#), all mail in a logical 5-digit bundle for a 5-digit ZIP Code with a “B” or “D” indicator must be able to be placed on the logical pallet under the 5% rule. A logical 5-digit bundle is all pieces for a mailing (rate level) prepared in a 5-digit bundle or bundles for the same 5-digit destination. For each 5-digit ZIP Code, it is possible to have a logical 5-digit bundle of automation rate mail and a logical 5-digit bundle of Presorted rate mail. If the total number of pieces in a logical 5-digit bundle exceeds the 5% limit, none of the pieces for that 5-digit bundle level may be placed on a merged 5-digit or merged 5-digit scheme pallet. For some ZIP Codes, the total number of pieces prepared in logical 5-digit bundles (both an automation rate logical 5-digit bundle and a Presorted rate logical 5-digit bundle) may exceed 5% of the total mail for that ZIP Code, but the number of pieces for an individual automation rate logical 5-digit bundle for that ZIP Code does not exceed the 5% limit nor does an individual Presorted rate logical 5-digit bundle for that ZIP Code exceed the 5% limit. In such instances, mailers may choose to place all of the pieces in a



logical 5-digit bundle for a single rate category on the logical merged 5-digit or merged 5-digit scheme pallet so that the 5% threshold is not exceeded.

- d. Except for bundles prepared under the cobundling option in [M950](#), if the total number of pieces in both the logical 5-digit automation rate bundle and the logical 5-digit Presorted rate bundle each separately exceed 5% of the total number of pieces for the 5-digit ZIP Code with a “B” or “D” indicator, none of the pieces in 5-digit bundles may be merged with carrier route bundles on a merged 5-digit or merged 5-digit scheme pallet.
- e. For mailing jobs prepared using the cobundling option in [M950](#), if the total number of pieces prepared in a logical 5-digit bundle (containing automation rate and Presorted rate pieces) exceeds the 5% limit for a 5-digit ZIP Code in [2.3a](#), a mailer may, for each 5-digit ZIP Code, choose to place a portion of the pieces prepared in the logical 5-digit bundle on a merged 5-digit or 5-digit scheme pallet using one of the options below. Regardless of the option selected, a minimum of 10 pieces or 15 pieces as applicable must be prepared in 5-digit bundle(s) placed on the merged pallet and a minimum of 10 or 15 remaining pieces as applicable prepared in 5-digit bundle(s) not placed on the merged pallet, with the total number of pieces not exceeding the 5% limit. The options are:
  - (1) Place either all automation rate pieces or all Presorted rate pieces for the 5-digit ZIP Code on the merged pallet.
  - (2) Place a portion of either the automation rate pieces or the Presorted rate pieces for the 5-digit ZIP Code on the merged pallet.
  - (3) Place either all the automation rate pieces plus a portion of the Presorted rate pieces or all the Presorted rate pieces plus a portion of the automation rate pieces for the 5-digit ZIP Code on the merged pallet.

## Pallet Preparation and Labeling 2.4

**[6-10-04]** Mailers must prepare pallets of bundles in the manner and sequence listed below and under [M041](#). Mailers must prepare all merged 5-digit scheme, 5-digit scheme carrier routes, 5-digit scheme, and merged 5-digit pallets that are possible in the mailing based on the volume of mail to the destination using [L001](#), the City State Product, and the 5% threshold. Mailers must label pallets according to the Line 1 and Line 2 information listed below and under [M031](#).

- a. *Merged 5-Digit Scheme*. Required. For schemes that contain at least one 5-digit ZIP Code that has an “A” or “C” indicator in the City State Product, the pallet contains: carrier route bundles for all 5-digit ZIP Codes in the scheme; 5-digit automation rate and 5-digit Presorted rate bundles for those 5-digit ZIP Codes in the scheme with an “A” or “C” indicator in the City State Product, and; 5-digit automation rate and/or 5-digit Presorted rate bundles for those 5-digit ZIP Codes in the scheme with a “B” or “D” indicator when the number of pieces in the 5-digit bundle(s) does not exceed 5% of the total number of pieces for that 5-digit ZIP Code under [2.3](#). For schemes in which all 5-digit ZIP Codes have “B” or “D” indicators and for which there is at least one 5-digit ZIP Code for which 5-digit bundles may be placed on the pallet under the 5% limit in [2.3](#), place all carrier route bundles plus the 5-digit bundles within the 5% limit on the pallet. For schemes in which all 5-digit ZIP Codes have “B” or “D” indicators and for which there are no 5-digit ZIP Codes for which 5-digit bundles may be placed on the pallet under the 5% limit, do not prepare a merged 5-digit scheme pallet (sort bundles to pallets under [2.4b](#) through [2.4j](#)).
  - (1) Line 1: labeling: use [L001](#), Column B.
  - (2) Line 2: “STD FLTS CR/5D SCHEME.”



- b. *5-Digit Scheme Carrier Routes*. Required. May contain only carrier route bundles for all carrier routes in an [L001](#) scheme for which all 5-digit ZIP Codes in the scheme have a “B” or “D” indicator and for which no 5-digit bundles could be placed on a merged 5-digit scheme pallet with the carrier route bundles because the 5-digit bundles exceeded the 5% threshold.
- (1) Line 1: use [L001](#), Column B.
  - (2) Line 2: “STD FLTS CR-RTS SCHEME.”
- c. *Merged 5-Digit*. Required. May contain carrier route bundles, automation rate 5-digit bundles, and Presorted rate 5-digit bundles for those 5-digit ZIP Codes that are not part of a scheme. For 5-digit ZIP Codes with an “A” or “C” indicator in the City State Product, there is no limit on the number of pieces in 5-digit bundles that may be placed on the pallet, and a merged 5-digit pallet is prepared even if there are no 5-digit bundles for that ZIP Code. For those 5-digit ZIP Codes with a “B” or “D” indicator in the City State Product, the number of pieces in 5-digit bundles is limited to 5% of the total number of pieces for the 5-digit pallet destination under [2.3](#). However, if no 5-digit bundles for ZIP Codes with “B” or “D” indicators can be placed on this level pallet under the 5% limit, do not prepare a merged 5-digit pallet (sort bundles to pallets under [2.4d](#) through [2.4j](#)).
- (1) Line 1: use city, state abbreviation, and 5-digit ZIP Code destination (see [M031](#) for military mail).
  - (2) Line 2: “STD FLTS CR/5D.”
- d. *5-Digit Carrier Routes*. Required. May contain only carrier route rate bundles for the same 5-digit ZIP Code that is not part of a scheme and that could not be placed on a merged 5-digit pallet.
- (1) Line 1: use city, state, and 5-digit ZIP Code destination (see [M031](#) for military mail).
  - (2) Line 2: “STD FLTS,” followed by “CARRIER ROUTES” or “CR-RTS.”
- e. *5-Digit*. Required. May contain only automation rate 5-digit bundles and Presorted rate 5-digit bundles for the same 5-digit ZIP Code that could not be placed on a merged 5-digit pallet, or 5-digit scheme ([L007](#)) bundles (automation rate and cobundled automation and Presorted rate pieces only). Five-digit scheme bundles are assigned to 5-digit pallets according to the OEL “label to” 5-digit ZIP Code.
- (1) Line 1: use city, state, and 5-digit ZIP Code destination (see [M031](#) for military mail).
  - (2) Line 2: “STD FLTS 5D”; followed by “BARCODED” or “BC” if the pallet contains automation rate mail; and followed by “NONBARCODED” or “NBC” if the pallet contains Presorted rate mail.
- f. *5-Digit Metro*. Optional. May contain carrier route, automation, and Presorted rate bundles for the 5-digit ZIP Codes listed in [L006](#), Column A, and for the 3-digit ZIP Code areas listed in [L006](#), Column B.
- (1) Line 1: use [L006](#), Column C.
  - (2) Line 2: “STD FLTS” followed by “METRO” or “MET”; followed by “BARCODED” or “BC” if the pallet contains automation rate mail; followed by “NONBARCODED” or “NBC” if the pallet contains Presorted rate and/or carrier route mail.
- g. *3-Digit*. Optional. Option not available for 3-digit ZIP Code prefixes marked “N” in [L002](#). May contain carrier route rate, automation rate, and Presorted rate mail.
- (1) Line 1: use [L002](#), Column A.



- (2) Line 2: "STD FLTS 3D"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail and/or carrier route rate mail.
- h. *SCF*. Required. May contain carrier route rate, automation rate, and Presorted rate bundles.
- (1) Line 1: use [L002](#), Column C.
  - (2) Line 2: "STD FLTS SCF"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail and/or carrier route rate mail.
- i. *ASF*. Required, except that an ASF sort may not be required if using bundle reallocation under [M045.5.0](#). May contain carrier route rate, automation rate, and/or Presorted rate bundles. Sort ADC bundles to ASF pallets based on the "label to" ZIP Code for the ADC destination of the bundle in [L004](#). At the mailer's option, sort appropriate mixed ADC bundles to ASF pallets based on the "label to" ZIP Code for the ADC destination of the bundle in [L802](#). All optional mixed ADC bundles on ASF pallets must contain only pieces destinating within the ASF as shown in [E650 Exhibit 5.1](#). See [E650.5.0](#) for additional requirements for DBMC rate eligibility.
- (1) Line 1: use [L602](#).
  - (2) Line 2: "STD FLTS ASF"; followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail and/or carrier route rate mail.
- j. *BMC*. Required. May contain carrier route rate, automation rate, and/or Presorted rate bundles. Sort ADC bundles to BMC pallets based on the "label to" ZIP Code for the ADC destination of the bundle in [L004](#). At the mailer's option, sort appropriate mixed ADC bundles to BMC pallets based on the "label to" ZIP Code for the ADC destination of the bundle in [L802](#). All optional mixed ADC bundles on BMC pallets must contain only pieces destinating within the BMC as shown in [E650 Exhibit 5.1](#). See [E650.5.0](#) for additional requirements for DBMC rate eligibility.
- (1) Line 1: Use [L601](#).
  - (2) Line 2: "STD FLTS BMC," followed by "BARCODED" or "BC" if the pallet contains automation rate mail; and followed by "NONBARCODED" or "NBC" if the pallet contains Presorted rate mail and/or carrier route rate mail.

