

Advertising Mail: A Brief History

Advertisements were first granted a special, low postage rate in 1845 — previously, they were charged the same postage rates as letters. In 1863, when mail was divided into classes, advertising mail fell into the third class. Although some mailers sent advertisements via First-Class Mail (as letters), most advertising matter was sent via third-class mail — called Standard Mail beginning in 2001, and USPS Marketing Mail since 2017. This paper explores the history of USPS Marketing Mail, which in 2005 eclipsed First-Class Mail to become the largest mail class.

First Postage Rate for Advertisements in 1845

When enacting the first major postal law in 1792, Congress allowed only for letters and newspapers in the mail. Congress set the letter postage rate at 6 cents for a one-page letter carried within 30 miles and up to 25 cents for longer distances; a two-page letter cost twice as much to mail.¹ To help spread news and information across the young nation, newspapers were given much cheaper rates — 1 cent for newspapers mailed within 100 miles and 1½ cents if over 100 miles.

In 1794, Congress allowed magazines and pamphlets into the mail, with postage rates only slightly higher than for newspapers. By 1808, postal regulations clarified that “every article sent in the mail which is not either a newspaper, magazine or pamphlet is subject to letter postage.”² Because newspapers were so much cheaper to mail, some advertisers, “with the obvious and palpable intent to evade the payment of postage,” disguised their advertisements to look like newspapers; postmasters periodically were reminded to charge them letter postage.³

In 1845, Congress slashed postage rates for letters and created a new rate category consisting of unsealed “circulars and handbills or advertisements.”⁴ At the time, numerous private express companies were eating into postal revenues. Private companies could provide more frequent service at cheaper rates by delivering only in profitable locations.⁵ By lowering postage rates, Congress hoped to encourage mailers to use the Post Office and also hoped to “enlist public sentiment in favor of” enforcing the Post Office Department's legal monopoly on mail delivery.⁶ The postage rate for circulars and handbills — 2 cents per sheet, for any distance — was less than half the lowest letter rate of 5 cents, but was at least twice the lowest newspaper rate.

In 1847, Congress raised the postage rate for circulars and handbills to 3 cents — still 2 cents less than the cheapest letter rate — and required prepayment of postage on such matter.⁷ In 1851, Congress gave unsealed circulars and other printed matter the same low rate as newspapers — 1 cent per ounce for up to 500 miles, and up

¹ Until July 1, 1845, letters were not charged postage based on weight, but rather by the number of sheets of paper they contained.

² *The Post Office Law with Instructions and Forms Published for the Regulation of the Post-Office* (Washington, DC: 1808), 36.

³ *Regulations for the Government of the Post Office Department* (Washington, DC: 1843) Chapter 22, 18.

⁴ 5 Stat. 733; Act of March 3, 1845, effective July 1, 1845.

⁵ Initially the costs and challenges of transporting mail discouraged competition, but the development of reliable steamboat and railroad lines encouraged entrepreneurs to jump into the delivery business. The first two private express companies sprang up in 1839; dozens soon followed. By 1841, the postmaster of New York City estimated that private competition had reduced mail volume on the New York–Boston route by one third.

⁶ *Congressional Globe*, Senate, 28th Congress, 2nd Session, January 27, 1845, 196. Senator William Merrick, chairman of the Committee on Post Office and Post Roads, opined: “Meet the public demand for a reasonable reduction of the rates of postage ... and you at once enlist public sentiment in favor of sustaining the restraining provisions of the law necessary for maintaining the department in the diffusion of its public advantages.”

⁷ 9 Stat. 202; Act of March 3, 1847. In his 1846 annual report (680), Postmaster General Cave Johnson complained of numerous mailed advertisements and circulars that were “not called for, and if called for, refused to be taken from the offices.” By raising the postage rate and mandating prepayment, Congress hoped to lessen postmasters' losses. Postmasters' compensation consisted almost entirely of commissions on postage they collected from customers; their compensation plummeted following the 1845 postage rate reductions.

[CONFIDENTIAL CIRCULAR.]

BOSTON, SEPTEMBER 15, 1848.

6 Massachusetts Block, Court Square.

DEAR SIR,

Will you do so much for the cause of Free Soil as to aid the State Committee to the extent of deliberately reading this letter through, which will occupy not exceeding ten minutes of your valuable time.

The Free Soil party of Massachusetts is now fairly entered upon the campaign. We have an approved State Ticket—PHILLIPS & MILLS—men surpassed by no others in their zeal for the good cause, and their qualifications for public service. We have also an Electoral Ticket of true men, pledged to the support of

VAN BUREN AND ADAMS.

Never was a party formed upon a better basis than the *Buffalo Platform*. Never was a party furnished with candidates more deserving of public confidence, or more true to the platform which they represent. It remains that we do our duty, our whole duty, to secure their election.

If we would act efficiently, we must be *organized*. It is impossible to bring out our whole strength without systematic and combined efforts, on a regular and judicious *plan*. The following plan is earnestly recommended to be adopted in every town.

Political Circular, 1848 (detail)

Courtesy Smithsonian's National Postal Museum

Advertisements didn't just promote goods and services — they also promoted political and social causes. This circular was mailed in 1848 to organize supporters of the Free Soil Party, which opposed the extension of slavery into new U.S. territories.

to 5 cents per ounce for greater distances.⁸ In 1852, Congress slashed the rate to 1 cent for up to 3 ounces sent anywhere in the U.S.⁹

Third-Class Mail Created in 1863

The Act of March 3, 1863, established that “mailable matter shall be divided into three classes, namely: first, letters; second, regular printed matter; third, miscellaneous matter.” The third class consisted of everything mailable that did not fall into the first two classes, including

*all pamphlets, occasional publications, books, book manuscripts, and proof-sheets, whether corrected or not, maps, prints, engravings, blanks, flexible patterns, samples and sample cards, photographic paper, letter envelopes, postal envelopes or wrappers, cards, paper, plain or ornamental, photographic representations of different types, seeds, cuttings, bulbs, roots, and scions.*¹⁰

Rates for third-class mail were set lower than for letters (First-Class Mail), but not as low as for periodicals (second-class mail). The 1863 rates allowed up to three circulars to be sent for 2 cents. In 1872, the postage rate for circulars and miscellaneous matter was changed to 1 cent per two ounces, with a few exceptions.¹¹ In 1875, Congress doubled the rate to 1 cent per ounce; the next year, the rate for all third-class printed matter — except for

⁸ 9 Stat. 588; Act of March 3, 1851, effective June 30, 1851. *Note:* Some newspapers were delivered for free or for half-price if subscribers prepaid postage. Congress temporarily allowed postmasters higher rates of commission to off-set reductions in pay caused by the 1851 act. In 1853 and 1854, Congress increased postmasters' rates of commission.

⁹ 10 Stat. 38; Act of August 30, 1852, effective September 30, 1852. This act also eliminated the requirement that postage be prepaid; the requirement was reinstated in 1857 (11 Stat. 153).

¹⁰ 12 Stat. 705, effective June 30, 1863.

¹¹ 17 Stat. 304. The postage rate was doubled for certain types of matter, like books, samples of metals, and merchandise, and the weight of this matter could not exceed 12 ounces.

unsealed circulars — reverted to 1 cent per two ounces.¹² The *Mail Classification Act of 1879* set the postage rate for all printed third-class matter at 1 cent per two ounces, and created a new "fourth-class mail" category for most non-printed items, like merchandise.¹³ A November 1879 mail count found that 12 percent of all mail originating in both Chicago and New York was third-class mail.¹⁴

Direct Mail Comes of Age

Few people realized twenty years ago, the mighty selling weapon at command in printed matter and Uncle Sam's postal system.

Homer J. Buckley, President, Direct Mail Advertising Association, 1916¹⁵

Between 1880 and 1930, third-class mail volume soared. From an estimated 301 million pieces mailed in 1880, third-class mail volume grew to more than 6 billion pieces in 1930. The nation was mailing nearly 20 times more third-class mail, while its population had increased only 2.4-fold. Among the reasons for this growth were improved printing methods and the development of the mail order industry, fueled by both rural free delivery and Parcel Post.

Before the Civil War, printing was an expensive, labor-intensive enterprise — type was painstakingly set by hand, while paper and ink were scarce and costly. After the war, technological improvements and plummeting paper prices dramatically reduced the cost of printing. Typewriters, introduced to the marketplace in the 1870s, made it possible to cheaply produce printed documents. In the 1880s, mimeograph machines, also called stencil duplicators, were introduced to the marketplace, making it possible to inexpensively print dozens or hundreds of copies of a typed page. The 1887 edition of the *Postal Laws and Regulations* listed numerous reproduction processes as permissible for third-class mail, including hektograph, electric pen, papyrograph, metallograph, chirograph and copygraph. In 1905, the American Multigraph Company introduced the Gammeter Multigraph, which could replicate thousands of typewritten letters per hour. *The Atlanta Constitution* reported that after the multigraph was introduced, "a revolution in advertising followed. Direct mail advertising was made possible."¹⁶

Merchants like Montgomery Ward and Sears, Roebuck & Company revolutionized direct mail advertising and mail order sales. At a time when two-thirds of Americans lived on farms, the purchase of retail goods was problematic. At the local general store — which may have been hours away — the selection was limited and prices tended to be high. In 1872,



Multigraph operators at the Department of Commerce, Washington, DC, 1935

Courtesy Library of Congress

Multigraph machines, introduced in 1905, could produce thousands of typewritten letters per hour.

¹² 18 Stat. 377 and 19 Stat. 82. In 1874, Congress raised the weight limit for third-class mail parcels to four pounds, up from the previous 12 ounces (18 Stat. 233). Private express companies soon began complaining that they were losing much of their small parcel business to the U.S. Mail; Congress responded by hastily doubling postage rates for *all* types of third-class mail. This upset publishers, who in turn successfully lobbied Congress to restore the lower rate for most printed matter the next year.

¹³ 20 Stat. 359 and 360.

¹⁴ *Annual Report of the Postmaster General*, 1879, 352. The count, in the first week of November 1879, determined that the other classes constituted: in New York City — First-Class Mail, 47 percent of total; second-class mail, 40 percent; fourth-class mail, nearly 1 percent; in Chicago — First-Class Mail, 41 percent; second-class mail, 46 percent; fourth-class mail, less than half a percent.

¹⁵ *Postage: The Magazine of Direct Mail Advertising and Business Correspondence*, January 1916, 11.

¹⁶ R. Pearl Spellman, "New Methods of the Multigraph" *The Atlanta Constitution*, October 23, 1912, B9.

Aaron Montgomery Ward, a former dry-goods salesman, produced his first single-page catalog and mailed it to members of the Grange, a national organization dedicated to farmers' interests. It was so successful that by 1874 his catalog had grown to 72 pages; by 1897, it was nearly 1,000 pages and Ward had annual sales of around \$7 million.¹⁷ Ward's success was matched by Sears, which overtook Ward in sales just three years later. During much of the twentieth century, the Sears catalog was a fixture in American homes and farms, where it was known affectionately as "the Wishbook" and "the Farmer's Bible."

Free home delivery of mail in the countryside — called rural free delivery or RFD — further fueled the growth of the mail. Before the introduction of RFD in 1896, getting the mail often required a lengthy trip into town; RFD brought it directly to farms. Mail volume also climbed following the introduction of Parcel Post in 1913, which allowed heavier items to be mailed. Prior to 1913, postal regulations limited domestic parcels to a maximum of four pounds. Heavier orders were shipped via private express companies, which often required the purchaser to fetch them from a railway depot, leaving many products out of reach of Americans who lived far from railroads. Parcel Post electrified the mail order industry: Sears filled five times as many orders in 1913 as it did the year before and, after five years of Parcel Post, its revenues had doubled. More mail created even more mail, as catalogs, orders, and payments also traveled by mail.



Streamlining the Mailing Process: Precancels, Coils, Permits, and Postage Meters

No longer need office boys suffer from impediments of speech because of mucilage coated tongues from licking postage stamps. ... In increasing numbers the large business houses ... are discarding the stamp ... in favor of rapidly running machines which, at one operation, seal, impress a permit number approved by postal authorities, cancel and count the letters or circulars that are fed into them.

Post Office Department, 1922¹⁸

The mechanization of printing and the growing number of homes reached by the nation's letter carriers made it easier for Americans to communicate and do business. In the early 1900s, mail growth continued to outpace population growth. Total mail volume more than doubled from 1900 to 1910, rising from about 7 billion to 15 billion pieces. About half of all mail originated in just a handful of cities, congesting already-crowded urban facilities.¹⁹ With limited staff and space, post office personnel struggled to sort and deliver ever-growing volumes of mail. The introduction of precanceled stamps, mailing permits, and postage meters helped speed delivery by reducing the number of times that large mailings needed to be handled. Mailers who used these time-saving methods of paying for postage were also expected to comply with "all

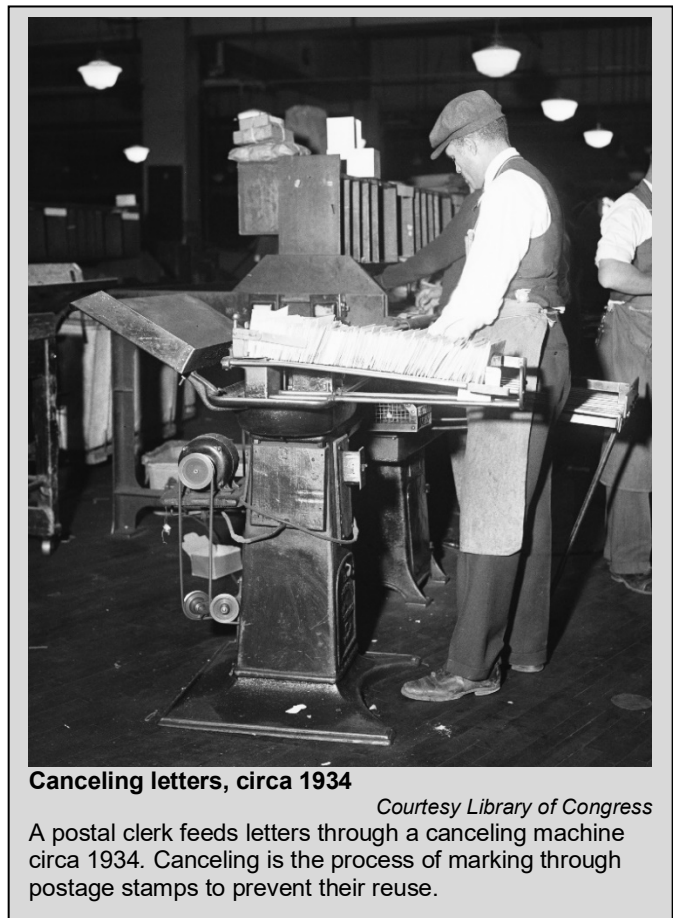
¹⁷ Mark R. Wilson, with Stephen R. Porter and Janice L. Reiff, *Dictionary of Leading Chicago Businesses 1820-2000* (The Newberry Library, Chicago: 2004). <http://www.encyclopedia.chicagohistory.org/pages/2895.html> (accessed January 13, 2015).

¹⁸ Post Office Department, News Release 3, July 24, 1922.

¹⁹ The 1900 *Annual Report of the Postmaster General*, on pages 244 to 249, includes a chart showing that in October 1899, five Post Offices — New York, Chicago, Boston, Philadelphia, and Washington, D.C. — accounted for 53 percent of all mail, by weight.

reasonable requests" of postmasters for presorting their mail "into States, counties, cities, etc."²⁰ In some cases this mail could be taken directly to mail trains for dispatch.

Beginning in 1901, Chicago firms that mailed more than 10,000 pieces of mail a week could use precanceled postage stamps for third- and fourth-class mail.²¹ Mail with precanceled stamps (called "precancels") bypassed facing and canceling at the Post Office, saving postal clerks hours of labor. Facing the mail was the process of orienting each piece to put the stamps in the same relative position; canceling the mail meant postmarking each piece and marking through stamps to prevent their reuse. Both were laborious tasks. In the Chicago Post Office, canceling mail was so time-consuming that in 1914, Thomas Flaherty, secretary of the National Federation of Postal Clerks, called for all mail order firms to use *only* precanceled stamp on their catalogs. In its monthly magazine, *The Union Postal Clerk*, the federation noted that "a clerk working industriously for eight hours could cancel the stamps on not more than 5,000 packages," and complained of "a period of protracted overtime in the Chicago Post Office" and of the "suffering and hardship" imposed on clerks by "the annual reign of terror" which was the spring catalog mailing season.²²



Large mailers in other U.S. cities could also apply to their local postmaster for permission to use precanceled stamps; the postmaster was required to forward the application, along with his recommendation, to the Third Assistant Postmaster General for a decision. By May 1903, permission to use precanceled stamps was restricted to businesses that mailed more than 25,000 pieces of identical second-, third-, or fourth-class mail per month, or at least 5,000 pieces per day.²³ Effective September 16, 1913, precanceled stamps were valid for postage on such mail regardless of the number of pieces mailed or whether or not they were identical, although permission was still needed from the Third Assistant Postmaster General. Also in 1913, postal regulations stipulated that mailers were expected to comply with "all reasonable requests of the postmaster" for the presorting of mail bearing precanceled stamps.²⁴

In 1908, the Post Office Department began issuing stamps in coils, partly to alleviate one of the most tedious steps in preparing large mailings — adhering postage stamps to thousands of mailpieces. Inventors patented dozens of types of stamp-affixing machines beginning in the late 19th century. The most efficient models detached stamps from coiled strips, moistened them, and then stuck the stamps to mailpieces. Initially, stamps came only in sheets,

²⁰ Presorting mail was the sixth of eleven "conditions upon which mailings of third and fourth class matter will be accepted," which were printed on the first edition of Post Office Department Form 3601, "Permit to Mail Third and Fourth Class Matter Without Postage Stamps Affixed, On the Prepayment of the Lawful Postage Rate in Money, as Provided by the Act of Congress Approved April 28, 1904" (copy in files of USPS Historian).

²¹ The minimum piece requirement was noted in the September 20, 1902, issue of *Dry Goods Reporter* (<http://books.google.com>, accessed June 4, 2015). Note: Postmasters in a few U.S. cities were precanceling postage stamps as early as the 1870s, apparently on their own initiative.

²² *The Union Postal Clerk*, April 1914, 28; and May 1914, 55, hathitrust.org (accessed September 24, 2015).

²³ Third Assistant Postmaster General Edwin C. Madden's "Conditions Governing the Use of Precanceled Stamps," dated May 26, 1903, were reprinted in the July 1906 issue of *Agricultural Advertising* (<http://books.google.com>, accessed June 4, 2015).

²⁴ *United States Official Postal Guide*, July 1913, 13. Beginning in 1924, precanceled stamps could also be used on some First-Class Mail (*Postal Bulletin* 13540, August 7, 1924).

so machine manufacturers had to produce their own coils by cutting sheets of stamps into strips and connecting the strips end to end. Beginning in October 1906, the Department supplied machine manufacturers with special imperforate sheets of stamps, since it was found that the perforations on regular stamp sheets made the strips too weak to feed properly. On February 18, 1908, the Department began issuing its own stamp coils, for use in both stamp affixing machines and stamp vending machines.

Another innovation — mailing permits — eliminated the need for stamps altogether. In 1904, Congress authorized mailings of 2,000 or more identical pieces of third- and fourth-class mail without stamps, provided the postage was fully prepaid.²⁵ A mailing permit was required: in lieu of a stamp, the word "Paid" was printed in the upper right corner of the envelope, along with the permit number and the city of mailing.²⁶ Under the permit system, mailers brought a minimum number of permit-imprinted identical pieces of mail directly to the Post Office, for mailing. Because each piece of mail was identical, postal clerks could weigh all the sacks of mail and then divide the total weight by the weight of a single piece to determine the total number of pieces; they multiplied the number of pieces by the postage rate to determine the postage for that particular mailing. Mailing permits relieved mailers of the need to apply stamps to each piece and spared postal clerks the need to cancel stamps and postmark the mail. Holders of mailing permits were also required to "comply with all reasonable requests of the postmaster" for presorting their mail.²⁷ The minimum number of identical pieces for third-class mailings with permit imprints was reduced to 300 in 1916; and to 200 pieces in 1928.²⁸



²⁵ 33 Stat. 440, approved April 28, 1904; incorporated into the *Postal Laws and Regulations* by Order No. 1052 of the Postmaster General on September 20, 1904.

²⁶ The mailing permit was free until 1949, when an annual fee was introduced. "Company permit" imprints were allowed beginning in May 1967. Company permits enabled mailers who held permits at two or more Post Offices to deposit mail at several Post Offices with a single permit indicia — instead of the city, state, and permit number, the name of the permit holder (company or individual) could be featured, as long as each mailpiece had a complete return address.

²⁷ Post Office Department Form 3601, "Permit to Mail Third and Fourth Class Matter Without Postage Stamps Affixed" (copy in files of USPS Historian).

²⁸ Beginning in 1920, postage for identical pieces of First-Class Mail could also be paid via permit imprints. Most pieces of First-Class Mail, however, were not identical — they varied slightly in weight. Mailing non-identical pieces via permit imprints was not allowed, because it would have taken postal clerks too much time to count each piece of mail separately to determine the proper postage.

Postage meters — first tested by inventor Arthur Pitney in 1903 and authorized for use in 1920 — provided mailers with a means of stamping and counting, piece by piece, large amounts of non-identical mail.²⁹ Postage meters printed the name of the Post Office, date of mailing, and amount of postage on each piece of mail. The meters were developed and maintained by private companies — the largest was the Pitney-Bowes Postage Meter Company — which leased the machines to individual mailers. Mailers took their leased postage meters to the Post Office, as needed, where authorized postal employees "set" the meters for a certain amount of postage, upon advance payment by the mailer. Postal employees sealed the unit, so it could not be tampered with; the unit automatically shut off when all the prepaid postage had been used. The convenience of paying postage by postage meter led to their widespread adoption by large mailers. By 1957, postal revenue from metered postage exceeded the revenue from postage stamps.

Precanceled stamps, mailing permits, and postage meters fundamentally changed the way businesses handled their mailing. Mail that did not require canceling or postmarking by the Post Office could be dispatched more quickly, especially if presorted by destination. Some large mailers had postal clerks on site in their mailrooms, supervising the sorting and sacking of mail for transport directly to outbound mail trains.³⁰

Cooperating to Clean up Mailing Lists

No matter how attractive the advertising material may be, it cannot be effective — and is therefore largely wasted — unless it reaches logical customers.

Charles M. Edwards, Jr., and William H. Howard, 1936³¹

For advertisers, one of the chief benefits of using the mail versus other advertising media was its selectivity. Mail could be targeted to a select group of people who, if they were not already customers or supporters, were likely to become so. Advertisements didn't just promote goods and services — they also promoted political candidates, political party platforms, and social and charitable organizations and causes. By 1906, advertising mail sent directly to customers or potential customers was called "direct mail advertising." The success of a direct mailing hinged on reaching the right people by using an accurate mailing list. These lists required regular maintenance, because every year an estimated 20 percent of addressees moved, changed their names, or died.³²

Mailers used a variety of methods to keep mailing lists up-to-date. By the 1870s, mailers could request the return of undeliverable third-class mail, provided they paid the postage for its return.³³ Postal employees were required to note the reason for non-delivery on each returned piece ("unknown," "removed," "deceased," etc.), which helped mailers update their address lists. In the 1920s, the Post Office Department introduced a mailing list correction service and an address correction service. Although postmasters had been permitted to correct mailing lists for

²⁹ Postage meters were authorized by Congress on April 24, 1920 (41 Stat. 583); they were incorporated into the *Postal Laws and Regulations* by Order No. 4164 of the Postmaster General on May 10, 1920. The first postage meter went into commercial use on November 16, 1920, by the Pitney-Bowes Postage Meter Company; the next year, Pitney-Bowes began leasing postage meters to other business firms.

³⁰ Presorting was sometimes done under the supervision of postal clerks, and sometimes by postal clerks themselves, working in companies' mailrooms. When a Chicago mail order firm mailed out a record-breaking 6,000,000 catalogs in 1909, 25 postal clerks worked "for some time" in its shipping room, sorting the catalogs into labeled sacks (*Chicago Daily Tribune*, March 16, 1909, 13).

³¹ Charles M. Edwards, Jr., and William M. Howard, *Retail Advertising and Sales Promotion* (New York, NY: Prentice-Hall, Inc., 1936), 431.

³² Edwards and Howard (page 445) estimated a mailing list "depreciation" of 15 to 25 percent a year in 1936. In 1965, 20 percent was cited as typical turnover rate for mailing list addresses ["ZIP Code System in the United States Postal Service, Hearings Before the Subcommittee on Postal Facilities and Modernization," Eighty-Ninth Congress, First Session, April 28, 1965 (Washington, DC: Government Printing Office, 1965), 151. HathiTrust Digital Library, <https://www.hathitrust.org> (accessed June 23, 2015)].

³³ U.S. Post Office Department, *Postal Laws and Regulations*, 1879, Section 465 (Washington, DC: Government Printing Office, 1879), 117.

customers for a fee since 1914, corrections had been provided at the discretion of the local postmaster.³⁴ This changed on July 29, 1924, when Postmaster General Harry New began requiring postmasters to correct mailing lists upon the request of the list owners, for a fee of 60 cents per hour.³⁵ Beginning in 1927, postmasters were also directed to correct single addresses. If mailers printed a pledge on a mailpiece stating that they would pay for the service, they were sent an address correction card (Form 3547) with the customer's old address and new address, if available. Initially, the fee was 2 cents for each form returned to the mailer.³⁶

Bulk Postage Rates and Business Reply Mail Introduced in 1928

Decades of stable postage rates and steady growth in third-class mail volume came to a rocky halt in the 1920s, when mounting postal deficits prompted Congress to raise postage rates. Legislators were intent on raising the postage rate for third-class mail by 50 percent — from 1 cent, to 1½ cents, for each two-ounce piece. Mailers reacted swiftly to the proposed half-cent hike. The Direct Mail Advertising Association (DMAA) vehemently lobbied Congress about the value and effectiveness of third-class mail in directing messages to the right consumers.³⁷ In 1924, DMAA counsel Richard H. Lee told Congress that the proposed rate change would give newspaper advertisers an unfair advantage:

*Can there be any valid reason why advertising, run in a newspaper or a magazine, should be carried through the mails for less than any other kind of advertising? Is the Government being asked not only to create a subsidy through rates, but to express a preference for one advertising medium over another as well?*³⁸

At the time, the postage rate for the advertising portion of periodicals was only pennies per pound.³⁹

Despite mailers' protests, the new postage rate took effect on April 15, 1925. Over the next three years the higher rate resulted in less third-class mail, and less third-class mail revenue. In 1926, an estimated 4 billion pieces were mailed, generating \$69.2 million in revenue; by 1928, the numbers had fallen to 3.8 billion pieces and \$66.1 million in revenue.

Following complaints from mailers, in 1928 Congress effectively reduced third-class postage rates by creating a new "bulk mail" category for third-class mail, with rates calculated by the pound rather than by the piece. Bulk mailings had to consist of "separately addressed identical pieces ... in quantities of not less than twenty pounds, or

³⁴ By 1902, postmasters were allowed to cross off names of people who had moved away or died, but were not permitted to correct addresses. Despite this rule, some postmasters did so. In December 1914, postmasters were permitted to correct the street, rural, or box numbers in addresses and also to charge for the service (*Postal Bulletin* 10612, December 14, 1914).

³⁵ *Postal Bulletin* 13536, August 2, 1924. The charge was 60 cents per hour at first- and second-class Post Offices, and "not exceeding 60 cents per hour" at smaller offices. In 1925, the fee was increased to 65 cents per hour at all offices. Beginning in January 1935, fees were assessed by the piece versus by the hour — initially the charge was 25 cents for 25 or fewer addresses and 1 cent for each additional address. The next major change came in July 1957, when fees were raised to 5 cents for each correction, with a minimum charge of \$1. The fee was doubled beginning in January 1977, to 10 cents per address, and was then raised more than a dozen times until May 31, 2015, when it was set at 43 cents per correction with a minimum charge of \$12.90.

³⁶ The fee was raised to 3 cents on February 1, 1954, and to 5 cents on July 1, 1957. On January 10, 1962, the fee was raised to 8 cents and mailers were sent the undeliverable mailpiece itself, with the customer's new address marked on it, if available, instead of Form 3547. In January 1968, address correction service was extended to all classes of mail for a uniform fee of 10 cents per correction; mailers no longer received their undeliverable mailpiece unless they also paid the return postage, instead they were once again sent Form 3547 (from January 7 to January 18, the fee was 15 cents). For a fee history from 1968 to 2009, see "Special Services Fee History" at www.prc.gov/docs/63/63552/SSFeeHist0709.xls

³⁷ The Direct Mail Advertising Association, organized in 1915, represented firms that used and created direct mail.

³⁸ *Postal Rates: Hearings on S.3674 Before the Subcommittee of the Senate Committee on Post Offices and Post Roads*, 68th Cong., 2nd sess. 286-300, testimony of Richard H. Lee, quoted at 289 (1925).
<http://hdl.handle.net/2027/mdp.39015014198090?urlappend=%3Bseq=293> (accessed March 27, 2015)

³⁹ Beginning in 1918, publishers paid a higher postage rate for the advertising portion of a periodical, if in excess of five percent of the publication; in 1924 the rate ranged from 2 to 10 cents per pound, versus the proposed 1.5 cents per *piece* for third-class mail.

of not less than 200 pieces.”⁴⁰ Postage for bulk mailings of third-class mail was computed at 12 cents per pound, with a minimum charge of 1 cent per piece, ½ cent less than the single-piece rate. To qualify for the bulk rate, mailers were required to sort and bundle the mail into state and city destinations before bringing it to the Post Office. The new bulk mailing rates took effect on July 1, 1928. By 1929, third-class mail volume was on the uptick, increasing to about 4.3 billion pieces.

Also in 1928, Congress authorized Business Reply Mail, which provided an easy way for businesses to boost customer response rates. Business Reply Mail allowed businesses to include a reply card or envelope in the mailing, which the recipient could return postage-free — businesses paid the postage, plus a return fee, only for pieces that were actually returned.⁴¹

Post-War Postage Rate Increases

I strongly urge that ... postage rates be revised so as to permit operation of the postal service without a deficit.
President Harry S. Truman, 1948⁴²

After World War II, postal deficits mounted at an alarming rate, partly due to a series of post-war wage increases for postal workers.⁴³ President Harry Truman repeatedly urged Congress to raise postage rates to bring them in line with the costs of delivering mail. The postal deficit exceeded \$129 million in 1946 and approached \$277 million in 1948, nearly \$87 million of which was attributed to third-class mail. Congress finally took action in 1948, raising third-class mail postage rates for the first time in twenty years.

The Act of July 3, 1948, effective January 1, 1949, raised postage rates for all types of third-class mail. The single-piece rate for printed matter was raised by a third — or half a penny — to 2 cents for the first two ounces, plus a penny for every additional ounce. The bulk rate for printed matter was raised by about 14 percent, to 14 cents per pound. The rate for single catalogs went up by 50 percent, to 1.5 cents per two ounces, while the bulk rate for catalogs increased by 25 percent, to 10 cents per pound. Meanwhile, a new minimum charge of 3 cents applied to odd-sized pieces that required individual handling.⁴⁴

When Congress proposed another rate increase in 1949, Philip Rettig of the National Society of Crippled Children and Adults testified before the Senate Post Office and Civil Service Committee that another hike would undercut the society’s charitable services. Rettig stated that the proposed increases would cost the society \$250,000 more in annual postage and “deprive thousands and thousands of children and adults of needed care.”⁴⁵ Most of the society’s funding came from the 25 million appeal letters mailed during its annual Easter Seals campaigns.

Charitable and other nonprofit organizations continued to pay full postage rates until 1952. That year, Congress increased postage rates for single catalogs (2 cents for the first two ounces, 1.5 cents for each additional two ounces) and the minimum charge-per-piece for bulk mail (1.5 cents), but the increases did not apply “with respect to matter mailed by religious, educational, scientific, philanthropic” and other organizations not organized for the profit or benefit of private interests.⁴⁶ Nonprofits continued to pay a penny per piece for bulk mail until July 1, 1960. Nonprofit rates were so popular that the Post Office Department was swamped with applications from

⁴⁰ 45 Stat. 941, effective July 1, 1928.

⁴¹ 45 Stat. 940, effective July 1, 1928. Initially two cents, the return fee was lowered to one cent just three months later, on October 1, 1928. The fee was raised again to two cents effective July 1, 1957.

⁴² Harry S. Truman, “Annual Budget Message to the Congress, Fiscal Year 1949,” January 12, 1948. Online by Gerhard Peters and John T. Woolley, The American Presidency Project, <http://www.presidency.ucsb.edu/ws/?pid=13127> (accessed November 29, 2015).

⁴³ In 1945–1948 the average postal employee’s annual salary increased by 64 percent, from \$1,950 to \$3,200.

⁴⁴ 62 Stat. 1261–1262.

⁴⁵ *Adjustment of Postal Rates, Part 2: Hearings of S 1103 Before a Subcommittee of the Senate Committee of Post Office and Civil Service*, 81st Cong. 1st sess. (1949) 702 (statement of Philip G. Rettig). HathiTrust Digital Library, www.hathitrust.org (accessed April 30, 2015).

⁴⁶ 65 Stat. 673–673.

organizations, processing some 38,000 in the first year and a half.⁴⁷ In 1953, nonprofit mailers accounted for nearly 8 percent of bulk mailings; by 1959 this had risen to nearly 13 percent.⁴⁸

The 1952 rate increases and a series of incremental increases enacted by Congress in the late 1950s and 1960s helped chip away at increasing postal deficits. Between 1950 and 1970, the single-piece rate for bulk mail quadrupled, from 1 to 4 cents, while the postage rate for single circulars tripled, from 2 to 6 cents for the first two ounces. Higher postage rates helped make the delivery of third-class mail profitable for the Post Office Department. Whereas in 1950, third-class mail covered only about 53 percent of its costs, in 1970 it covered nearly 156 percent, making it the second-most profitable major mail category after First-Class Mail.⁴⁹

Simplified Addressing

Simplified addressing was introduced for third-class mail delivered along rural routes on July 27, 1923. Simplified addresses offered advertisers a way to reach every potential customer in a community without keeping an up-to-date mailing list. For example, circulars could be addressed simply "Box holder, Route 1, Bristol, Tenn."⁵⁰ On November 5, 1927, simplified addressing was extended to "every post office box holder at post offices not having city letter-carrier service."⁵¹ Instead of labeling each letter with a specific name and address, the mailer simply deposited enough pieces for each carrier route or box section. This saved the Post Office Department time and money because clerks and carriers did not have to sort each piece — they merely left one in each mailbox.

Postmaster General James Farley extended simplified addressing to city delivery, village delivery, and contract delivery ("star") routes on October 12, 1934, "in response to a widespread demand."⁵² The requirements were "further simplified by making it optional with the sender to omit the names of the post office and State from the individual pieces, provided the word 'Local' is used in lieu thereof;" the order also allowed use of the address "Patron or Householder."⁵³ But just six months later, due to objections from newspaper publishers, Farley reversed course. Effective July 1, 1935, he prohibited the simplified addressing of mail for customers of city and village



⁴⁷ *Authorizing Educational Films and Related Material to be Transmitted at Book Rates: Hearings on S. 971 Before Senate Committee on Post Office and Civil Service*, 83rd Cong., 1st sess. 18 (1953), testimony of Nelson D. Wentzel, Assistant Executive Director, Bureau of Finance, Post Office Department. HathiTrust Digital Library, www.hathitrust.org (accessed April 29, 2015)

⁴⁸ US Post Department of Commerce, *Survey of Economic Effects of Third-Class Bulk Mail Rate Increase* (Washington, DC: 1960), 14.

⁴⁹ In 1970, First-Class Mail contributed 165.8 percent of its attributable costs, second-class mail contributed 53.2 percent, third-class mail contributed 155.8 percent, and fourth-class mail contributed 140.5 percent (source: *Revenue and Cost Analysis, Fiscal Year 1970*, United States Postal Service, 2).

⁵⁰ *Postal Bulletin*, July 28, 1923.

⁵¹ *Postal Bulletin*, November 7, 1927.

⁵² "Order No. 6338" October 12, 1934; and *Postal Bulletin*, October 17, 1934. Village delivery was a service similar to city delivery, offered in small towns from 1912 to about 1960.

⁵³ "Order No. 6338" October 12, 1934; and *Postal Bulletin*, October 17, 1934.

delivery offices. Simplified addressing continued to be allowed for box-holders on rural and star routes and for Post Office boxes “at offices not having letter-carrier service.”⁵⁴

Postmaster General Arthur Summerfield revived simplified addressing of mail to city residents in August 1953 with an experiment called “patron mail,” which once again extended simplified addressing to city and village delivery offices.⁵⁵ Patron mail was a hit with retailers. As described by one writer, retailers “fell for it like a ton of bricks; admitted their advertising had slipped because they couldn’t keep up their mailing list and newspapers were not giving them the concentrated coverage they wanted.”⁵⁶ But newspaper publishers saw patron mail as direct competition for a finite pool of advertising money — every dollar spent on patron mail was a dollar not spent on newspaper ads. Publishers lobbied Congress and used the pages of their own newspapers to launch assaults on patron mail, calling it underpriced, unwanted, and burdensome.⁵⁷ By 1954 they had popularized the phrase “junk mail.”⁵⁸ When Summerfield announced that the patron mail experiment would end in 1955, the *Wall Street Journal* ran the headline “‘Junk Mail’ Service on City Routes to Be Scrapped on March 31.”⁵⁹ Beginning April 1955, simplified addressing was once again limited to rural customers.⁶⁰

Worksharing Discounts Contribute to Surge in Mail Volume

For nearly forty years, from 1928 until 1967, mailers prepared large bulk rate mailings in much the same way: they bundled mailpieces by the destination city and state and placed the bundles in labeled sacks before taking their mailings to the Post Office. When it was more efficient to do so, the Post Office sometimes sent its own clerks to mailers’ plants so that mail could be verified, weighed, and the postage calculated on the spot, before mail was loaded directly onto outbound transportation.

In 1963, the Department introduced a numeric address coding system — a five-digit “ZIP Code” assigned to every address in the nation. The ZIP Code consolidated regional, state, and city information into five easy-to-read numbers, enabling the computerized presorting of mail by large-volume mailers. Beginning January 1, 1967, third-class bulk-rate mail had to be presorted by ZIP Code if mailings consisted of 10 or more pieces going to the same Post Office; any remaining pieces had to be bundled by state or mixed states.

The first worksharing discount for third-class mail was introduced in 1979, when mailers received a 1 ½ cent-per-piece discount for presorting mail to the carrier route, which reduced the amount of time needed for postal personnel to sort each piece of mail.⁶¹ In 1981, mailers became eligible for a “5-digit presort” discount if they presorted minimum quantities of third-class mail to each ZIP Code.

As the Postal Service deployed more automated machinery, it offered discounts to mailers who maximized the compatibility of their mail with increasingly sophisticated mail sorting equipment. In 1982, the first computer-driven single-line optical character reader (OCR) was deployed. It could read addresses and print barcodes on envelopes representing the ZIP Code, enabling letters to be automatically sorted to the correct delivery office. In 1983, the

⁵⁴ *Postal Bulletin*, April 17, 1935. The Postmaster General’s Order No. 7028, dated April 15, 1935, was effective July 1.

⁵⁵ *Postal Bulletin*, August 25, 1953, 1–2.

⁵⁶ Cited by Richard B. Kielbowicz in “Origins of the Junk Mail Controversy: A Media Battle over Advertising and Postal Policy,” *Journal of Policy History*, Vol. 5, No.2, 1993 (University Park, PA), 248–72.

⁵⁷ *Ibid.* Kielbowicz called this “class warfare.”

⁵⁸ The phrase “junk mail” appeared occasionally in newspaper columns as early as 1910, in reference to several types of mail, including congressionally franked mail, advertising mail, and undeliverable-as-addressed mail. After August 1953, it was used by newspaper publishers more and more to describe direct mail. In his 1970 book *Billions of False Impressions*, author John Lyle Shimek argued that the newspaper industry’s campaign against direct mail was unethical, since it was motivated by hidden self-interest.

⁵⁹ *Wall Street Journal*, staff reporter, December 31, 1954, 3.

⁶⁰ This limitation did not apply to mail sent by government agencies and members of Congress.

⁶¹ *Postal Bulletin*, 21174, Jan. 25, 1979, 7. Initially the discount was 1 ½ cents per piece, but it soon increased. For a detailed history of postage rates from 1968 to 2009, see “Domestic Rate History” at <http://about.usps.com/who-we-are/postal-history/rates-historical-statistics.htm> (accessed January 30, 2015).

Postal Service introduced the ZIP+4 code, which added a hyphen and four digits to the existing five-digit ZIP Code. The four extra digits routed mail to one floor of an office building, one side of a block, or specific post office boxes, enabling letters to be automatically sorted to the correct carrier at the delivery office. In 1988, mailers received a discounted rate for third-class mailpieces with the ZIP+4 code included in the address, and a greater discount if such mail was barcoded.

In February 1991, several new worksharing discounts were introduced, including discounts for pre-barcoding third-class mail and sorting it to three digits, and for sorting saturation mail into delivery order ("walk sequence").⁶² At the same time, rate distinctions between letters and flats were introduced; letters mailed in bulk were given greater discounts, since they were less costly to process than flats.⁶³



Accepting Drop Shipped Mail, 2006

Mailers have been eligible to receive discounted rates for transporting USPS Marketing Mail closer to the point of delivery — called "drop shipping" — since 1991.

Also in 1991, mailers became eligible for "drop ship" discounts if they transported eligible third-class mail to the destination bulk mail centers, sectional centers, or delivery units. The Postal Service saved money on mail processing and transportation when mailings were entered into the system closer to the point of delivery, and passed along these savings to mailers. In addition to lower postage rates, drop shipments gave mailers greater control over the timing of deliveries.

In March 1992, the Postal Service introduced a new discount for mailings of non-letter-sized third-class mail consisting of at least 125 pieces per carrier route sorted in delivery order.⁶⁴ And in September 1992, discounts for pre-barcoded non-letter-sized third-class bulk mail took effect, benefiting both mailers and the Postal Service — mailers received reduced postage rates, and the Postal Service was able to process barcoded flats more efficiently using automated equipment. Unlike with letter automation, the Postal Service's flats automation program was "designed to be totally customer driven" — it relied on customers barcoding their mail, since OCR technology at the time was restricted to letter mail.⁶⁵

In 1996 the Postal Service changed the name of third-class mail to "Standard Mail (A)" and created additional opportunities and requirements for mailers to receive the deepest bulk-rate discounts, including raising the minimum number of presorted and barcoded letter-size pieces from 10 to 150.⁶⁶ In 2001, the name of this mail class was shortened to "Standard Mail."

⁶² In 1990, the Postal Service expanded the delivery barcode by two more digits, containing exact address information. This "delivery point barcode" enabled letters to be automatically sorted into delivery sequence. Mailings were eligible for the "saturation" discount if the pieces were walk-sequenced and addressed to at least 75 percent of the total stops on a carrier route or at least 90 percent of the residential addresses, whichever was less.

⁶³ Flats included magazines, newspapers, catalogs, booklets, and large envelopes.

⁶⁴ The Postal Service sequenced addresses provided by mailers, and USPS-approved vendors provided computerized, sequenced address files to mailers who demonstrated that they had at least 90 percent of all possible deliveries along a route.

⁶⁵ U.S. Postal Service, *Memo to Mailers*, May 1992, 7.

⁶⁶ *Postal Bulletin*, 21917, April 11, 1996, 4.

Worksharing activities associated with advertising mail saved the Postal Service an estimated \$9.3 billion in 1999 — nearly 15 percent of its operating costs.⁶⁷ By January 2001, worksharing discounts for Standard Mail ranged from 30 to 63 percent, depending on the amount of preparation, handling, and transportation mailers provided.⁶⁸ The next year, greater destination entry discounts increased the incentive for mailers to use their own or third-party transportation to move Standard Mail closer to the point of delivery. Delivery point barcodes were required for letters to qualify for the lowest-cost saturation and high density rates.

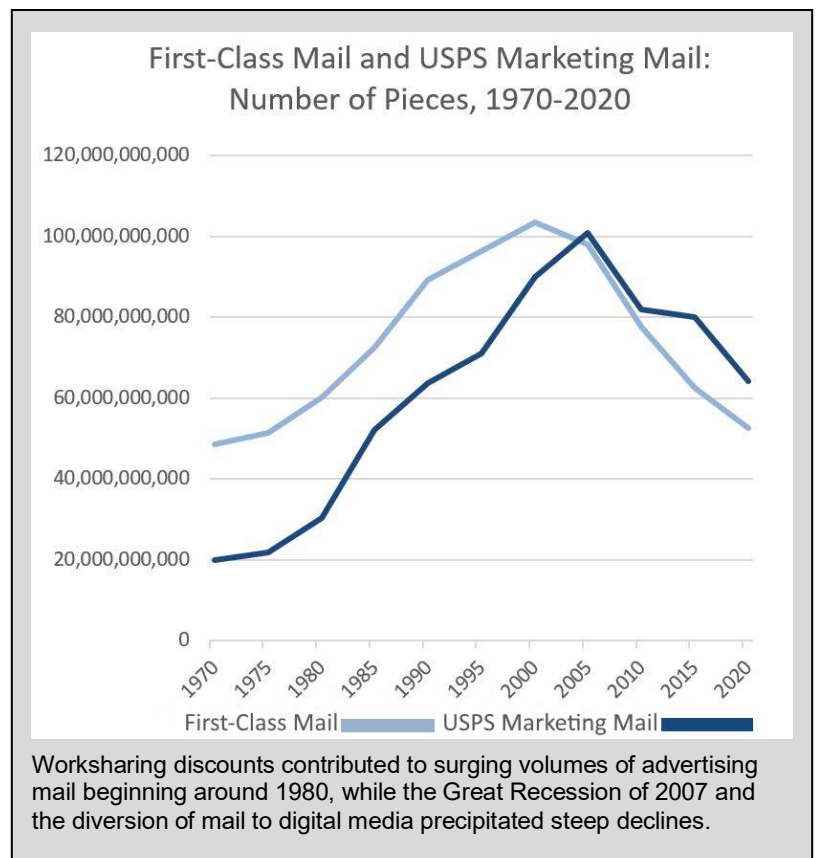
Worksharing discounts contributed to surging Standard Mail volumes, which increased from 30.4 billion pieces in 1980, to more than 90 billion pieces in 2000.

In 2006, Congress passed the *Postal Accountability and Enhancement Act* (PAEA). Among other things, the act divided postal products into "market-dominant" and "competitive" categories. Standard Mail was categorized as market-dominant, since the Postal Service dominated the market for this type of mail. Congress tied rate increases for the Postal Service's market-dominant products, such as First-Class Mail and Standard Mail, to the Consumer Price Index. The PAEA continued to authorize "workshare discounts" for specific tasks that could be performed by mailers rather than the Postal Service: "the presorting, prebarcoding, handling, or transportation of mail."⁶⁹

Advertising Mail in the 21st Century

In 2005, Standard Mail volume eclipsed First-Class Mail volume for the first time in history. Two years later, the Great Recession hit, precipitating steep declines in economic activity — resulting in much less mail. After the economic recovery, advertising mail volume remained relatively stable until 2016, when it began to face increased competition from digital media, like email and the Internet.

To strengthen the power of advertising mail, the Postal Service innovated to increase the mail's visual appeal, versatility, and relevance. In 2003, the Postal Service began allowing repositionable sticky notes on Standard Mail and also introduced Customized MarketMail. With sticky notes, mailers could call attention to products, services and company contact information, even before the mail was opened. Recipients could stick these specially designed notes anywhere they liked and refer to them even after they recycled the rest of the mailpiece. Meanwhile, Customized MarketMail enabled advertisers to mail pieces of virtually any design and shape, making it attention-getting from the get-go.



⁶⁷ Robert H. Cohen et al., Office of Rates, Analysis and Planning, U.S. Postal Rate Commission, "The Impact of Using Worksharing to Liberalize a Postal Market," 7–10, February 2001, at http://www.aei.org/wp-content/uploads/2011/10/20030428_impact.pdf (accessed July 8, 2015).

⁶⁸ Ibid, 7.

⁶⁹ 120 Stat. 3204.

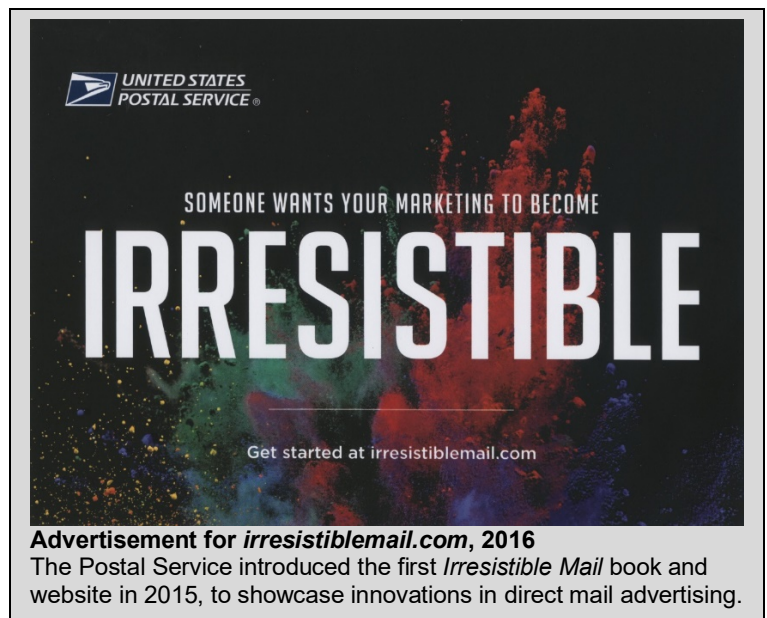
In 2011, the Postal Service revived simplified addressing for mail sent to customers living along city delivery routes, if the mailings were of flat-size pieces sent at the saturation rate. Called "Every Door Direct Mail" (EDDM), this new service allowed bulk mailings to be addressed simply to "Postal Customer," regardless of which sort of delivery route customers lived on. Using tools at usps.com, mailers could map out a target area, use demographic data to choose specific carrier routes, choose a mailing drop off date, and pay for the mailing, without the need for an annual permit. While EDDM was originally intended for small businesses, its low cost and ease of use made it a popular way for individuals to advertise everything from yard sales to lost pets.

In 2012, the Postal Service launched the Picture Permit Imprint Indicia program, allowing commercial mailers to include color logos, product visuals, or other brand images in the permit indicia area of their mail for a fee. This enabled companies to advertise their brand, products, and services on the actual mailpiece.

The Postal Service also introduced discounts to encourage use of the mail.⁷⁰ In 2009, the Postal Service began offering "summer sales" for Standard Mail volumes above a certain threshold as well as "saturation mail volume" pricing incentives. Beginning in 2011, the Postal Service offered incentives to mailers who integrated innovative technologies onto their mail — from a QR code linking to a mailer's website, to codes linking to augmented reality experiences. Interactive technology could transform mail "into anything from a virtual shopping trip, vacation experience, swing of the bat, or the personification of the product."⁷¹ Making the mail more engaging increased the effectiveness of its message, resulting in greater returns for mailers and increasing the likelihood that they would send more mail.

The Postal Service also developed new ways to educate mailers in how to get the best return on their advertising dollars. In 2015, it introduced the *Irresistible Mail* book and irresistiblemail.com, which showcased state-of-the-art examples of marrying print with innovative technologies to engage recipients. And in March 2016 it launched uspsdelivers.com, to help inspire and improve customers' direct mail campaigns.

In a series of white papers beginning in 2013, the U.S. Postal Service Office of Inspector General explored three unique strengths of advertising mail: its tangibility, targetability, and measurability. Tangibility means that, unlike digital ads, mail can be touched. Research has shown that people who hold catalogs, coupons, and offers in their hands have a stronger physical reaction than when they see the same information on a screen.⁷² They also generally have a stronger emotional response to physical ads, view them longer, and remember them better.⁷³ Advertising mail is also targetable, meaning that mailers have a high degree of



⁷⁰ The enactment of the *Postal Accountability and Enhancement Act of 2006* gave the Postal Service increased pricing flexibility, including the ability to offer sales and promotions to sustain and grow mail volume, to help maximize revenue.

⁷¹ Kenny Eicker, "Augment Your Direct Marketing Success with Augmented Reality", *Direct Marketing News*, September 17, 2013, www.dmnews.com/augment-your-direct-marketing-success-with-augmented-reality/article/311949/ (accessed January 27, 2015).

⁷² See U.S. Postal Service Office of Inspector General, *Enhancing Mail for Digital Natives*, Report No. RARC-WP-14-001, November 18, 2013, www.uspsoidg.gov/sites/default/files/document-library-files/2013/rarc-wp-14-001_enhancing_mail_for_digital_natives.pdf, 5 (accessed January 27, 2015).

⁷³ See U.S. Postal Service Office of Inspector General, *Enhancing the Value of the Mail: The Human Response*, Report No. RARC-WP-15-012, June 15, 2015, <https://www.uspsoidg.gov/sites/default/files/document-library-files/2015/rarc-wp-15-012.pdf> (accessed January 5, 2016).

control over who sees their ad — more so than with broadcast or newspaper advertising. Advertising mail is also measurable, meaning that mailers can collect data on who responded to their ads in order to measure the ad's effectiveness. This can involve complex analytics and algorithms, or it could be as simple as counting the number of coupons redeemed at a pizza shop.

In 2017, the Postal Service changed the name of Standard Mail to the more descriptive “USPS Marketing Mail.” That year, USPS Marketing Mail constituted about 52 percent of the Postal Service's mail volume and accounted for nearly a quarter of its revenue.

To further strengthen the power of mail, the Postal Service rolled out Informed Delivery nationwide in 2017. The new service bridged the gap between the physical and digital, offering customers a daily email with images of the outside of letter-sized pieces in their mail, before delivery. It also provided customers with package tracking information. Customers could sign up for the free service by visiting informedelivery.usps.com.

Informed Delivery — free for both customers and mailers — increased the value of mail partly by doubling a household's exposure to it. In some cases, digital images of mail reached members of the household who rarely saw their physical mail, because someone else in the household normally collected it. To enhance the value of Informed Delivery for business mailers, they were offered the option of including a “ride-along” image and a clickable URL to accompany the image of their mailpiece. When consumers clicked on the URL, they were taken to the mailer's website to receive offers or learn more about the firm's products and services.

By July 2021, more than 40 million customers had registered for Informed Delivery, and more than 2,100 mailers were including interactive Informed Delivery content in their ad campaigns. By making it easier for mailers to reach customers — whether physically or virtually — the Postal Service increased the value of mail, strengthening its future as an effective channel of information and commerce.

Throughout its history, the Postal Service has adapted to changes in technology and the needs of mailers. From a single postage rate for advertisements in 1845, to the complex array of classes and rate discounts available in 2021, the basic goal has remained the same — to enable mailers to reach recipients as efficiently and effectively as possible.

