

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

REVIEW OF NONPOSTAL SERVICES

Docket No. MC2008-1

UNITED STATES POSTAL SERVICE NOTICE OF FILING OF PROPOSED MAIL
CLASSIFICATION SCHEDULE LANGUAGE FOR FOUR PRODUCTS IT REQUEST
SHOULD BE ADDED TO THE PRODUCT LISTS AS POSTAL SERVICES
(October 17, 2008)

In its initial brief, the Postal Service indicated that it would file proposed Mail Classification Schedule language for the four following services it wishes to classify as "postal services"¹: Address Management Services, Customized Postage program, Shipping and Mailing Supplies (ReadyPost), and Greeting Cards, Stationery and Related Items. The classification language is attached.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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¹ See Postal Service Initial Brief at 91 n.181. The exception is MCS language for International Money Transfer Service (IMTS), which the Postal Service has already filed with the Commission. See United States Postal Service Submission of Initial Mail Classification Schedule in Response to Order No. 26 (September 24, 2007).

MARKET DOMINANT

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SPECIAL SERVICES

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1515 Address Management Services

1515.1 Description

Address Management Services ensure that address elements and address lists are correct and up-to-date. In addition to providing software or information about ZIP Code™ lists, addresses, or moves, the services also include certifying systems to ensure that the proper address information is used. Some services allow the purchaser or licensee to make unlimited copies or to make additional copies for a fee.

Address Sequencing

Address Sequencing service provides for the removal of incorrect addresses, notation of missing addresses, and addition of missing addresses.

AEC II® Service (Address Element Correction II)

AEC II sends addresses with errors that cannot be resolved through other Address Management services to the field for resolution based on knowledge of delivery personnel. The mailer is provided with the correct address or with information that the address is not a recognized deliverable address.

AIS Viewer

The AIS Viewer is an interactive CD-ROM that provides the ability to retrieve, view, and print accurate and current ZIP Code™ information for all 50 states on demand, eliminating hardcopy reports.

Barcode Certification

The Barcode Certification program evaluates manufacturers' printers, computer software, and computer systems that produce a barcode in order to certify that the barcode meets all dimensional specifications required by the Postal Service.

Carrier Route Information System (CRIS)

The Carrier Route service provides reference information needed to apply carrier route codes to addresses. Copying is allowed for an additional fee.

CASS™ System Certification (Coding Accuracy Support System)

CASS evaluates and certifies the accuracy of address-matching software that applies ZIP + 4, DPV, LACS^{Link}, CRIS, DSF2, eLOT, RDI and Five-Digit ZIP. The Postal Service certifies software meeting its standards until the expiration of the applicable CASS cycle. Software must be re-certified for each CASS cycle. Ordinarily, a CASS testing cycle extends from August 1st through July 31st of the next year, and permits software use until the following July 31st.

Change-of-Address Information for Election Boards and Registration Commissions

Change-of-Address Information for Election Boards and Registration Commissions service provides election boards and voter registration commissions with the current address of a resident addressee, if known to the Postal Service.

City State

The City State service is a comprehensive ZIP Code™ list associated with the appropriate city, county, and Post Office™ names. Copying is allowed for an additional fee.

Computerized Delivery Sequence (CDS)

Computerized Delivery Sequence (CDS) provides and updates delivery sequence address information by carrier route for qualified mailers.

Correction of Address Lists

Correction of Address Lists service provides current information concerning name and address mailing lists or correct information concerning occupant mailing lists to certain owners of such lists. New names will not be added to a name and address mailing list, and street address numbers will not be added or changed for an occupant mailing list.

Delivery Statistics

The Delivery Statistics service provides statistical information regarding delivery by carrier route and Post Office™ box section. Copying is allowed for an additional fee.

Delivery Type

The Delivery Type service provides an ASCII text file that indicates the type of deliveries (i.e. P.O. Box, street, unique, military and general deliveries) made within each 5-digit ZIP Code™ area in the United States. Copying is allowed for an additional fee.

DMM Labeling Lists

DMM Labeling Lists contain destination ZIP Codes with the corresponding Postal Service™ facility destination information.

DPV® System

The DPV® System, in conjunction with CASS Certified address matching software, validates delivery points. Unlimited sub-licensing is allowed by software developers without further payment.

DSF²® Service (Delivery Sequence File – 2nd Generation)

The DSF² service is used to check mailing address accuracy, identify address types, and obtain walk sequence numbers. The DSF² database is the most complete Postal Service address database available, containing every deliverable mailing address in the United States, and is used to: verify that address lists are correct and complete, identify business versus residential addresses, recognize commercial mail receiving agencies (CMRA), provide walk sequence numbers and postal codes, identify seasonal addresses, detect addresses vacant for over 90 days, and categorize addresses by delivery type, e.g., curbside, door slot, box, etc. DSF² processing includes address standardization that may be used to apply for CASS qualification.

eLOT® Service (enhanced Line of Travel)

eLOT service gives mailers the ability to sort their mailings in approximate carrier-casing sequence. Copying is allowed for an additional fee.

FASTforward® MLOCR

The FASTforward system makes change-of-address information for moves available to mailers so that it can be applied to a mail piece while it is being processed on a Multi-line Optical Character Reader (MLOCR).

FASTforward® Move Update Notification (FFMUN)

The FASTforward Move Update Notification (FFMUN) service enables the FASTforward® change-of-address information to be sent to the customer in an electronic file. The electronic file can then be used to update the customer's database.

Five-Digit ZIP

The Five-Digit ZIP service provides detailed street data for multi-coded cities (i.e., cities that have more than one 5-digit ZIP Code), so

that the proper ZIP Code can be identified. Copying is allowed for an additional fee.

LACS^{Link}® Service

LACS^{Link} service provides mailers an automated method of obtaining new addresses when rural style addresses are converted to street-style addresses. The three types of licenses are:

Interface Developer which grants the right to develop an interface between address-matching software and the LACS^{Link} database service;

Interface Distributor which grants the right to sub-license the interface and the LACS^{Link} database service to third parties; and

End User which grants the right to obtain the LACS^{Link} database service directly from the Postal Service for use in updating mailing lists.

MASSTM System Certification (Multiline Accuracy Support System)

MASS provides certification for Multiline Optical Character Readers (MLOCs), Remote Video Encoding (RVE), Local Video Encoding (LVE), and Encoding Stations (“equipment”). The MASS certification process is designed to evaluate the ability of the equipment to process address information using CASS CertifiedTM software, and apply an accurate delivery point barcode (DPBC) to a mailpiece. The Postal Service separately certifies the equipment for a manufacturer and the user. Certified equipment can be used until the expiration of the applicable MASS cycle. Ordinarily, a MASS testing cycle extends from August 1st through July 31st of the next year, and permits use until the following July 31st.

NCOA^{Link}® Service

The NCOA^{Link} service makes change-of-address information for moves available to mailers. The five types of licenses are:

NCOA^{Link} Interface Developer which grants the right to develop a software interface between address-matching software and the NCOA^{Link} service database.

NCOA^{Link} Interface Distributor which grants the right to unlimited sub-licensing of software interfaces developed pursuant to an NCOA^{Link} Interface Developer License.

NCOA^{Link} Full Service Provider (FSP) which grants the right to perform address list updating services for both the licensee and third party mailers using 48 months of change-of-address data. Postal Service database services such as DPV and LACS^{Link} are included.

NCOA^{Link} Limited Service Provider (LSP) which grants the right to perform address list updating services for third party mailers, as well as for licensee’s own mail using 18 months of change-of-address data.

NCOA^{Link} End User Mailer (EUM) which grants a mailer the right to perform address list updating for its own mail using 18 months of change-of-address data.

The Postal Service tests the systems under the Developer, FSP and LSP licenses to ensure that they meet Postal Service performance requirements.

NCOA^{Link} Service--ANK^{Link}® Service Option

ANK^{Link} provides an option for NCOA^{Link} Limited Service Provider and End User Mailer licensees to acquire an additional 30 months of change-of-address information. ANK^{Link} informs mailers that a customer has moved, along with the move effective date. It does not provide the new address.

Official National Zone Charts

The Official National Zone Charts identify the appropriate distance code assigned to each originating and destination pairing for every ZIP Code in the nation.

RDITM Service

The RDI data service verifies whether a delivery type is classified as residential or business.

Z4CHANGE

The Z4CHANGE service provides the information necessary to facilitate frequent and cost-effective updating of very large computerized mailing lists for automation compatibility and improved deliverability. Copying is allowed for an additional fee.

ZIP + 4[®] Service

The ZIP + 4 service is the base reference that can be used to assign the correct ZIP + 4 Code associated with a physical address. Copying is allowed for an additional fee.

ZIPMove

The ZIPMove data file assists address-matching software in providing up-to-date, accurate ZIP + 4[®] codes.

ZIP CodeTM Sortation of Address Lists

ZIP Code Sortation of Address Lists service provides sortation of addresses to the finest possible ZIP Code level.

1515.2 Prices

	(\$)
Address Sequencing	
Per correction (removal of each undeliverable address, or addition of each missing or new address)	0.34 ¹
¹ When rural routes have been consolidated or changed to another post office, there is no charge for correction if the list contains only names of persons residing on the routes involved.	
Insertion of blanks	0.00
AEC II [®]	
1-100 records resolved, minimum fee	25.00
Additional records resolved, per record	0.25
AIS (Address Information Systems) Viewer (per year, per operating system)	
City State Delivery Type	50.00
County Name Retrieval	50.00
Delivery Statistic Retrieval	75.00
ZIP + 4 Retrieval	50.00
Barcode Certification	
Per Certification Test	500.00
Carrier Route (per year)	
Cartridge 1 - 20 States	450.00*
Cartridge All States	900.00*
CD-ROM per state	22.50*
CD-ROM All States	900.00*
CASS [™] (Coding Accuracy Support System)	
Cycle Testing: (for next cycle) August-January	200.00
Cycle Testing: February, March	500.00
Cycle Testing: April	600.00
Cycle Testing: May	700.00
Cycle Testing: June	800.00
Cycle Testing: July	900.00
Cycle Testing: (for current cycle) After July 31 st	1,000.00
Change-of-Address Information for Election Boards and	

Registration Commissions	
Per change of address	0.33
City State (per year)	
Cartridge All States	350.00*
CD-ROM All States	350.00*
Computerized Delivery Sequence (CDS) (per address, per year)	0.00675
Minimum (per year)	33.75
Correction of Address Lists	
Per submitted address	0.34
Minimum charge per list (30 items)	10.20
Delivery Statistics (per year)	
Cartridge All States	350.00*
CD-ROM All States	350.00*
Delivery Type (per year)	50.00*
DMM (Domestic Mail Manual) Labeling Lists	60.00
DPV™ service (per year)	10,000.00
Fees are prorated for first year based on the month the agreement is executed.	
DSF ^{2®} service (per year)	100,000.00
Each additional location per year	50,000.00
Each additional platform per location per year	50,000.00
Initial fee is prorated for first year based on the month the agreement is executed. There is no proration for additional locations or platforms.	
eLOT™ (enhanced Line of Travel) (per year)	
CD-ROM per state	30.00*
CD-ROM All States	800.00*
<i>FASTforward</i> [®] MLOCR (per year)	5,000.00
Each additional site per year	5,000.00
Each additional platform per year	5,000.00
<i>Fastforward</i> Move Update Notification (FFMUN) (per year)	100.00
Five-Digit ZIP (per year)	
Cartridge All States	500.00*
CD-ROM All States	500.00*
LACSLink™	
Interface Developer (First Year)	1,000.00 ²

Interface Developer (each one-year extension)	300.00 ²
² Interface Developer fees are waived for certified CASS and NCOA ^{Link} Full Service Provider distributors fulfilling requirement to provide users access to LACSLink	
Interface Distributor (per year)	1,200.00 ³
³ Interface Distributor fee are waived for certified CASS distributor who provides End Users of LACS ^{Link} Distributor products with access to LACS ^{Link} System	
Data Distributor (per year)	300.00
End User (per year)	300.00 ⁴
⁴ End User fee is waived for certified NCOA ^{Link} Full Service Providers who fulfill requirement to offer LACS ^{Link} as component of its products and services	
Fees are prorated for first year for LACS ^{Link} Interface Distributor, Data Distributor, and End User based on month the Postal Service certifies system. Interface Developer test fees are waived if part of CASS certification; otherwise, CASS test fees apply for stand-alone testing.	
MASS™ (Multiline Accuracy Support System)	
MASS Manufacturers (MLOCR)	
Cycle Testing: (for next cycle) November – June	500.00
Cycle Testing: July	1,000.00
Cycle Testing: (for current cycle) After July 31st	1,500.00
MASS End-Users (MLOCR)	
Cycle Testing: (for next cycle) March – June	500.00
Cycle Testing – July	1,000.00
Cycle Testing: (current cycle) After July 31st	1,500.00
MASS Manufacturers (Encoder)	
Cycle Testing: (for next cycle) November – June	300.00
Cycle Testing – July	750.00
Cycle Testing: (for current cycle) After July 31st	1,000.00
MASS End-Users (Encoder)	
Cycle Testing: (for next cycle) March – June	300.00
Cycle Testing – July	750.00
Cycle Testing: After July 31st	1,000.00
NCOA^{Link}®	
Initial Interface Developer (first year fee)	5,000.00
Interface Developer (per each one year extension)	1,000.00

Interface Distributor (per year)	25,000.00
Full Service Provider (per year)	175,000.00
Full Service Provider Each Additional Site (per year)	87,500.00
Limited Service Provider (per year)	15,000.00
Limited Service Provider (per each one year extension)	
One Site only	15,000.00
Each additional site	7,500.00
ANK ^{Link} optional (per year)	3,500.00
End User (first year)	7,500.00
End User (each renewal year)	
One site	7,500.00
Each additional site	3,750.00
ANK ^{Link} optional (per year)	750.00
NCOA ^{Link} fees (excluding Interface Developer) prorated for first year based on month Postal Service certifies system. No proration for fees for additional sites.	
NCOA ^{Link} Test, Audit (each)	1,000.00
Official National Zone Charts (per year)	
Software CD-ROM	60.00
Matrix	50.00
RDI TM (per year)	300.00
First year pro-rated based on date of execution of license	
Z4 (ZIP 4) Change (per year)	
Cartridge All States	3,000.00*
CD-ROM All States	3,000.00*
ZIP + 4 [®] Product (per year)	
Cartridge 1 - 20 States	450.00*
Cartridge All States	900.00*
CD-ROM per state	22.50*
CD-ROM All States	900.00*
ZIP Code TM Sortation of Address Lists	
Per 1,000 addresses, or fraction	115.00
ZIP Move (per year)	
Cartridge All States	100.00*
CD-ROM All States	100.00*

* **AMS Price Table for Additional Copies** Address Management Services with an asterisk allow copying for an additional fee. The fee is calculated by multiplying the list price by a factor based on the total number of copies to be made, as shown below.

$$\begin{array}{rcl}
 & \text{Price* (per year, from above)} & \\
 \times & \text{Factor corresponding to number of copies (far right column below)} & \\
 \hline
 \$ & = & \text{Total Price (per year)}
 \end{array}$$

Number of Copies	*Price (From Above)	Multiply by	Factor
1 – 100	*Price	x	0.5
101 - 200	*Price	x	1.0
201 - 300	*Price	x	1.5
301 - 400	*Price	x	2.0
401 – 500	*Price	x	2.5
501 – 600	*Price	x	3.0
601 – 700	*Price	x	3.5
701 – 800	*Price	x	4.0
801 – 900	*Price	x	4.5
901 – 1,000	*Price	x	5.0
1,001 – 10,000	*Price	x	6.5
10,001 – 20,000	*Price	x	8.0
20,001 – 30,000	*Price	x	9.5
30,001 and over	*Price	x	11.0
Unlimited quantity of any of the following: Five-Digit ZIP, City State, CRIS, Delivery Statistics, eLot, ZIPMove, ZIP + 4	\$10,000.00	--	--

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XXXX Customized Postage Program

XXXX.1 Description

The Customized Postage program authorizes vendors to provide their customers with Postal Service-authorized postage consisting of customer-specific, customer-supplied images aligned with Postal Service-approved indicia of postage payment. As a condition of participation, a vendor must comply with all Postal Services requirements, including the content of submitted images and specifications for postage indicia printing. The vendor must also allow Postal Service inspection to ensure compliance.

A vendor's annual participation fee allows the vendor to print at two facilities. Additional print sites may be added at a reduced fee. The Postal Service has no control over the price that the vendor charges its customers, beyond the applicable price for postage. The face amount of the postage is remitted to the Postal Service by the vendor.

XXXX.2 Prices

	(\$)
Annual Participation Fee (up to two printing facilities)	300,000
Additional Printing Sites (3-50 sites, each site)	50,000
Over 50 Printing Sites (each site)	5,000

COMPETITIVE

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XXXX **Address Management Services**

XXXX.1 Description

Address Element Correction (AEC)

Address Element Correction (AEC) service identifies and corrects bad or incomplete addresses using enhanced computer logic.

Address Matching System Application Program Interface (AMS API)

The Address Matching System Application Program Interface (AMS API) is a core set of compiled address-matching software instructions that developers incorporate into their software so that address lists can be updated with address data from the following databases, which are integrated into the AMS-API: City State, ZIP + 4, Five-Digit ZIP, eLOT, DPV, and LACSLink.¹ For an additional fee, a developer may install the AMS-API on multiple computers for its own use. Additional fees are charged if the developer wants to resell its address-matching software.

Developers, for an additional fee, may obtain computer software instructions that permit the API to access the RDI data when licensed separately.¹ Additional fees are charged if the developer wants to resell RDI-API.

Topological Integrated Geographic Encoding and Referencing (TIGER/ZIP + 4[®])

The Topological Integrated Geographic Encoding and Referencing (TIGER/ZIP + 4) service is a bridge file that allows mailers to access other information using the ZIP + 4 codes they already have associated with their addresses. This file offers demographers and market researchers a method to relate ZIP + 4 coded address lists to Census Bureau demographic data.

¹ These databases are explained in the Address Management Services of the Market Dominant Products List section.

XXXX.2 Prices

	(\$)
Address Element Correction (AEC)	
(per record processed)	0.015
Minimum charge per list	15.00
Address Matching System Application Program Interface (AMS API) (per year, per platform)	
Developer's Kit, one platform	3,800.00
Each Additional, per platform	1,350.00
Additional Database License	
Number of Additional Licenses	
1 – 100	2,040.00
101-200	4,080.00
201-300	6,120.00
301-400	8,160.00
401-500	10,200.00
501-600	12,240.00
601-700	14,280.00
701-800	16,320.00
801-900	18,360.00
901-1,000	20,400.00
1,001-10,000	26,520.00
10,001-20,000	32,640.00
20,001-30,000	38,760.00
30,001-40,000	44,880.00
Resell License, one platform	16,700.00
Each Additional, per platform	8,350.00
RDI API Developer's Kit	
Each, per platform	300.00
Resell License, one platform	1,200.00
Each Additional, per platform	600.00
Above API License Fees prorated during the first year based on the date of the license agreement	
Additional Database Discs, DVD	
AMS API: DPV, LACS ^{Link} and/or eLOT	10.00
IBIP version of above (DVD Only)	10.00
Additional database, e.g., City-State, ZIP + 4, Five-Digit	10.00
Additional Database Discs, CD ROM	
AMS-API: DPV and LACS ^{Link} API	22.50
eLOT	7.50
Additional database, e.g., City-State, ZIP + 4, Five Digit	7.50
TIGER/ZIP+4[®] (per year)	
CD-ROM Per State	50.00
CD-ROM All States	700.00

XXXX Shipping and Mailing Supplies

XXXX.1 Description

The Shipping and Mailing Supplies product includes packaging materials that are used to package, seal, protect, and label items for mailing.

Mailers--Mailers include envelopes of various sizes that may or may not have added cushioning.

Cartons--Cartons are boxes of various sizes.

Supplies-- Supplies includes tape, bubble wrap, labels, and related material

XXXX.2 Prices

	(\$)
Mailers	0.39 to 6.79
Cartons	0.99 to 10.29
Supplies	0.49 to 14.65

XXXX Greeting Cards, Stationery, and Related Items

XXXX.1 Description

Greeting Cards, Stationery, and Related Items include items designed to be used to mail personal messages.

Greeting cards—Greeting cards include cards with envelopes and may be sold individually or as sets.

Stationery—Stationery includes paper, envelopes, postcards, note cards, and note pads and are sometimes packaged as sets

XXXX.2 Prices

	(\$)
Greeting Cards	0.99 to 15.99
Stationery	0.10 to 11.99