

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

NOTICE OF PRICE ADJUSTMENT

Docket No. R2009-2

UNITED STATES POSTAL SERVICE
NOTICE OF MARKET-DOMINANT PRICE ADJUSTMENT
(February 10, 2009)

Pursuant to section 3622 of title 39 and 39 C.F.R. part 3010, the Postal Service hereby provides notice that the Governors have authorized the Postal Service to adjust the prices for its market-dominant products. This adjustment will take effect at 12:01 AM on May 11, 2009, and affects all the market-dominant classes.¹ In this Notice, the Postal Service provides the information required by Rule 3010.14, including a schedule of the new prices, which is provided in Appendix A.²

The Postal Service certifies that it will inform customers of these price adjustments, as required by Rule 3010.14(a)(3). In addition to this Notice, today the Postal Service is publishing notice of these price changes on USPS.com, the Postal Explorer website, the *DMM Advisory*, and the *P&C Weekly*, as well as issuing a Press Release announcing the changes. Thus, widespread notice of these prices is being given 90 days prior to their planned implementation date. Furthermore, the Postal

¹ The implementation date of two components of this notice will be dates later than May 11, 2009. First, new prices relating to usage of the full-service Intelligent Mail option will become effective on November 29, 2009. Second, for Personalized Stamped Envelopes, the color other than white, monogram, and 4-color logo premium options will not be available on May 11, 2009; the Postal Service will provide a later notice regarding their availability.

² Appendix A also contains the proposed Mail Classification Schedule changes.

Service plans to provide public notice of these price changes in future issues of the *PCC Insider*, *MailPro*, *Postal Bulletin*, and *Federal Register*.

The Postal Service, pursuant to Rule 3010.14(a)(4), identifies Mr. Joseph D. Moeller as the official who will be available to provide responses to queries from the Commission. Mr. Moeller's contact information is as follows:

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The remainder of this Notice is structured as follows. In Part I, the Postal Service discusses its compliance with the price cap, which limits the average percentage price increase for each class of mail. In Part II, the Postal Service provides a more detailed discussion of its prices, including the "workshare discounts" included in the new prices, and how its prices are consistent with the objectives and factors of section 3622, and the preferential pricing requirements of section 3626. In Part III, the Postal Service sets forth the changes to the Mail Classification Schedule (MCS) that are necessitated by this price change.

I. Price Cap Compliance

In compliance with Rules 3010.14(b)(1) through (4), the following section discusses and describes the applicable CPI-U price cap, the amount of unused price adjustment authority available for each class of mail, the percentage change in prices for each class of mail, and the amount of any new unused price adjustment authority generated by this price change.

A. Inflation-Based Price Adjustment Authority

Based on the most recently available data from the Bureau of Labor Statistics, the Postal Service has inflation-based price adjustment authority of 3.8 percent. See Appendix C. This is based on a 12-month moving average of the Consumer Price Index – All Urban Consumers, U.S. All Items (the “CUUR0000SA0” series), and conforms with the calculated percentage currently provided on the Commission’s website.

B. Available Unused Price Adjustment Authority

Since Docket No. R2008-1 marked the first price adjustment under the regulatory structure of the Postal Accountability and Enhancement Act (PAEA), there was no unused price adjustment authority generated in previous price changes. The final unused rate authority generated by Docket No. R2008-1, by class, is provided below.³

Table 1
Available Unused Price Adjustment Authority,
By Mail Class

Class	Unused Authority (%)
First-Class Mail	0.014
Standard Mail	0.062
Periodicals	0.176
Package Services	0.025
Special Services	0.052

C. Overall Price Adjustment Authority

Thus, the Postal Service is authorized to raise the prices for each class by the following percentages:

³ See Order No. 66 at 1; Order No. 69 at 2.

Table 2
Price Adjustment Authority By Mail Class

Class	Price Adjustment Authority (%)
First-Class Mail	3.814
Standard Mail	3.862
Periodicals	3.976
Package Services	3.825
Special Services	3.852

D. The New Prices

The cap compliance calculation, as defined by the Commission, uses a set of fixed weights applied to the current and new prices to construct a weighted average price change for each market-dominant class. These fixed weights are the most recent twelve months of Postal Service billing determinants, with reasonable adjustments and explanations for those adjustments. For example, these adjustments could include elimination of rate cells active in the previous year, if redefined in this price adjustment, and the consequent assignment of billing determinants to more applicable rate cells. For each of the five classes (First-Class Mail, Standard Mail, Periodicals, Package Services, and Special Services), the resulting price change, on average, must be less than or equal to the Postal Service’s available price adjustment authority.

The new prices are in Appendix A. For each class, the Postal Service has prepared workpapers demonstrating how these prices comply with the price cap. These workpapers are designated as follows:

- | | |
|----------------|------------------|
| USPS-R2009-2/1 | First-Class Mail |
| USPS-R2009-2/2 | Standard Mail |
| USPS-R2009-2/3 | Periodicals |

USPS-R2009-2/4

Package Services

USPS-R2009-2/5

Special Services

Each of these items contains a Preface that explains its contents in detail. The Preface provides an overview of the workpapers, a discussion of any necessary adjustments to the FY 2008 billing determinants, and an explanation of the revenue calculations generated through the billing determinants and the current and new prices.

E. Percentage Change by Mail Class

As demonstrated in the Attachments, the prices for each class comply with the overall price adjustment authority available to the Postal Service. The percentage change by class is as follows:

Table 3
2009 Price Change Percentage by Mail Class

Class	Percent Change
First-Class Mail	3.771
Standard Mail	3.781
Periodicals	3.966
Package Services	3.800
Special Services	3.837

F. Unused Pricing Authority Resulting From this Change

As shown in Table 3, the Postal Service uses some, but not all, of its available unused price adjustment authority for the Periodicals and Special Services classes. In addition, the Postal Service generates additional unused price adjustment authority with respect to First-Class Mail and Standard Mail. The Postal Service calculates the

unused price adjustment authority that it will have following this price change as follows:⁴

Table 4
Unused Pricing Authority Available Following this Price Change

Class	Percentage Points
First-Class Mail	
R2008-1	0.014
R2009-2	0.029
Total	0.043
Standard Mail	
R2008-1	0.062
R2009-2	0.019
Total	0.081
Periodicals	
R2008-1	0.176
R2009-2	-0.166
Total	0.010
Package Services	
R2008-1	0.025
R2009-2	0.000
Total	0.025
Special Services	
R2008-1	0.052
R2009-2	-0.037
Total	0.015

II. Description of the Prices

In compliance with Rules 3010.14(b)(7) through (8), the Postal Service in this section discusses 1) how its planned prices “help achieve” the objectives of section 3622(b) and “properly take into account” the factors of section 3622(c); and 2) how its planned prices are consistent with sections 3626, 3627, and 3629. In addition, the

⁴ To the extent that the calculated percentage change for any class is revised during the course of this proceeding from what has been calculated by the Postal Service in this Notice, the Postal Service notes that the unused price adjustment authority should be adjusted, regardless of the figures set forth in this Table.

Postal Service discusses the workshare discounts included within the planned prices, as required by Rules 3010.14(b)(5) through (6).

A. Objectives and Factors—Rule 3010.14(b)(7)

The objectives of section 3622(b) are as follows:

“(b) Objectives—Such system shall be designed to achieve the following objectives, each of which shall be applied in conjunction with the others:

- (1) To maximize incentives to reduce costs and increase efficiency.
- (2) To create predictability and stability in rates.
- (3) To maintain high quality service standards established under section 3691.
- (4) To allow the Postal Service pricing flexibility.
- (5) To assure adequate revenues, including retained earnings, to maintain financial stability.
- (6) To reduce the administrative burden and increase the transparency of the ratemaking process.
- (7) To enhance mail security and deter terrorism.
- (8) To establish and maintain a just and reasonable schedule for rates and classifications, however the objective under this paragraph shall not be construed to prohibit the Postal Service from making changes of unequal magnitude within, between, or among classes of mail.
- (9) To allocate the total institutional costs of the Postal Service appropriately between market-dominant and competitive products.”⁵

⁵ For ease of reference, each objective is referred to according to its placement in section 3622(b). For example, section 3622(b)(1) is referred to as Objective 1. A similar convention is used with respect to the “factors” of section 3622(c) below.

These objectives underlie Congress' mandate that there be a new, "modern system for regulating rates and classes for market-dominant products," to replace the prior system of the Postal Reorganization Act (PRA). These principles are largely achieved through the design of the new regulatory system itself, rather than through the particulars of any one pricing change made pursuant to that system.

In this Notice, the Postal Service indicates its intention to increase its prices as specified in Table 3. With small exceptions, generally associated with rounding, these increases are approximately equal to the calculated CPI-U cap of 3.8 percent. Periodicals increase by a slightly greater percentage, by utilizing most of the unused price adjustment authority that was generated in Docket No. R2008-1. Any price change made pursuant to the price cap structure set forth by section 3622(d) "helps achieve" many of these objectives (e.g., Objective 1, Objective 2, Objective 8).

The objective that the pricing process be transparent (Objective 6) is fundamental to the new regulatory environment, and is achieved through the entirety of the regulatory filings made by the Postal Service throughout a year. In this Notice, the Postal Service demonstrates how its planned price adjustments comply with the price cap limitation, with the workshare standards of section 3622(e), and with the requirements of section 3626. This clearly meets the objective that the pricing process be transparent. Furthermore, the FY 2008 Annual Compliance Report (ACR) sets forth a variety of data concerning costs, revenues, and service quality. The detail in the FY 2008 Cost Revenue Analysis (CRA) data has made the ACR more useful than its predecessor because volume, revenue, cost, and cost coverage are available at the product level (for most products) for the first time.

In addition, the Postal Service has considered the current poor economic environment and its effect on both customers and the Postal Service itself. For example, Objective 1 states that the new regulatory system should “maximize incentives to reduce costs and increase efficiency.” Objective 2 requires that the regulatory system create “predictability and stability” in prices. These objectives are fulfilled by the Postal Service’s publicly stated intention to increase prices on an annual, predictable basis, by keeping price changes at appropriate levels.

In addition to the objectives specified and discussed above, section 3622(c) enumerates fourteen factors, or considerations, that must be taken into account, which are as follows:

“(c) Factors—In establishing or revising such system, the Postal Regulatory Commission shall take into account—

(1) the value of the mail service actually provided each class or type of mail service to both the sender and the recipient, including but not limited to the collection, mode of transportation, and priority of delivery;

(2) the requirement that each class of mail or type of mail service bear the direct and indirect postal costs attributable to each class or type of mail service through reliably identified causal relationships plus that portion of all other costs of the Postal Service reasonably assignable to such class or type;

(3) the effect of rate increases upon the general public, business mail users, and enterprises in the private sector of the economy engaged in the delivery of mail matter other than letters;

- (4) the available alternative means of sending and receiving letters and other mail matter at reasonable costs;
- (5) the degree of preparation of mail for delivery into the postal system performed by the mailer and its effect upon reducing costs to the Postal Service;
- (6) simplicity of structure for the entire schedule and simple, identifiable relationships between the rates or fees charged the various classes of mail for postal services;
- (7) the importance of pricing flexibility to encourage increased mail volume and operational efficiency;
- (8) the relative value to the people of the kinds of mail matter entered into the postal system and the desirability and justification for special classifications and services of mail;
- (9) the importance of providing classifications with extremely high degrees of reliability and speed of delivery and of providing those that do not require high degrees of reliability and speed of delivery;
- (10) the desirability of special classifications for both postal users and the Postal Service in accordance with the policies of this title, including agreements between the Postal Service and postal users, when available on public and reasonable terms to similarly situated mailers, that—
 - (A) either—
 - (i) improve the net financial position of the Postal Service through reducing Postal Service costs or increasing the overall contribution to the institutional costs of the Postal Service; or

(ii) enhance the performance of mail preparation, processing, transportation, or other functions; and

(B) do not cause unreasonable harm to the marketplace.

(11) the educational, cultural, scientific, and informational value to the recipient of mail matter;

(12) the need for the Postal Service to increase its efficiency and reduce its costs, including infrastructure costs, to help maintain high quality, affordable postal services;

(13) the value to the Postal Service and postal users of promoting intelligent mail and of secure, sender-identified mail; and

(14) the policies of this title as well as such other factors as the Commission determines appropriate.”

Below, the Postal Service discusses its specific price adjustments by class, including how they comply with the policy considerations set forth in section 3622.⁶

When considering this price change, it is important to consider the long-term, rather than simply focusing on this year’s prices in isolation. This was discussed by the Postal Service in its Docket No. R2008-1 Notice.⁷

1) First-Class Mail

In the First-Class Mail class, there are six products: Single-piece Letters/Postcards, Presorted Letters/Postcards, Flats, Parcels, Outbound Single-piece First-

⁶ Workshare discounts, which implicate Factor 5 and Factor 12, are discussed extensively in Part II.C of this Notice.

⁷ Docket No. R2008-1, Notice of Market Dominant Price Adjustment, at 12.

Class Mail International, and Inbound Single-piece First-Class Mail International. The prices for these products change as follows:

Table 5
First-Class Mail Product Price Changes

Product	Percent Change
Single-Piece Letters & Cards	4.616
Presort Letters & Cards	3.080
Flats	3.882
Parcels	2.567
International	4.136
Overall	3.771

The First-Class Mail, first ounce letter price is a major driver of the overall increase for First-Class Mail; the Postal Service increases this price by two cents (4.8 percent). For simplicity, prices used by the general public are in whole cents (Factor 6). The integer constraint on the single-piece price generally results in some deviation from the average increase implied by the cap. To meet the cap average increase for First-Class Mail as a whole, the average percentage price increase for presorted mail is lower than the cap. This is a reverse of last year, when the presort grouping received a larger-than-the-cap increase.⁸ In the current price change, the additional ounce price and the non-machinable surcharge are held at current levels, thus tempering the increase caused by the two-cent increase on the first-ounce price for letters.⁹

The MCS establishes the shapes within First-Class Mail as distinct products. This price change widens the effective per-piece differential between letters and flats,

⁸ In 2008, Presorted Letters and Cards had an increase of 3.6%, which was above the cap of 2.9%. The one-cent stamp increase was 2.4%.

⁹ For example, even though there is a 4.8% increase in the single-piece letter price, the overall increase for "Single Piece Letters and Cards" is 4.6%.

and between letters and parcels (Factor 1, Factor 2).¹⁰ These changes, coupled with an unchanged additional ounce price, result in modest changes for the Flats and Parcels products. The increase in the previous annual adjustment was lower, in light of the previous large increases for those shapes in 2007 (Factor 3).

The prices in Presort Letters and Cards reflect the costs that the Postal Service avoids when customers presort and otherwise prepare their mail for automation processing (Factor 5). Most commercial customers are actively seeking cost-reductions that may result in decisions to move towards electronic and other mail alternatives. A less-than-average increase in automation prices may forestall some of these decisions and help to maintain automation letter volume (Factor 4, Factor 7). Furthermore, the Postal Service will be making optional some requirements for presortation of automation First-Class Mail. This will give customers more flexibility and choice and may encourage some new, lower-volume customers to use presorted First-Class Mail (Factor 3, Factor 7). This price-change relationship is illustrated in Table 6, below, which compares First-Class Mail first ounce prices for one ounce single-piece, automation 3-digit, and automation 5-digit letters.

Table 6
First-Class Mail First-Ounce Prices

1-ounce letter	Price per Piece		Change	
	Current	New	Cents per piece	Percent Change
Single Piece	42¢	44¢	+2.0¢	+4.8 %
Automation 3-digit	34.6¢	35.7¢	+1.1¢	+3.2 %
Automation 5-digit	32.4¢	33.5¢	+1.1¢	+3.4 %

¹⁰ The gap between single-piece letters and flats is increased from 41 cents to 44 cents; the gap between flats and parcels is increased from 75 cents to 78 cents. The letter-flat differential furthers the simplicity of the price structure, since the gap is equivalent to the price of a stamp (Factor 6).

The desirability of intelligent mail is specified in Factor 13. Intelligent mail offers many benefits to customers and the Postal Service itself, including serving as the basis for some service performance measurements. To facilitate adoption of the full-service Intelligent Mail option, the Postal Service has set a lower price (by 0.3 cents) for customers who use it with First-Class Mail presorted letters and flats. This program will add value to the mail and assist in service measurement (Factor 1, Factor 7, Objective 3). The effective date of this price differential (which will be a reduction from the list prices that are implemented in May) will be November 29, 2009.

For First-Class Mail International (outbound), the Postal Service is increasing prices overall by 4.6 percent, which is an adjustment to increase contribution and improve cost coverage (Factor 2, Factor 12).

More detail on First-Class Mail price changes is included in USPS-R2009-2/1.

2) Standard Mail

The Standard Mail class consists of six products: Letters; Flats; Parcels and NFMs; High Density and Saturation Letters; High Density and Saturation Flats and Parcels; and Carrier Route Letters, Flats and Parcels. Within the class, Standard Mail product prices increase as follows:

Table 7
Standard Mail Product Price Changes

Product	Percent Change
Letters	3.829
Flats	2.306
Parcels and NFMs	16.425
High Density / Saturation Letters	1.248
High Density / Saturation Flats and Parcels	2.233
Carrier Route Letters, Flats and Parcels	4.310
Overall	3.781

The price change for the Flats product is lower than the price cap: 2.306 percent. This continues efforts to moderate the increases for catalog mailers,¹¹ whose volume fell considerably in FY 2008. Catalog mailers use this product, as well as the Carrier Route product.¹² (For heavier catalogs, customers use Bound Printed Matter.¹³) Volume decline is due, in part, to the especially difficult economic challenges facing this industry: lower consumer spending attributable to the recession, combined with the aftermath of the 2007 price increase. Although FY 2008 data shows that Standard Mail Flats had a cost coverage below 100 percent, the Postal Service is mitigating the price increase to maintain the viability of the catalog industry (Factor 3).

Another key strategy in Standard Mail is to adjust the role weight has in pricing. To mitigate the effect of previous price increases, many customers have reduced the number of pages in their catalogs. This reduced catalog production and postage costs in the face of difficult economic conditions. The current price structure for regular Flats makes it difficult for some customers to increase the weight of their mail pieces. This limits their ability to showcase additional merchandise within their catalogs, potentially lowering the return on a catalog mailing, and in turn the value of the mail (Factor 1). Therefore, the Postal Service has either reduced the pound rate, or limited its increase, for Standard Mail Flats product categories. As the following table shows, Flats prices will increase less as weight increases:

¹¹ See Docket No. R2008-1, Notice of Market Dominant Price Adjustment, at 15.

¹² The increase for the combination of these two products is 2.9 percent.

¹³ See section 4, below.

Table 8
Standard Mail Sample Flats Prices

	Price		Change	
	Current	New	Cents per piece	Percent
3-oz. Catalog (5-digit/DBMC)	30.6¢	31.2¢	+0.6¢	+2.0 %
8-oz. Catalog (5-digit/DBMC)	47.5¢	47.7¢	+0.2¢	+0.4 %

Both High Density/Saturation product groups have price increases that are lower than the price cap. The Postal Service has developed a new incentive, targeted at encouraging new Saturation mail volumes. This incentive will reduce the prices for new Saturation letters mailed during the defined period by 3.7 cents (2.2 cents for nonprofit Saturation letters), and the prices for new Saturation flats mailed during the defined period by 4.0 cents (2.4 cents for nonprofit Saturation flats). Specific standards for this incentive, including the definition of the time period in which volume growth is to be measured, are included in the upcoming changes in the Domestic Mail Manual posted on *Postal Explorer*.

The Postal Service is working to improve the contribution for Standard Mail Parcels / NFMs in order to improve the cost coverage of this product (Factor 12). Standard Mail Parcels / NFMs receive an increase of 16.425 percent. However, pricing incentives to dropship deeper into the system are enhanced to encourage more efficient transportation and entry practices (Factor 5). The pricing for parcels is also a further step in the Postal Service's ongoing harmonization of all of its parcels offerings (Factor 6). Further details on worksharing are discussed below in Part II.C.

In addition to these pricing changes, the Postal Service is revising the pricing categories for Standard Mail Parcels / NFM's to better align those categories with the most efficient processing paths for parcel-shaped pieces (Factor 7). As shown in Appendix A, the Postal Service will no longer offer a separate price for machinable parcels, irregular parcels, and NFM's presorted to 5-digits and entered at origin. For such pieces, the lowest price available will now be the BMC price.¹⁴ For the same reasons, separate pricing for origin entered SCF (formerly 3-digit) irregular parcels and NFM's; for DSCF entered BMC (formerly ADC/BMC) irregular parcels and NFM's; and for DSCF and DBMC entered Mixed BMC (formerly Mixed ADC/BMC) irregular parcels and NFM's has been eliminated. These changes will align parcels pricing with the most efficient preparations and mail processing paths for parcels and NFM's. The cap compliance calculations have been adjusted to reflect the probable price impacts of eliminating these mail preparation options.

Carrier Route mail receives an increase slightly above the cap: 4.31 percent. Consistent with the long-standing effort to encourage 5-digit automation pieces relative to carrier route preparation, the Postal Service has made Carrier Route letters pricing the same as the pricing for Carrier Route flats (Factor 6, Factor 7).

An incentive is included to encourage adoption of the full-service Intelligent Mail option by Standard Mail customers: 0.1 cents. This is a lower incentive than the one for First-Class Mail, because Standard Mail is generally produced from a distinct mailing

¹⁴ For NFM's and Irregular Parcels, the price categories formerly named ADC/BMC will now be renamed BMC, and the price categories formerly named Mixed ADC/BMC will now be renamed Mixed BMC. Also, the categories formerly named 3-digit presort will now be renamed SCF presort. This makes the names of those discounts more descriptive and reflects how the mail is currently processed. The Postal Service is slightly modifying the DMM eligibility rules for those discounts.

list, rather than compiled from various sources and lists, or sorted by physically merging non-identical mail pieces, as is more common with First-Class Mail. It is expected that a smaller differential will still lead to significant adoption of the full-service option. This differential will be implemented on November 29, 2009.

In November 2008, the Postal Service changed mail preparation standards to require Standard Mail customers to use an approved Move Update method to update their mailing list with change-of-address information.¹⁵ Customers who do not comply with the new Move Update standard are not eligible for Standard Mail prices. In First-Class Mail, non-Move Update compliant mailings are required to pay single-piece prices. This results in approximately a 7 cent-per-piece increase in postage. If the Postal Service did not establish a specific Move Update noncompliance charge in Standard Mail (in which there is no single-piece Standard Mail price), customers who failed to meet the Move Update standard would be required to pay First-Class Mail single-piece prices. This would lead to postage increases of 20 cents or more. The 7 cent assessment should provide a substantial incentive to encourage customers to adopt Move Update processes, while still being reasonable (Factor 1, Factor 7).

The new Standard Mail prices embody several additional adjustments that are designed to improve mail processing efficiency (Factor 12). Some of these, such as the increased dropship discounts, are discussed in more detail in Part II.C of this Notice. More detail on Standard Mail price changes is included in USPS-R2009-2/2.

¹⁵ The proposed rule was published in the *Federal Register* on May 23, 2007, and the final rule was published in the *Federal Register* on September 28, 2007.

3) Periodicals

The Periodicals class includes magazines and newspapers, and consists of two products: In-County Periodicals, and Outside County Periodicals. The prices for these products change as follows:

Table 9
Periodicals Mail Price Changes

Product	Percent Change
Outside County	3.973
Within County	3.802
Overall	3.966

The Periodicals class has been challenged in terms of cost coverage. It is the only mail class that did not cover its attributable costs in FY 2008 (Factor 2, Objective 8). The Postal Service is cognizant of the special situation of Periodicals in terms of both the class' value to the public (Factor 8, Factor 11), and its failure to cover costs. The new prices are designed to balance the effect on individual publications, while taking advantage of the new price structure to create relationships that will improve the efficiency of the Periodicals product.

In the initial price change under the PAEA, the Postal Service kept increases for all price components within Periodicals as close to the cap as was feasible to minimize the possibility that any group of publications would incur major price changes. This price package refines price relationships to encourage efficiency and containerization, while limiting the price increases for individual publications. The actual price paid by a given publication is the combination of many price elements, so care has been taken to adjust the individual price elements in a manner that limits the resulting postage increases.

As in other classes, an incentive is included to encourage adoption of the full-service Intelligent Mail option. The price incentive for Periodicals is 0.1 cents. This differential reflects the fact that Periodicals are required to use Address Change Service (ACS), and currently pay 25 cents per address change. By adopting the full-service Intelligent Mail option, a publication will qualify for no-fee ACS. This in itself is a substantial incentive because, for most customers, use of the full-service option will mean they do not need to pay for ACS. Therefore, the 0.1 cents price differential is sufficiently attractive (Factor 1), while adding value to the mail and increasing operational efficiency (Factor 1, Factor 7).

More detail on Periodicals price changes is included in USPS-R2009-2/3.

4) Package Services

The Package Services class consists of five products: Single-Piece Parcel Post, Bound Printed Matter Flats, Bound Printed Matter Parcels, Media Mail/Library Mail, and Inbound Surface Parcel Post (at UPU rates). The prices for these products increase as follows:

Table 10
Package Services Product Price Changes

Product	Percent Change
Single Piece Parcel Post	4.450
BPM Flats	-2.000
BPM Parcels	2.504
Media Mail and Library Mail	7.468
Inbound Surface Parcel Post	5.027 ¹⁶
Overall	3.800

¹⁶ Prices for Inbound Surface Parcel Post (at UPU rates) are determined by the Universal Postal Union and are not under the control of the Postal Service. These prices are adjusted on a calendar basis. The most recent price change took place on January 1, 2009.

The Postal Service's overall goal in Package Services is to improve product profitability. In FY 2008, Media Mail and Library Mail (whose prices are linked by law) and Single-Piece Parcel Post failed to cover their costs, though the class as a whole had a positive cost coverage. Consequently, Package Services pricing focuses on increasing the prices of the lowest-performing segments of this group, in terms of cost coverage, while remaining within the overall price cap. However, Media Mail and Library Mail are still priced relatively low, in recognition of their "educational, cultural, scientific, and informational value" (Factor 11).

Within Bound Printed Matter there are two products: Flats (primarily heavy catalogs), and Parcels (primarily product order fulfillment). Bound Printed Matter flats already have a healthy cost coverage; therefore, in order to offset the needed higher price increases for the lower-performing products discussed above, the average price for BPM flats is being reduced. This should encourage volume of lower-cost, flat-shaped, heavy-weight catalogs and continues the shape-based deaveraging that was begun in Docket No. R2001-1. It reflects the overall lower costs of processing and delivering flats as opposed to parcels.

In addition, the Postal Service is simplifying Single-Piece Parcel Post prices (Factor 6, Factor 12). Currently, prices for Single-Piece Parcel Post vary depending on whether a parcel travels through one or two Bulk Mail Centers (BMCs). The distinction is historic, and has little to do with market perceptions or operational requirements. For example, a parcel may travel several hundreds of miles within the service area of a single BMC and therefore qualify for the Intra-BMC price, while another parcel can travel a much shorter distance between two BMC service areas and pay the higher

Inter-BMC price. Not only is such an outcome counterintuitive from a market standpoint, retail customers are generally not even aware of the Intra-BMC vs. Inter-BMC distinction. If Postal Service operations evolve to include more processing flows than simply BMC processing, this distinction will become even less important. Accordingly, the new price structure merges the Intra-BMC and Inter-BMC prices to create a single price (at each weight level) in each zone. This is the same structure that applies to Priority Mail, and our competitors' prices, and will make the Postal Service's pricing clearer to retail customers. In the current price structure, a separate Local price is offered for Intra-BMC. In the new, merged price structure, the price for the Local zone is merged with the Zones 1 and 2 prices.

Finally, the new price structure incorporates the nonmachinable surcharge into the base prices for Single-Piece Parcel Post. In the current Parcel Post price structure, there is a surcharge for nonmachinable parcels. Nonmachinable parcels cannot be sorted on BMC mail processing equipment because of their size, shape, content, or address legibility. It is unlikely that the surcharge is acting as a signal to retail customers, so to simplify and rationalize the Parcel Post prices, the Postal Service is incorporating it into the base prices. This will simplify the price structure further and make it readily understandable for retail customers (Factor 6).

More detail on Package Services price changes is included in USPS-R2009-2/4.

5) Special Services

The Special Services class currently contains the following products: Ancillary Services, International Ancillary Services, Address List Services, Caller Service, Change-of-Address Credit Card Authentication, Confirm, International Reply Coupon

Service, International Business Reply Mail Service, Money Orders, Post Office Box Service, and Premium Forwarding Service. The overall fee increase for all Special Services is 3.837 percent.

For many of the special services, fee increases were generally designed to be close to the cap percentage, while maintaining consistency with historical rounding constraints which often simplify transactions for customers (Factor 3, Factor 6). This approach was followed with Business Reply Mail, Certified Mail, Address List Services (e.g., List Correction, ZIP Coding of Mailing Lists), Account Maintenance, Application, and Mailing Permit fees, Parcel Airlift Service, PO Boxes, Return Receipt,¹⁷ and Shipper Paid Forwarding.

A significant portion of Address Correction Service (ACS) will be incorporated into the full-service Intelligent Mail option. Manual fees are not increased, while Automated and Electronic fees have increases exceeding the cap. All four automated ACS prices have increases that exceed the cap. The price for electronic ACS for First-Class Mail increases by 2 cents, reflecting an expectation that flats are likely to comprise an increased proportion of notices (Factor 6).

For Certificate of Mailing, the fees for Individual Pieces and Firm Mailing Book increase by a percentage as close to the cap percentage as possible, consistent with the rounding constraints. On the other hand, the fees for Certificates of Mailing for Bulk Pieces are set above the cap to reflect its low price when compared to its high value of service (Factor 1).

¹⁷ The greater increases for Electronic Return Receipt and Return Receipt After Mailing reflect their high value of service (Factor 1).

For Confirm, a new tier is added, as are new segments within two existing tiers. The new Bronze tier is intended to provide small mailers with a new, lower price that can allow them to better control their own data (Factor 13). They will still be able to rely on a third party to analyze their data, but they will “own” the scans that are analyzed. If the subscriber is a client of a mailing agent subscriber, then the agent may be able to reduce the number of scans and additional IDs needed. The creation of new Mailing Agent prices within the Gold and Platinum tiers is intended to better align the revenue source with the source of the costs of providing the service (Factor 1, Factor 6).

For Insurance, the above-average price increases for the \$50.01 to \$100.00 tier and the \$100.01 to \$200.00 tier are a continuation of the effort to smooth the price relationships among the various increments (Factor 6). The increase in the incremental fee reflects the value of service provided as the value of the item increases (Factor 1).

For Registered Mail, fees are increased by an average percentage of 8.7 percent to reflect the high value of service offered, and to improve its very low cost coverage (Factor 1, Factor 2).

For Stamped Envelopes, the increase for single-piece stamped envelopes is limited to one cent (Factor 3). The increases for plain envelopes in quantities of 500 are kept as close to the cap as possible with the rounding constraints. The fees for personalized stamped envelopes, meanwhile, increase by more than the cap to reflect the convenience provided by this service. The value of the service is being enhanced by the introduction of new premium features such as self-adhesive envelopes, alternative envelope colors, and font size and color options (Factor 1). As noted in

footnote 1, the alternative envelope colors will be introduced on a date later than May 11, 2009.

For Stamped Cards, the fee does not change from the current three cents. This fee was increased last year, however, from two cents, which was a significant percentage change (Factor 3).

For Bulk Parcel Return Service, the increase in the per-piece fee is higher than the cap, which is consistent with the general increase for Standard Mail parcels.

The fees for Restricted Delivery, Collect on Delivery Notice of Nondelivery and Alteration of Charges, and Money Order Inquiries reflect their high value of service (Factor 1).

Finally, the Postal Service's general approach to international special services has been to set fees for those services that are similar to the fees for the equivalent domestic service (Factor 6). This approach has been followed for International Certificates of Mailing, International Registered Mail, International Return Receipts, and International Restricted Delivery.

More detail on Special Services price changes is included in USPS-R2009-2/5.

B. Preferred Mail—Rule 3010.14(b)(8)

Section 3626 sets forth pricing requirements for certain preferred categories of mail. In this price change, the Postal Service implements these requirements in the same manner as it did in its Docket No. R2008-1 price change, which the Commission concluded was an appropriate interpretation of section 3626.¹⁸ First, section 3626(a)(3) requires that the prices for Within County Periodicals “reflect[] its preferred status” as

¹⁸ See Order No. 66 at 26, 32, 44.

compared to the prices for regular rate Periodicals.¹⁹ This price adjustment continues to recognize the preferential status of Within County Periodicals, whose prices are well below those of regular Outside County Periodicals.

Second, section 3626(a)(4)(A) requires that Nonprofit and Classroom Periodicals receive, as nearly as practicable, a 5 percent discount from regular rate postage, except for advertising pounds. Consistent with previous practice, the Postal Service maintains this rate preference by giving Nonprofit and Classroom pieces a 5 percent discount on all components of postage except for advertising pounds and ride-along postage.

Third, section 3626(a)(5) requires that Science of Agriculture Periodicals be given preferential treatment for its advertising pounds. Consistent with past practice, the Postal Service continues to provide these publications with advertising pound rates for DDU, DSCF, DADC, and Zones 1 & 2 that are 75 percent of the advertising pound rates applicable to regular Periodicals.

Fourth, section 3626(a)(6) requires that Nonprofit Standard Mail prices be set to achieve an average revenue per piece that is 60 percent of the commercial average revenue per piece. Consistent with the Postal Service's practice in Docket No. R2008-1, the Postal Service has calculated this ratio at the class level. The prices set forth in this Notice achieve a revenue per piece ratio of 60.2 percent. Past practice by the Commission has indicated that it is acceptable to meet the 60 percent ratio within a few tenths of a percent.²⁰ Details of the nonprofit-commercial revenue per piece ratio are

¹⁹ This general standard replaces the "50-percent mark-up rule" that previously governed the setting of prices for Within County Periodicals. See H.R. REP. NO. 109-66, pt. 1, at 67-68.

²⁰ For example, the Commission recommended prices in Docket No. R2005-1 that produced nonprofit-to-commercial average price ratios of 59.7 percent for Standard Mail Regular and 59.8 percent for Standard Mail ECR. In Order No. 66, the Commission approved a price ratio of 60.1 percent. Order No. 66 at 32.

contained in Attachment USPS-R2009-2/2, workbook CAPCALC-STD-FY2009.xls, worksheet “Price Change Summary.”

Fifth, section 3626(a)(7) requires that the prices for Library Mail be equal, as nearly as practicable, to 95 percent of the prices for Media Mail. This is achieved by setting each Library Mail price element equal to 95 percent of the corresponding Media Mail price element. The Postal Service has followed this approach in setting its new prices.

Finally, section 3626(g)(4) requires that preferential treatment be accorded to the Outside County pieces of a Periodicals publication having fewer than 5,000 Outside County pieces, and at least one Within County piece. In conformance with this requirement, the Postal Service implemented a new “limited circulation” discount in 2008, which gives these mailers a discount equivalent to the Nonprofit and Classroom Periodicals discount.

In addition to a discussion of section 3626, Rule 3010.14(b)(8) also requires the Postal Service to discuss how its planned prices are consistent with sections 3627 and 3629. Neither section is implicated by this price change: in terms of section 3627, the Postal Service does not seek to alter the free rates; in terms of section 3629, the Postal Service does not change the eligibility requirements for nonprofit prices.

C. Workshare Discounts—Rules 3010.14(b)(5) and (6)

Section 3622(e) requires that the Postal Service justify any worksharing discount that exceeds 100 percent of the avoided costs, by reference to one or more of the exceptions specified in that provision. These exceptions are listed below.

“(2) Scope.— The Postal Regulatory Commission shall ensure that such discounts do not exceed the cost that the Postal Service avoids as a result of workshare activity, unless—

(A) the discount is—

(i) associated with a new postal service, a change to an existing postal service, or with a new work share initiative related to an existing postal service; and

(ii) necessary to induce mailer behavior that furthers the economically efficient operation of the Postal Service and the portion of the discount in excess of the cost that the Postal Service avoids as a result of the workshare activity will be phased out over a limited period of time;

(B) the amount of the discount above costs avoided—

(i) is necessary to mitigate rate shock; and

(ii) will be phased out over time;

(C) the discount is provided in connection with subclasses of mail consisting exclusively of mail matter of educational, cultural, scientific, or informational value; or

(D) reduction or elimination of the discount would impede the efficient operation of the Postal Service.

(3) Limitation.— Nothing in this subsection shall require that a work share discount be reduced or eliminated if the reduction or elimination of the discount would—

(A) lead to a loss of volume in the affected category or subclass of mail and reduce the aggregate contribution to the institutional costs of the Postal Service from the category or subclass subject to the discount below what it otherwise would have been if the discount had not been reduced or eliminated; or

(B) result in a further increase in the rates paid by mailers not able to take advantage of the discount.”

In addition, Rule 3010.14(b)(6) requires the Postal Service to explain discounts that are set “substantially” below 100 percent of avoided costs. The workshare discounts, cost differentials, and passthroughs are shown in Appendix B.²¹ These tables have the avoided cost data from the FY 2008 ACR, although the tables have been slightly rearranged for clarity and easier printing. The discounts in USPS-FY08-3 have been replaced by the discounts included in the new prices. The following sections describe the resulting passthroughs that exceed 100 percent, or that are significantly lower than 100 percent.

First-Class Mail

There are two workshare tables for First-Class Mail. Only three passthroughs are over 100 percent and four passthroughs are below 100 percent. Cost avoidances are rounded to the same level as the prices and resulting discounts to avoid calculations that result in passthroughs that are slightly under or over 100 percent simply due to rounding.²²

Automation Flats

The passthrough of the avoided cost for the ADC presort level flats is 145 percent. In last year’s filing the passthroughs were below 100 percent for all presort levels (i.e., ADC, 3-Digit, and 5-Digit). This year, even with this high passthrough for the ADC level, there are significant price increases for the various presort levels of

²¹ The Excel format of the workshare spreadsheets shown in Appendix B is also being filed electronically with this Notice.

²² The passthrough percentages that are effectively 100 percent are Automation AADC Letters, Automation 3-digit Letters, Nonautomation Presort Letters, QBRM, Automation AADC Cards, Automation 3-digit Cards, Automation 5-digit Cards, and QBRM Cards.

automation flats.²³ One of the major reasons for this reversal from last year is a change in how the cost estimates are calculated: Proposal 8 filed in Docket No. RM2008-2 explains the changed methodology and its impact on cost estimates. Use of a 100 percent passthrough would lead to significantly higher price increases for automation flats. Therefore, in light of the need to mitigate the price increase, the passthrough exceeds 100 percent, pursuant to section 3622(e)(2)(B). Future price adjustments will be more reflective of the new cost information.

Business Parcels

In Docket No. R2006-1, the Commission used 33 percent passthroughs for the various levels of Presort parcels. The passthroughs used in this price adjustment are similar, leading to modest price increases for Presort parcels. Even with these relatively low passthroughs, the percentage changes for these categories are below the cap level.

Nonautomation Presort Letter

The price differential (as displayed in the table) between Nonautomation Presort Letters and Mixed AADC Automation letters reflects the additional cost of the former versus the latter.²⁴ The current gap between Mixed AADC Automation letters and Nonautomation Presort letters is 2.5 cents. The increase in this gap to 3.2 cents reflects the Postal Service's goal of promoting automation over simple presorting; moreover, it results in a two cent increase in the price for Nonautomation Presort letters, the same as the increase in Single Piece. If the differential were set at 100 percent, then the new price would reflect an increase of only 1.3 percent, and potentially widen the gap between Single Piece and the Presort prices from today's 2.6 cents to 4.1

²³ A one-ounce ADC flat increases 5.8 percent; a one-ounce 3-digit flat increases 13.2 percent.

²⁴ In other words, the price difference is an "add-on" to the Automation price, rather than a "discount" off the Nonautomation price.

cents.²⁵ So to maintain price relationships, and promote the more efficient operation enabled by preparation for automation, the passthrough is greater than 100 percent of the cost differential between Mixed AADC Automation letters and Nonautomation letters pursuant to based on 3622(e)(2)(D).

Nonautomation Presort Cards

The price differential (as displayed in the table) between Nonautomation Presort Cards and Mixed AADC Automation cards reflects the additional cost of the former versus the latter. If the differential were set at 100 percent, then the new price for Nonautomation would have been lower than the current price. The selected passthrough results in a price that is only slightly increased (1.2 percent). The current gap between these prices is 1.9 cents, and the new prices narrow that gap to 1.5 cents. Any lower passthrough would narrow that gap further and ostensibly result in an actual price reduction for the non-automation category. Even with a passthrough over 100 percent, there is a reduction in the discount, so there is movement toward a closer alignment with the cost difference. Although the gap is reduced, it still reflects the Postal Service policy of promoting automation, and section 3622(e)(2)(D) applies.

Standard Mail

Appendix B contains eight tables of workshare discounts, cost avoidances, and passthroughs for Standard Mail. The cost avoidances and the discounts are the same for the commercial and nonprofit pricing categories. For clarity, the discussions below are organized by shape and product.

²⁵ This is not a workshare differential.

Standard Mail Letters and Flats

The Flats product has one discount with a passthrough that significantly exceeds 100 percent: the pre-barcoding discount between automation and nonautomation flats. As discussed in the Postal Service's response to Commission Information Request (CIR) No. 1, Question 1(c), in Docket No. R2008-1 (the Standard Mail - Automation Mixed ADC flats section), the pre-barcoding of flats will enhance the ability of the Postal Service to implement its Flats Sequencing Sorting (FSS) system. For this reason, the Postal Service believes that a strong incentive to pre-barcode flats will be needed, at least initially, for mailers to develop the required infrastructure for applying the necessary barcodes to make FSS implementation successful. The current pre-barcoding discount is 6.4 cents. The Postal Service is proposing a discount of 6.2 cents. It is concerned that reducing the discount much below the proposed discount would send the wrong signals to flats mailers and remove the strong incentive to pre-barcode flats and, consequently, impede the future efficient operation of the Postal Service. Therefore, the Postal Service believes that, for the time being, the higher passthrough for automation flats pre-barcoding is justified under section 3622(e)(2)(D).

No other flats worksharing passthroughs exceed 100 percent of avoided costs, but several discounts have passthroughs significantly below 100 percent. The first is the presort discount for 5-digit automation flats, which has a passthrough of 60 percent. At present the discount for this presort level is 6.1 cents. The Postal Service has increased the discount in this round of price adjustments to 7.2 cents, an increase of 18 percent. The Postal Service believes that there is room to adjust this price relationship further in the future, but believes that the mailing community and the Postal Service

would be better served by a more stable and incremental path toward more fully recognizing the cost differences between 3-digit and 5-digit presorted flats. The Postal Service will monitor this cost differential and consider what further adjustments to the discount may be warranted in its next round of price adjustments.

The Letters and Flats products each share the same DBMC and DSCF dropship discounts. For each product, both discounts are below the estimated aggregate Standard Mail avoided costs as reported in USPS-FY08-13 in the FY 2008 ACR. This is partially due to substantial increases in the estimated aggregated avoided costs for both dropship categories that are not fully passed along in higher discounts. The Postal Service is aware that economic conditions, especially transportation costs, are not stable and are not expected to be the same for the foreseeable future. For this reason alone, the Postal Service is hesitant to fully adjust dropship discounts until it is assured that the estimated avoided costs will not drop in the future. The Postal Service believes that the stability of prices contemplated in the PAEA would not be well served if discounts were to rise and fall sharply from year to year based on transitory economic data. Furthermore, as the Postal Service has noted in the past, the average weight for Standard Mail letters (and also for minimum-per-piece-rated flats) is well below 3.3 ounces. Consequently, the effective passthrough for these pieces is considerably higher than reported in the table, since the discount these pieces receive assumes 3.3 ounces of “savings” even though the average weight for these pieces is significantly less than 3.3 ounces. Nevertheless, the Postal Service believes that the higher avoided costs do justify modestly higher dropship discounts and has increased the discounts at both levels slightly. The Postal Service will reconsider the appropriate level of Letters

and Flats dropship discounts after it has an opportunity to review the avoided cost estimates in the FY 2009 ACR.

While the passthroughs in the Standard Mail tables in Appendix B are based on aggregate Standard Mail avoided costs, as has been customary in the past, the Postal Service does note that the FY 2008 ACR for the first time also presents estimates of shape-based dropship avoided costs.²⁶ For letters and flats, the estimated DBMC and DSCF avoided costs are both below the aggregate avoided costs shown in the worksharing table. The dropship discounts for Letters and Flats in this price adjustment do not exceed the estimated avoided costs for letters or flats as shown in USPS-FY08-13.

Regarding the automation discount for letters, based on the unit mail processing and delivery costs for Mixed AADC automation letters and Mixed AADC nonautomation machinable letters, a Mixed AADC automation letter costs 1.085 cents more than a Mixed AADC nonauto machinable letter.²⁷ If these costs were used to develop an “avoided cost” for the automation (prebarcoding) discount, the differential would be a negative number. Similarly, if one were to develop a “passthrough” for this avoided cost into the proposed automation discount, 0.3 cents, the resulting passthrough would be a negative number. The Postal Service does not believe that the figure, negative 1.085 cents, represents the true cost avoided by pre-barcoding machinable letters. To believe that, one would have to accept that the extra steps that the Postal Service would have

²⁶ See USPS-FY08-13, STD DEST ENT LETTERS.xls and STD DEST ENT FLATS.xls, the “Summary” tab in each workbook.

²⁷ This matter is the subject of Question 1 in CIR No. 3 in Docket No. ACR2008, filed February 6, 2009. The cost difference cited in CIR No. 3 is based on a version of a spreadsheet filed on January 21, 2009 in response to Order No. 169, and thus is slightly different than the one presented here, which is based on the version of the same spreadsheet originally filed with the FY 2008 ACR on December 29, 2008.

to take to read addresses and affix delivery point barcodes on nonbarcoded letters would not only be costless, but would somehow remove costs from the system that otherwise identical (except for barcodes) letter mail would impose.²⁸ The Postal Service does not consider these would-be anomalous “avoided costs” appropriate for pricing purposes and has proposed to retain the price differential between Mixed AADC automation letters and Mixed AADC nonautomation machinable letters at the current 0.3 cent discount while it investigates these cost differences. Because the Postal Service’s cost models show no cost differential between the nonautomation machinable presort tiers, the Postal Service is proposing the same discount, 0.3 cents, between automation and nonautomation machinable letters at the AADC level as well.

The Postal Service believes that it does not have a credible figure for the avoided costs of an automation barcode for purposes of determining whether the automation discount exceeds or is below avoided costs for demonstrating compliance with section 3622(e). Nevertheless, were it to be determined that the negative 1.085 cents must be used in such a determination, the Postal Service would justify its proposed discounts under section 3622(e)(2)(D). The Postal Service believes that reducing the “discount” to a negative number so as to generate a 100 percent “passthrough” and make the price of automation letters higher than the price of nonautomation letters would be folly and would impede the efficient operation of the Postal Service.

²⁸ One possible explanation for the anomalous “avoided costs” is that the automation and nonautomation letters categories have different mail mixes and the cost difference reflects different presort levels rather than pre-barcoding savings. This issue will be addressed in the response to the CIR No. 3 in Docket No. ACR2008.

Standard Mail Carrier Route, High Density and Saturation Letters and Flats

The Carrier Route, High Density and Saturation Letters and High Density and Saturation Flats and Parcels products all share the same dropship discounts for their letters and flats categories.²⁹ For each product, all discounts are significantly below the estimated aggregate Standard Mail avoided costs. As discussed in the Letters and Flats subsection above, this is partially due to substantial increases in the estimated aggregated avoided costs for both categories that were not fully passed along in higher discounts. The Postal Service is aware that economic conditions, especially transportation costs, are not stable and are not expected to be the same for the foreseeable future. For this reason alone, the Postal Service is hesitant to fully adjust discounts until it is assured that the estimated avoided costs will not fall in the future. The Postal Service believes that the stability of prices contemplated in the PAEA would not be well served if discounts were to rise and fall sharply from year to year based on transitory economic data. Nevertheless, the Postal Service believes that the higher avoided costs do justify modestly higher dropship discounts and has increased the discounts at both levels slightly. The Postal Service will reconsider the appropriate level of letters and flats dropship discounts for these three products after it has an opportunity to review the avoided cost estimates in the FY 2009 ACR.

As discussed in the Letters and Flats subsection, the estimated dropship avoided costs by shape for letters and flats are below the corresponding aggregate avoided costs shown in the worksharing table. The dropship discounts for letters and flats in Carrier Route, High Density and Saturation Letters, and High Density and Saturation

²⁹ High Density and Saturation Letters, and the letters category in Carrier Route, do not offer a DDU discount.

Flats and Parcels shown in the worksharing discounts table do not exceed the estimated avoided costs for letters or flats as shown in USPS-FY08-13 in the FY 2008 ACR.

Standard Mail Parcels and NFM's, Carrier Route Parcels and High Density and Saturation Parcels Dropship Discounts

The DSCF and DDU dropship discounts for parcels and NFM's in the Parcels and NFM's, Carrier Route, and High Density and Saturation Flats and Parcels products all exceed 100 percent of estimated aggregate Standard Mail avoided costs as shown in USPS-FY08-13 in the FY 2008 ACR. The Postal Service continues to rely on section 3622(e)(2)(D) to justify these passthroughs as explained in its response to CIR No. 1, Question 1, particularly subsections (c) and (d), in Docket No. R2008-1. The passthroughs in the Worksharing Table are, as noted above, calculated with respect to estimated avoided costs for Standard Mail as a whole. In the CIR No. 1 response in Docket No. R2008-1, the Postal Service discussed its belief that parcel-shaped Standard Mail pieces tend to be less dense in handling and transportation than other shapes of mail and that they therefore avoid—on a per-pound, rather than on a per-cube basis—more costs than the average Standard Mail piece, which is heavily dominated by letter-shaped and flat-shaped mail.

The Postal Service has initiated efforts to estimate dropship-related costs for Standard Mail on a shape basis, and some of the first results of those efforts are reported in the FY 2008 ACR in USPS-FY08-13, the STD_DEST_ENT_TOTAL.xls workbook, Summary tab. These data, while preliminary, suggest strongly the validity of the Postal Service's insight expressed in its CIR No. 1 response in Docket No. R2008-1. In every case, the dropship discounts proposed for DSCF and DDU parcels in the

above-mentioned Standard Mail products are well below the parcel-specific avoided cost estimates for DSCF (\$1.308) and DDU (\$1.3175) parcels in USPS-FY08-13.

Taking into account this information, the Postal Service reiterates its belief stated in its CIR No. 1 Response, Question 1(c), that reducing these proposed discounts to 100 percent of the aggregate Standard Mail avoided costs would impede the efficient operation of the Postal Service.

Standard Mail Parcels/NFMs Pre-barcoding and Machinable Parcels Presort Discounts

Standard Mail machinable parcels have two discounts with passthroughs that exceed 100 percent of estimated avoided costs. These are the presort discount between Mixed BMC and BMC presorted parcels and the presort discount between BMC and 5-digit presorted parcels. It should be noted that, with the elimination of the origin entry category for 5-digit presorted machinable parcels, these two worksharing relationships are now unrelated to each other. The Mixed BMC-BMC workshare discount is only available for origin entered parcels and the BMC-5-digit discount is only available for DBMC entered parcels.

The Postal Service justifies these excess passthroughs using section 3622(e)(2)(D). Machinable parcels in BMC-presorted containers can be inducted into the BMC secondary parcel sorting system and bypass the primary parcel sorters. The Postal Service believes that this processing path is the most efficient path for Standard Mail machinable parcels and believes that a strong incentive is required to move as many machinable parcels into this processing path (or to an even finer presort level) as possible. The Postal Service is concerned that reducing the discount below what it

proposes in this price adjustment will slow the movement toward finer presort levels and impede the efficient operation of the Postal Service.

The Postal Service makes a similar case for the discount between machinable BMC presorted and 5-digit presorted parcels. The proposed discount, 43.9 cents, is 3.9 cents higher than the current discount (40.0 cents) and the increase in the discount reflects mainly an the increase in FY 2008 ACR avoided costs from the FY 2007 ACR avoided costs (3.1 cents increase). A reduction in the discount to 100 percent of avoided costs, or even holding the discount steady at the current level, runs the risk that Standard Mail parcels mailers might not undertake the investments necessary to prepare parcels to avoid BMC parcel sorting and move them quicker to delivery units. For this reason the Postal Service is concerned that reducing the discount below what is proposed will impede the efficient operation of the Postal Service.

The non-barcoded surcharge applies to all Standard Mail parcels that do not bear a correct routing barcode. In this price adjustment, the Postal Service is proposing an increase in the surcharge to 7 cents to provide a clear incentive to mailers to pre-barcode their Standard Mail parcels. Only a small fraction of Standard Mail Parcels and NFMs remain without barcodes. This higher surcharge is intended to spur the last holdouts to conform to the parcel shipping industry standard and apply routing barcodes on all their parcels. If the Postal Service were to have a totally pre-barcoded incoming parcel mail stream, keying stations at sorting facilities could be eliminated with long-run cost savings. The Postal Service justifies this excess passthrough pursuant to section 3622(e)(2)(D). The Postal Service believes that lowering the discount below what it has proposed runs the risk of impeding the transition of its parcels mail processing to a more

efficient operating path. Incidentally, the barcode serves purposes beyond simply facilitating more efficient piece distribution; it also facilitates implementation of electronic manifesting, and other product improvements.

Periodicals

Appendix B contains two workshare discount tables for Periodicals. Few passthroughs exceed 100 percent; and they often apply to low volume categories such as automation letters. In addition, the Postal Service is mindful of resulting price swings which would occur if not for these passthroughs. In any event, these passthroughs are justified by section 3622(e)(2)(C).

The Outside County table shows discounts/surcharges, cost differentials, and passthroughs for presorting. The Within County shows the same information for presorting, prebarcoding, and dropship.

The remaining table for Periodicals shows bundle and container pricing which, in Docket No. R2006-1, was developed by passing-through part of the respective costs, not cost differentials. The tables show the bottom-up costs and the price as a percentage of costs. This reflects the price structure in Periodicals, which implicitly includes many incentives for cost-reducing mail preparation behavior, but has many elements that cannot be viewed as traditional “passthroughs,” even though percentages are used to describe how much of a cost is recognized in a given price element.³⁰

For this price increase, the Postal Service uses the flexibility of the container-bundle-piece price structure to limit the extent to which price increases for individual

³⁰ The language of section 3622(e) reflects the traditional understanding of passthroughs being based on avoided costs, rather than bottom-up costs.

publications differ from the average.³¹ At the same time, incentives for efficient preparation are strengthened by reflecting a higher percentage of costs in prices that had minimal impact on publications that were likely to experience above-average increases. For example, the percentage of costs reflected in prices was increased for pallets but not for sacks. This helps further the goal of more efficient containerization, while being mindful of the impact on those publications that cannot easily change preparation.

Package Services

Appendix B contains three tables of workshare discounts, cost avoidances, and passthroughs for Package Services. There are no workshare discounts in Single-Piece Parcel Post and Inbound Surface Parcel Post at UPU rates.

Media Mail and Library Mail

The 5-digit presort discounts for both Media Mail and Library Mail exceed 100 percent of estimated avoided costs. The Postal Service justifies these passthroughs pursuant to section 3622(e)(2)(B). That section allows a passthrough to be greater than 100 percent if necessary “to mitigate rate shock.” As discussed in the Postal Service’s response to CIR No. 1, Question 2, in Docket No. R2008-1, the term “rate shock” is not defined in the statute, and identifying “rate shock” has always been a matter of judgment in setting postal prices. In determining whether a particular pricing change would possibly lead to “rate shock,” the Postal Service takes into account a number of factors. These include the size of the change in the price or prices in question, the size

³¹ In the May 2008 increase, this objective of limiting the price increases was achieved by adjusting each price element by the amount of the cap.

of the change in prices of other price cells or pricing elements for the same or related mail categories, the length of time between pricing changes, the length of time since the price or prices in question were last changed, the overall increase for the class and for all mail classes, the absolute size of the price change, and the likely impact on the customers who use the pricing categories. These factors are considered holistically, rather than used in a formula or other formalistic procedure, to develop the judgment whether a particular level of price increase would lead to “rate shock,” and whether (and to what extent) any mitigation should occur. That judgment also involves considering factors such as to how the price relates to the cost.

In this pricing adjustment, Media Mail/Library Mail as a whole receive an above-average increase of 7.5 percent. To move the 5-digit presort passthrough closer to 100 percent, the Postal Service has allowed the prices for 5-digit presorted Media Mail to increase by as much as 14 percent. With this mitigation of the potential price increase for 5-digit presort customers, the passthroughs stand at 154.2 percent for Media Mail and 145.8 percent for Library Mail. In the last pricing adjustment, the passthroughs were 264.3 percent for Media Mail and 253.3 percent for Library Mail. The significant drop in the passthroughs demonstrates that the Postal Service is moving to comply with section 3622(e)(2)(B)(ii).

Finally, it should be noted that the passthroughs for the 5-digit presort discounts in Media Mail and Library Mail can also be justified under section 3622(e)(2)(C), since those types of mail consist solely of mail matter having ECSI value.

In this pricing adjustment, the Postal Service maintains the pre-barcoding discounts for Media Mail and Library Mail at their current levels: three cents. The

estimated avoided cost in the FY 2008 ACR was 3.6 cents, which when rounded to whole cents becomes four cents. Because this was the first time the estimated avoided costs exceeded 3.5 cents, the Postal Service has decided, in the interest of pricing stability, not to change the longstanding three-cent discount in this round of pricing adjustments. The Postal Service will revisit this discount after the next ACR and consider again whether a different pre-barcoding discount is in order.

BPM Flats and BPM Parcels

The DMBC dropship discounts for BPM Flats and BPM Parcels each exceed 100 percent of the estimated avoided costs in the FY 2008 ACR. Both of these discounts also exceeded 100 percent of avoided costs in the Docket No. R2008-1 pricing adjustment, but by much higher percentages. For BPM Flats, the passthrough is 114.0 percent, down from 144.2 percent in 2008. For BPM Parcels, the passthrough is 113.0 percent, down from 146.3 percent. In the last price adjustment, the DSCF discounts for both BPM Flats and BPM Parcels and the DDU discount for BPM Parcels also exceeded 100 percent. In this pricing adjustment, all of these discounts have passthroughs at, or just below, 100 percent.

The Postal Service justifies these passthroughs by invoking section 3622(e)(2)(B).³² In this set of price adjustments, the Postal Service is aware that, in absolute terms, the prices for DBMC flats and parcels are not rising at rates that normally would be thought to trigger concerns about rate shock. Indeed, on average, BPM Flats prices decrease and BPM Parcels prices increase well below the Package Services class increase. But, as the Postal Service observed in its response to CIR No.

³² In the Media Mail subsection, above, the Postal Service discussed how it determines whether a price change might lead to “rate shock.”

1, Question 2, in Docket No. R2008-1, “Considering not just the impact of a price change on the overall price mailers must pay, but on how it changes important relative prices is one aspect of ‘rate shock’ that may not be obvious, but must be considered.” In the current round of price adjustments, the lowering of the DBMC discount passthroughs for BPM Flats and BPM Parcels will cut the discount between origin flats and DBMC flats by 19 percent and the discount between origin parcels and DBMC parcels by 20 percent. To reduce the passthroughs all the way to 100 percent would have produced much more radical changes, cutting the DBMC incentive for flats by a total of 29 percent and for DBMC parcels by 30 percent. In the Postal Service’s perspective, a change in the dropship incentives of this size would have been disruptive and excessive under the economic circumstances in which the Postal Service is adjusting its prices. As pointed out earlier, the DBMC discounts contained in the package of price adjustments already reflect a substantial reduction in the passthroughs, consistent with the requirements of 3622(e)(2)(B) that the excess passthroughs be phased out over time.

BPM Parcels also have one discount (the pre-barcoding discount, available to three categories of BPM Parcels: Single Piece, Basic Presorted and Carrier Route Presorted) where the passthrough is significantly below 100 percent.³³ In this pricing adjustment the Postal Service maintains the pre-barcoding discounts for BPM Flats and BPM Parcels at their current levels: three cents. The estimated avoided cost in the FY

³³ As discussed in Note 4 in the BPM Flats worksheet in the Worksharing Discounts Table (Appendix B), the Postal Service does not have a separate measurement for the avoided costs for pre-barcoding BPM Flats. As in the past, the Postal Service has set the BPM Flats pre-barcoding discount at the same level as the BPM Parcels discount. Any discussion of the BPM Parcels pre-barcoding discount would therefore apply to the ratio of the BPM Flats pre-barcoding discount to the BPM Parcels pre-barcoding avoided costs as described in Note 4.

2008 ACR was 3.6 cents, which when rounded to whole cents becomes four cents. Because this was the first time the estimated avoided costs exceeded 3.5 cents, the Postal Service has decided, in the interest of pricing stability, not to change the longstanding three-cent discount in this round of pricing adjustments. The Postal Service will revisit this discount after the next ACR and consider again whether a different pre-barcoding discount is in order.

III. MCS Product Description Changes

Rule 3010.14(b)(9) requires that this Notice include all the changes to the product descriptions within the MCS that are necessitated by the planned price adjustments. Appendix A shows the new prices and related product description changes incorporated into a revised draft of the market-dominant section of the MCS.³⁴

Revisions to the MCS are made in several products, most notably the addition of a new optional feature for many of the price categories eligible for full-service Intelligent Mail. The features such as no-fee Address Correction Service (defined in section 1505.1.1e) become available upon implementation of the new prices in May. The per-piece price differential, which becomes available on November 29, 2009, applies to many categories as noted throughout the MCS in Appendix A. The Postal Service's current standards for automation-priced mail allow use of either the Postnet barcode or the Intelligent Mail barcode to qualify for the automation prices. Mailers using these categories, along with other categories that are not considered "automation" categories, can avail themselves of the new option if they meet specific criteria, including a

³⁴ This draft is the Postal Service's update based on informal discussions between the Postal Service and the Commission in furtherance of the Commission's effort to develop a proposed MCS for public comment. The classification changes are shown in legislative format.

requirement that each piece have a unique Intelligent Mail barcode, be part of a mailing with unique container labels, and use electronic documentation.

While the Intelligent Mail option applies to many products, there are also product-specific changes in the MCS. Many of these changes are also covered in the class-specific discussions in Part II of this Notice. They are as follows:

In First-Class Mail, a minor change is made in Outbound Single-Piece First-Class Mail International to split the current “Canada and Mexico” Postcard category into two distinct price categories.

In Standard Mail, several changes are made. First, in each of the Standard Mail products, a new price category is introduced to accommodate a noncompliance charge for Move Update. In November 2008, the Postal Service changed mail preparation standards to require Standard Mail customers to use an approved Move Update method to update their mailing list with change-of-address information.³⁵ Second, a new optional feature called “Saturation Mail Volume Program” is added to the relevant Standard Mail products that contain saturation mail categories. Third, changes are made to the “Not Flat-Machinable (NFM)s/Parcels” product to make the names of the categories more descriptive and to be more in line with how mail is processed and prepared, as well as to reflect the fact that the Postal Service is slightly modifying the DMM eligibility rules for those categories.

In Package Services, changes are made to simplify the Single-Piece Parcel Post structure by replacing the categories for Inter-BMC and Intra-BMC with a simpler “Parcel Post” category, and by deleting the “nonmachinable” category. Also, for clarification, the description of “Zones 1-8” is added.

³⁵ This is discussed above at page 19.

In Special Services, there is an addition to the Address Correction Service product to incorporate the full-service Intelligent Mail option. The Stamped Envelopes product is supplemented with the Premium Options that will be available for Personalized stamped envelopes.³⁶ The Confirm Service product is adjusted to add a new “Bronze” subscription level, and changes to the Gold and Platinum levels include differentiation between mail owners and mailing agents.

Notice of the changes to the DMM implementing these new features are being placed on USPS.com today, or have been previously posted, and will be published in the *Federal Register* shortly.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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³⁶ As noted in footnote 1, some premium features will be have an availability date that is later than the implementation of the Market Dominant prices, May 11, 2009.

- 1100 First-Class Mail**
- 1105 Single-Piece Letters/Postcards**
- 1105.5 Prices**

Single-Piece Machinable Letters¹

Maximum Weight (ounces)	Machinable Letters (\$)
1	0.44
2	0.61
3	0.78
3.5	0.95

Notes

- The price for single-piece, first ounce letters also applies to sales of the Forever Stamp at the time of purchase.

Single-Piece Nonmachinable Letters

Maximum Weight (ounces)	Nonmachinable Letters (\$)
1	0.64
2	0.81
3	0.98
3.5	1.15

Single-Piece QBRM Letters

Maximum Weight (ounces)	QBRM Letters (\$)
1	0.417
2	0.587

Single-Piece Postcards

Maximum Weight (ounces)	Postcards (\$)	Single-Piece Double Card (\$)
not applicable	0.28	0.56

Single-Piece QBRM Postcards

Maximum Weight (ounces)	QBRM Postcards (\$)
not applicable	0.257

1110 Presorted Letters/Postcards**1110.4 Optional Features**

The following additional postal services may be available in conjunction with the product specified in this section:

- Ancillary Services (1505)
 - Address Correction Service (1505.1)
 - Business Reply Mail (1505.3)
 - Certified Mail (1505.5)
 - Certificate of Mailing (1505.6)
 - Collect on Delivery (1505.7)
 - Insurance (1505.9)
 - Registered Mail Service (1505.12)
 - Return Receipt (1505.13)
 - Restricted Delivery (1505.15)
 - Special Handling (1505.18)
- Repositionable Notes: presorted letters only
- Full-service Intelligent Mail Option: automation letters and postcards only

1110.5 Prices*Automation Letters*

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)
1	0.335	0.357	0.360	0.382
2	0.460	0.482	0.485	0.507
3	0.585	0.607	0.610	0.632
3.5	0.710	0.732	0.735	0.757

Full-service Intelligent Mail Option

Subtract \$0.003 for each automation letter that complies with the requirements for the full-service Intelligent Mail option.

Machinable Letters

Maximum Weight (ounces)	Presorted (\$)
1	0.414
2	0.539
3	0.664
3.5	0.789

Nonmachinable Letters

Maximum Weight (ounces)	Presorted (\$)
1	0.614
2	0.739
3	0.864
3.5	0.989

Letters including a Repositionable Note

Add \$0.005 for each piece bearing a Repositionable Note.

Automation Postcards

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)
not applicable	0.205	0.218	0.220	0.230

Full-service Intelligent Mail Option

Subtract \$0.003 for each automation postcard that complies with the requirements for the full-service Intelligent Mail option.

Machinable Postcards

Maximum Weight (ounces)	Presorted (\$)
not applicable	0.245

1115 Flats**1115.4 Optional Features**

The following additional postal services may be available in conjunction with the product specified in this section:

- Ancillary Services (1505)
 - Address Correction Service (1505.1)
 - Business Reply Mail (1505.3)
 - Certified Mail (1505.5)
 - Certificate of Mailing (1505.6)
 - Collect on Delivery (1505.7)
 - Insurance (1505.9)
 - Registered Mail (1505.12)
 - Return Receipt (1505.13)
 - Restricted Delivery (1505.15)
 - Special Handling (1505.18)
- Repositionable Notes
- Full-service Intelligent Mail Option: automation flats only

1115.5 Prices*Automation Flats*

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
1	0.380	0.542	0.603	0.725
2	0.550	0.712	0.773	0.895
3	0.720	0.882	0.943	1.065
4	0.890	1.052	1.113	1.235
5	1.060	1.222	1.283	1.405
6	1.230	1.392	1.453	1.575
7	1.400	1.562	1.623	1.745
8	1.570	1.732	1.793	1.915
9	1.740	1.902	1.963	2.085
10	1.910	2.072	2.133	2.255
11	2.080	2.242	2.303	2.425
12	2.250	2.412	2.473	2.595
13	2.420	2.582	2.643	2.765

Full-service Intelligent Mail Option

Subtract \$0.003 for each automation flat that complies with the requirements for the full-service Intelligent Mail option.

Presorted Flats

Maximum Weight (ounces)	Presorted (\$)
1	0.757
2	0.927
3	1.097
4	1.267
5	1.437
6	1.607
7	1.777
8	1.947
9	2.117
10	2.287
11	2.457
12	2.627
13	2.797

Single-Piece Flats

Maximum Weight (ounces)	Single-Piece (\$)
1	0.88
2	1.05
3	1.22
4	1.39
5	1.56
6	1.73
7	1.90
8	2.07
9	2.24
10	2.41
11	2.58
12	2.75
13	2.92

Flats including a Repositionable Note

Add \$0.005 for each piece bearing a Repositionable Note.

1120 Parcels**1120.5 Prices***Presorted Parcels*

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	ADC (\$)
1	0.732	0.864	0.950
2	0.902	1.034	1.120
3	1.072	1.204	1.290
4	1.242	1.374	1.460
5	1.412	1.544	1.630
6	1.582	1.714	1.800
7	1.752	1.884	1.970
8	1.922	2.054	2.140
9	2.092	2.224	2.310
10	2.262	2.394	2.480
11	2.432	2.564	2.650
12	2.602	2.734	2.820
13	2.772	2.904	2.990

Presorted Nonbarcoded or Nonmachinable Parcels

Maximum Weight (ounces)	3-Digit (\$)	ADC (\$)
1	0.914	1.000
2	1.084	1.170

Single-Piece and Presorted Mixed ADC Parcels

Maximum Weight (ounces)	Single-Piece (\$)	Mixed ADC (\$)
1	1.22	1.22
2	1.39	1.39
3	1.56	1.56
4	1.73	1.73
5	1.90	1.90
6	2.07	2.07
7	2.24	2.24
8	2.41	2.41
9	2.58	2.58
10	2.75	2.75
11	2.92	2.92
12	3.09	3.09
13	3.26	3.26

1125 Outbound Single-Piece First-Class Mail International**1125.4 Price Categories**

The following price categories are available for the product specified in this section:

- Machinable Letters
 - Price Groups 1 -9
- Nonmachinable Letters (Letters that do not meet machinability requirements, regardless of weight)
 - Price Groups 1 -9
- Postcards (Postcards must be rectangular, made of cardboard or paper, and meet machinability requirements)
 - ⊖ ~~Canada and Mexico~~
 - Mexico
 - All Other Countries

1125.6 Prices*Machinable Letters*

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	0.75	0.79	0.98	0.98	0.98	0.98	0.98	0.98	0.98
2	1.00	1.34	1.82	1.82	1.82	1.76	1.76	1.76	1.76
3	1.25	1.89	2.66	2.66	2.66	2.54	2.54	2.54	2.54
3.5	1.50	2.44	3.50	3.50	3.50	3.32	3.32	3.32	3.32

Nonmachinable Letters

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	0.95	0.99	1.18	1.18	1.18	1.18	1.18	1.18	1.18
2	1.20	1.54	2.02	2.02	2.02	1.96	1.96	1.96	1.96
3	1.45	2.09	2.86	2.86	2.86	2.74	2.74	2.74	2.74
3.5	1.70	2.64	3.70	3.70	3.70	3.52	3.52	3.52	3.52

Postcards

Maximum Weight (ounces)	Canada and Mexico (\$)	<u>Mexico</u> (\$)	All Other Countries (\$)
not applicable	0.75	0.79	0.98

Large Envelopes (Flats)

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	1.03	1.03	1.24	1.24	1.24	1.24	1.24	1.24	1.24
2	1.29	1.59	2.08	2.08	2.08	2.03	2.03	2.03	2.03
3	1.55	2.15	2.92	2.92	2.92	2.82	2.82	2.82	2.82
4	1.81	2.71	3.76	3.76	3.76	3.61	3.61	3.61	3.61
5	2.07	3.27	4.60	4.60	4.60	4.40	4.40	4.40	4.40
6	2.33	3.83	5.44	5.44	5.44	5.19	5.19	5.19	5.19
7	2.59	4.39	6.28	6.28	6.28	5.98	5.98	5.98	5.98
8	2.85	4.95	7.12	7.12	7.12	6.77	6.77	6.77	6.77
12	3.83	6.50	8.84	8.84	8.84	8.44	8.44	8.44	8.44
16	4.81	8.05	10.56	10.56	10.56	10.11	10.11	10.11	10.11
20	5.79	9.60	12.28	12.28	12.28	11.78	11.78	11.78	11.78
24	6.77	11.15	14.00	14.00	14.00	13.45	13.45	13.45	13.45
28	7.75	12.70	15.72	15.72	15.72	15.12	15.12	15.12	15.12
32	8.73	14.25	17.44	17.44	17.44	16.79	16.79	16.79	16.79
36	9.71	15.80	19.16	19.16	19.16	18.46	18.46	18.46	18.46
40	10.69	17.35	20.88	20.88	20.88	20.13	20.13	20.13	20.13
44	11.67	18.90	22.60	22.60	22.60	21.80	21.80	21.80	21.80
48	12.65	20.45	24.32	24.32	24.32	23.47	23.47	23.47	23.47
52	13.63	22.00	26.04	26.04	26.04	25.14	25.14	25.14	25.14
56	14.61	23.55	27.76	27.76	27.76	26.81	26.81	26.81	26.81
60	15.59	25.10	29.48	29.48	29.48	28.48	28.48	28.48	28.48
64	16.57	26.65	31.20	31.20	31.20	30.15	30.15	30.15	30.15

Packages Small Packets, including Rolls

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	1.23	1.23	1.44	1.44	1.44	1.44	1.44	1.44	1.44
2	1.49	1.79	2.28	2.28	2.28	2.23	2.23	2.23	2.23
3	1.75	2.35	3.12	3.12	3.12	3.02	3.02	3.02	3.02
4	2.01	2.91	3.96	3.96	3.96	3.81	3.81	3.81	3.81
5	2.27	3.47	4.80	4.80	4.80	4.60	4.60	4.60	4.60
6	2.53	4.03	5.64	5.64	5.64	5.39	5.39	5.39	5.39
7	2.79	4.59	6.48	6.48	6.48	6.18	6.18	6.18	6.18
8	3.05	5.15	7.32	7.32	7.32	6.97	6.97	6.97	6.97
12	4.03	6.70	9.04	9.04	9.04	8.64	8.64	8.64	8.64
16	5.01	8.25	10.76	10.76	10.76	10.31	10.31	10.31	10.31
20	5.99	9.80	12.48	12.48	12.48	11.98	11.98	11.98	11.98
24	6.97	11.35	14.20	14.20	14.20	13.65	13.65	13.65	13.65
28	7.95	12.90	15.92	15.92	15.92	15.32	15.32	15.32	15.32
32	8.93	14.45	17.64	17.64	17.64	16.99	16.99	16.99	16.99
36	9.91	16.00	19.36	19.36	19.36	18.66	18.66	18.66	18.66
40	10.89	17.55	21.08	21.08	21.08	20.33	20.33	20.33	20.33
44	11.87	19.10	22.80	22.80	22.80	22.00	22.00	22.00	22.00
48	12.85	20.65	24.52	24.52	24.52	23.67	23.67	23.67	23.67
52	13.83	22.20	26.24	26.24	26.24	25.34	25.34	25.34	25.34
56	14.81	23.75	27.96	27.96	27.96	27.01	27.01	27.01	27.01
60	15.79	25.30	29.68	29.68	29.68	28.68	28.68	28.68	28.68
64	16.77	26.85	31.40	31.40	31.40	30.35	30.35	30.35	30.35

1200 Standard Mail (Commercial and Nonprofit)**1205 High Density and Saturation Letters****1205.3 Price Categories**

The following price categories are available for the product specified in this section:

- Saturation
DSCF, DBMC, and Origin entry levels.
Commercial and Nonprofit eligible.
- High Density
DSCF, DBMC, and Origin entry levels.
Commercial and Nonprofit eligible.
- Move Update Noncompliance Charge

1205.4 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Forwarding-and-Return Service
- Repositionable Notes
- Ancillary Services (1505)
 - Address Correction Service (1505.1)
 - Certificate of Mailing (1505.6)
- Full-service Intelligent Mail Option
- Saturation Mail Volume Incentive Program-saturation only

1205.5 Prices

Saturation Letters (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.182	0.110
DBMC	0.148	0.076
DSCF	0.139	0.067

High Density Letters (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.193	0.121
DBMC	0.159	0.087
DSCF	0.150	0.078

Pieces weighing more than 3.3 ounces

Letter-shaped pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the applicable flats piece and pound rate but receive a discount off the piece rate equal to the minimum flats per piece rate minus the minimum letter per piece rate corresponding to the applicable entry point and density tier.

Letters including a Repositionable Note

Add \$0.015 for each letter bearing a Repositionable Note.

Move Update Noncompliance Charge

Add \$.07 per piece in a mailing that does not comply with the Move Update standards

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.35 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Full-service Intelligent Mail Option

Subtract \$0.001 for each letter that complies with the requirements for the full-service Intelligent Mail option.

Saturation Mail Volume Incentive Program

Commercial Saturation Letters: Provide a per-piece credit of \$0.037 on incremental volume recorded during the established program period, for mailers that comply with the application and eligibility requirements of the program.

Nonprofit Saturation Letters: Provide a per-piece credit of \$0.022 on incremental volume recorded during the established program period, for

mailers that comply with the application and eligibility requirements of the program.

1210 High Density and Saturation Flats/Parcels**1210.3 Price Categories**

The following price categories are available for the product specified in this section:

- Saturation
DDU, DSCF, DBMC, and Origin entry levels.
Commercial and Nonprofit eligible.
- High Density
DDU, DSCF, DBMC, and Origin entry levels.
Commercial and Nonprofit eligible.
- Move Update Noncompliance Charge

1210.4 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Detached Address Labels
- Forwarding-and-Return Services
- Repositionable Notes: flats only
- Ancillary Services (1505)
 - Address Correction Service (1505.1)
 - Bulk Parcel Return Service: parcels only (1505.4)
 - Certificate of Mailing (1505.6)
 - Delivery Confirmation: parcels only (1505.8)
 - Bulk Insurance: parcels only (1505.9)
 - Return Receipt: parcels only (1505.13)
 - Restricted Delivery: parcels only (1505.15)
 - Shipper-Paid Forwarding: parcels only (1505.16)
- Full-service Intelligent Mail Option: high density flats only
- Saturation Mail Volume Incentive Program-saturation flats only

1210.5 Prices*Saturation Flats (3.3 ounces or less)*

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.194	0.120
DBMC	0.160	0.086
DSCF	0.151	0.077
DDU	0.142	0.068

Saturation Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.068	0.029

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.609	0.439
DBMC	0.446	0.276
DSCF	0.401	0.231
DDU	0.356	0.186

Saturation Parcels (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.451	0.320
DBMC	0.405	0.274
DSCF	0.352	0.221
DDU	0.322	0.191

Saturation Parcels (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.280	0.190

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.830	0.630
DBMC	0.609	0.409
DSCF	0.350	0.150
DDU	0.205	0.005

High Density Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.220	0.146
DBMC	0.186	0.112
DSCF	0.177	0.103
DDU	0.168	0.094

High Density Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.086	0.047

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.649	0.479
DBMC	0.486	0.316
DSCF	0.441	0.271
DDU	0.396	0.226

High Density Parcels (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.459	0.328
DBMC	0.413	0.282
DSCF	0.360	0.229
DDU	0.330	0.199

High Density Parcels (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.288	0.198

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.830	0.630
DBMC	0.609	0.409
DSCF	0.350	0.150
DDU	0.205	0.005

Flats including a Repositionable Note

Add \$0.015 for each flat bearing a Repositionable Note.

Move Update Noncompliance Charge

Add \$.07 per piece in a mailing that does not comply with the Move Update standards

Pieces including a Detached Address Label

Add \$0.017 for each piece addressed using a Detached Address Label.

Full-service Intelligent Mail Option

Subtract \$0.001 for each high density flat that complies with the requirements for the full-service Intelligent Mail option.

Forwarding-and-Return Service

If used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$1.05 per piece and returned flats the applicable First-Class Mail price. All other pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Saturation Mail Volume Incentive Program

Commercial Saturation Flats: Provide a per-piece credit of \$0.04 on incremental volume recorded during the established program period, for mailers that comply with the application and eligibility requirements of the program.

Nonprofit Saturation Flats: Provide a per-piece credit of \$0.024 on incremental volume recorded during the established program period, for mailers that comply with the application and eligibility requirements of the program.

1215 Carrier Route**1215.3 Price Categories**

The following price categories are available for the product specified in this section:

- Letters
DSCF, DBMC, and Origin entry levels.
Commercial and Nonprofit eligible.
- Flats
DDU, DSCF, DBMC, and Origin entry levels.
Commercial and Nonprofit eligible.
- Parcels
DDU, DSCF, DBMC, and Origin entry levels.
Commercial and Nonprofit eligible.
- Move Update Noncompliance Charge

1215.4 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Detached Address Labels: flats and parcels only
- Forwarding-and Return-Services
- Repositionable Notes: letters and flats only
- Ancillary Services (1505)
 - Address Correction Service (1505.1)
 - Bulk Parcel Return Service: parcels only (1505.4)
 - Certificate of Mailing (1505.6)
 - Delivery Confirmation: parcels only (1505.8)
 - Bulk Insurance: parcels only (1505.9)
 - Return Receipt: parcels only (1505.13)
 - Restricted Delivery: parcels only (1505.15)
 - Shipper-Paid Forwarding: parcels only (1505.16)
- Full-service Intelligent Mail Option: letters and flats only

1215.5 Prices*Carrier Route Letters (3.3 ounces or less)*

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.262	0.190
DBMC	0.228	0.156
DSCF	0.219	0.147

Carrier Route Letters (greater than 3.3 ounces)

Letter-shaped pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the applicable flats piece and pound rate but receive a discount off the piece rate equal to the minimum flats per piece rate minus the minimum letter per piece rate corresponding to the applicable entry point and density tier.

Carrier Route Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.262	0.190
DBMC	0.228	0.156
DSCF	0.219	0.147
DDU	0.210	0.138

Carrier Route Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.118	0.082

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.696	0.526
DBMC	0.533	0.363
DSCF	0.488	0.318
DDU	0.443	0.273

Carrier Route Parcels (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.584	0.486
DBMC	0.538	0.440
DSCF	0.485	0.387
DDU	0.455	0.357

Carrier Route Parcels (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.400	0.340

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.890	0.710
DBMC	0.669	0.489
DSCF	0.410	0.230
DDU	0.265	0.085

Letters and flats including a Repositionable Note

Add \$0.015 for each letter or flat bearing a Repositionable Note.

Move Update Noncompliance Charge

Add \$.07 per piece in a mailing that does not comply with the Move Update standards

Flats and Parcels including a Detached Address Label

Add \$0.017 for each piece addressed using a Detached Address Label.

Forwarding-and-Return Service

If used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.35 per piece, forwarded flats pay \$1.05 per piece and returned letters and flats pay the applicable First-Class Mail price. All other pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Full-service Intelligent Mail Option

Subtract \$0.001 for each carrier route letter or flat that complies with the requirements for the full-service Intelligent Mail option.

1220 Letters**1220.3 Price Categories**

The following price categories are available for the product specified in this section:

- Automation
 - 5-Digit
DSCF, DBMC, and Origin entry levels.
Commercial and Nonprofit eligible.
 - 3-Digit
DSCF, DBMC, and Origin entry levels.
Commercial and Nonprofit eligible.
 - AADC
DSCF, DBMC, and Origin entry levels.
Commercial and Nonprofit eligible.
 - Mixed AADC
DBMC and Origin entry levels.
Commercial and Nonprofit eligible.
- Machinable
 - AADC
DSCF, DBMC, and Origin entry levels.
Commercial and Nonprofit eligible.
 - Mixed AADC
DBMC and Origin entry levels.
Commercial and Nonprofit eligible.
- Nonmachinable
 - 5-Digit
DSCF, DBMC, and Origin entry levels.
Commercial and Nonprofit eligible.
 - 3-Digit
DSCF, DBMC, and Origin entry levels.
Commercial and Nonprofit eligible.
 - ADC
DSCF, DBMC, and Origin entry levels.
Commercial and Nonprofit eligible.
 - Mixed ADC
DBMC and Origin entry levels.
Commercial and Nonprofit eligible.
- Move Update Noncompliance Charge

1220.4 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Forwarding-and Return-Services
- Repositionable Notes
- Ancillary Services (1505)
 - Address Correction Service (1505.1)
 - Certificate of Mailing (1505.6)
- Full-service Intelligent Mail Option: automation letters only

1220.5 Prices

Automation Letters (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)
Origin	0.233	0.251	0.253	0.270	0.132	0.150	0.152	0.169
DBMC	0.199	0.217	0.219	0.236	0.098	0.116	0.118	0.135
DSCF	0.190	0.208	0.210	n/a	0.089	0.107	0.109	n/a

Machinable Letters (3.3 ounces or less)

Entry Point	Commercial		Nonprofit	
	AADC (\$)	Mixed AADC (\$)	AADC (\$)	Mixed AADC (\$)
Origin	0.256	0.273	0.155	0.172
DBMC	0.222	0.239	0.121	0.138
DSCF	0.213	n/a	0.112	n/a

Nonmachinable Letters (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.330	0.447	0.491	0.578	0.229	0.346	0.390	0.477
DBMC	0.296	0.413	0.457	0.544	0.195	0.312	0.356	0.443
DSCF	0.287	0.404	0.448	n/a	0.186	0.303	0.347	n/a

Pieces weighing more than 3.3 ounces

Letter-shaped pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the applicable flats piece and pound rate but receive a discount off the piece rate equal to the minimum flats per piece rate minus the minimum letter per piece rate corresponding to the applicable entry point and density tier.

Letters including a Repositionable Note

Add \$0.015 for each letter bearing a Repositionable Note.

Move Update Noncompliance Charge

Add \$.07 per piece in a mailing that does not comply with the Move Update standards

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.35 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Full-service Intelligent Mail Option

Subtract \$0.001 for each automation letter that complies with the requirements for the full-service Intelligent Mail option.

1225 Flats**1225.3 Price Categories**

The following price categories are available for the product specified in this section:

- Automation
 - 5-Digit
DSCF, DBMC, and Origin entry levels
Commercial and Nonprofit eligible
 - 3-Digit
DSCF, DBMC, and Origin entry levels
Commercial and Nonprofit eligible
 - ADC
DSCF, DBMC, and Origin entry levels
Commercial and Nonprofit eligible
 - Mixed ADC
DBMC and Origin entry levels
Commercial and Nonprofit eligible
- Nonautomation
 - 5-Digit
DSCF, DBMC, and Origin entry levels
Commercial and Nonprofit eligible
 - 3-Digit
DSCF, DBMC, and Origin entry levels
Commercial and Nonprofit eligible
 - ADC
DSCF, DBMC, and Origin entry levels
Commercial and Nonprofit eligible
 - Mixed ADC
DBMC and Origin entry levels
Commercial and Nonprofit eligible
- Customized Market Mail
- Move Update Noncompliance Charge

1225.4 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Forwarding-and Return-Services
- Repositionable Notes
- Ancillary Services (1505)
 - Address Correction Service (1505.1)
 - Certificate of Mailing (1505.6)
- Full-service Intelligent Mail Option: automation flats only

1225.5 Prices

Automation Flats (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.346	0.418	0.486	0.496	0.212	0.284	0.352	0.362
DBMC	0.312	0.384	0.452	0.462	0.178	0.250	0.318	0.328
DSCF	0.303	0.375	0.443	n/a	0.169	0.241	0.309	n/a

Automation Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Per Piece	0.196	0.268	0.336	0.346	0.082	0.154	0.222	0.232

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.725	0.725	0.725	0.725	0.628	0.628	0.628	0.628
DBMC	0.562	0.562	0.562	0.562	0.465	0.465	0.465	0.465
DSCF	0.517	0.517	0.517	n/a	0.420	0.420	0.420	n/a

Nonautomation Flats (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.367	0.464	0.509	0.558	0.233	0.330	0.375	0.424
DBMC	0.333	0.430	0.475	0.524	0.199	0.296	0.341	0.390
DSCF	0.324	0.421	0.466	n/a	0.190	0.287	0.332	n/a

Nonautomation Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Per Piece	0.217	0.314	0.359	0.408	0.103	0.200	0.245	0.294

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.725	0.725	0.725	0.725	0.628	0.628	0.628	0.628
DBMC	0.562	0.562	0.562	0.562	0.465	0.465	0.465	0.465
DSCF	0.517	0.517	0.517	n/a	0.420	0.420	0.420	n/a

Customized Market Mail Prices

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.460	0.334

Flats including a Repositionable Note

Add \$0.015 for each flat bearing a Repositionable Note.

Move Update Noncompliance Charge

Add \$.07 per piece in a mailing that does not comply with the Move Update standards

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$1.05 per piece and returned flats pay the applicable First-Class Mail price. All other flats requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Full-service Intelligent Mail Option

Subtract \$0.001 for each automation flat that complies with the requirements for the full-service Intelligent Mail option.

1230 Not Flat-Machinables (NFMs)/Parcels

1230.3 Price Categories

The following price categories are available for the product specified in this section:

- Not Flat-Machinables (NFMs)
 - 5-Digit
DDU, DSCF, and DBMC, ~~and Origin~~ entry levels.
Commercial and Nonprofit eligible.
 - ~~3-Digit~~ SCF
DSCF, and DBMC, ~~and Origin~~ entry levels
Commercial and Nonprofit eligible.
 - ADC/BMC
~~DSCF, DBMC, and Origin~~ entry levels
Commercial and Nonprofit eligible.
 - Mixed ADC/BMC
~~DSCF, DBMC, and Origin~~ entry levels
Commercial and Nonprofit eligible.

- Machinable Parcels
 - 5-Digit
DDU, DSCF, and DBMC, ~~and Origin~~ entry levels
Commercial and Nonprofit eligible
 - ~~3-Digit~~
~~DSCF, DBMC, and Origin~~ entry levels
~~Commercial and Nonprofit eligible~~
 - BMC
DBMC and Origin entry levels
Commercial and Nonprofit eligible
 - Mixed BMC
Origin entry level
Commercial and Nonprofit eligible

- Irregular Parcels (Do not meet the machinability requirements for machinable parcels.)
 - 5-Digit
DDU, DSCF, and DBMC, ~~and Origin~~ entry levels
Commercial and Nonprofit eligible
 - SCF
DSCF, and DBMC, ~~and Origin~~ entry levels
Commercial and Nonprofit eligible
 - ~~ADC/BMC~~
~~DSCF, DBMC, and Origin~~ entry levels
Commercial and Nonprofit eligible
 - Mixed ~~ADC/BMC~~
~~DSCF, DBMC, and Origin~~ entry levels
Commercial and Nonprofit eligible

- Move Update Noncompliance Charge

1230.4 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Forwarding-and-Return Services
- Ancillary Services (1505)
 - Address Correction Service (1505.1)
 - Bulk Parcel Return Service (1505.4)
 - Certificate of Mailing (1505.6)
 - Delivery Confirmation (1505.8)
 - Bulk Insurance (1505.9)
 - Return Receipt (1505.13)
 - Restricted Delivery (1505.15)
 - Shipper-Paid Forwarding: parcels only (1505.16)

1230.5 Prices

Not Flat-Machinables (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit	3-Digit <u>SCF</u>	ADC/ BMC	Mixed ADC <u>BMC</u>	5-Digit	3-Digit <u>SCF</u>	ADC <u>BMC</u>	Mixed ADC/ Mixed <u>BMC</u>
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Origin	n/a	n/a	0.996	1.515	n/a	n/a	0.877	1.334
DBMC	0.565	0.598	0.952	n/a	0.497	0.526	0.838	n/a
DSCF	0.513	0.546	n/a	n/a	0.451	0.480	n/a	n/a
DDU	0.465	n/a	n/a	n/a	0.408	n/a	n/a	n/a

Not Flat-Machinables (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial				Nonprofit			
	5-Digit	3-Digit <u>SCF</u>	ADC/ BMC	Mixed ADC BMC	5-Digit	3-Digit <u>SCF</u>	ADC BMC	Mixed ADC/ Mixed BMC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.405	0.438	0.792	1.311	0.356	0.385	0.697	1.154

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit	3-Digit <u>SCF</u>	ADC/ BMC	Mixed ADC BMC	5-Digit	3-Digit <u>SCF</u>	ADC BMC	Mixed ADC/ Mixed BMC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Origin	n/a	n/a	0.990	0.990	n/a	n/a	0.871	0.871
DBMC	0.775	0.775	0.775	n/a	0.682	0.682	0.682	n/a
DSCF	0.524	0.524	n/a	n/a	0.461	0.461	n/a	n/a
DDU	0.289	n/a	n/a	n/a	0.254	n/a	n/a	n/a

Machinable Parcels Prices (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial			Nonprofit		
	5-Digit	BMC	Mixed BMC	5-Digit	BMC	Mixed BMC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.440	0.879	1.279	0.387	0.774	1.126

b. Per Pound

Entry Point	Commercial			Nonprofit		
	5-Digit (\$)	BMC (\$)	Mixed BMC (\$)	5-Digit (\$)	BMC (\$)	Mixed BMC (\$)
Origin	n/a	0.990	0.990	n/a	0.871	0.871
DBMC	0.775	0.775	n/a	0.682	0.682	n/a
DSCF	0.566	n/a	n/a	0.498	n/a	n/a
DDU	0.370	n/a	n/a	0.326	n/a	n/a

Irregular Parcels (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit SCF (\$)	ADC BMC (\$)	Mixed ADC BMC (\$)	5-Digit (\$)	3-Digit SCF (\$)	ADC BMC (\$)	Mixed ADC BMC (\$)
Origin	n/a	n/a	1.226	1.701	n/a	n/a	1.079	1.497
DBMC	0.723	0.782	1.182	n/a	0.636	0.688	1.040	n/a
DSCF	0.671	0.730	n/a	n/a	0.590	0.642	n/a	n/a
DDU	0.623	n/a	n/a	n/a	0.547	n/a	n/a	n/a

Irregular Parcels (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit SCF (\$)	ADC BMC (\$)	Mixed ADC BMC (\$)	5-Digit (\$)	3-Digit SCF (\$)	ADC BMC (\$)	Mixed ADC BMC (\$)
Per Piece	0.563	0.622	1.022	1.497	0.495	0.547	0.899	1.317

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit SCF (\$)	ADC BMC (\$)	Mixed ADC BMC (\$)	5-Digit (\$)	3-Digit SCF (\$)	ADC BMC (\$)	Mixed ADC BMC (\$)
Origin	n/a	n/a	0.990	0.990	n/a	n/a	0.871	0.871
DBMC	0.775	0.775	0.775	n/a	0.682	0.682	0.682	n/a
DSCF	0.524	0.524	n/a	n/a	0.461	0.461	n/a	n/a
DDU	0.289	n/a	n/a	n/a	0.254	n/a	n/a	n/a

Move Update Noncompliance Charge

Add \$.07 per piece in a mailing that does not comply with the Move Update standards

Forwarding-and-Return Service

Pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price or Priority Mail price for the piece plus the price multiplied by a factor of 2.472.

Non-barcoded Parcels and Not-Flat Machinable Surcharge

For non-barcoded parcels and Not-Flat Machinable pieces, add \$0.07 per piece. The Surcharge does not apply to pieces sorted to 5-digit Zip Codes.

1300 Periodicals**1305 Within County Periodicals****1305.5 Optional Features**

The following additional postal services may be available in conjunction with the product specified in this section:

- Repositionable Notes
- Ride-Along
- Full-service Intelligent Mail Option: automation or Carrier Route letters and flats only

1305.6 Prices*Within-County Automation*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Pound Rates (per pound or fraction thereof)

Entry Point	Price (\$)
DDU	0.141
Non-DDU	0.183

b. Piece Rates (per addressed piece)

Presort Level	Letters (\$)	Flats (\$)
5-Digit	0.047	0.099
3-Digit	0.049	0.106
Basic	0.058	0.114

Within-County Nonautomation

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Pound Rates (per pound or fraction thereof)

Entry Point	Price (\$)
DDU	0.141
Non-DDU	0.183

b. Piece Rates (per addressed piece)

Presort Level	Letters, Flats, and Parcels (\$)
Carrier Route Saturation	0.030
Carrier Route High Density	0.044
Carrier Route Basic	0.059
5-Digit	0.105
3-Digit	0.118
Basic	0.130

Worksharing Discount for DDU

Each DDU entered piece receives a discount of \$0.008.

Within-County Periodicals including a Repositionable Note

Add \$0.005 for each piece bearing a Repositionable Note.

Full-service Intelligent Mail Option

Subtract \$0.001 for each automation or Carrier Route letter or flat that complies with the requirements for the full-service Intelligent Mail option.

Within-County Periodicals including a Ride-Along piece

Add \$0.165 for a Ride-Along item enclosed with or attached to a Within-County Periodical.

1310 Outside County Periodicals**1310.4 Price Categories****1310.5 Optional Features**

The following additional postal services may be available in conjunction with the product specified in this section:

- Repositionable Notes
- Ride-Along
- Full-service Intelligent Mail Option: barcoded or Carrier Route letters and flats only

1310.6 Prices

Charges are computed by adding the appropriate per-piece charge, per-bundle charge, per-sack charge, and per-pallet charge to the sum of the editorial (nonadvertising) pound portion and the advertising pound portion, as applicable.

Pound Rates (per pound or fraction thereof)

Entry Level or Zone	Regular		Science of Agriculture	
	Advertising (\$)	Editorial (\$)	Advertising (\$)	Editorial (\$)
DDU	0.131	0.109	0.098	0.109
DSCF	0.200	0.166	0.150	0.166
DADC	0.212	0.176	0.159	0.176
Zones 1 & 2	0.237	0.197	0.178	0.197
Zone 3	0.259	0.197	0.259	0.197
Zone 4	0.317	0.197	0.317	0.197
Zone 5	0.404	0.197	0.404	0.197
Zone 6	0.496	0.197	0.496	0.197
Zone 7	0.607	0.197	0.607	0.197
Zone 8	0.701	0.197	0.701	0.197

Piece Rate (per addressed piece)

a. Carrier Route Letters, Flats, and Parcels

Bundle Level	Letters, Flats, and Parcels (\$)
Saturation	0.132
High Density	0.151
Basic	0.178

b. Barcoded Letters

Bundle Level	Barcoded Letters (\$)
5-Digit	0.195
3-Digit/SCF	0.255
ADC	0.275
Mixed ADC	0.315

c. Machinable Flats and Nonbarcoded Letters

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Nonbarcoded Letters (\$)
5-Digit	0.276	0.286	0.286
3-Digit/SCF	0.362	0.383	0.383
ADC	0.377	0.400	0.400
Mixed ADC	0.403	0.435	0.435

d. Nonmachinable Flats and Parcels

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Parcels (\$)
5-Digit	0.300	0.301	0.301
3-Digit/SCF	0.407	0.417	0.417
ADC	0.467	0.491	0.491
Mixed ADC	0.561	0.606	0.606

e. Editorial Adjustment

A per piece editorial adjustment is provided by subtracting \$0.00098 for each 1 percent of editorial (nonadvertising) content from the applicable piece rate.

f. Firm Bundle Piece Rate

Firm bundles are charged a single piece price of \$0.178

Bundle Rates (per bundle)

Bundle Level	Container Level			
	Carrier Route/ 5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
Firm	0.077	0.137	0.149	0.179
Carrier Route	0.147	0.279	0.314	
5-Digit	0.140	0.145	0.199	0.276
3-Digit/SFC		0.125	0.183	0.267
ADC			0.111	0.201
Mixed ADC				0.077

Container Rates (per pallet, tray, or sack)

a. Pallet Container

Entry Point	5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)
DDU	1.600		
DSCF	20.400	11.100	
DADC	30.200	20.700	12.400
DBMC	31.900	23.800	22.400
Origin	42.130	33.360	28.000

b. Tray or Sack Container

Entry Point	Carrier Route/ 5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
DDU	0.900			
DSCF	1.300	0.800		
DADC	1.700	1.200	0.800	
DBMC	2.000	1.500	1.400	
Origin	2.700	2.100	2.010	0.420

Outside-County Periodicals including a Repositionable Note

Add \$0.015 for each piece bearing a Repositionable Note.

Outside-County Periodicals including a Ride-Along piece

Add \$0.165 for a Ride-Along item enclosed with or attached to a ~~Within-~~ (an Outside) County Periodical.

Full-service Intelligent Mail Option

Subtract \$0.001 for each barcoded or Carrier Route letter or flat that complies with the requirements for the full-service Intelligent Mail option.

Publications eligible for Nonprofit and Classroom price categories

Publications qualified as Nonprofit, Classroom, and Limited Circulation receive a 5 percent discount on all components of postage except advertising pounds.

The 5 percent discount does not apply to commingled nonsubscriber, nonrequestor, complimentary, and sample copies in excess of the 10 percent allowance, or to Science of Agriculture mail.

The advertising pound rate is not applicable to qualifying Nonprofit and Classroom publications containing 10 percent or less advertising content.

1400 Package Services**1405.4 Price Categories**

- ~~Intra-BMC~~
 - ~~Machinable~~
 - ~~Nonmachinable~~
 - ~~Balloon Rate~~
 - ~~Oversized~~

- ~~Inter-BMC~~
 - ~~Machinable~~
 - ~~Nonmachinable~~
 - ~~Balloon Rate~~
 - ~~Oversized~~

- Parcel Post
 - Zones 1-8
 - Balloon Rate
 - Oversized

1405.6 Prices*Parcel Post*

<u>Maximum Weight (pounds)</u>	<u>Zones 1 & 2 (\$)</u>	<u>Zone 3 (\$)</u>	<u>Zone 4 (\$)</u>	<u>Zone 5 (\$)</u>	<u>Zone 6 (\$)</u>	<u>Zone 7 (\$)</u>	<u>Zone 8 (\$)</u>
1	4.90	4.90	4.90	4.90	4.90	4.90	4.90
2	4.90	5.15	5.70	7.02	7.33	7.62	8.09
3	5.45	6.20	7.05	8.18	8.85	9.27	9.92
4	6.05	7.05	7.94	9.20	10.05	10.66	11.57
5	6.80	8.10	9.02	10.05	10.78	11.37	12.34
6	7.50	9.20	9.94	10.94	11.45	12.02	13.03
7	8.25	10.00	10.49	11.80	12.36	13.01	14.15
8	8.56	10.34	10.86	12.17	12.96	13.74	15.03
9	8.87	10.69	11.24	12.55	13.56	14.47	15.90
10	9.18	11.03	11.61	12.92	14.16	15.21	16.77
11	9.49	11.38	11.99	13.29	14.76	15.94	17.65
12	9.80	11.72	12.36	13.66	15.36	16.67	18.52
13	10.11	12.06	12.74	14.03	15.96	17.40	19.39
14	10.42	12.41	13.11	14.40	16.56	18.13	20.27

<u>Maximum Weight (pounds)</u>	<u>Zones 1 & 2 (\$)</u>	<u>Zone 3 (\$)</u>	<u>Zone 4 (\$)</u>	<u>Zone 5 (\$)</u>	<u>Zone 6 (\$)</u>	<u>Zone 7 (\$)</u>	<u>Zone 8 (\$)</u>
15	10.73	12.75	13.49	14.77	17.16	18.86	21.14
16	11.04	13.10	13.87	15.14	17.76	19.59	22.01
17	11.34	13.44	14.24	15.51	18.36	20.33	22.89
18	11.65	13.79	14.60	15.99	18.96	21.06	23.76
19	11.96	14.13	14.95	16.47	19.56	21.79	24.64
20	12.27	14.48	15.30	16.94	20.16	22.52	25.51
21	12.58	14.82	15.66	17.42	20.76	23.25	26.38
22	12.89	15.17	16.01	17.89	21.36	23.98	27.26
23	13.20	15.51	16.37	18.37	21.96	24.71	28.13
24	13.51	15.86	16.72	18.84	22.56	25.45	29.00
25	13.82	16.20	17.07	19.32	23.16	26.18	29.88
26	14.13	16.55	17.43	19.80	23.76	26.91	30.75
27	14.44	16.89	17.78	20.27	24.36	27.64	31.63
28	14.75	17.24	18.14	20.75	24.96	28.37	32.50
29	15.06	17.58	18.49	21.22	25.56	29.10	33.37
30	15.37	17.93	18.85	21.70	26.16	29.83	34.25
31	15.68	18.27	19.20	22.17	26.76	30.57	35.12
32	15.99	18.62	19.55	22.65	27.37	31.30	35.99
33	16.30	18.96	19.91	23.13	27.97	32.03	36.87
34	16.61	19.31	20.26	23.60	28.57	32.76	37.74
35	16.92	19.65	20.62	24.08	29.17	33.49	38.61
36	17.07	20.00	20.97	24.55	29.77	34.22	39.49
37	17.23	20.34	21.33	25.03	30.37	34.95	40.36
38	17.39	20.68	21.68	25.50	30.97	35.69	41.24
39	17.54	21.03	22.03	25.98	31.57	36.42	42.11
40	17.70	21.37	22.39	26.46	32.17	37.15	42.98
41	17.85	21.72	22.74	26.93	32.77	37.88	43.86
42	18.01	22.06	23.10	27.41	33.37	38.61	44.73
43	18.17	22.23	23.45	27.88	33.97	39.34	45.60
44	18.32	22.40	23.81	28.36	34.57	40.07	46.48
45	18.48	22.57	24.16	28.83	35.17	40.81	47.35
46	18.64	22.74	24.51	29.31	35.77	41.54	48.23

<u>Maximum Weight (pounds)</u>	<u>Zones 1 & 2 (\$)</u>	<u>Zone 3 (\$)</u>	<u>Zone 4 (\$)</u>	<u>Zone 5 (\$)</u>	<u>Zone 6 (\$)</u>	<u>Zone 7 (\$)</u>	<u>Zone 8 (\$)</u>
47	18.79	22.91	24.87	29.79	36.37	42.27	49.10
48	18.95	23.08	25.22	30.26	36.97	43.00	49.97
49	19.11	23.25	25.58	30.74	37.57	43.73	50.85
50	19.26	23.42	25.93	31.21	38.17	44.46	51.72
51	19.42	23.59	26.29	31.69	38.77	45.19	52.59
52	19.58	23.76	26.64	32.16	39.37	45.93	53.47
53	19.73	23.93	26.99	32.64	39.97	46.66	54.34
54	19.89	24.10	27.35	33.12	40.57	47.39	55.21
55	20.05	24.27	27.70	33.59	41.17	48.12	56.09
56	20.20	24.44	28.06	34.07	41.77	48.85	56.96
57	20.36	24.61	28.41	34.54	42.37	49.58	57.84
58	20.51	24.78	28.77	35.02	42.97	50.31	58.71
59	20.67	24.95	29.12	35.50	43.57	51.05	59.58
60	20.83	25.12	29.47	35.97	44.17	51.78	60.46
61	20.98	25.29	29.83	36.45	44.77	52.51	61.33
62	21.14	25.46	30.18	36.92	45.37	53.24	62.20
63	21.30	25.63	30.54	37.40	45.97	53.97	63.08
64	21.45	25.80	30.89	37.87	46.57	54.70	63.95
65	21.61	25.97	31.24	38.35	47.17	55.43	64.83
66	21.77	26.14	31.60	38.83	47.77	56.17	65.70
67	21.92	26.31	31.95	39.30	48.37	56.90	66.57
68	22.08	26.48	32.31	39.78	48.97	57.63	67.45
69	22.24	26.65	32.66	40.25	49.57	58.36	68.32
70	22.39	26.82	33.02	40.73	50.17	59.09	69.19
Oversized	61.80	64.65	65.94	67.89	90.92	96.82	107.16

Balloon Rate

Pieces exceeding 84 inches in length and girth combined and weighing less than 20 pounds are subject to a price equal to that for a 20-pound parcel for the zone to which the parcel is addressed.

Oversized Pieces

Regardless of weight, any piece that measures more than 108 inches (but not more than 130 inches) in ~~combined~~ length plus girth must pay the oversized price.

Pickup On Demand

Add \$15.30 for each Pickup On Demand stop

1415 Bound Printed Matter Flats**1415.5 Optional Features**

The following additional postal services may be available in conjunction with the product specified in this section:

- Ancillary Services (1505)
 - Address Correction Service (1505.1)
 - Certificate of Mailing (1505.6)
 - Collect on Delivery (1505.7)
 - Insurance (1505.9)
 - Return Receipt (1505.13)
 - Restricted Delivery (1505.15)
 - Special Handling (1505.18)
- Full-service Intelligent Mail Option: presorted or Carrier Route barcoded flats only

1415.6 Prices*Carrier Route*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Destination Entry

	DDU	DSCF	DBMC Zones 1 & 2	DBMC Zone 3	DBMC Zone 4	DBMC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.353	0.532	0.928	0.928	0.928	0.928
Per Pound	0.024	0.041	0.065	0.082	0.132	0.187

b. Other Than Destination Entry

	Zones Local 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	1.148	1.148	1.148	1.148	1.148	1.148	1.148
Per Pound	0.138	0.158	0.200	0.253	0.321	0.362	0.482

Presorted

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Destination Entry^{1,2}

	DDU	DSCF	DBMC Zones 1 & 2	DBMC Zone 3	DBMC Zone 4	DBMC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.451	0.630	1.026	1.026	1.026	1.026
Per Pound	0.024	0.041	0.065	0.082	0.132	0.187

b. Other Than Destination Entry²

	Zones Local 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	1.246	1.246	1.246	1.246	1.246	1.246	1.246
Per Pound	0.138	0.158	0.200	0.253	0.321	0.362	0.482

Notes

1. DDU price is not available for presorted flats that weigh 1 pound or less.
2. For barcoded automation-compatible flats prepared in mailings of at least 50 pieces, deduct \$0.03 per piece for the barcode discount. The barcode discount is not available for flats mailed at presorted DDU prices.

Nonpresorted¹

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)
1.0	1.89	1.93	1.99	2.08	2.19	2.25	2.44
1.5	1.89	1.93	1.99	2.08	2.19	2.25	2.44
2.0	1.98	2.04	2.12	2.24	2.38	2.46	2.72
2.5	2.08	2.15	2.25	2.40	2.58	2.68	3.00
3.0	2.17	2.26	2.38	2.56	2.77	2.89	3.28
3.5	2.27	2.37	2.51	2.72	2.97	3.11	3.56
4.0	2.36	2.48	2.64	2.88	3.16	3.32	3.84
4.5	2.46	2.59	2.77	3.04	3.36	3.54	4.12
5.0	2.55	2.70	2.90	3.20	3.55	3.75	4.40
6.0	2.74	2.92	3.16	3.52	3.94	4.18	4.96
7.0	2.93	3.14	3.42	3.84	4.33	4.61	5.52
8.0	3.12	3.36	3.68	4.16	4.72	5.04	6.08
9.0	3.31	3.58	3.94	4.48	5.11	5.47	6.64
10.0	3.50	3.80	4.20	4.80	5.50	5.90	7.20
11.0	3.69	4.02	4.46	5.12	5.89	6.33	7.76
12.0	3.88	4.24	4.72	5.44	6.28	6.76	8.32
13.0	4.07	4.46	4.98	5.76	6.67	7.19	8.88
14.0	4.26	4.68	5.24	6.08	7.06	7.62	9.44
15.0	4.45	4.90	5.50	6.40	7.45	8.05	10.00

Notes

1. For barcoded automation-compatible flats prepared in mailings of at least 50 pieces, deduct \$0.03 per piece for the barcode discount.

Full-service Intelligent Mail Option

Subtract \$0.001 for each presorted or Carrier Route barcoded flat that complies with the requirements for the full-service Intelligent Mail option.

1420 Bound Printed Matter Parcels**1420.6 Prices***Carrier Route*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Destination Entry

	DDU	DSCF	DBMC Zones 1 & 2	DBMC Zone 3	DBMC Zone 4	DBMC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.559	0.738	1.136	1.136	1.136	1.136
Per Pound	0.025	0.060	0.074	0.102	0.148	0.210

b. Other Than Destination Entry

	Zones Local 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	1.354	1.354	1.354	1.354	1.354	1.354	1.354
Per Pound	0.164	0.195	0.235	0.301	0.372	0.427	0.566

Presorted

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Destination Entry¹

	DDU	DSCF	DBMC Zones 1 & 2	DBMC Zone 3	DBMC Zone 4	DBMC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.657	0.836	1.234	1.234	1.234	1.234
Per Pound	0.025	0.060	0.074	0.102	0.148	0.210

b. Other Than Destination Entry¹

	Zones Local 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	1.452	1.452	1.452	1.452	1.452	1.452	1.452
Per Pound	0.164	0.195	0.235	0.301	0.372	0.427	0.566

Notes

1. For barcoded machinable parcels prepared in mailings of at least 50 pieces, deduct \$0.03 per piece for the barcode discount. The barcode discount is not available for parcels mailed at presorted DSCF or DDU prices, or DBMC mail entered at an ASF (except Phoenix, AZ, ASF).

Nonpresorted¹

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)
1.0	2.33	2.37	2.43	2.52	2.63	2.69	2.88
1.5	2.33	2.37	2.43	2.52	2.63	2.69	2.88
2.0	2.43	2.49	2.57	2.69	2.83	2.91	3.17
2.5	2.54	2.61	2.71	2.86	3.04	3.14	3.46
3.0	2.64	2.73	2.85	3.03	3.24	3.36	3.75
3.5	2.75	2.85	2.99	3.20	3.45	3.59	4.04
4.0	2.85	2.97	3.13	3.37	3.65	3.81	4.33
4.5	2.96	3.09	3.27	3.54	3.86	4.04	4.62
5.0	3.06	3.21	3.41	3.71	4.06	4.26	4.91
6.0	3.27	3.45	3.69	4.05	4.47	4.71	5.49
7.0	3.48	3.69	3.97	4.39	4.88	5.16	6.07
8.0	3.69	3.93	4.25	4.73	5.29	5.61	6.65
9.0	3.90	4.17	4.53	5.07	5.70	6.06	7.23
10.0	4.11	4.41	4.81	5.41	6.11	6.51	7.81
11.0	4.32	4.65	5.09	5.75	6.52	6.96	8.39
12.0	4.53	4.89	5.37	6.09	6.93	7.41	8.97
13.0	4.74	5.13	5.65	6.43	7.34	7.86	9.55
14.0	4.95	5.37	5.93	6.77	7.75	8.31	10.13
15.0	5.16	5.61	6.21	7.11	8.16	8.76	10.71

Notes

1. For barcoded machinable parcels prepared in mailings of at least 50 pieces, deduct \$0.03 per piece for the barcode discount.

1425 Media Mail/Library Mail**1425.6 Prices***Media Mail*

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
1	1.62	1.99	2.38
2	2.01	2.38	2.77
3	2.40	2.77	3.16
4	2.79	3.16	3.55
5	3.18	3.55	3.94
6	3.57	3.94	4.33
7	3.96	4.33	4.72
8	4.35	4.72	5.11
9	4.74	5.11	5.50
10	5.13	5.50	5.89
11	5.52	5.89	6.28
12	5.91	6.28	6.67
13	6.30	6.67	7.06
14	6.69	7.06	7.45
15	7.08	7.45	7.84
16	7.47	7.84	8.23
17	7.86	8.23	8.62
18	8.25	8.62	9.01
19	8.64	9.01	9.40
20	9.03	9.40	9.79
21	9.42	9.79	10.18
22	9.81	10.18	10.57
23	10.20	10.57	10.96
24	10.59	10.96	11.35
25	10.98	11.35	11.74

Media Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
26	11.37	11.74	12.13
27	11.76	12.13	12.52
28	12.15	12.52	12.91
29	12.54	12.91	13.30
30	12.93	13.30	13.69
31	13.32	13.69	14.08
32	13.71	14.08	14.47
33	14.10	14.47	14.86
34	14.49	14.86	15.25
35	14.88	15.25	15.64
36	15.27	15.64	16.03
37	15.66	16.03	16.42
38	16.05	16.42	16.81
39	16.44	16.81	17.20
40	16.83	17.20	17.59
41	17.22	17.59	17.98
42	17.61	17.98	18.37
43	18.00	18.37	18.76
44	18.39	18.76	19.15
45	18.78	19.15	19.54
46	19.17	19.54	19.93
47	19.56	19.93	20.32
48	19.95	20.32	20.71
49	20.34	20.71	21.10
50	20.73	21.10	21.49

Media Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
51	21.12	21.49	21.88
52	21.51	21.88	22.27
53	21.90	22.27	22.66
54	22.29	22.66	23.05
55	22.68	23.05	23.44
56	23.07	23.44	23.83
57	23.46	23.83	24.22
58	23.85	24.22	24.61
59	24.24	24.61	25.00
60	24.63	25.00	25.39
61	25.02	25.39	25.78
62	25.41	25.78	26.17
63	25.80	26.17	26.56
64	26.19	26.56	26.95
65	26.58	26.95	27.34
66	26.97	27.34	27.73
67	27.36	27.73	28.12
68	27.75	28.12	28.51
69	28.14	28.51	28.90
70	28.53	28.90	29.29

Library Mail

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
1	1.54	1.89	2.26
2	1.91	2.26	2.63
3	2.28	2.63	3.00
4	2.65	3.00	3.37
5	3.02	3.37	3.74
6	3.39	3.74	4.11
7	3.76	4.11	4.48
8	4.13	4.48	4.85
9	4.50	4.85	5.22
10	4.87	5.22	5.59
11	5.24	5.59	5.96
12	5.61	5.96	6.33
13	5.98	6.33	6.70
14	6.35	6.70	7.07
15	6.72	7.07	7.44
16	7.09	7.44	7.81
17	7.46	7.81	8.18
18	7.83	8.18	8.55
19	8.20	8.55	8.92
20	8.57	8.92	9.29
21	8.94	9.29	9.66
22	9.31	9.66	10.03
23	9.68	10.03	10.40
24	10.05	10.40	10.77
25	10.42	10.77	11.14

Library Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
26	10.79	11.14	11.51
27	11.16	11.51	11.88
28	11.53	11.88	12.25
29	11.90	12.25	12.62
30	12.27	12.62	12.99
31	12.64	12.99	13.36
32	13.01	13.36	13.73
33	13.38	13.73	14.10
34	13.75	14.10	14.47
35	14.12	14.47	14.84
36	14.49	14.84	15.21
37	14.86	15.21	15.58
38	15.23	15.58	15.95
39	15.60	15.95	16.32
40	15.97	16.32	16.69
41	16.34	16.69	17.06
42	16.71	17.06	17.43
43	17.08	17.43	17.80
44	17.45	17.80	18.17
45	17.82	18.17	18.54
46	18.19	18.54	18.91
47	18.56	18.91	19.28
48	18.93	19.28	19.65
49	19.30	19.65	20.02
50	19.67	20.02	20.39

Library Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
51	20.04	20.39	20.76
52	20.41	20.76	21.13
53	20.78	21.13	21.50
54	21.15	21.50	21.87
55	21.52	21.87	22.24
56	21.89	22.24	22.61
57	22.26	22.61	22.98
58	22.63	22.98	23.35
59	23.00	23.35	23.72
60	23.37	23.72	24.09
61	23.74	24.09	24.46
62	24.11	24.46	24.83
63	24.48	24.83	25.20
64	24.85	25.20	25.57
65	25.22	25.57	25.94
66	25.59	25.94	26.31
67	25.96	26.31	26.68
68	26.33	26.68	27.05
69	26.70	27.05	27.42
70	27.07	27.42	27.79

Barcode Discount

A barcode discount of \$0.03 per piece is available for Single-Piece and Basic, Media Mail and Library Mail, machinable parcels for mailings of at least 50 pieces entered at designated facilities.

1500 Special Services**1505 Ancillary Services****1505.1 Address Correction Service**

1505.1.1 Description

- a. Address Correction Service provides a mailer upon request both an addressee's former and current address, if the correct address is known to the Postal Service or, if not known, the reason for non-delivery.
- b. Address Correction Service is available for postage-prepaid mail of all classes, except for mail addressed for delivery at any military installation and for Customized Market Mail pieces.
- c. Address Correction Service is mandatory for Periodicals mail.
- d. Full-service, Automated and Electronic Address Correction Service is available to mailers who can receive computerized address corrections and meet barcoding, address hygiene, and other mail preparation requirements. Full-service Address Correction Service also must meet the requirements in 1505.1.1e.
- e. Upon request of the mailer, full-service Address Correction Service is available for mailings of First-Class Mail automated letters, cards, and flats, Standard Mail automation letters and flats, Standard Mail Carrier Route, High Density, and Saturation letters, Periodicals Outside-County barcoded or Carrier Route letters and flats, Periodicals Within-County automation or Carrier Route letters and flats, and Bound Printed Matter barcoded Presort non-DDU flats. The mailings must comply with the requirements for the Full-service Intelligent Mail option. Full-service Address Correction Service is not available for duplicate address correction notices for a given address, after a specified period following the initial notice, for Standard Mail, Periodicals, and Bound Printed Matter mailings.

1505.1.2 Prices

	(\$)
Manual correction, each	
First-Class Mail, on-piece correction only	0.00
Other	0.50
Electronic correction, each	
First-Class Mail piece	0.10
Other	0.26
Automated correction (Letters Only)	
First-Class Mail piece	
First two notices, for a given address change, each	0.02
Additional notices, for a given address change, each	0.08
Standard Mail piece	
First two notices, for a given address change, each	0.05
Additional notices, for a given address change, each	0.20
<u>Full-service correction, each</u>	<u>0.00</u>

1505.2 Applications and Mailing Permits

1505.2.2 Prices

	(\$)
First-Class Mail Presort Mailing Fee (per year)	185.00
Standard Mail Mailing Fee (per year)	185.00
Periodicals Application Fees (one-time only for each)	
A. Original Entry	540.00
B. Additional Entry	85.00
C. Re-entry	65.00
D. Registration for News Agents	55.00
Bound Printed Matter: Destination Entry Mailing Fee (per year)	185.00
Media Mail Presorted Mailing Fee (per year)	185.00
Library Mail Presorted Mailing Fee (per year)	185.00
Parcel Select: Destination Entry Mailing Fee (per year)	185.00
Parcel Return Service Account Maintenance Fee (per year)	585.00
Parcel Return Service Mailing Fee (per year)	185.00
Authorization to Use Permit Imprint (one-time only)	185.00

1505.3 Business Reply Mail

1505.3.2 Prices

	(\$)
Regular (no account maintenance fee)	
Permit (per year)	185.00
Per-piece charge	0.74
Regular (with account maintenance fee)	
Permit (per year)	185.00
Account maintenance (per year)	585.00
Per-piece charge	0.083
Qualified Business Reply Mail, low-volume	
Permit (per year)	185.00
Account maintenance (per year)	585.00
Per-piece charge	0.052
Qualified Business Reply Mail, high-volume	
Permit (per year)	185.00
Account maintenance (per year)	585.00
Quarterly	1,925.00
Per-piece charge	0.007
Bulk Weight Averaged (Non-letters only)	
Permit (per year)	185.00
Account maintenance (per year)	585.00
Per-piece charge	0.013
Monthly maintenance	965.00

1505.4 Bulk Parcel Return Service

1505.4.2 Prices

	(\$)
Permit (per year)	185.00
Account maintenance (per year)	585.00
Per-piece charge	2.50

1505.5 Certified Mail

1505.5.2 Prices

	(\$)
Per piece	2.80

1505.6 Certificate of Mailing

1505.6.2 Prices

Individual Pieces Prices

	(\$)
Original certificate of mailing, individual article	1.15
Three or more pieces individually listed in a firm mailing book or an approved customer provided manifest (per piece)	0.42
Each additional copy of original Certificate of Mailing or original mailing receipt for Registered Mail insured, Certified Mail, and COD mail (each copy)	1.15

Bulk Prices

Identical First-Class and Standard Mail pieces paid with ordinary stamps, precanceled stamps, or meter stamps are subject to the following fees:

	(\$)
Up to 1,000 pieces (one certificate for total number)	6.50
Each additional 1,000 pieces or fraction	0.75
Duplicate copy	1.15

1505.7 Collect on Delivery

1505.7.2 Prices

	(\$)	(\$)	(\$)
Amount to be collected, or insurance coverage desired, whichever is higher:			
	0.01	to	50.00
			5.50
	50.01	to	100.00
			6.80
	100.01	to	200.00
			8.10
	200.01	to	300.00
			9.40
	300.01	to	400.00
			10.70
	400.01	to	500.00
			12.00
	500.01	to	600.00
			13.30
	600.01	to	700.00
			14.60
	700.01	to	800.00
			15.90
	800.01	to	900.00
			17.20
	900.01	to	1,000.00
			18.50
Notice of nondelivery			3.85
Alteration of COD charges			3.85
Designation of new addressee			3.85
Registered COD			4.85

1505.8 Delivery Confirmation

1505.8.2 Prices

	(\$)
First-Class Mail Parcels	
Electronic	0.19
Retail	0.80
Standard Mail Parcels	
Electronic	0.19
Package Services	
Electronic	0.19
Retail	0.80
Priority Mail	
Electronic	0.00
Retail	0.70
Parcel Select	
Electronic – Destination Entry only	0.00
Electronic – All other	0.19

1505.9 Insurance

1505.9.2 Prices

Regular Insurance

		(\$)	(\$)	(\$)
Merchandise coverage:				
	0.01	to	50.00	1.75
	50.01	to	100.00	2.25
	100.01	to	200.00	2.75
	200.01	to	300.00	4.70
	300.01	to	400.00	5.70
	400.01	to	500.00	6.70
	500.01	to	600.00	7.70
	600.01	to	5,000.00	7.70 plus 1.00 for each 100.00 or fraction thereof over 600.00

Bulk Insurance

		(\$)	(\$)	(\$)
Amount of coverage:				
	0.01	to	50.00	0.95
	50.01	to	100.00	1.45
	100.01	to	200.00	1.95
	200.01	to	300.00	3.90
	300.01	to	5,000.00	3.90 plus 1.00 for each 100.00 or fraction thereof over 300.00

Express Mail Insurance

	(\$)		(\$)	(\$)
Merchandise coverage:				
	0.01	to	100.00	0.00
	100.01	to	200.00	0.75
	200.01	to	500.00	2.15
	500.01	to	5,000.00	2.15 plus 1.40 for each 500.00 or fraction thereof over 500.00
Document reconstruction coverage:				
	0.01	to	100.00	0.00

1505.10 Merchandise Return Service

1505.10.2 Prices

	(\$)
Permit (per year)	185.00
Account maintenance (per year)	585.00
Per piece	0.00

1505.11 Parcel Airlift (PAL)

1505.11.2 Prices

	(\$)
For pieces weighing:	
Not more than 2 pounds	0.55
Over 2 but not more than 3 pounds	1.10
Over 3 but not more than 4 pounds	1.55
Over 4 but not more than 30 pounds	2.15

1505.12 Registered Mail

1505.12.2 Prices

			(\$)	(\$)	(\$)
Declared Value:					
			0.00		10.60
	0.01	to		100.00	11.50
	100.01	to		500.00	13.10
	500.01	to		1,000.00	14.45
	1,000.01	to		2,000.00	15.80
	2,000.01	to		3,000.00	17.15
	3,000.01	to		4,000.00	18.50
	4,000.01	to		5,000.00	19.85
	5,000.01	to		6,000.00	21.20
	6,000.01	to		7,000.00	22.55
	7,000.01	to		8,000.00	23.90
	8,000.01	to		9,000.00	25.25
	9,000.01	to		10,000.00	26.60
	10,000.01	to		11,000.00	27.95
	11,000.01	to		12,000.00	29.30
	12,000.01	to		13,000.00	30.65
	13,000.01	to		14,000.00	32.00
	14,000.01	to		15,000.00	33.35
	15,000.01	to		16,000.00	34.70
	16,000.01	to		17,000.00	36.05
	17,000.01	to		18,000.00	37.40
	18,000.01	to		19,000.00	38.75
	19,000.01	to		20,000.00	40.10
	20,000.01	to		21,000.00	41.45
	21,000.01	to		22,000.00	42.80
	22,000.01	to		23,000.00	44.15
	23,000.01	to		24,000.00	45.50
	24,000.01	to		25,000.00	46.85

Registered Mail Prices (Continued)

(\$)		(\$)	(\$)
Declared Value:			
25,000.01	to	15,000,000.00	46.85 plus 1.35 per additional 1,000.00 of value
Greater than		15,000,000.00	21,313.10 plus amount determined by the Postal Service based on weight, space, and value

1505.13 Return Receipt

1505.13.2 Prices

	(\$)
Original signature	2.30
Copy of signature (electronic)	1.10
Requested after mailing	4.60

1505.14 Return Receipt for Merchandise

1505.14.2 Prices

	(\$)
Per Piece (Requested at time of mailing)	3.80

1505.15 Restricted Delivery

1505.15.2 Prices

	(\$)
Per Piece	4.50

1505.16 Shipper-Paid Forwarding

1505.16.2 Prices

	(\$)
Account Maintenance Fee (per year)	585.00

1505.17 Signature Confirmation

1505.17.2 Prices

	(\$)
Electronic	1.95
Retail	2.35

1505.18 Special Handling

1505.18.2 Prices

Weight	(\$)
Not more than 10 pounds	7.40
More than 10 pounds	10.40

1505.19 Stamped Envelopes

1505.19.1 Description

Plain Stamped Envelopes and Personalized Stamped Envelopes are envelopes with imprinted or impressed First-Class Mail or Standard Mail postage. Personalized Stamped Envelopes and their premium options may be obtained by special request.

1505.19.2 Prices

	(\$)
Plain stamped envelopes	
Basic, size 6-3/4, each	0.10
Basic, size 6-3/4, 500	15.50
Basic, over size 6-3/4, each	0.10
Basic, over size 6-3/4, 500	17.75
Personalized stamped envelopes	
Basic, size 6-3/4, 50	4.80
Basic, size 6-3/4, 500	24.00
Basic, over size 6-3/4, 50	4.80
Basic, over size 6-3/4, 500	27.00
	<u>Additional</u>
<u>Premium Options for 50 personalized stamped envelopes</u>	<u>Charge</u>
	(\$)
<u>Color Other Than White</u>	1.00
<u>Pressure-Sensitive Sealing</u>	5.00
<u>Font size, Font style, and/or Ink</u>	
<u>Color (for one, two, or all three)</u>	1.00
<u>Monogram</u>	5.00
<u>Premium Options for 500 personalized stamped envelopes</u>	
<u>Color Other Than White</u>	2.00
<u>Pressure-Sensitive Sealing</u>	15.00
<u>Font size, Font style, and/or Ink</u>	
<u>Color (for one, two, or all three)</u>	2.00
<u>Monogram</u>	7.00
<u>4-Color Logo for 500 Envelopes (5,000 envelope minimum)</u>	45.00

1505.20 Stamped Cards

1505.20.2 Prices

	(\$)
Single card	0.03
Double reply-paid card	0.06
Sheet of 40 cards (uncut)	1.20

1505.21 Premium Stamped Stationery

1505.21.2 Prices

Per Unit	(\$)
Minimum	2 times the First-Class Mail price imprinted on the stationery
Maximum	3 times the First-Class Mail price imprinted on the stationery

1505.22 Premium Stamped Cards

1505.22.2 Prices

Per Card	(\$)
Minimum	1 times the First-Class Mail price imprinted on the card
Maximum	3 times the First-Class Mail price imprinted on the card

1510 International Ancillary Services**1510.1 International Certificate of Mailing**

* * * *

1510.1.2 Prices

Individual Piece Prices

	(\$)
Original certificate of mailing for listed pieces of ordinary Single-Piece First-Class Mail International items	1.15
Three or more pieces individually listed in a firm mailing book or an approved customer provided manifest (per piece)	0.42
Each additional copy of original certificate of mailing or firm mailing bills (each copy)	1.15

Multiple Piece Prices

Identical pieces of ordinary Single-Piece First-Class Mail International paid with regular stamps, precanceled stamps, or meter stamps are subject to the following fees:

	(\$)
Up to 1,000 pieces (one certificate for total number)	6.50
Each additional 1,000 pieces or fraction	0.75
Duplicate copy	1.15

1510.2 International Registered Mail

* * * *

1510.2.2 Prices

Outbound International Registered Mail Prices

	(\$)
Per Piece	11.50

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1510.3 International Return Receipt

* * * *

1510.3.2 Prices

Outbound International Return Receipt Prices

	(\$)
Per Piece	2.30

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1510.4 International Restricted Delivery

* * * *

1510.4.2 Prices

Outbound International Restricted Delivery Prices

	(\$)
Per Piece	4.50

* * * *

1515 Address List Services**1515.2 Prices**

	(\$)
Correction of Address Lists ¹	
Per submitted address	0.35
Minimum charge per list (30 items)	10.50
Change-of-Address Information for Election Boards and Registration Commissions ¹	
Per change of address	0.35
ZIP Code Sortation of Address Lists ¹	
Per 1,000 addresses, or fraction	120.00
Address Sequencing	
Per correction	0.35
Insertion of blanks	0.00

Notes

1. When rural routes have been consolidated or changed to another Post Office, no charge will be made for correction if the list contains only names of persons residing on the routes involved.

1520 Caller Service**1520.2 Prices**

	(\$)
Groups based on Post Office location (Semi-Annual):	
Group 1	660.00
Group 2	580.00
Group 3	520.00
Group 4	510.00
Group 5	500.00
Group 6	450.00
Group 7	410.00
Call Number Reservation (Annual)	40.00

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1530 Confirm Service**1530.1 Description**

- a. Confirm service permits subscribing customers to obtain electronic information regarding when and where mailpieces undergo barcode scans in mail processing operations. Destination Confirm is for a subscriber's outgoing mail; Origin Confirm is for reply mail incoming to a customer. Scan information is not guaranteed for every piece of qualifying mail.
- b. Confirm service provides information for automation-compatible letter-size and flat-size First-Class Mail, Priority Mail, Standard Mail, Periodicals, and Package Services pieces.
- c. Confirm service is available to subscribers authorized by the Postal Service. Authorization requires that a customer demonstrate the capabilities of producing mailpieces with Confirm-compatible barcodes.
- d. Mailers owners may purchase Confirm service by subscribing to Bronze, Silver, Gold, or Platinum subscription levels, and mailing agents may purchase Confirm service by subscribing to Gold or Platinum subscription levels, based on subscription duration and number of scans.
 - The Bronze subscription has a term of one year with the use of one identification code and up to 200,000 scans.
 - The Silver subscription has a term of three months and includes the use of one identification (ID) code and up to 15 million scans.
 - The Gold subscription has a term of twelve months and includes the use of one ID code and up to 50 million scans.
 - The Platinum subscription has a term of twelve months and includes the use of three ID codes and unlimited scans.

At any level, subscribers may license the use of additional ID codes for a term of three months or until expiration of the subscription, whichever occurs first.

1530.2 Prices

	(\$)
<u>Bronze</u>	
<u>Subscription (12 months)</u>	1,000.00
<u>Additional Scans (block of 10,000)</u>	250.00
<u>Silver</u>	
Subscription (3 months)	2,000.00
Additional Scans (block of 2 million)	500.00
<u>Gold</u>	
Subscription (12 months) – <u>Mail Owner</u>	7,500.00
Subscription (12 months) – <u>Mailing Agent</u>	10,000.00
Additional Scans (block of 6 million)	800.00
<u>Platinum</u>	
Subscription (12 months) – <u>Mail Owner</u>	25,000.00
Subscription (12 months) – <u>Mailing Agent</u>	250,000.00
<u>Additional ID Codes</u>	
Annual	2,500.00
Quarterly	900.00

* * * *

1545 Money Orders**1545.2 Prices**

	(\$)		(\$)	(\$)
Domestic	0.01	to	500.00	1.10
Domestic	500.01	to	1,000.00	1.50
APO/FPO	0.01	to	1,000.00	0.30
Inquiry, including a copy of paid money order				5.40

1550 Post Office Box Service**1550.3 Prices***Regular and No Fee*

Box Size	Semi-annual Fee Groups (Groups based on Post Office location) (\$)							
	1	2	3	4	5	6	7	E ¹
1	46.00	36.00	30.00	22.00	20.00	14.00	12.00	0.00
2	70.00	58.00	48.00	35.00	28.00	22.00	18.00	0.00
3	125.00	100.00	88.00	55.00	50.00	38.00	30.00	0.00
4	255.00	195.00	160.00	110.00	90.00	65.00	50.00	0.00
5	410.00	350.00	270.00	205.00	155.00	115.00	90.00	0.00

Notes

1. When the Postal Service determines not to provide carrier delivery to a customer's physical address or business location that constitutes a potential carrier delivery point, as defined by the Postal Service, that customer becomes eligible for one post office box at the Group E fee.

Postal Facilities Primarily Serving Academic Institutions or Their Students

Period of box use (days)	Price
95 or less	½ semiannual price
96 to 140	¾ semiannual price
141 to 190	Semiannual price
191 to 230	1 ¼ semiannual price
231 to 270	1 ½ semiannual price
271 to full year	Two times semiannual price

Ancillary Post Office Box Services

	(\$)
Key duplication or replacement	6.00
Lock replacement	15.00
Key deposit	1.00

First-Class Mail Workshare Passthroughs - Letters, Flats & Parcels

Type of Worksharing	Benchmark	Discount[1]	Cost Differential[2]	Passthrough
First-Class Mail Automation Letters				
Barcoding & Presorting (\$ / piece)				
Automation AADC Letters	Automation Mixed AADC Letters	\$ 0.022	\$ 0.022	100.0%
Automation 3-digit Letters	Automation AADC Letters	\$ 0.003	\$ 0.003	100.0%
Automation 5-digit Letters	Automation 3-digit Letters	\$ 0.022	\$ 0.024	91.7%
First-Class Mail Automation Flats				
Barcoding & Presorting (\$ / piece)				
Automation ADC Flats	Automation Mixed ADC Flats	\$ 0.122	\$ 0.084	145.2%
Automation 3-digit Flats	Automation ADC Flats	\$ 0.061	\$ 0.061	100.0%
Automation 5-digit Flats	Automation 3-digit Flats	\$ 0.162	\$ 0.162	100.0%
First-Class Mail Presorted/Business Parcels				
Barcoding & Presorting (\$ / piece)				
Presort 3-digit Parcels	Presort ADC Parcels	\$ 0.086	\$ 0.480	17.9%
Presort 5-digit Parcels	Presort 3-digit Parcels	\$ 0.132	\$ 0.221	59.7%
First-Class Mail Nonautomation Letters & Flats				
Barcoding (\$ / piece)				
Nonautomation Presort Letters	Automation Mixed AADC Letters	\$ 0.032	\$ 0.017	188.2%
Qualified Business Reply Mail				
Barcoding				
QBRM	Single Piece Letters First Ounce Price	\$ 0.023	\$ 0.023	100.0%

[1] Discounts calculated from respective adjusted rates

[2] Cost Differentials from USPS-FY08-03; Costs are rounded to the same level as prices and discounts

First-Class Mail Workshare Passthroughs - Cards

Type of Worksharing	Benchmark	Discount[1]	Cost Differential[2]	Passthrough
First-Class Mail Automation Cards				
Barcoding & Presorting (\$ / piece)				
Automation AADC Cards	Automation Mixed AADC Cards	\$ 0.010	\$ 0.012	83.3%
Automation 3-digit Cards	Automation AADC Cards	\$ 0.002	\$ 0.002	100.0%
Automation 5-digit Cards	Automation 3-digit Cards	\$ 0.013	\$ 0.013	100.0%
First-Class Mail Nonautomation Cards				
Barcoding (\$ / piece)				
Nonautomation Presort Cards	Automation Mixed AADC Cards	\$ 0.015	\$ 0.008	187.5%
Qualified Business Reply Mail				
Barcoding				
QBRM	Single Piece Cards Price	\$ 0.023	\$ 0.023	100.0%

[1] Discounts calculated from respective adjusted rates

[2] Cost Differentials from USPS-FY08-03; Costs are rounded to the same level as prices and discounts

Standard Mail Letters (Commercial and Nonprofit) - Workshare Discounts and Benchmarks

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost[2]	Passthrough
Standard Mail Letters--Automation				
Presorting (dollars / piece)				
Automation AADC Letters	Automation Mixed AADC Letters	\$0.017	\$0.017	100.0%
Automation 3-digit Letters	Automation AADC Letters	\$0.002	\$0.002	100.0%
Automation 5-digit Letters	Automation 3-digit Letters	\$0.018	\$0.018	100.0%
Pre-barcoding (dollars / piece)				
Automation Mixed AADC Letters	Nonautomation Machinable Mixed ADC Letters	\$0.003	See Note [3]	
Standard Mail Letters--Nonautomation				
Presorting (dollars / piece)^[3]				
Nonautomation AADC Machinable Letters	Nonautomation Mixed AADC Machinable Letters	\$0.017	See Note [4]	
Nonautomation ADC Nonmachinable Letters	Nonautomation Mixed ADC Nonmachinable Letters	\$0.087	\$0.087	100.0%
Nonautomation 3-digit Nonmachinable Letters	Nonautomation ADC Nonmachinable Letters	\$0.044	\$0.044	100.0%
Nonautomation 5-digit Nonmachinable Letters	Nonautomation 3-digit Nonmachinable Letters	\$0.117	\$0.117	100.0%
Standard Mail Letters				
Drop Ship (dollars / pound)				
DBMC Letters	Origin Letters	\$0.163	\$0.221	73.8%
DSCF Letters	Origin Letters	\$0.208	\$0.267	77.9%

Notes

- [1] Source of Discounts: Docket No. R2009-2, Notice of Market-Dominant Price Adjustment, Appendix A
- [2] Drop Ship Cost Differences--Source:USPS-FY08-13, STD DEST ENT TOTAL.xls, Total Summary page
Letters Presorting and Pre-barcoding Cost Differences--Source: USPS-FY08-10, STD Reg Letter Costs-Final.xls, Presort Letters Sum page
Delivery Cost Differences--Source: USPS-FY08-19, Table 1
- [3] See discussion in the Notice of Market-Dominant Price Adjustment at pp. 35-36.

Standard Mail Flats (Commercial and Nonprofit) - Workshare Discounts and Benchmarks

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Standard Mail Flats--Automation				
Presorting (dollars / piece)				
Automation ADC Flats	Automation Mixed ADC Flats	\$0.010	\$0.010	100.0%
Automation 3-digit Flats	Automation ADC Flats	\$0.068	\$0.068	100.0%
Automation 5-digit Flats	Automation 3-digit Flats	\$0.072	\$0.120	60.0%
Pre-barcoding (dollars / piece)				
Automation Mixed ADC Flats	Nonautomation Mixed ADC Flats	\$0.062	\$0.028	221.4%
Standard Mail Flats--Nonautomation				
Presorting (dollars / piece)				
Nonautomation ADC Flats	Nonautomation Mixed ADC Flats	\$0.049	\$0.049	100.0%
Nonautomation 3-digit Flats	Nonautomation ADC Flats	\$0.045	\$0.045	100.0%
Nonautomation 5-digit Flats	Nonautomation 3-digit Flats	\$0.097	\$0.097	100.0%
Standard Mail Flats				
Drop Ship (dollars / pound)				
DBMC Flats	Origin Flats	\$0.163	\$0.221	73.8%
DSCF Flats	Origin Flats	\$0.208	\$0.267	77.9%

Notes

- [1] Source of Discounts: Docket No. R2009-2, Notice of Market-Dominant Price Adjustment, Appendix A
- [2] Drop Ship Cost Differences--Source:USPS-FY08-13, STD DEST ENT TOTAL.xls, Total Summary page
 Flats Presorting and Pre-barcoding Cost Differences--Source: USPS-FY08-11, Std Reg flts ver 121808.xls,
 CRA Adj Unit Costs page (for presorting); Presort Levels Held Constant page (for pre-barcoding)
 Delivery Cost Differences--Source: USPS-FY08-19, Table 1

Standard Mail Parcels and NFMs (Commercial and Nonprofit) - Workshare Discounts and Benchmarks

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Standard Mail Parcels				
Presorting (dollars / piece)				
BMC Machinable Parcels	Mixed BMC Machinable Parcels	\$0.400	\$0.196	204.1%
5-digit Machinable Parcels	BMC Machinable Parcels	\$0.439	\$0.375	117.1%
BMC Irregular Parcels	Mixed BMC Irregular Parcels	\$0.475	\$0.965	49.2%
SCF Irregular Parcels	BMC Irregular Parcels	\$0.400	\$0.965	41.5%
5-digit Irregular Parcels	SCF Irregular Parcels	\$0.059	\$0.177	33.3%
Pre-barcoding (dollars / piece)^[3]				
Mixed BMC Machinable Barcoded Parcels	Mixed BMC Machinable Nonbarcoded Parcels	\$0.070	See Note [3]	
Mixed BMC Irregular Barcoded Parcels	Mixed BMC Irregular Nonbarcoded Parcels	\$0.070	See Note [3]	
Standard Mail NFMs				
Presorting (dollars / piece)				
BMC NFMs (Irregular Parcels)	Mixed BMC NFMs (Irregular Parcels)	\$0.519	\$0.965	53.8%
SCF NFMs (Irregular Parcels)	BMC NFMs (Irregular Parcels)	\$0.354	\$0.965	36.7%
5-digit NFMs (Irregular Parcels)	SCF NFMs (Irregular Parcels)	\$0.033	\$0.177	18.6%
Pre-barcoding (dollars / piece)^[3]				
Mixed BMC Barcoded NFMs	Mixed BMC Nonbarcoded NFMs	\$0.070	See Note [3]	
Standard Mail Parcels, NFMs				
Drop Ship (dollars / pound)				
DBMC Machinable Parcels	Origin Machinable Parcels	\$0.215	\$0.221	97.3%
DBMC Irregular Parcels, NFMs	Origin Irregular Parcels, NFMs	\$0.215	\$0.221	97.3%
DSCF Machinable Parcels	Origin Machinable Parcels	\$0.424	\$0.267	158.8%
DSCF Irregular Parcels, NFMs	Origin Irregular Parcels, NFMs	\$0.466	\$0.267	174.5%
DDU Machinable Parcels	Origin Machinable Parcels	\$0.620	\$0.312	198.7%
DDU Irregular Parcels, NFMs	Origin Irregular Parcels, NFMs	\$0.701	\$0.312	224.7%

Notes

- [1] Source of Discounts: Docket No. R2009-2, Notice of Market-Dominant Price Adjustment, Appendix A
- [2] Drop Ship Cost Differences--Source:USPS-FY08-13, STD DEST ENT TOTAL.xls, Total Summary page
Parcels / NFMs Presorting Cost Differences--Source: USPS-FY08-12, STD NFM PARCEL.xls, Additional Cost Summary page
Delivery Cost Differences--Source: USPS-FY08-19, Table 1
- [3] The Postal Service Standard Mail NFM / Parcel mail processing cost model does not estimate costs separately for pre-barcoded and non-barcoded pieces. Based on the (unrounded) cost savings for BPM Parcels, the non-barcoded surcharge for Standard Mail parcels and NFMs implies a passthrough of 194%

Standard Mail Carrier Route Letters, Flats, Parcels (Commercial and Nonprofit) - Workshare Discounts and Benchmarks

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost[2]	Passthrough
Standard Mail CR Letters, Flats, Parcels				
Drop Ship (dollars / pound)				
DBMC Letters	Origin Letters	0.163	\$0.221	73.8%
DSCF Letters	Origin Letters	0.208	\$0.267	77.9%
DBMC Flats	Origin Flats	0.163	\$0.221	73.8%
DSCF Flats	Origin Flats	0.208	\$0.267	77.9%
DDU Flats	Origin Flats	0.253	\$0.312	81.1%
DBMC Parcels	Origin Parcels	0.221	\$0.221	100.0%
DSCF Parcels	Origin Parcels	0.480	\$0.267	179.8%
DDU Parcels	Origin Parcels	0.625	\$0.312	200.3%

Notes

- [1] Source of Discounts: Docket No. R2009-2, Notice of Market-Dominant Price Adjustment, Appendix A
 [2] Drop Ship Cost Differences--Source:USPS-FY08-13, STD DEST ENT TOTAL.xls, Total Summary page

Standard Mail High Density and Saturation Letters (Commercial and Nonprofit) - Workshare Discounts and Benchmarks

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Standard Mail HD / Saturation Letters				
Drop Ship (dollars / pound)				
DBMC Letters	Origin Letters	0.163	\$0.221	73.8%
DSCF Letters	Origin Letters	0.208	\$0.267	77.9%

Notes

[1] Source of Discounts: Docket No. R2009-2, Notice of Market-Dominant Price Adjustment, Appendix A

[2] Drop Ship Cost Differences--Source:USPS-FY08-13, STD DEST ENT TOTAL.xls, Total Summary page

Standard Mail High Density and Saturation Flats and Parcels (Commercial and Nonprofit) - Workshare Discounts and Benchmarks

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Standard Mail HD / Saturation Flats and Parcels				
Drop Ship (dollars / pound)				
DBMC Flats	Origin Flats	0.163	\$0.221	73.8%
DSCF Flats	Origin Flats	0.208	\$0.267	77.9%
DDU Flats	Origin Flats	0.253	\$0.312	81.1%
DBMC Parcels	Origin Parcels	0.221	\$0.221	100.0%
DSCF Parcels	Origin Parcels	0.480	\$0.267	179.8%
DDU Parcels	Origin Parcels	0.625	\$0.312	200.3%

Notes

[1] Source of Discounts: Docket No. R2009-2, Notice of Market-Dominant Price Adjustment, Appendix A

[2] Drop Ship Cost Differences--Source:USPS-FY08-13, STD DEST ENT TOTAL.xls, Total Summary page

Media Mail and Library Mail - Workshare Discounts and Benchmarks

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Media Mail				
Presorting (dollars / piece)				
Basic	Single Piece	0.39	0.39	100.0%
5-digit	Basic	0.37	0.24	154.2%
Pre-barcoding (dollars / piece)				
Single Piece Barcoded	Single Piece Non-barcoded	0.03	0.04	75.0%
Library Mail				
Presorting (dollars / piece)				
Basic	Single Piece	0.37	0.39	94.9%
5-digit	Basic	0.35	0.24	145.8%
Pre-barcoding (dollars / piece)				
Single Piece Barcoded	Single Piece Non-barcoded	0.03	0.04	75.0%

Notes

- [1] Source of Discounts: Docket No. R2009-2, Notice of Market-Dominant Price Adjustment, Appendix A
 [2] Presorting and Pre-barcoding Cost Differences--Source:USPS-FY08-15, Media Mail MP.xls, Summary page

Bound Printed Matter Flats - Workshare Discounts and Benchmarks

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
BPM Flats				
Presorting (dollars / piece)^[3]				
Basic Flats	Single Piece Flats	0.354	See Note [3]	
Carrier Route Flats	Basic Flats	0.098	0.098	100.0%
Presorting (dollars / pound)^[3]				
Basic, Carrier Route Flats	Single Piece Flats			
Zones 1&2	Zones 1&2	0.052	See Note [3]	
Zone 3	Zone 3	0.062	See Note [3]	
Zone 4	Zone 4	0.060	See Note [3]	
Zone 5	Zone 5	0.067	See Note [3]	
Zone 6	Zone 6	0.069	See Note [3]	
Zone 7	Zone 7	0.068	See Note [3]	
Zone 8	Zone 8	0.078	See Note [3]	
Pre-barcoding (dollars / piece)^[4]				
Single Piece Automatable Flats	Single Piece Nonautomatable Flats	0.030	See Note [4]	
Basic Automatable Flats	Basic Nonautomatable Flats	0.030	See Note [4]	
Carrier Route Automatable Flats	Carrier Route Nonautomatable Flats	0.030	See Note [4]	
Drop Ship (dollars / piece)				
Basic, Carrier Route DBMC Flats	Basic Origin Flats	0.220	\$0.193	114.0%
Basic, Carrier Route DSCF Flats	Basic Origin Flats	0.616	\$0.617	99.8%
Basic, Carrier Route DDU Flats	Basic Origin Flats	0.795	\$0.795	100.0%

Notes

- [1] Source of Discounts: Docket No. R2009-2, Notice of Market-Dominant Price Adjustment, Appendix A
- [2] Presorting Cost Differences (Per Piece)--Source:USPS-FY08-15, BPM MP.xls, Summary page
Drop Ship Cost Differences (Per Piece)--Source:USPS-FY08-15, BPM MP.xls, Summary page
- [3] The BPM cost model does not estimate cost differences between single piece and presorted BPM. Single piece BPM is a residual category with low volume and adequate data are not available. Previously, rate differences between single piece and presorted BPM were based on an assumption that unit mail processing costs for single piece BPM were twice that of presorted BPM. See Docket No R2006-1, USPS-T-38, p. 8.
- [4] Separate estimates of pre-barcoding cost savings are not available for BPM flats. Based on the cost savings for BPM Parcels, the pre-barcoding discount for BPM flats implies a passthrough of 75%

Bound Printed Matter Parcels - Workshare Discounts and Benchmarks

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
BPM Parcels / IPPs				
Presorting (dollars / piece)^[3]				
Basic Parcels / IPPs	Single Piece Parcels / IPPs	0.558	See Note [3]	
Carrier Route Parcels / IPPs	Basic Parcels / IPPs	0.098	0.098	100.0%
Presorting (dollars / pound)^[3]				
Basic, Carrier Route Parcels / IPPs	Single Piece Parcels / IPPs			
Zones 1&2	Zones 1&2	0.046	See Note [3]	
Zone 3	Zone 3	0.045	See Note [3]	
Zone 4	Zone 4	0.045	See Note [3]	
Zone 5	Zone 5	0.039	See Note [3]	
Zone 6	Zone 6	0.038	See Note [3]	
Zone 7	Zone 7	0.023	See Note [3]	
Zone 8	Zone 8	0.014	See Note [3]	
Pre-barcoding (dollars / piece)				
Single Piece Barcoded Parcels / IPPs	Single Piece Nonbarcoded Parcels / IPPs	0.03	0.04	75.0%
Basic Barcoded Parcels / IPPs	Basic Nonbarcoded Parcels / IPPs	0.03	0.04	75.0%
Carrier Route Barcoded Parcels / IPPs	Carrier Route Nonbarcoded Parcels / IPPs	0.03	0.04	75.0%
Drop Ship (dollars / piece)				
Basic, Carrier Route DBMC Parcels / IPPs	Basic Origin Parcels / IPPs	0.218	\$0.193	113.0%
Basic, Carrier Route DSCF Parcels / IPPs	Basic Origin Parcels / IPPs	0.616	\$0.617	99.8%
Basic, Carrier Route DDU Parcels / IPPs	Basic Origin Parcels / IPPs	0.795	\$0.795	100.0%

Notes

- [1] Source of Discounts: Docket No. R2009-2, Notice of Market-Dominant Price Adjustment, Appendix A
- [2] Presorting and Pre-barcoding Cost Differences (Per Piece)--Source:USPS-FY08-15, BPM MP.xls, Summary page
Drop Ship Cost Differences (Per Piece)--Source:USPS-FY08-15, BPM MP.xls, Summary page
- [3] The BPM cost model does not estimate cost differences between single piece and presorted BPM. Single piece BPM is a residual category with low volume and adequate data are not available. Previously, rate differences between single piece and presorted BPM were based on an assumption that unit mail processing costs for single piece BPM were twice that of presorted BPM. See Docket No R2006-1, USPS-T-38, p. 8.

Periodicals Outside County Mail - Workshare Discounts and Benchmarks--

Type of Worksharing	Benchmark	Discount / (Surcharge)[1]	Avoided Cost[2]	Passthrough
Periodicals Outside County Mail				
Presorting (dollars / piece)				
Machinable Nonautomation ADC Flats	Machinable Nonautomation MADC Flats	\$ 0.035	\$0.035	100.0%
Machinable Nonautomation 3D/SCF Flats	Machinable Nonautomation ADC Flats	\$ 0.017	\$0.017	100.0%
Machinable Nonautomation 5D Flats	Machinable Nonautomation 3D/SCF Flats	\$ 0.097	\$0.097	100.0%
CR Basic	Machinable Nonautomation 5D Flats	\$ 0.108	\$0.134	80.6%
High Density	CR Basic	\$ 0.027	\$0.027	100.0%
Saturation	High Density	\$ 0.019	\$0.019	100.0%
Machinable Automation ADC Flats	Machinable Automation MADC Flats	\$ 0.026	\$0.026	100.0%
Machinable Automation 3D/SCF Flats	Machinable Automation ADC Flats	\$ 0.015	\$0.015	100.0%
Machinable Automation 5D Flats	Machinable Automation 3D/SCF Flats	\$ 0.086	\$0.086	100.0%
Nonmachinable Nonauto ADC Flats	Nonmachinable Nonauto MADC Flats	\$ 0.115	\$0.111	103.6%
Nonmachinable Nonauto 3D/SCF Flats	Nonmachinable Nonauto ADC Flats	\$ 0.074	\$0.095	77.9%
Nonmachinable Nonauto 5D Flats	Nonmachinable Nonauto 3D/SCF Flats	\$ 0.116	\$0.194	59.8%
Nonmachinable Automation ADC Flats	Nonmachinable Automation MADC Flats	\$ 0.094	\$0.089	105.6%
Nonmachinable Automation 3D/SCF Flats	Nonmachinable Automation ADC Flats	\$ 0.060	\$0.065	92.3%
Nonmachinable Automation 5D Flats	Nonmachinable Automation 3D/SCF Flats	0.107	\$0.148	72.3%
Pre-barcoding (dollars / piece)				
Machinable Automation MADC Flats	Machinable Nonautomation MADC Flats	\$ 0.032	\$0.032	100.0%
Nonmachinable Automation MADC Flats	Nonmachinable Nonauto MADC Flats	\$ 0.045	\$0.104	43.3%
Barcoded Letters				
ADC Automation Letter	Mixed ADC Automation Letter	\$ 0.040	\$0.017	235.3%
3-Digit Automation Letter	ADC Automation Letter	\$ 0.020	\$0.002	1000.0%
5-Digit Automation Letter	3-Digit Automation Letter	\$ 0.060	\$0.018	333.3%

[1] Discounts calculated from respective adjusted rates

[2] Cost Avoidances from USPS-FY08-03, revised in the response to CIR2 questions 7,9,10,11,12; costs are rounded to the same level as prices and discounts

Periodicals Bundle and Container Pricing[1]

Bundle Pricing by Container Level

Container Level	Bundle Level	Price[2]	Bottom-up Cost[3]	Price as Percent of Cost
Mixed ADC	MADC	\$ 0.077	\$0.173	44.5%
	ADC	\$ 0.201	\$0.450	44.7%
	3-D/SCF	\$ 0.267	\$0.598	44.6%
	5-D	\$ 0.276	\$0.619	44.6%
	Firm Bundle	\$ 0.179	\$0.819	21.9%
ADC	ADC	\$ 0.111	\$0.248	44.8%
	3-D/SCF	\$ 0.183	\$0.410	44.6%
	5-D	\$ 0.199	\$0.444	44.8%
	CR	\$ 0.314	\$0.703	44.7%
	Firm Bundle	\$ 0.149	\$0.684	21.8%
3-D/SCF	3-D/SCF	\$ 0.125	\$0.229	54.6%
	5-D	\$ 0.145	\$0.265	54.7%
	CR	\$ 0.279	\$0.512	54.5%
	Firm Bundle	\$ 0.137	\$0.503	27.2%
5-D/CR	5-D	\$ 0.140	\$0.285	49.1%
	CR	\$ 0.147	\$0.270	54.4%
	Firm Bundle	\$ 0.077	\$0.282	27.3%

Pallet Pricing by Entry Point

Pallet Level	Entry Point	Price	Bottom-up Cost	Price as Percent of Cost
ADC	OSCF	\$ 28.00	\$61.61	45.4%
	OADC	\$ 28.00	\$55.23	50.7%
	OBMC	\$ 28.00	\$48.91	57.2%
	DBMC	\$ 22.40	\$41.06	54.6%
	DADC	\$ 12.40	\$22.69	54.6%
3-D/SCF	OSCF	\$ 33.36	\$72.35	46.1%
	OADC	\$ 33.36	\$67.22	49.6%
	OBMC	\$ 33.36	\$56.17	59.4%
	DBMC	\$ 23.80	\$43.58	54.6%
	DADC	\$ 20.70	\$37.98	54.5%
5-D/CR	DSCF	\$ 11.10	\$20.39	54.4%
	OSCF	\$ 42.13	\$91.61	46.0%
	OADC	\$ 42.13	\$80.36	52.4%
	OBMC	\$ 42.13	\$70.25	60.0%
	DBMC	\$ 31.90	\$58.60	54.4%
DDU	DADC	\$ 30.20	\$55.36	54.6%
	DSCF	\$ 20.40	\$37.44	54.5%
	DDU	\$ 1.60	\$2.92	54.8%

Sack Pricing by Entry Point

Sack Level	Entry Point	Price	Bottom-up Cost	Price as Percent of Cost
Mixed ADC	OSCF	\$ 0.42	\$2.39	17.6%
	OADC	\$ 0.42	\$1.99	21.1%
ADC	OSCF	\$ 2.01	\$5.62	35.8%
	OADC	\$ 2.01	\$5.48	36.7%
	OBMC	\$ 2.01	\$4.85	41.4%
	DBMC	\$ 1.40	\$3.62	38.7%
	DADC	\$ 0.80	\$1.99	40.2%
3-D/SCF	OSCF	\$ 2.10	\$6.02	34.9%
	OADC	\$ 2.10	\$5.74	36.6%
	OBMC	\$ 2.10	\$5.03	41.7%
	DBMC	\$ 1.50	\$3.72	40.3%
	DADC	\$ 1.20	\$3.10	38.7%
5-D/CR	DSCF	\$ 0.80	\$1.99	40.2%
	OSCF	\$ 2.70	\$7.61	35.5%
	OADC	\$ 2.70	\$7.01	38.5%
	OBMC	\$ 2.70	\$6.34	42.6%
	DBMC	\$ 2.00	\$5.08	39.4%
DDU	DADC	\$ 1.70	\$4.35	39.1%
	DSCF	\$ 1.30	\$3.32	39.2%
	DDU	\$ 0.90	\$2.27	39.6%

Notes

- [1] Based on Docket No. R2006-1, PRC-LR-14. Outside County Periodicals bundle and container rates were developed by passing through part of the respective costs, not cost differentials.
- [2] Source of Bundles & Container Prices: New Prices R2009-1
- [3] Bundle & Container Cost --Source: USPS-FY08-3, Revised: February 6, 2009, Resp.CIR2.Qu.7.9.10.11.12; costs are rounded to the same level as prices and discounts.

Periodicals Within County Mail - Workshare Discounts and Benchmarks

Type of Worksharing	Benchmark	Discount / (Surcharge)[1]	Avoided Cost[2]	Passthrough
Periodicals Within County Mail				
Presorting (dollars / piece)				
3-Digit Presort	Basic Presort	\$ 0.012	\$0.066	18.2%
5-Digit Presort	3-Digit Presort	\$ 0.013	\$0.139	9.4%
CR Basic	5-Digit Presort	\$ 0.046	\$0.150	30.7%
High Density	CR Basic	\$ 0.015	\$0.027	55.6%
Saturation	High Density	\$ 0.014	\$0.019	73.7%
3-Digit Automation Letter	Basic Automation Letter	\$ 0.009	\$0.011	81.8%
5-Digit Automation Letter	3-Digit Automation Letter	\$ 0.002	\$0.018	11.1%
Basic Automation Flats	Basic Nonautomation	\$ 0.016	\$0.116	13.8%
3-Digit Automation Flats	3-Digit Nonautomation	\$ 0.012	\$0.072	16.7%
5-Digit Automation Flats	5-Digit Nonautomation Flats	\$ 0.006	\$0.026	23.1%
DDU Dropship	All other zones	\$ 0.008	\$0.016	50.0%

Note:

[1] Calculated from New Prices - R2009-1

[2] USPS-FY08-03 - Revised on February 6, 2009, Resp.CIR2.Qu.7.9.10.11.12; costs are rounded to the same level as prices and discounts.

APPENDIX C: PRICE CAP CALCULATION

Calculation of amount of applicable change in CPI-U

12-Month Moving Average Calculations					
	CPI ^[1]	Last 12 Months Point-to-Point ^[2]	12-Month Total ^[3]	12-Month Total Divided by 12 ^[4]	12-Month Moving Average (Price Cap) ^[5]
Jan-05	190.7				
Feb-05	191.8				
Mar-05	193.3				
Apr-05	194.6				
May-05	194.4				
Jun-05	194.5				
Jul-05	195.4				
Aug-05	196.4				
Sep-05	198.8				
Oct-05	199.2				
Nov-05	197.6				
Dec-05	196.8				
Jan-06	198.3	4.0%	2351.1	195.9250	
Feb-06	198.7	3.6%	2358.0	196.5000	
Mar-06	199.8	3.4%	2364.5	197.0417	
Apr-06	201.5	3.5%	2371.4	197.6167	
May-06	202.5	4.2%	2379.5	198.2917	
Jun-06	202.9	4.3%	2387.9	198.9917	
Jul-06	203.5	4.1%	2396.0	199.6667	
Aug-06	203.9	3.8%	2403.5	200.2917	
Sep-06	202.9	2.1%	2407.6	200.6333	
Oct-06	201.8	1.3%	2410.2	200.8500	
Nov-06	201.5	2.0%	2414.1	201.1750	
Dec-06	201.8	2.5%	2419.1	201.5917	
Jan-07	202.416	2.1%	2423.2	201.9347	3.1%
Feb-07	203.499	2.4%	2428.0	202.3346	3.0%
Mar-07	205.352	2.8%	2433.6	202.7973	2.9%
Apr-07	206.686	2.6%	2438.8	203.2294	2.8%
May-07	207.949	2.7%	2444.2	203.6835	2.7%
Jun-07	208.352	2.7%	2449.7	204.1378	2.6%
Jul-07	208.299	2.4%	2454.5	204.5378	2.4%
Aug-07	207.917	2.0%	2458.5	204.8725	2.3%
Sep-07	208.490	2.8%	2464.1	205.3383	2.3%
Oct-07	208.936	3.5%	2471.2	205.9330	2.5%
Nov-07	210.177	4.3%	2479.9	206.6561	2.7%
Dec-07	210.036	4.1%	2488.1	207.3424	2.9%
Jan-08	211.080	4.3%	2496.8	208.0644	3.0%
Feb-08	211.693	4.0%	2505.0	208.7473	3.2%
Mar-08	213.528	4.0%	2513.1	209.4286	3.3%
Apr-08	214.823	3.9%	2521.3	210.1067	3.4%
May-08	216.632	4.2%	2530.0	210.8303	3.5%
Jun-08	218.815	5.0%	2540.4	211.7022	3.7%
Jul-08	219.964	5.6%	2552.1	212.6743	4.0%
Aug-08	219.086	5.4%	2563.3	213.6050	4.3%
Sep-08	218.783	4.9%	2573.6	214.4628	4.4%
Oct-08	216.573	3.7%	2581.2	215.0992	4.5%
Nov-08	212.425	1.1%	2583.4	215.2865	4.2%
Dec-08	210.228	0.1%	2583.6	215.3025	3.8%

[1] Consumer Price Index -- All Urban Consumers, U.S. All Items (the "CUUR0000SA0" series)

[2] The current month CPI [Column 1] divided by CPI for same month, previous year

[3] Sum of the most recent 12 months CPI measurements in Column [1]

[4] Column [3] / 12

[5] (The current month value in Column [4] / value from same month, previous year) - 1