

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

NOTICE OF MARKET-DOMINANT
PRICE ADJUSTMENT

Docket No. R2012-3

UNITED STATES POSTAL SERVICE
NOTICE OF MARKET-DOMINANT PRICE ADJUSTMENT
(October 18, 2011)

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 a.m. on January 22, 2012, and affects all the market-dominant classes. 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 Attachment A.¹

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, the Postal Service is publishing notice of these price changes on USPS.com, the Postal Explorer website, and the *DMM Advisory*, as well as issuing a Press Release announcing the changes. Thus, widespread notice of these prices is being given prior to their planned implementation date. Furthermore, the Postal Service plans to provide public notice of these price changes in future issues of the *PCC Insider*, *MailPro*, *Postal Bulletin*, and *Federal Register*.

¹ Attachment A also contains the proposed Mail Classification Schedule changes.

The Postal Service, pursuant to Rule 3010.14(a)(4), identifies Mr. Scott J. Davis as the official who will be available to provide responses to queries from the Commission. Mr. Davis' 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" associated with the new prices. It also explains how the 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 describes the changes to the Mail Classification Schedule (MCS) related to 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 2.133 percent. See Attachment C. This is based on the Consumer Price Index – All Urban Consumers, U.S. All Items (the “CUUR0000SA0” series), and the Commission’s established methodology for calculating the price cap for a partial year as provided in Rule 3010.22(b).

B. Unused Price Adjustment Authority

The Postal Service does not plan to use any unused price adjustment authority in this docket. The existing unused rate authority, by class, is provided below.²

Table 1
Available Unused Price Adjustment Authority,
By Mail Class

Class	Unused Authority (%)
First-Class Mail	-0.530
Standard Mail	-0.472
Periodicals	-0.562
Package Services	-0.551
Special Services	-0.438

C. Overall Price Adjustment Authority

In this filing, the Postal Service will use only annual limitation authority. Thus, the Postal Service is authorized to raise the prices for each class by the following percentage:

² Order No. 675 (February 16, 2011) at 1.

Table 2
Price Adjustment Authority By Mail Class

Class	Price Adjustment Authority (%)
First-Class Mail	2.133
Standard Mail	2.133
Periodicals	2.133
Package Services	2.133
Special Services	2.133

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 adjustments that are supported and reasonable. 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 average price change must be less than or equal to the Postal Service’s available price adjustment authority in Table 2.

The new prices are in Attachment 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-R2012-3/1 First-Class Mail
- USPS-R2012-3/NP1 First-Class Mail International
- USPS-R2012-3/2 Standard Mail

USPS-R2012-3/3	Periodicals
USPS-R2012-3/4	Package Services
USPS-R2012-3/5	Special Services

Each set of workpapers has a Preface that explains the contents in detail. The Preface provides an overview of the workpapers, a discussion of any necessary adjustments to the billing determinants for the four quarters ending Q3 FY 2011, and an explanation of the revenue calculations.

E. Percentage Change by Mail Class

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

Table 3
2012 Price Change Percentage by Mail Class

Class	Percent Change
First-Class Mail	2.133
Standard Mail	2.124
Periodicals	2.133
Package Services	2.133
Special Services	-0.663

F. Unused Pricing Authority Resulting From this Change

For Standard Mail and Special Services, this change adds to the unused pricing authority resulting from prior market-dominant price changes under the price cap. The

Postal Service calculates the unused price adjustment authority that it will have following this price change as follows:³

Table 4
Unused Pricing Authority Available Following this Price Change

Class	Percentage Points
First-Class Mail	
R2011-2 [1]	-0.530
R2012-3 [2]	0.000
Total	-0.530
Standard Mail	
R2011-2 [1]	-0.472
R2012-3 [2]	0.009
Total	-0.463
Periodicals	
R2011-2 [1]	-0.562
R2012-3 [2]	0.000
Total	-0.562
Package Services	
R2011-2 [1]	-0.551
R2012-3 [2]	0.000
Total	-0.551
Special Services	
R2011-2 [1]	-0.472
R2012-3 [2]	2.796
Total	2.324

[1] Order No. 675 at 1

[2] Cap Calculation worksheets (USPS-R2012-3/1 through 5).

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

³ 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.

planned prices are consistent with sections 3626, 3627, and 3629. In addition, the 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.”⁴

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 ratemaking system of the Postal Reorganization Act (PRA). 39 U.S.C. 3622(a). 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 by the percentages specified in Table 3. With the exception of Special Services, these increases are approximately equal to the calculated CPI-U cap of 2.133 percent. 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, the workshare standards of section 3622(e), and the requirements of section 3626. This clearly meets the objective that the pricing process be transparent. Furthermore, the FY 2010 Annual Compliance Report (ACR), filed December 29, 2010, furnishes to the public considerable data concerning market dominant products’ costs, revenues, and service quality.

⁴ 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.

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 provision of advance notice of increases to prices on a predictable basis, consistent with inflation. With this price change, the Postal Service is moving to a January implementation date for Mailing Services price changes, consistent with the implementation date for Shipping Services.

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

“(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 3622.⁵ When considering this price change, it is important to consider the long-term, rather than simply focusing on this year’s prices in isolation.

1) First-Class Mail

First-Class Mail has six products: Single-Piece Letters/Postcards, Presorted Letters/Postcards, Flats, Parcels, Outbound Single-piece First-Class Mail International, and Inbound Single-Piece First-Class Mail International. The prices for these products change as follows:

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

Table 5
First-Class Mail Product Price Changes

Product	Percent Change
Single-Piece Letters & Cards	2.468
Presort Letters & Cards	1.580
Flats	1.605
Parcels	10.882
International	4.679
Overall	2.133

The Postal Service is increasing the price of a stamp for the first-ounce single-piece letter by one cent to 45 cents. This represents the first increase to the first-ounce single-piece stamp price since May 2009. The overall increase for Single-Piece Letters & Cards is 2.468 percent which includes a 3 cent increase in the price for Single-Piece Cards. The average increase for single-piece mail is higher than presorted mail. In the last CPI change (Docket No. R2011-2), the overall increase for Presort Letters and Cards was 1.796, percent while Single-Piece Letters & Cards increased by only 0.461 percent.

This docket also reflects the recent transfer of First-Class Mail Commercial Base and Commercial Plus parcels to the competitive products list, as approved by the Commission in Order No. 710 in Docket No. MC2011-22. Only the retail parcel and Keys and Identification Devices categories remain in the market dominant Parcels product. Volumes of retail parcels were derived using the same methodology established in Docket No. R2011-2. As stated in the Preface document of First-Class Mail workpapers, the RPW data for the initial three quarters (Q4 FY2010 to Q2 FY2011) of the hybrid billing determinants does not make a distinction between Retail and Commercial Base parcels. To assign these parcels to their respective categories, indicia

were used. Specifically, Stamps, PVI, Meter and Other indicia were assigned to the Retail category, while IBI (including PC Postage) and Permit were assigned to Commercial Base. After the implementation of Docket No. R2011-2 prices on April 17, 2011 (Q3 FY2011), RPW began reporting First-Class Mail parcels data for both Retail and Commercial Base parcels.

The MCS establishes each shape within First-Class Mail as a distinct product. This price change increases the per-piece price differential between letters and flats, and between letters and parcels (Factor 1, Factor 2).⁶ Currently the price of a single-piece letter is 44 cents and that of a single-piece flat is 88 cents. The difference is 44 cents. The proposed prices include 45 cents for single-piece letters and 90 cents for single-piece flats, resulting in a difference of 45 cents.

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). The overall increase for Presort Letters & Cards is below the overall average for First-Class Mail. The largest percentage increase is for the least presorted (Mixed AADC) price, which increases from 39 cents to 40.4 cents, a 3.6 percent increase. The new prices for AADC and 3-Digit Presorted letters are set equal at 37.4 cents. The Postal Service is not changing the presorting requirements for either rate cell, and will permit customers to elect either level of sortation and pay the same price. The cost avoidance between the AADC and 3-Digit presort level fell to 0.2 cent in the latest Annual Compliance Determination (ACD) issued on March 29, 2011 (pages 87-88). Currently, the Postal Service's network is being reviewed for possible

⁶ The gap between single-piece letters and flats increases to 45 cents thereby, maintaining the simplicity of the price structure, since the gap is equivalent to the price of a single-piece first ounce stamp (Factor 6). The letter-parcel differential increase from \$1.27 to \$1.50.

adjustments to reduced volume. As network realignment progresses, the Postal Service will be better able to determine what sortation will be most appropriate for mail currently entered using AADC or 3-digit sortation. However, because network optimization initiatives are still in the development process, the Postal Service determined that the best course of action would be to preserve existing sortation options for customers in 2012, while it evaluates whether either of these sortations or a reconfigured plant “scheme” sort would be more consistent with any new network design yet to be implemented. This approach (as compared to, for example, eliminating one of the current sortation options in January 2012) will not require customers to change sortation processes and software: the current options remain available, but at the same price.

The price increases for AADC, 3-Digit, and 5-Digit Automation Presort Letters are 1.6 percent, 2.5 percent, and 2.9 percent, respectively. In absolute terms, the price increase for AADC Letters is 0.6 cent, while the 3-Digit and 5-Digit price increases are 0.9 cent and 1.0 cent, respectively.

Table 6
First-Class Mail First-Ounce Prices

1-ounce letter	Price per Piece		Change	
	Current	New	Cents per piece	Percent Change
Single-Piece	\$0.44	\$0.45	\$0.010	2.3%
Mixed AADC	\$0.390	\$0.404	\$0.014	3.6%
AADC	\$0.368	\$0.374	\$0.006	1.6%
3-Digit	\$0.365	\$0.374	\$0.009	2.5%

5-Digit	\$0.340	\$0.350	\$0.010	2.9%
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The Postal Service is expanding the lightest weight step (currently one ounce) for First-Class Mail Automation and Nonautomation Presort Letters, by increasing the maximum qualifying weight of an automation letter from 1 ounce to 2 ounces. This change reduces the price of First-Class Mail Automation and Nonautomation Presort Letters weighing between 1 and 2 ounces. This pricing structure is available only to pieces weighing 2 ounces or less. A three ounce piece will pay for the additional ounces in the traditional fashion: that is, the first-ounce price plus the price for two additional ounce increments.

With this initiative, the Postal Service is trying to retain First-Class Mail volume, by focusing on the volume declines in First-Class Mail Automation Letters. While many business mailers are seeking reductions in their mailing expenses through electronic substitution, the Postal Service aims to provide commercial mailers with attractive pricing to preserve mail as a viable option. Offering the second ounce for free for First-Class Mail Automation and Presort Letters allows mailers to insert additional pages (for example, promotional material) that would not otherwise be sent, because the mailer would not choose to add material if it requires paying the additional ounce rate. Mailers have advised repeatedly that they are converting to online channels to reduce costs. Many report that they are currently “filling [envelopes] to the ounce”; that is, they have redesigned their bills and statements to reduce the weight and number of pages so that they do not have to pay additional ounce postage. Providing the second ounce free for

presorted letters will enhance the value of First-Class Mail as a communication vehicle and aid in stemming the rate of diversion to other media.

Table 7
First-Class Mail Automation Letters – 2 Oz. Pieces

	Current Price	New Price	Change	Percent Change
Mixed AADC	\$0.515	0.404	-\$0.111	-21.6%
AADC	\$0.493	\$0.374	-\$0.119	-24.1%
3-Digit	\$0.490	\$0.374	-\$0.116	-23.7%
5-Digit	\$0.465	\$0.350	-\$0.115	-24.7%

The overall increase for Flats is 1.605 percent. The first-ounce price for single-piece flats changes from 88 cents to 90 cents (or the value of two First-Class Mail single-piece stamps), a 2.3 percent increase. Prices for Nonautomation Presort and Mixed ADC Automation flats increase by less than 1 percent. ADC, 3-Digit, and 5-Digit automation flats are all increasing at a higher percentage than the overall increase in Flats, as well as the overall increase in First-Class Mail.

Parcels (including Keys and Identification Devices) is the only product that required adjustments in the hybrid (Quarter 4, FY2010 and Quarters 1–3 FY2011) billing determinants. As a result of Docket No. MC2011-22, Commercial Base and Commercial Plus parcels are now classified in the competitive category, and the January 2012 prices for these parcels will be provided in the Postal Service’s notice of competitive product price changes to be filed later this fall. The Retail portion of First-Class Mail single-piece parcels remains in the market dominant First-Class Mail class.

First-Class Mail Parcels receives a 10.8 percent increase, which is higher than the overall increase for First-Class Mail. As reported in the 2010 Annual Compliance Determination FY 2010 issued on March 29, 2010 (page 84), First-Class Mail Parcels barely covered its attributable cost in FY 2010 at a cost coverage of 100.1 percent. Presort parcels more comfortably covered its cost at 111.6 percent, while the cost coverage for Single-Piece parcels was 99.9 percent. The Commercial Base single-piece portion likely has a higher cost coverage than the Retail portion of First-Class Mail parcels remaining in the market dominant arena. Thus, the cost coverage for Retail parcels is likely below 99.9 percent. The higher-than-average increase for the remaining First-Class Mail market dominant parcels is expected to improve the cost coverage for the parcels remaining in the market dominant mail stream.

For Outbound Single-piece First-Class Mail International (FCMI), the Postal Service is increasing prices by 4.9 percent overall, which is necessary to increase contribution and improve cost coverage (Factor 2, Factor 12). The Postal Service is increasing FCMI Letters significantly above the First-Class Mail average of 2.133 percent to address cost coverage problems for FCMI Letters at the one-ounce weight step. For FCMI Letters, Flats, and Parcels, the overall increases are 6.6 percent, 3.7 percent, and 4.0 percent.

2) Standard Mail

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

Table 8
Standard Mail Product Price Changes

Product	Percent Change
Letters	1.867
Flats	2.209
Parcels	2.864
High Density / Saturation Letters	2.298
High Density / Saturation Flats and Parcels	2.878
Carrier Route	2.425
Overall	2.124

In this price adjustment, Letters receives an increase that is slightly below average. Three factors contribute to this result: the above-cap increases for Flats and Parcels, the price increase for Detached Address Labels, which pushed up the average increase for the High Density and Saturation Flats and Parcels product, and the price reduction for nonprofit letters that was needed to achieve the required nonprofit to commercial revenue per piece ratio. Each of these is discussed below in greater detail.

In the FY 2010 ACD, the Commission directed the Postal Service “to increase the cost coverage of the Standard Mail Flats product through a combination of above-average price adjustments, consistent with the price cap requirements, and cost reductions until such time that the revenues for this product exceed attributable costs.”⁷ The Postal Service remains concerned about the financial health and long-term viability of the catalog industry, a major user of the Flats product, and so the Postal Service has used its pricing flexibility to keep Flats price increases moderate (objectives 2, 4, factors 3, 7), even though the product’s price increase is slightly above the cap (objective 5,

⁷ 2010 Annual Compliance Determination at 106. The Postal Service has sought judicial review of this directive because it is (1) contrary to the express terms of the PAEA, (2) beyond the Commission's authority in the context of its review of an annual compliance report, and (3) arbitrary and capricious in that the Commission failed to address the argument that such a course of action may actually result in less contribution and, therefore, have a negative impact on the Postal Service's financial stability.

factor 2). This approach reflects ongoing concern that the condition of the catalog industry and the economy generally suggest that substantially larger than average Flats price increases may result in volume declines that may undermine the viability of this product. In addition, potential operational changes, including network optimization, could substantially reduce operating expenditures. Thus, a balanced approach of moderate price increases in conjunction with cost saving will, over time, begin to address the cost challenges faced by this product.

This price adjustment also reflects classification changes to the Postal Service's NFM/Parcels product. The Postal Service is restructuring its parcels offerings to provide a more flexible and more compensatory fulfillment parcels offering (factor 2, objective 5), while also seeking to develop and grow profitable marketing parcels business (factor 8).

The first part of the restructuring effort is the transfer of commercial machinable and irregular parcels, commonly used for mail order fulfillment, to the competitive products list, as conditionally approved by the Commission in Docket No. MC2010-36. The Commission set three conditions for the transfer: (1) that the Postal Service would file a notice of competitive price adjustment for Parcel Select prices, including the transferred parcels (to be known as Parcel Select Lightweight), that would demonstrate that Parcel Select prices would satisfy 39 U.S.C. 3633(a) and 39 CFR part 3015; (2) that the Commission would issue an order finding that these Parcel Select prices satisfied the cited requirements; and (3) that the transfer would not take place before the effective date of the adjusted Parcel Select prices. The Postal Service intends to change both Parcel Select (including Parcel Select Lightweight) and market dominant

prices on January 22, 2012. Having both sets of price changes, as well as the transfer, planned to take place on the same date raises a timing issue, since no notice of competitive price adjustment has yet been filed. Nevertheless, the Postal Service intends to issue a notice of price adjustment later this year that contains pricing that would meet the Commission's conditions. Assuming approval by the Postal Service Governors, the Postal Service expects that this notice will be filed prior to the completion of this notice of market dominant price adjustment proceeding.⁸ Standard Mail nonprofit machinable and irregular parcels will remain in market dominant Standard Mail.

The transfer of commercial fulfillment parcels will have two significant effects on Standard Mail. First, with the transfer of commercial fulfillment parcels out of Standard Mail, nonprofit parcels become a more significant component of the Standard Mail parcels offerings. Second, the transfer results in the commercial mail with the highest average revenue per piece leaving Standard Mail, thereby lowering the average revenue per piece for commercial Standard Mail by a small, but noticeable, amount, while leaving the nonprofit average revenue per piece unchanged. This makes it necessary to have a one-time reduction in the nonprofit average revenue per piece to maintain the required 60 percent ratio.⁹ Because of the relative prices of commercial and nonprofit parcels, and the fact that the majority of nonprofit Standard Mail pieces

⁸ Consistent with its prior commitments to customers, the Postal Service will provide notice of its competitive products price change approximately 60 days prior to the implementation of those prices on January 22, 2012.

⁹ Since the PAEA was implemented, this ratio has been calculated at the class level, and not at the product or mail-piece shape level. As discussed in Docket No. MC2010-36, prices for nonprofit parcels and all other nonprofit mail will be set to ensure that nonprofit Standard Mail pieces continue to yield per-piece revenues that are 60 percent of commercial Standard Mail per-piece revenues. See Docket No. MC2010-36, Revised Response of the United States Postal Service to Question 11(c) of Chairman's Information Request No. 1 (October 15, 2010).

are letters, this adjustment could not be achieved solely by adjusting nonprofit parcels prices while maintaining reasonable rates. Therefore, nonprofit letters prices were reduced somewhat to bring the ratio to the required level. Furthermore, because the Flats and NFMs and Parcels products were not covering their costs, nonprofit mail prices for those products are increased, rather than reduced. (objective 5, factor 2).

The parcels restructuring also eliminates the NFMs category and, in its place, establishes a new Marketing Parcels category. Marketing Parcels will have different dimensions and addressing standards than the NFMs category, and will be specifically targeted as a vehicle for mailers to offer product samples to postal customers as part of their advertising programs (factor 8). Central to the concept of Marketing Parcels will be alternate forms of addressing, such as including “Or Current Resident” along with the mail piece’s address. With this form of alternate addressing, the Postal Service expects that commercial mailers who currently use the NFMs category to mail fulfillment parcels will choose to use mailing options other than Standard Mail, while nonprofit mailers will use the Standard Mail nonprofit irregular parcels category. In calculating the overall percentage increase for Standard Mail, therefore, the Postal Service has adjusted the billing determinants volumes to reflect the transfer of commercial machinable and irregular parcels out of Standard Mail, and an estimated portion of current NFMs volumes that will either leave Standard Mail (commercial NFM fulfillment mail), or migrate to Standard Mail nonprofit irregular parcels (nonprofit NFM fulfillment mail).¹⁰

¹⁰ See Docket No. MC2010-36, Request of the United States Postal Service to transfer commercial Standard Mail Parcels to the competitive products list, footnote 6 (August 16, 2010), and Docket No. R2010-3, Response of James Kiefer to Presiding Officer’s Information Request No. 4, Question 6 (March 22, 2010) for information on how the number of fulfillment NFMs that would migrate out of the Marketing Parcels category was estimated.

It is not yet clear what effect this planned restructuring will have on Parcels revenues and costs, particularly due to the movements of large volumes of mail within and out of Standard Mail. The Postal Service has taken a cautious approach to pricing the remaining parcels and not made large pricing changes (objective 1, factor 7).

In this pricing adjustment, the Postal Service is also using its pricing flexibility to revise how it prices Detached Address Labels (DALs) (factors 7, 2, objective 4). Currently, all mail pieces that use DALs pay a surcharge of 1.7 cents per piece. The Postal Service believes that the surcharge does not fully cover the additional costs of DALs when used with flats, and that DALs are not needed for Saturation flats (factor 2, objectives 1, 5). The Postal Service observes that some mailers still use DALs with their Saturation flats, but believes that saturation flats with on-piece addressing are less costly to process and deliver than flats with DALs. Small mailers of Saturation flats who do not want to use on-piece addressing may be able to use its Every Door Direct Mail (EDDM) service that allows for qualified mail to use simplified addressing (factor 3). For these reasons, the Postal Service is raising the price for all DALs used with flats to 5.0 cents, whether or not the DALs bear messages in addition to those specifically required by the DMM. Because of the number of DALs currently being used, and the size of the price increase for DALs, the DALs price increase pushes the overall increase for the High Density and Saturation Flats and Parcels product up to almost 2.9 percent. The price change for Saturation Flats, exclusive of DALs, is less than 1.7 percent.

In addition to the price change for Detached Address Labels, the Postal Service is dividing these labels into two categories: one for labels that contain advertising, and

one for labels with no advertising. For the time being, both categories will have the same price.

In contrast to the impact on flats, the Postal Service believes that DALs lower the cost of delivering merchandise samples (parcels) because they eliminate the need to keep bulky parcels sequenced before and during the delivery operation. For this reason, the Postal Service is eliminating the surcharge completely for DALs used with parcels to encourage their use when they contribute to lower delivery costs (factor 7, objective 1).

3) Periodicals

The Periodicals class includes magazines and newspapers, and consists of two products: Within 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	2.136
Within County	2.054
Overall	2.133

The Periodicals class has been challenged in terms of cost coverage. It did not cover its attributable costs in FY 2010 (Factor 2, Objective 8). The Postal Service is cognizant of the special situation of Periodicals in terms of both its value to the public (Factor 8, Factor 11), and its failure to cover costs.

This price change 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.

The Periodicals price structure remains unchanged, with one addition: a rate cell for Origin Mixed Area Distribution Center (ADC) pallets. This option allows mailers who enter mail at origin to be more efficient by using origin-entered mixed ADC pallets. This addition will encourage palletization rather than sacking where feasible. [More detail on this addition and other Periodicals price changes is included in USPS-R2012-3/3.]

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	2.472
BPM Flats	0.504
BPM Parcels	1.886
Media Mail and Library Mail	2.581
Inbound Surface Parcel Post	1.958 ¹¹
Overall	2.133

The Postal Service's overall goal in Package Services is to improve product profitability. In FY 2010, Package Services as a class failed to cover its costs.

¹¹ 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 by the Postal Operations Council.

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. Despite having the largest percentage increase in Package Services, Media Mail and Library Mail are still priced below other ground parcels, partly to recognize their “educational, cultural, scientific, and informational value” (Factor 11).

Bound Printed Matter (BPM) includes two products: Flats (primarily heavy catalogs), and Parcels (primarily product order fulfillment). Bound Printed Matter Flats already have a healthy cost coverage; therefore, to offset the needed higher price increases for the lower-performing products discussed above, the price increase for BPM Flats is lower than products with lower cost coverage. This should encourage mailing of lower-cost, flat-shaped, heavy-weight catalogs, and continue the shape-based deaveraging that was begun in Docket No. R2001-1. It reflects the lower costs of processing and delivering flats relative to parcels.

The price adjustment for Single-Piece Parcel Post is slightly larger than average for the mail class, but not as high as that of Media/Library Mail. This reflects the fact that Single-Piece Parcel Post does not cover cost, but has a higher cost coverage than Media/Library Mail.

The Postal Service is eliminating the 3-cent barcode discount on Package Service products including Library Mail, Media Mail and Bound Printed Matter Parcels. Since all mail will be required to have a barcode in the near future, this discount will be obsolete. The barcode discount is unnecessary with the mandatory requirement of the Intelligent Mail Package barcode for commercial customers in 2013.

The Postal Service is also adding Package Intercept service as an optional feature for First-Class Mail, Standard Mail, and Package Services. While this service will be proposed as a new competitive product in the subsequent competitive price change filing, for administrative ease the related changes in the market-dominant section of the Mail Classification Schedule have been included in this filing.

5) Special Services

The Special Services class currently contains the following products: Ancillary Services, International Ancillary Services, Address Management 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, Stamp Fulfillment Services, and Customized Postage. While most fees increase, the overall fee increase for all Special Services is -0.663 percent as a result of including delivery confirmation as an integral part of several parcel offerings at no additional fee.

For most of the special services, fee increases were designed to be close to the cap percentage, while maintaining consistency with historical rounding constraints, which simplify transactions for customers (Factor 3, Factor 6).

Large price reductions for Delivery Confirmation and Confirm services explain the overall price reduction for Special Services. Several prices for Delivery Confirmation service are being set to zero as the Postal Service transitions to an environment where tracking becomes an integral feature of parcels mailed at commercial rates. Zero-fee Delivery Confirmation service will generally apply also when customers return items to

merchants, whether postage is paid by the merchant or the customer.¹² The result is an overall price decrease of 31.8 percent for Delivery Confirmation service (Factors 1, 6, and 13).¹³

The prices for Confirm service are being set to zero, because the Postal Service intends to end Confirm service once existing customers' subscriptions end. The service will become a feature of the classes of mail that include letters and flats when the mailers use an IMb that contains a Mailer Identification (MID) code that has been registered to receive scan data (Factors 1 and 13).

The Account Maintenance and Permit fees have no increase this year after a greater than average price increase during the last price change (Factor 3). Additionally, the Postal Service will waive the Permit fee as long as 90 percent of the mail volume of each mailing meets Full-Service standards, for First-Class Mail, Standard Mail, Bound Printed Matter, First-Class Package Service, and Parcel Select Lightweight.

Caller Service prices are increased between 1 and 2 percent depending on the fee group.

For Post Office Box service, prices are again increased only for Size 1 boxes due to the small size of the price cap. The cap did allow for the increase of Size 1 by \$1.00 in Fee Groups 2 through 7, and also enabled Size 1 in Fee Group 1 to be increased by \$2.00, to make the percentage increases more consistent across all the Fee Groups.

¹² For a description of the Postal Service's changed return policies, see *Postal Bulletin 22320*, at 12 (Sept. 22, 2011).

¹³ Free electronic option Delivery Confirmation that is currently available with Priority Mail and Parcel Select will be extended to additional products as part of the next competitive product filing later this year.

Approximately 6.1 million market dominant P.O. Boxes at 6,800 locations are being moved to the competitive category pursuant to Commission Order No. 780 (Docket No. MC2011-25) issued on July 29, 2011. Prices for these boxes were not changed concurrent with Order 780, but these P.O. Boxes will be managed under the competitive price schedule. Therefore, the box counts within the P.O. Box product have been adjusted downwards to reflect the transfer. The movement of these P.O. boxes will transfer \$431 million of revenue out of the market dominant Special Services category. See USPS-R2012-3/5 Workpaper CapCalc-SpecServFY2010Q4-FY2011Q3 for more details.

For Stamped Envelopes, the overall price increase is 4.9 percent. The increase is driven by increasing the price of single sale envelopes by 1 cent and making the window option a separate feature. The price for boxes of 50 and 500 envelopes are reduced as a result of windows becoming a premium feature (Factors 1 and 6).

For Stamped Cards, the fee does not change from the current three cents for existing offerings. However, the Postal Service will offer a personalization option and a 4-card sheet option, which will allow mailers to print efficiently on the cards using their own printers (Factor 6). The Postal Service is also enhancing the value of the cards by making the postage they bear Forever postage (Factor 7).¹⁴

Finally, where similar services exist, international special services fees are set equal 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.

¹⁴ The stamped cards will sell for the First-Class Mail postcard postage at the time of purchase, plus the stamped card fee. The stamped cards will be valid for mailing at any future time without adding additional postage.

More detail on Special Services price changes is included in USPS-R2012-3/5.

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. R2011-2 price change, which the Commission concluded was an appropriate interpretation of section 3626.¹⁵

First, section 3626(a)(3) requires that the prices for Within County Periodicals “reflect[] its preferred status” as compared to the prices for regular rate Periodicals.¹⁶ This price adjustment continues to recognize the preferential status of Within County Periodicals by setting prices 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 Outside County Periodicals.

¹⁵ See Order No. 675 at 23, 37.

¹⁶ 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.

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 Dockets No. R2008-1, R2009-2 and R2011-2, 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 59.8 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.¹⁷ Details of the nonprofit-commercial revenue per piece ratio are contained in Attachment USPS-R2012-3/2, workbook CAPCALC-STD-R2012.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.

¹⁷ 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 Docket No. R2009-2, the Commission approved a nonprofit to commercial price ratio of 60.2 percent. Order No. 191 at 44; USPS-R09-2/2, tab "Price Change Summary".

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: for section 3627, the Postal Service does not seek to alter the free rates; for 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 Attachment B. These tables have the avoided cost data from the FY 2010 ACD. The discounts in USPS-FY10-3 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 three workshare tables for First-Class Mail and there are 13 passthroughs (discount divided by cost avoidance) in First-Class Mail to be evaluated for compliance. Four of these passthroughs are over 100 percent, that is, discounts exceed cost avoidances when comparing the previous fiscal year's cost avoidances with the new prices. Three passthroughs are below 100 percent; that is, discounts are less than the most recent fiscal year's cost avoidance. Six passthroughs are equal to 100 percent, and one is zero because of a pricing structure change proposed by the Postal Service.¹⁸ 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.

Single-Piece Letters and Postcards

The passthroughs of the cost avoidances underlying the discounts for both QBRM Letters and QBRM postcards are 157.1 percent. In Docket No. R2011-2, this passthrough was 176.9 as filed by the Postal Service (Notice of Price Adjustment, Attachment B), and 164.3 in the Commission workpapers (FCM Workshare Discounts). Postal Service pricing in this docket has reduced the discount from 2.3 cents to 2.2 cents, moving the passthrough closer to 100 percent. Even with the greater than 100 percent passthrough, the increase in the price of QBRM letters is 2.6 percent and the price increase for QBRM cards is 11.6 percent. Reducing this discount and raising QBRM prices more was not a desirable option from a business perspective.

¹⁸ This particular passthrough is zero in the current docket, because the prices for AADC and 3-Digit Automation Letters are the same. In the future the Postal Service expects to have one, yet to be determined, sortation level between Mixed AADC and 5-Digit

QBRM prices, although in the single-piece classification, are paid by bulk mailers to generate additional business. In this docket, the Postal Service is requesting an incentive for the outgoing QBRM type pieces (that is, including additional material for no additional price) by increasing the qualifying weight for Presort letters from 1 to 2 ounces. The goal is to provide an incentive for these pieces to remain in the mail. Raising the QBRM price still higher would undercut this objective. Therefore, in light of the need to mitigate the price increase, the passthrough exceeds 100 percent, pursuant to section 3622(e)(2)(A). The Postal Service will be mindful of this particular cost avoidance in determining the discounts in future price adjustments.

Automation Letters

The Commission has indicated that Bulk Metered Mail (BMM) is no longer a valid benchmark. Specifically, the Commission stated that “[t]he established Bulk Metered Mail (BMM) benchmark for First-Class Bulk Letters is no longer valid, and further adjustment of First-Class Bulk Mail rates to comply with section 3622(e) is not required while Docket No. RM2010-13 is pending.”¹⁹ The Commission has established a rulemaking (Docket No. RM2010-13) to further define the appropriate benchmark. Until this issue is resolved, the Postal Service has taken into consideration the relationship between the BMM benchmark and Mixed AADC Automation Letters in setting Automation Letter prices.²⁰ In the instant docket, the discount for Mixed AADC compared to BMM is equal to the cost avoidance.

¹⁹ Docket No. RM2009-3, Order No. 536, Page 2.

²⁰ The issue of the worksharing link between First-Class Mail Single-Piece and Presort is still pending. *USPS v. PRC*, No. 10-1324 (D.C. Cir.) (argued Sept. 21, 2011).

The discount for AADC Automation Letters in relation to its benchmark, Mixed AADC Automation Letters, exceeds the cost avoidance between these two Presort levels. The Postal Service would like to encourage the preparation of AADC/3-Digit presort to drive operational efficiency. First, the Postal Service currently has excess mail processing capacity and can absorb extra workload in the incoming mail processing operations. By concentrating as much volume as possible in those operations, efficiency may be improved. Thus, giving an added incentive to customers to move from Mixed AADC (and therefore, out of outgoing sortation operations) into AADC and 3-Digit (incoming operations) supports a sensible strategy of increasing efficiency.

The network optimization plan involves ongoing evaluation of the most appropriate sortation, as discussed above. This could result in a restructuring of the sortation levels at the “plant” (currently AADC and 3-digit) level. To the extent the Postal Service begins to consolidate and realign facilities, it will be least disruptive if the number of processing steps (and facilities) is minimized. Therefore, encouraging additional worksharing (sortation to AADC or 3-digit rather than mixed-AADC) will not only enhance efficiency, but also maximize the Postal Service’s ability to meet service commitments. Therefore, for AADC Letters, the passthrough exceeds 100 percent, pursuant to section 3622(e)(2)(A).

The passthrough for 5-Digit Automation Letters compared to its benchmark 3-Digit Automation Letters is less than 100 percent; that is, the discount is less than the cost avoidance between these two presort levels.

The discount for 5-Digit presorted mail compared to single-piece has remained at 10 cents; that is, 44 cents minus 34 cents based on current prices and 45 cents minus 35 cents for new prices.

Automation Flats

The passthrough of the avoided cost for the ADC presort level for flats is 227.3 percent, a reduction from the current 272.2 percent. One of the major reasons for the greater than 100 percent passthrough for ADC Automation Flats is a change in costing methodology in FY2008. Proposal 8 filed in Docket No. RM2008-2 explains the methodology change and its impact on cost estimates. Use of a 100 percent passthrough would lead to significantly higher price increases for automation flats. In light of the need to mitigate this price increase, the passthroughs exceed 100 percent, pursuant to section 3622(e)(2)(B). The Postal Service will continue to evaluate these passthroughs in light of new cost information in future price adjustments.

Standard Mail

Attachment B contains six 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 products in which Standard Mail has both categories. For clarity, the discussions below are organized by shape and product.

Standard Mail Letters

There are no worksharing discounts in the Letters product that exceed avoided costs, based on available data. There is one discount where the discount passes

through relatively little of the available avoided costs, the prebarcoding discount for automation letters. There is also one discount for which no avoided cost is available: the presorting discount between AADC and Mixed AADC nonautomation machinable letters.

The FY 2010 ACR estimated the avoided cost for automation letters at 0.6 cent. This avoided cost estimate has been volatile in recent years, even becoming negative in 2008 and 2009. Given the recent volatility, the Postal Service has decided that stability of this incentive makes sense, rather than trying to trace the volatile movements of the cost estimates. For this reason, the Postal Service is maintaining the discount at 0.3 cent in this price adjustment, despite the fact that this passes through only 50 percent of the latest estimate of avoided costs.

As in Docket No. R2011-2 (which also relied on the FY 2010 ACD for its avoided costs), the Postal Service has no avoided cost estimate for the nonautomation machinable AADC – Mixed AADC letters pair. Without any cost difference data for guidance, the Postal Service is holding the price differential between Mixed AADC and AADC machinable nonautomation letters at its current 1.6 cent value. If cost difference data become available, they can be used to price this difference.

Standard Mail Flats

The Flats product has two discounts that exceed 100 percent of avoided costs: the pre-barcoding discount between automation and nonautomation flats, and the presort discount for automation ADC flats, which exceeds the anomalous negative avoided cost estimate.

In the FY 2010 ACR, the Postal Service estimated the avoided cost between automation ADC flats and automation Mixed ADC flats to be a negative 0.2 cent. In the Docket No. R2011-2 price change, the Postal Service stated that it would lead to inefficient operations to use these avoided costs and price ADC automation flats *above* Mixed ADC flats, thereby discouraging presorting. The Postal Service therefore justified the ADC-Mixed ADC discount using 3622(e)(2)(D). Docket No. R2011-2, Notice of Price Adjustment, at 31. The current price adjustment also uses the FY 2010 ACD avoided costs (as required by Commission rules), so the Postal Service continues to justify its proposed discount using 3622(e)(2)(D); pricing ADC flats above Mixed ADC flats would send an inefficient signal to mailers that they should forgo ADC presorting and give the Postal Service unsorted flats. The Postal Service believes that this costing anomaly exists because of the lack of class-specific piece density data available in its sort programs. The Postal Service is currently evaluating solutions to address this anomaly.

In the price adjustment implemented April 17, 2011 (Docket No. R2011-2), the Postal Service justified the prebarcoding discount of 5.7 cents using justification 3622(e)(2)(D), as needed to encourage as many flats as possible to be prebarcoded to ensure successful implementation of the Flats Sequencing System (FSS) program. The Commission accepted this justification in Docket No. R2011-2 and also in the FY 2010 ACD. The discount was reduced from 6.2 cents to 5.7 cents in April, in light of the Postal Service's belief that an extra incentive for prebarcoding would not be required permanently to make the FSS program successful. The Postal Service still believes that, with deployment of FSS machines only just completed, there continues to be a justification for an extra incentive for prebarcoding, but that it should be possible to

gradually eliminate the excess incentive. Yet, with only six months having elapsed between the lowering of the prebarcoding discount and the filing of this price adjustment, and even fewer months since the completion of the FSS deployment, a further reduction of the prebarcoding incentive does not seem advisable at this time. Hence, the Postal Service proposes to keep the current discount until the next price adjustment, justifying the higher passthrough using 3622(e)(2)(D), as necessary to promote the efficiencies to be obtained through the FSS. The Postal Service will review this discount at the time of the next general market-dominant price adjustment to see what further steps can be made to align this discount more closely with avoided costs.

Standard Mail Flats has two workshare discounts with passthroughs significantly below 100 percent. These are the 5-digit discount for automation flats and the ADC discount for nonautomation flats.

The passthrough for the discount between 3-digit and 5-digit automation flats remains low. Given the difficulties of the catalog industry and the Postal Service's interest in not unduly burdening catalog mailers, it was impossible to pass through a greater percentage of the avoided costs between 3-digit and 5-digit automation flats without either pushing the 3-digit price increase to unacceptable levels or, alternatively giving 5-digit flats a negligible, or even negative, price change. The Postal Service opted to keep the price increases for automation flats to a relatively narrow range and allow the passthrough between 3-digit and 5-digit flats to remain low for the time being.

The Postal Service has maintained the current 3.3 cent discount between Mixed ADC and ADC nonautomation flats, and so the passthrough for this discount remains low. Again, the Postal Service decided to keep the increases for this pricing category

within a relatively narrow range in this price adjustment. Recognizing more of the Mixed ADC – ADC cost differential in pricing would have produced a substantial price increase for Mixed ADC flats, one that the Postal Service deemed to be unacceptably high under the circumstances. In the next price adjustment, the Postal Service will revisit this price differential to see whether greater recognition for this cost differential can be managed without too large of an increase for Mixed ADC nonautomation flats.

Standard Mail Parcels

Four worksharing discounts for Standard Mail Parcels exceed a 100 percent passthrough. These are the presort discounts between (1) NDC irregular parcels and mixed NDC irregular parcels, (2) NDC Marketing Parcels and mixed NDC Marketing Parcels, and (3) SCF Marketing Parcels and NDC Marketing Parcels. The nonbarcoded surcharge also exceeds the avoided costs of prebarcoding in the new parcels cost model.

In Docket No. R2011-2, the Postal Service justified the discount between NDC irregular parcels (commercial and nonprofit) and Mixed NDC irregular parcels (commercial and nonprofit) under 3622(e)(2)(D). The Commission reviewed and accepted this justification in Docket No. R2011-2 and in the FY 2010 ACD. The Postal Service's rationale for the higher passthrough was that a new costing model for parcel-shaped pieces had been inaugurated and that this improved model produced avoided costs that were significantly different from those estimated using the former cost model. The Postal Service believed that adjusting the discounts immediately to match the new avoided cost estimates would be needlessly disruptive to parcel mailers, possibly causing sudden shifts in mailing patterns and, consequently, causing disruption to

postal operations. Lower discounts thus would not promote efficient operations.

Nevertheless, the Postal Service significantly reduced the passthrough for this discount in Docket No. R2011-2, compared to the passthrough for this discount in the previous price change request (Docket No. R2010-4).

In the present price adjustment, the Postal Service has continued to reduce the passthrough from 298 percent to 256 percent. The Postal Service believes that pushing this transition further at this time would be unduly disruptive because this pricing category is undergoing a major shift brought about by two opposing changes. First, the irregular parcels category will no longer contain any commercial parcels. All commercial parcels will move to the competitive products list as part of Parcel Select. Only nonprofit irregular parcels will remain. Second, it is expected that the changes resulting from the elimination of the NFMs category and introduction of Marketing Parcels will cause some former nonprofit NFMs used for fulfillment purposes to migrate to the nonprofit irregular parcels category. While these two changes have opposing effects on irregular parcels volumes, they work in tandem to change the characteristics of the irregular parcels category.

It is not clear what final effects these changes might have on the costs and avoided costs of irregular parcels. For this reason, it is prudent to exercise caution in making changes to discounts and other cost-based pricing structures until the Postal Service has a clearer picture of the costs of this changed category. The Postal Service believes that when this transition phase is complete, and stable estimates of costs and avoided costs are available, the magnitude and direction of the changes in the discounts that will better align them with avoided costs will become clearer. The Postal

Service believes it would better promote operational efficiency, if large changes in discounts—and the operational signals given to mailers by these discounts—were avoided until cost data specifically matched to the changed composition of its parcels products are available. Therefore, it justifies these discounts using 3622(e)(2)(D) as needed to promote operational efficiency.

In Docket No. R2011-2, the Postal Service justified the discount for NDC NFMs compared to Mixed NDC NFMs, and for SCF NFMs compared to NDC NFMs, using 3622(e)(2)(D). The Commission accepted this justification in Docket No. R2011-2 and in the FY 2010 ACD. The Postal Service's rationale for this justification in Docket No. R2011-2 was essentially the same as that described above for the NDC discount for irregular parcels. Also, as discussed earlier in this Notice, the Postal Service will no longer offer an NFMs mail category. Nevertheless, for the purpose of this section of the Notice, the Postal Service has calculated workshare passthroughs for the successor category, Marketing Parcels, using NFMs avoided costs from the FY 2010 ACD. The Postal Service urges caution in interpreting these relationships, since it expects that the composition of the successor Marketing Parcels category will not be a carbon copy of the terminated NFMs category, as discussed below.

Therefore, the Postal Service has reduced the passthrough for both of these Marketing Parcels discounts in the current price adjustment. Larger and more drastic changes at this time could potentially cause shifts in mailer behaviors that could, in turn, be unduly disruptive to postal operations, as discussed above. In addition, like irregular parcels, the composition of the current NFMs category is expected to undergo significant changes. Most fundamentally, the new Marketing Parcels category will have

different size and addressing standards than NFMs. Because of these changed standards, many of the mailers who currently use the NFMs category are likely to choose to use parcels options, other than the new Marketing Parcels category, for the mail pieces now in the NFMs category. It therefore remains an open question just how appropriate a fit the NFMs costs and avoided costs estimates from the 2010 ACD will be for Marketing Parcels. Until the Postal Service has some experience with Marketing Parcels, substantial changes in the discounts for Marketing Parcels discounts and the resulting incentives should be avoided, so as to not encourage changes to mailer behaviors that may lead to inefficient operations. For these reasons, the Postal Service justifies its decision to not significantly change these discounts at this time, based on 3622(e)(2)(D) to ensure efficient operations.

As discussed in previous price adjustment filings and ACRs, the Postal Service has been sending a strong signal to mailers through the parcels nonbarcoded surcharge to develop a fully barcoded parcels mailstream. A fully barcoded mailstream would allow the elimination of keying stations on parcel sorters, thereby increasing the efficiency of operations. The Postal Service has plans to soon require barcodes on all ground parcels. In anticipation of this move, the Postal Service believes that it is not appropriate to reduce the incentive to voluntarily barcode parcel-shaped mail pieces. It is also particularly prudent not to diminish the incentive for barcoding Standard Mail parcels, when the parcels products are experiencing significant changes as just discussed. With the migration of most parcels from Standard Mail to Parcel Select Lightweight, and the creation of the new Marketing Parcels category, the prevalence of prebarcoding among the pieces remaining in Standard Mail is unknown. The Postal Service believes it is

necessary to maintain the surcharge, and the prebarcoding incentive it signals, so as to not lose its gains in prebarcoded parcels and the efficiencies resulting from a parcels mail stream that is now almost fully barcoded. Therefore, the Postal Service justifies not reducing the non-barcoded surcharge, based on 3622(e)(2)(D) to ensure efficient operations.

The 5-digit discounts for all fulfillment and Marketing Parcels have low passthroughs in this price adjustment. Given the substantial changes to the Postal Service's Standard Mail parcels offerings, the Postal Service decided to mitigate the price increases for these parcels. This decision takes into account the uncertainty over the costs of the parcels categories remaining in Standard Mail, as well as the restructuring of the parcels product to focus more closely on parcels used for marketing, such as samples. In addition, as discussed in Section II, nonprofit mail was generally given low increases to help offset the substantial upward push on the nonprofit to commercial average revenue per piece ratio caused by the movement of commercial fulfillment parcels to the competitive products list. With the low overall increase for parcels, it would not have been possible to increase the passthroughs between 5-digit parcels and SCF parcels (or, in the case of nonprofit machinable parcels, NDC parcels) without either decreasing the price of 5-digit parcels (which the Postal Service was unwilling to do, given the poor cost coverage for parcels), or giving all but 5-digit parcels unacceptably high increases. The Postal Service will observe the effects of its parcels restructuring, as well as any effects of potential network consolidation and realignments, on the cost differences between its 5-digit and less-presorted parcels and, based on

that information, determine what price adjustments may be appropriate in the future to better align prices with costs.

Standard Mail Saturation and High Density Letters

As discussed in the Notice of Price Adjustment in Docket No. R2011-2 (at page 39), the Postal Service prices Carrier Route letters the same as Carrier Route flats, since these letters are typically non-automatable and so would be processed and delivered similarly to flats. The workshare discount table shows that, in the present price adjustment, the price difference between High Density and Carrier Route letters passes through only a minority of the cost difference. The Postal Service prices High Density letters (which are required to be automation compatible) based on the market served by these letters. For this reason, High Density letters are priced independently of Carrier Route letters, although the Postal Service takes note of the passthrough that results from its pricing decisions for High Density letters and for Carrier Route flats (which determines the price of Carrier Route letters). The Postal Service sees no reason to adjust the way it prices either of these two letter categories based on their price differential/discount as long as the passthrough for the cost differential remains below 100 percent.

Standard Mail Saturation and High Density Flats and Parcels

There is one discount in this product that is higher than the estimated avoided costs: the discount between High Density Parcels and its benchmark, Carrier Route parcels. In the FY 2010 ACR, the Postal Service estimated the avoided cost between High Density parcels and Carrier Route parcels to be a negative 13.0 cents. In the Docket No. R2011-2 price change, the Postal Service stated that these costs appear to

be anomalous and that it would lead to inefficient operations to use these negative avoided costs and price High Density parcels higher than Carrier Route parcels. The Postal Service justified the High Density – Carrier Route parcels price differential using 3622(e)(2)(D). The current price adjustment also uses the FY 2010 ACD avoided costs (as required by Commission rules) and so the Postal Service continues to justify its proposed discount using 3622(e)(2)(D) for the same reason: that pricing High Density Parcels above Carrier Route parcels would falsely signal mailers that Carrier Route parcels were cheaper to process and deliver. The Postal Service believes that this costing anomaly is a result of the small volumes and low overall unit cost of former ECR parcels that contribute to wide standard errors and highly variable cost estimates for these parcels within the currently accepted costing methodology. Given these exogenous characteristics, anomalous cost estimates are more likely to occur for these parcels than for other, larger mail categories.

Standard Mail Dropship Discounts

All of the Standard Mail dropship discounts are below their respective avoided costs, some of them substantially so. Due to a change in the accepted methodology for estimating dropship cost savings, cost savings differentiated by shape are now available. The Postal Service has already begun to take advantage of these shape-based avoided costs by differentiating the dropship discounts for parcels from those for letters and flats. So far, the Postal Service has taken an evolutionary approach to this differentiation so that, although the discounts for dropshipping parcels are significantly higher than for letters and flats, the passthroughs for parcel dropship discounts still remain relatively low. As the parcels restructuring begins to take shape, further

consideration will be given to the speed of parcels dropship differentiation to see what pace is appropriate.

At present, letters and flats still have the same dropship discounts. Differentiating those shape categories raises the issue of the pricing of automation heavy letters, which are priced using a formula that incorporates pricing elements from both letters and flats products. The Postal Service will consider this and other issues that pertain to dropshipping of letters and flats in future price adjustments to determine the best approach and speed for differentiating dropship discounts by shape. Because part of the dropship avoided costs estimates depends on transportation costs that are subject to the volatility of fuel costs, it is expected that, even in the long run, discounts may remain below avoided costs to permit a measure of pricing stability during periods of cost volatility.

Periodicals

Attachment 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 price swings which would occur if these passthroughs were changed. 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 table 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,

rather than 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 some 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.²¹

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 publications differ from the average. At the same time, incentives for efficient preparation are strengthened by reflecting a higher percentage of costs in prices that had minimal impact on those publications that were likely to experience above-average increases. 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

Attachment 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)(C), since both Media Mail and Library Mail consist entirely of content having higher ECSI value. While the modest price increase was not

²¹ The language of section 3622(e) reflects the traditional understanding of passthroughs being based on avoided costs, rather than bottom-up costs.

large enough to move the passthroughs down to 100 percent, the price adjustments will lower the passthroughs from the levels reported in the FY2010 ACR.

In this pricing adjustment, the Media Mail/Library Mail workshare 5-digit presort passthrough moves closer to 100 percent, compared to passthrough levels reported in the 2010 ACR. For Media Mail, the passthrough in the ACR was 123.3 percent, but falls to 109.7 percent with this price adjustment. For Library Mail, the passthrough falls from 116.7 percent in the ACR to 106.5 percent with this price adjustment. The passthrough is adjusted as close to 100 percent as practical; however, the relatively tight price cap limited how far the passthrough could be reduced, without causing extreme price swings in other pricing elements.

In this pricing adjustment, the Postal Service eliminates the pre-barcoding discounts for Media Mail and Library Mail. These discounts were introduced to encourage mailers to utilize barcoding. As discussed above, the prevalence of barcoding allows for the removal of the discount.

Bound Printed Matter Flats and Parcels

All workshare discount passthroughs for Bound Printed Matter Flats and Parcels are either at or below 100 percent. The carrier route discounts remain unchanged in this price adjustment, despite increases in their respective avoided costs. The Postal Service is eliminating the pre-barcoding discounts for BPM Parcels, but it is leaving the barcoding discounts in place for BPM Flats. These discounts are being eliminated in BPM Parcels for the same reasons as their elimination in Media Mail and Library Mail. The discounts are not being eliminated in BPM Flats because this would result in a larger than intended price increase for this product, which, under cap constraints, would

inhibit increases for other products needing larger increases to move toward positive cost coverage.

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 will be necessary to implement the planned price adjustments. Attachment A shows the new prices and related product description changes incorporated into a revised draft of the market-dominant section of the MCS.²²

Classification changes include:

- Changing the name of the Not Flat Machinables (NFM)/Parcels product in Standard Mail to Parcels, and renaming its price categories to Marketing Parcels, Nonprofit Machinable Parcels, and Nonprofit Irregular Parcels
- Adding Package Intercept service as an optional feature for First-Class Mail, Standard Mail, and Package Services
- Adding a footnote establishing the postage price for stamped cards marked with Forever postage
- Removing language for the Mobile Barcode Promotion, which ended August 31, 2011
- Reformatting the nonautomation letter price tables for Standard Mail High Density and Saturation, and Carrier Route

²² This draft is based on the most recent draft MCS provided by the Postal Service in Docket No. RM2011-8, on July 29, 2011. The classification changes are shown in legislative format.

- Adding a description for the Standard Mail Carrier Route, Letters, Flats, and Parcels products
- Changing the maximum weight for Carrier Route letters
- Adding a Mixed ADC Periodicals Outside County price category
- Clarifying that the same forwarding or return postage is charged regardless of whether the return and delivery addresses are in the same Post Office
- Eliminating the BPM Parcels and Media/Library Mail barcode discounts
- Identifying the mailing fees that apply to First-Class Package Service and Parcel Select Lightweight
- Exempting qualifying First-Class Mail, Standard Mail, and Package Services full-service Intelligent Mail barcode mailings from paying mailing fees
- Identifying the special services available for First-Class Package Service and Parcel Select Lightweight
- Specifying the Delivery Confirmation fees for First-Class Package Service, and for returns with an integrated retail systems label
- Specifying that Return Receipt service (Form 3811 only) is available when combined with Priority Mail with Adult Signature service
- Adding a window option for Stamped Envelopes
- Adding premium options for Stamped Cards
- Specifying the fees that will apply starting in mid-2012 for NCOALink MPE (Mail Processing Equipment), after patent restrictions end
- Defining market dominant (as compared to competitive) locations for Post Office box service

- Exempting orders of stamped cards with a return address from the Stamp Fulfillment Services fees.

Notice of the changes to the DMM implementing these new features are being placed on USPS.com and will be published in the *Federal Register* shortly.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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ATTACHMENT A

MAIL CLASSIFICATION CHANGES

(Additions are underlined and deletions are marked with strike-through)
(All prices are listed in price tables, whether or not they are changing)

PART A

MARKET DOMINANT PRODUCTS

1000 MARKET DOMINANT PRODUCT LIST

* * * * *

STANDARD MAIL (COMMERCIAL AND NONPROFIT)*

* * * * *

~~NOT FLAT MACHINABLES (NFMS)/PARCELS~~

* * * * *

1001 MARKET DOMINANT PRODUCT DESCRIPTIONS

* * * * *

1100 First-Class Mail

* * * * *

1105 Single Piece Letter/Postcards

* * * * *

1105.4 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)
 - Stamped Envelopes (1505.19)
 - Stamped Cards (1505.20)
 - Premium Stamped Stationery (1505.21)
 - Premium Stamped Cards (1505.22)
- Competitive Ancillary Services (2645)
 - Package Intercept Service (2645.2)

1105.5 Prices

Single-Piece Machinable Letters¹

Maximum Weight (ounces)	Machinable Letters (\$)
1	0.45
2	0.65
3	0.85
3.5	1.05

Notes

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

Single-Piece Nonmachinable Letters

Maximum Weight (ounces)	Nonmachinable Letters (\$)
1	0.65
2	0.85
3	1.05
3.5	1.25

Single-Piece QBRM Letters

Maximum Weight (ounces)	QBRM Letters (\$)
1	0.428
2	0.628

Single-Piece Postcards¹

Maximum Weight (ounces)	Postcards (\$)	Single-Piece Double Card (\$)
not applicable	0.32	0.64

Notes

1. The price for single-piece postcards also applies to sales of stamped cards marked with Forever postage, at the time the stamped cards are purchased.

Single-Piece QBRM Postcards

Maximum Weight (ounces)	QBRM Postcards (\$)
not applicable	0.298

1110 Presorted Letters/Postcards

* * * * *

1110.4 Optional Features

* * * * *

- Competitive Ancillary Services (2645)
 - Package Intercept Service (2645.2)
- Reply Rides Free Program (Expires December 31, 2011)
- ~~Mobile Barcode Promotion (Expires August 31, 2011)~~

1110.5 Prices

Automation Letters

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)
1	0.350	0.374	0.374	0.404
2	0.350	0.374	0.374	0.404
3	0.600	0.624	0.624	0.654
3.5	0.725	0.749	0.749	0.779

Machinable Letters

Maximum Weight (ounces)	Presorted (\$)
1	0.424
2	0.424
3	0.674
3.3	0.799

Nonmachinable Letters

Maximum Weight (ounces)	Presorted (\$)
1	0.624
2	0.624
3	0.874
3.5	0.999

Automation Postcards

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)
not applicable	0.229	0.243	0.244	0.255

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	0.280

Letters including a Repositionable Note

Add \$0.005 for each presorted letter bearing a Repositionable Note.

Full-service Intelligent Mail Option

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

Move Update Assessment Charge

Add \$0.07 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

* * * * *

Mobile Barcode Promotion (Expires August 31, 2011)

~~Provide a three percent discount on the total postage for First-Class Mail and Standard Mail letters, postcards and flats sent using a permit imprint payment method, which include a two-dimensional mobile barcode inside or on the mailpiece, during the established program period, to mailers that comply with the eligibility requirements of the program.~~

1115 Flats

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1115.4 Optional Features

* * * * *

- Competitive Ancillary Services (2645)
 - Package Intercept Service (2645.2)
- ~~Mobile Barcode Promotion (Expires August 31, 2011)~~

1115.5 Prices

Automation Flats

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
1	0.400	0.574	0.630	0.730
2	0.570	0.744	0.800	0.900
3	0.740	0.914	0.970	1.070
4	0.910	1.084	1.140	1.240
5	1.080	1.254	1.310	1.410
6	1.250	1.424	1.480	1.580
7	1.420	1.594	1.650	1.750
8	1.590	1.764	1.820	1.920
9	1.760	1.934	1.990	2.090
10	1.930	2.104	2.160	2.260
11	2.100	2.274	2.330	2.430
12	2.270	2.444	2.500	2.600
13	2.440	2.614	2.670	2.770

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	0.762
2	0.932
3	1.102
4	1.272
5	1.442
6	1.612
7	1.782
8	1.952
9	2.122
10	2.292
11	2.462
12	2.632
13	2.802

Single-Piece Flats

Maximum Weight (ounces)	Single-Piece (\$)
1	0.90
2	1.10
3	1.30
4	1.50
5	1.70
6	1.90
7	2.10
8	2.30
9	2.50
10	2.70
11	2.90
12	3.10
13	3.30

Flats including a Repositionable Note

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

Move Update Assessment Charge

Add \$0.07 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

1120 Parcels

* * * * *

1120.4 Optional Features

* * * * *

- Competitive Ancillary Services (2645)
 - Package Intercept Service (2645.2)

1120.5 Prices

Retail

Maximum Weight (ounces)	Single-Piece (\$)
1	1.95
2	1.95
3	1.95
4	2.12
5	2.29
6	2.46
7	2.63
8	2.80
9	2.97
10	3.14
11	3.31
12	3.48
13	3.65

Keys and Identification Devices

Maximum Weight (ounces)	Keys and Identification Devices (\$)
1	2.71
2	2.71
3	2.71
4	2.88
5	3.05
6	3.22
7	3.39
8	3.56
9	3.73
10	3.90
11	4.07
12	4.24
13	4.41
1 (pound)	*
2 (pounds)	*

*Priority Mail Retail Zone 4 postage, plus \$0.76.

* * * * *

1125 Outbound Single-Piece First-Class Mail International

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1125.6 Prices

Machinable Letters

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	0.85	0.85	1.05	1.05	1.05	1.05	1.05	1.05	1.05
2	1.17	1.44	1.92	1.92	1.92	1.85	1.85	1.85	1.85
3	1.49	2.03	2.79	2.79	2.79	2.65	2.65	2.65	2.65
3.5	1.81	2.62	3.66	3.66	3.66	3.45	3.45	3.45	3.45

Nonmachinable Letters

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	1.05	1.05	1.25	1.25	1.25	1.25	1.25	1.25	1.25
2	1.37	1.64	2.12	2.12	2.12	2.05	2.05	2.05	2.05
3	1.69	2.23	2.99	2.99	2.99	2.85	2.85	2.85	2.85
3.5	2.01	2.82	3.86	3.86	3.86	3.65	3.65	3.65	3.65

Postcards

Maximum Weight (ounces)	Canada (\$)	Mexico (\$)	All Other Countries (\$)
not applicable	0.85	0.85	1.05

Large Envelopes (Flats)

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	1.50	1.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75
2	1.65	2.03	2.53	2.53	2.53	2.49	2.49	2.49	2.49
3	1.80	2.56	3.31	3.31	3.31	3.23	3.23	3.23	3.23
4	1.95	3.09	4.09	4.09	4.09	3.97	3.97	3.97	3.97
5	2.10	3.62	4.87	4.87	4.87	4.71	4.71	4.71	4.71
6	2.25	4.15	5.65	5.65	5.65	5.45	5.45	5.45	5.45
7	2.40	4.68	6.43	6.43	6.43	6.19	6.19	6.19	6.19
8	2.55	5.21	7.21	7.21	7.21	6.93	6.93	6.93	6.93
12	3.40	6.50	8.78	8.78	8.78	8.47	8.47	8.47	8.47
16	4.25	7.79	10.35	10.35	10.35	10.01	10.01	10.01	10.01
20	5.10	9.08	11.92	11.92	11.92	11.55	11.55	11.55	11.55
24	5.95	10.37	13.49	13.49	13.49	13.09	13.09	13.09	13.09
28	6.80	11.66	15.06	15.06	15.06	14.63	14.63	14.63	14.63
32	7.65	12.95	16.63	16.63	16.63	16.17	16.17	16.17	16.17
36	8.50	14.24	18.20	18.20	18.20	17.71	17.71	17.71	17.71
40	9.35	15.53	19.77	19.77	19.77	19.25	19.25	19.25	19.25
44	10.20	16.82	21.34	21.34	21.34	20.79	20.79	20.79	20.79
48	11.05	18.11	22.91	22.91	22.91	22.33	22.33	22.33	22.33
52	11.90	19.40	24.48	24.48	24.48	23.87	23.87	23.87	23.87
56	12.75	20.69	26.05	26.05	26.05	25.41	25.41	25.41	25.41
60	13.60	21.98	27.62	27.62	27.62	26.95	26.95	26.95	26.95
64	14.45	23.27	29.19	29.19	29.19	28.49	28.49	28.49	28.49

Packages Small Packet, including Rolls

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
2	3.15	3.53	3.78	3.78	3.78	3.74	3.74	3.74	3.74
3	3.30	4.06	4.56	4.56	4.56	4.48	4.48	4.48	4.48
4	3.45	4.59	5.34	5.34	5.34	5.22	5.22	5.22	5.22
5	3.60	5.12	6.12	6.12	6.12	5.96	5.96	5.96	5.96
6	3.75	5.65	6.90	6.90	6.90	6.70	6.70	6.70	6.70
7	3.90	6.18	7.68	7.68	7.68	7.44	7.44	7.44	7.44
8	4.05	6.71	8.46	8.46	8.46	8.18	8.18	8.18	8.18
12	4.90	8.00	10.03	10.03	10.03	9.72	9.72	9.72	9.72
16	5.75	9.29	11.60	11.60	11.60	11.26	11.26	11.26	11.26
20	6.60	10.58	13.17	13.17	13.17	12.80	12.80	12.80	12.80
24	7.45	11.87	14.74	14.74	14.74	14.34	14.34	14.34	14.34
28	8.30	13.16	16.31	16.31	16.31	15.88	15.88	15.88	15.88
32	9.15	14.45	17.88	17.88	17.88	17.42	17.42	17.42	17.42
36	10.00	15.74	19.45	19.45	19.45	18.96	18.96	18.96	18.96
40	10.85	17.03	21.02	21.02	21.02	20.50	20.50	20.50	20.50
44	11.70	18.32	22.59	22.59	22.59	22.04	22.04	22.04	22.04
48	12.55	19.61	24.16	24.16	24.16	23.58	23.58	23.58	23.58
52	13.40	20.90	25.73	25.73	25.73	25.12	25.12	25.12	25.12
56	14.25	22.19	27.30	27.30	27.30	26.66	26.66	26.66	26.66
60	15.10	23.48	28.87	28.87	28.87	28.20	28.20	28.20	28.20
64	15.95	24.77	30.44	30.44	30.44	29.74	29.74	29.74	29.74

1200 Standard Mail (Commercial and Nonprofit)

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1205 High Density and Saturation Letters

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1205.5 Optional Features

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- ~~Mobile Barcode Promotion (Expires August 31, 2011)~~

1205.6 Prices

Saturation Letters (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.185	0.111
DNDC	0.152	0.078
DSCF	0.142	0.068

High Density Letters (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.199	0.125
DNDC	0.166	0.092
DSCF	0.156	0.082

Saturation and High Density Nonautomation Letters (3.3 ounces or less) Regular

<u>Entry Point</u>	<u>Saturation</u> (\$)	<u>High Density</u> (\$)
<u>None</u>	<u>0.197</u>	<u>0.224</u>
<u>DNDC</u>	<u>0.164</u>	<u>0.191</u>
<u>DSCF</u>	<u>0.154</u>	<u>0.181</u>
<u>DDU</u>	=	=

Saturation and High Density Nonautomation Letters 3.3 ounces or less) Nonprofit

<u>Entry Point</u>	<u>Saturation (\$)</u>	<u>High Density (\$)</u>
<u>None</u>	<u>0.122</u>	<u>0.149</u>
<u>DNDC</u>	<u>0.089</u>	<u>0.116</u>
<u>DSCF</u>	<u>0.079</u>	<u>0.106</u>
<u>DDU</u>	<u>=</u>	<u>=</u>

**NONAUTOMATION LETTERS—
REGULAR**

Carrier Route

	Saturation	High Density
None	0.194	0.219
DNDC	0.160	0.185
DSCF	0.151	0.176
DDU	=	=

**NONAUTOMATION LETTERS—
NONPROFIT**

Carrier Route

	Saturation	High Density
None	0.120	0.145
DNDC	0.086	0.111
DSCF	0.077	0.102
DDU	=	=

Pieces weighing more than 3.3 ounces

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

~~Nonautomation saturation and high density letters pay prices shown in the applicable 1210.5 flats tables. These letters cannot be entered at DDUs and must be prepared as letters.~~

Saturation and high density letters over 3.5 ounces, and saturation (other than pieces with a simplified address) and high density ~~letter-size~~ letters over 3.3 ounces without eligible barcodes or not meeting automation letter standards must ~~pay the applicable nonautomation saturation or high~~

density pay the prices shown in the applicable 1210.5 flats tables. letter prices. Basic carrier route letter prices are the same for barcoded automation compatible and nonautomation letters. These letters cannot be entered at DDUs and must be prepared as letters.

NONAUTOMATION LETTERS

—REGULAR

Carrier Route (greater than 3.3 ounces)

	Saturation	High Density
None	0.194	0.219
DNDC	0.160	0.185
DSCF	0.151	0.176
DDU	=	=

Carrier Route (greater than 3.3 ounces)

	Saturation	High Density
None	0.609	0.609
DNDC	0.446	0.446
DSCF	0.401	0.401
DDU	=	=
Per Piece	0.068	0.093

NONAUTOMATION LETTERS

—NONPROFIT

Carrier Route

	Saturation	High Density
None	0.120	0.145
DNDC	0.086	0.111
DSCF	0.077	0.102
DDU	=	=

Carrier Route (greater than 3.3 ounces)

	Saturation	High Density
None	0.439	0.439
DNDG	0.276	0.276
DSCF	0.231	0.231
DDU	=	=
Per Piece	0.029	0.054

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Mobile Barcode Promotion (Expires August 31, 2011)

~~Provide a three percent discount on the total postage for First-Class Mail and Standard Mail letters, postcards and flats sent using a permit imprint payment method, which include a two-dimensional mobile barcode inside or on the mailpiece, during the established program period, to mailers that comply with the eligibility requirements of the program.~~

1210 High Density and Saturation Flats/Parcels

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1210.5 Optional Features

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- ~~Mobile Barcode Promotion (Expires August 31, 2011)~~

1210.6 Prices

Saturation Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.197	0.122
DNDC	0.164	0.089
DSCF	0.154	0.079
DDU	0.145	0.070

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	0.071	0.031

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.609	0.439
DNDC	0.448	0.278
DSCF	0.400	0.230
DDU	0.357	0.187

Saturation Parcels (3.3 ounces or less)

*Standard Mail (Commercial and Nonprofit)
High Density and Saturation Flats/Parcels*

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.475	0.344
DNDC	0.429	0.298
DSCF	0.380	0.249
DDU	0.343	0.212

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	0.301	0.211

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.846	0.646
DNDC	0.622	0.422
DSCF	0.384	0.184
DDU	0.205	0.005

High Density Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.224	0.149
DNDC	0.191	0.116
DSCF	0.181	0.106
DDU	0.172	0.097

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	0.098	0.058

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.609	0.439
DNDC	0.448	0.278
DSCF	0.400	0.230
DDU	0.357	0.187

High Density Parcels (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.484	0.353
DNDC	0.438	0.307
DSCF	0.389	0.258
DDU	0.352	0.221

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	0.310	0.220

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.846	0.646
DNDC	0.622	0.422
DSCF	0.384	0.184
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 \$0.07 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.07 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Flat-shaped pieces including a Detached Address Label

Add \$0.050 for each flat-shaped piece addressed using a Detached Address Label with no advertising, and \$0.050 for each piece using a Detached Address Label containing advertising –(Detached Marketing Label).

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.

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.

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~~Mobile Barcode Promotion (Expires August 31, 2011)~~

~~Provide a three percent discount on the total postage for First-Class Mail and Standard Mail letters, postcards and flats sent using a permit imprint payment method, which include a two-dimensional mobile barcode inside or on the mailpiece, during the established program period, to mailers that comply with the eligibility requirements of the program.~~

1215 Carrier Route

1215.1 Description

Carrier Route must meet presorting, machinability, addressing, barcoding, walk-sequencing, and other preparation requirements.

1215.42 Size and Weight Limitations

Letters

	Length	Height	Thickness	Weight
Minimum	5 inches	3.5 inches	0.007 inch	None
Maximum	11.5 inches	6.125 inches	0.25 inch	<u>Less than</u> 16 3.5 ounces

Flats

	Length	Height	Thickness	Weight
Minimum	5 inches	3.5 inches	0.007 inch	None
And at least one dimension meets or exceeds	11.5 inches	6.125 inches	0.25 inch	
Maximum	15 inches	12 inches	0.75 inch	<u>Less than</u> <16 ounces

Parcels

	Length	Height	Thickness	Weight
Minimum	large enough to accommodate postage, address, and other required elements on the address side			None
Maximum	108 inches in combined length and girth			<u>Less than</u> <16 ounces

1215.23 Minimum Volume Requirements

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1215.34 Price Categories

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1215.45 Optional Features

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- ~~Mobile Barcode Promotion (Expires August 31, 2011)~~

1215.56 Prices

Carrier Route Letters (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.271	0.194
DNDC	0.238	0.161
DSCF	0.228	0.151

Carrier Route Letters (greater than 3.3 ounces)

Automation-compatible barcoded carrier route letter-shaped sized pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the applicable flats piece and pound price but receive a discount off the piece price equal to the minimum flats per piece price minus the minimum letter per piece price corresponding to the applicable entry point and density tier.

Nonautomation basic carrier route letters pay prices shown in 1215.5 Carrier Route Flats tables. These letters cannot be entered at DDUs and must be prepared as letters.

Carrier Route Nonautomation Letters (over 3.3 ounces)

Saturation and high density Carrier Route letters-sized pieces over 3.5 ounces, and saturation (other than pieces with a simplified address) and high density letter-size pieces over 3.3 ounces without eligible barcodes or not meeting automation letter standards must pay the applicable prices shown in 1215.6 Carrier Route Flats tables. nonautomation saturation or high density letter prices. Basic carrier route letter prices are the same for barcoded automation-compatible and nonautomation letters. These letters cannot be entered at DDUs and must be prepared as letters.

**NONAUTOMATION LETTERS
—REGULAR**

Carrier Route

Basic

None	0.262
DNDG	0.228
DSCF	0.219
DDU	=

Carrier Route (greater than 3.3 ounces)

Basic

None	0.696
DNDG	0.533
DSCF	0.488
DDU	=
Per Piece	0.118

**NONAUTOMATION LETTERS
—NONPROFIT**

Carrier Route

Basic

None	0.190
DNDG	0.156
DSCF	0.147
DDU	=

Carrier Route (greater than 3.3 ounces)

Basic

None	0.526
DNDG	0.363
DSCF	0.318
DDU	=
Per Piece	0.082

Carrier Route Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.271	0.194
DNDC	0.238	0.161
DSCF	0.228	0.151
DDU	0.219	0.142

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	0.127	0.085

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.700	0.530
DNDC	0.539	0.369
DSCF	0.491	0.321
DDU	0.448	0.278

Carrier Route Parcels (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.623	0.527
DNDC	0.577	0.481
DSCF	0.528	0.432
DDU	0.491	0.395

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	0.443	0.383

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.875	0.696
DNDC	0.651	0.472
DSCF	0.413	0.234
DDU	0.234	0.055

Letters and flats including a Repositionable Note

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

Move Update Noncompliance Charge

Add \$0.07 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.07 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

~~*Flats including a Detached Address Label*~~

~~Add \$0.050 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: letters and flats only

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

Mobile Barcode Promotion (Expires August 31, 2011)

~~Provide a three percent discount on the total postage for First-Class Mail and Standard Mail letters, postcards and flats sent using a permit imprint payment method, which include a two-dimensional mobile barcode inside or on the mailpiece, during the established program period, to mailers that comply with the eligibility requirements of the program.~~

1220 Letters

1220.1 Description

Letters must meet presorting, machinability, addressing, barcoding, and other preparation requirements.

1220.42 Size and Weight Limitations

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1220.23 Minimum Volume Requirements

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1220.34 Price Categories

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1220.45 Optional Features

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

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- ~~Mobile Barcode Promotion (Expires August 31, 2011)~~

1220.56 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	0.242	0.260	0.262	0.278	0.130	0.148	0.150	0.166
DNDC	0.209	0.227	0.229	0.245	0.097	0.115	0.117	0.133
DSCF	0.199	0.217	0.219	n/a	0.087	0.105	0.107	n/a

Machinable Letters (3.3 ounces or less)

Entry Point	Commercial		Nonprofit	
	AADC (\$)	Mixed AADC (\$)	AADC (\$)	Mixed AADC (\$)
Origin	0.265	0.281	0.156	0.172
DNDC	0.232	0.248	0.123	0.139
DSCF	0.222	n/a	0.113	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	0.392	0.485	0.524	0.621	0.280	0.373	0.412	0.509
DNDC	0.359	0.452	0.491	0.588	0.247	0.340	0.379	0.476
DSCF	0.349	0.442	0.481	n/a	0.237	0.330	0.369	n/a

Pieces weighing more than 3.3 ounces

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

Nonmachinable Letters (over 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	0.235	0.317	0.375	0.408	0.119	0.200	0.248	0.281

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.744	0.639
DNDC	0.583	0.478
DSCF	0.535	0.430
DDU		

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~~Mobile Barcode Promotion (Expires August 31, 2011)~~

~~Provide a three percent discount on the total postage for First-Class Mail and Standard Mail letters, postcards and flats sent using a permit imprint payment method, which include a two-dimensional mobile barcode inside or on the mailpiece, during the established program period, to mailers that comply with the eligibility requirements of the program.~~

1225 Flats

1225.1 Description

Flats must meet presorting, machinability, addressing, barcoding, and other preparation requirements.

1225.12 Size and Weight Limitations

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1225.23 Minimum Volume Requirements

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1225.34 Price Categories

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1225.45 Optional Features

The following additional 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
- ~~Mobile Barcode Promotion (Expires August 31, 2011)~~

1225.56 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	0.353	0.438	0.494	0.504	0.214	0.290	0.346	0.356
DNDC	0.320	0.405	0.461	0.471	0.181	0.257	0.313	0.323
DSCF	0.310	0.395	0.451	n/a	0.171	0.247	0.303	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	0.200	0.285	0.341	0.351	0.082	0.158	0.214	0.224

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.744	0.744	0.744	0.744	0.639	0.639	0.639	0.639
DNDC	0.583	0.583	0.583	0.583	0.478	0.478	0.478	0.478
DSCF	0.535	0.535	0.535	n/a	0.430	0.430	0.430	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	0.388	0.470	0.528	0.561	0.251	0.332	0.380	0.413
DNDC	0.355	0.437	0.495	0.528	0.218	0.299	0.347	0.380
DSCF	0.345	0.427	0.485	n/a	0.208	0.289	0.337	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	0.235	0.317	0.375	0.408	0.119	0.200	0.248	0.281

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.744	0.744	0.744	0.744	0.639	0.639	0.639	0.639
DNDC	0.583	0.583	0.583	0.583	0.478	0.478	0.478	0.478
DSCF	0.535	0.535	0.535	n/a	0.430	0.430	0.430	n/a

Customized MarketMail 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 \$0.07 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.07 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

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: automation flats only

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

~~*Mobile Barcode Promotion (Expires August 31, 2011)*~~

~~Provide a three percent discount on the total postage for First-Class Mail and Standard Mail letters, postcards and flats sent using a permit imprint payment method, which include a two-dimensional mobile barcode inside or on the mailpiece, during the established program period, to mailers that comply with the eligibility requirements of the program.~~

1230 Not Flat-Machinables (NFM)s/Parcels

1230.1 Description

Parcels must meet presorting, addressing, barcoding, and other preparation requirements.

1230.12 Size and Weight Limitations

Not Flat-Machinables (NFM)s Marketing Parcels

	Length	Height	Thickness	Weight
Minimum ¹	<u>5.04 inches</u>	<u>3.54 inches</u>	0.009 inch	none
Maximum	<u>12-15.75 inches</u>	<u>9-12 inches</u>	<u>2.0 inches</u>	Less than <16 ounces

Notes

1. Pieces less than 5 inches long must be over ¼ inch thick.

Nonprofit Machinable and Irregular Parcels

	Length	Height	Thickness	Weight
Minimum	large enough to accommodate postage, address, and other required elements on the address side			none
Maximum	108 inches in combined length and girth			Less than <16 ounces

1230.23 Minimum Volume Requirements

	Minimum Volume Requirements
<u>Not Flat-Machinables (NFM)s/Marketing Parcels</u>	200 pieces or 50 pounds per mailing

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1230.34 Price Categories

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

- ~~Not Flat Machinables (NFMs)~~ Marketing Parcels
 - 5-Digit
DDU, DSCF, and DNDC entry levels
Commercial and Nonprofit eligible
 - SCF
DSCF and DNDC entry levels
Commercial and Nonprofit eligible
 - NDC
DNDC and Origin entry levels
Commercial and Nonprofit eligible
 - Mixed NDC
Origin entry level
Commercial and Nonprofit eligible
- Nonprofit Machinable Parcels
 - 5-Digit
DDU, DSCF, and DNDC entry levels
~~Commercial and Nonprofit eligible~~
 - NDC
DNDC and Origin entry levels
~~Commercial and Nonprofit eligible~~
 - Mixed NDC
Origin entry level
~~Commercial and Nonprofit eligible~~
- Nonprofit Irregular Parcels – Do not meet the machinability requirements for machinable parcels
 - 5-Digit
DDU, DSCF, and DNDC entry levels
~~Commercial and Nonprofit eligible~~
 - SCF
DSCF, DNDC, and Origin entry levels
~~Commercial and Nonprofit eligible~~
 - NDC
DNDC and Origin entry levels
~~Commercial and Nonprofit eligible~~
 - Mixed NDC
Origin entry level
~~Commercial and Nonprofit eligible~~
- Move Update Noncompliance Charge
- Move Update Assessment Charge

1230.45 Optional Features

The following additional 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)

1230.56 Prices

Not Flat-Machinables Marketing Parcels (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Origin	n/a	n/a	1.055	1.470	n/a	n/a	0.964	1.340
DNDC	0.613	0.637	1.009	n/a	0.552	0.574	0.918	n/a
DSCF	0.564	0.588	n/a	n/a	0.503	0.525	n/a	n/a
DDU	0.527	n/a	n/a	n/a	0.466	n/a	n/a	n/a

~~Not Flat-Machinables~~ Marketing 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	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.449	0.473	0.845	1.260	0.407	0.429	0.773	1.149

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Origin	n/a	n/a	1.018	1.018	n/a	n/a	0.928	0.928
DNDC	0.794	0.794	0.794	n/a	0.704	0.704	0.704	n/a
DSCF	0.556	0.556	n/a	n/a	0.466	0.466	n/a	n/a
DDU	0.377	n/a	n/a	n/a	0.287	n/a	n/a	n/a

Nonprofit Machinable Parcels Prices (~~greater than~~ equal to 3.35 ounces or greater)

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	NDC	Mixed NDC	5-Digit	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.631	0.978	1.393	0.544	0.794	1.163

b. Per Pound

Entry Point	Commercial			Nonprofit		
	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	1.000	1.000	n/a	0.940	0.940
DNDC	0.792	0.792	n/a	0.716	0.716	n/a
DSCF	0.555	n/a	n/a	0.478	n/a	n/a
DDU	0.379	n/a	n/a	0.299	n/a	n/a

Nonprofit Irregular Parcels (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	1.314	1.705	n/a	n/a	1.107	1.476
DNDC	0.794	0.834	1.271	n/a	0.692	0.717	1.061	n/a
DSCF	0.745	0.785	n/a	n/a	0.643	0.668	n/a	n/a
DDU	0.709	n/a	n/a	n/a	0.606	n/a	n/a	n/a

Nonprofit 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 (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Per Piece	0.634	0.671	1.108	1.499	0.544	0.569	0.913	1.282

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	1.000	1.000	n/a	n/a	0.940	0.940
DNDC	0.792	0.792	0.792	n/a	0.716	0.716	0.716	n/a
DSCF	0.555	0.555	n/a	n/a	0.478	0.478	n/a	n/a
DDU	0.379	n/a	n/a	n/a	0.299	n/a	n/a	n/a

Move Update Noncompliance Charge

Add \$0.07 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.07 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

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.

Nonbarcoded Parcels ~~and Not Flat-Machinable~~ Surcharge

For nonbarcoded parcels ~~and Not Flat-Machinable~~ pieces, add \$0.064 per piece. The surcharge does not apply to pieces sorted to 5-digit ZIP Code numbers.

1300 Periodicals

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1305 In-County Periodicals

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1305.6 Prices

In-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 Prices (per pound or fraction thereof)

Entry Point	Price (\$)
DDU	0.145
Non-DDU	0.189

b. Piece Prices (per addressed piece)

Presort Level	Letters (\$)	Flats (\$)
5-Digit	0.048	0.102
3-Digit	0.050	0.109
Basic	0.060	0.117

In-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 Prices (per pound or fraction thereof)

Entry Point	Price (\$)
DDU	0.145
Non-DDU	0.189

b. Piece Prices (per addressed piece)

Presort Level	Letters, Flats, and Parcels (\$)
Carrier Route Saturation	0.031
Carrier Route High Density	0.045
Carrier Route Basic	0.061
5-Digit	0.108
3-Digit	0.121
Basic	0.133

Worksharing Discount for DDU

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

In-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.

In-County Periodicals including a Ride-Along piece

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

1310 Outside-County Periodicals

1310.4 Price Categories

Container Price

The container price applies to all Outside-County mail prepared in trays, sacks, pallets, or other containers. For containers containing both Periodicals and Standard Mail pieces, the container price is multiplied by the proportion of weight on the container contributed by the Periodicals pieces. The following price categories are available for the product specified in this section:

- a. Pallet Container Price
 - 5-Digit
DDU, DSCF, DADC, DNDC, Origin entry levels
 - 3-Digit/SCF
DSCF, DADC, DNDC, Origin entry levels
 - ADC
DADC, DNDC, Origin entry levels
 - Mixed ADC
Origin entry levels
- b. Sack and Tray Container Price

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 Prices (per pound or fraction thereof)

Entry Level or Zone	Regular		Science of Agriculture	
	Advertising (\$)	Editorial (\$)	Advertising (\$)	Editorial (\$)
DDU	0.135	0.113	0.101	0.113

DSCF	0.206	0.171	0.155	0.171
DADC	0.219	0.182	0.164	0.182
Zones 1 & 2	0.244	0.203	0.183	0.203
Zone 3	0.267	0.203	0.267	0.203
Zone 4	0.327	0.203	0.327	0.203
Zone 5	0.417	0.203	0.417	0.203
Zone 6	0.512	0.203	0.512	0.203
Zone 7	0.626	0.203	0.626	0.203
Zone 8	0.723	0.203	0.723	0.203

Piece Price (per addressed piece)

a. Carrier Route Letters, Flats, and Parcels

Bundle Level	Letters, Flats, and Parcels (\$)
Saturation	0.136
High Density	0.156
Basic	0.187

b. Barcoded Letters

Bundle Level	Barcoded Letters (\$)
5-Digit	0.200
3-Digit/SCF	0.262
ADC	0.283
Mixed ADC	0.323

c. Machinable Flats and Nonbarcoded Letters

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Nonbarcoded Letters (\$)
5-Digit	0.285	0.294	0.294

3-Digit/SCF	0.372	0.394	0.394
ADC	0.387	0.411	0.411
Mixed ADC	0.414	0.446	0.446

d. Nonmachinable Flats and Parcels

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Parcels (\$)
5-Digit	0.310	0.311	0.311
3-Digit/SCF	0.420	0.431	0.431
ADC	0.482	0.507	0.507
Mixed ADC	0.580	0.625	0.625

e. Editorial Adjustment

A per piece editorial adjustment is provided by subtracting ~~\$.0009~~ \$0.00101 for each 1 percent of editorial (nonadvertising) content from the applicable piece price.

f. Firm Bundle Piece Price

Firm bundles are charged a single piece price of ~~\$0.181~~ \$0.184.

Bundle Prices (per bundle)

Bundle Level	Container Level			
	Carrier Route/ 5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
Firm	0.079	0.142	0.154	0.185
Carrier Route	0.152	0.288	0.325	
5-Digit	0.145	0.150	0.206	0.285
3-Digit/SFC		0.129	0.190	0.276
ADC			0.115	0.208
Mixed ADC				0.079

Container Prices (per pallet, tray, or sack)

a. Pallet Container

Entry Point	5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
DDU	1.652			
DSCF	21.062	11.460		
DADC	31.180	21.372	12.803	
DNDC	32.936	24.572	23.127	
Origin	50.875	39.505	33.375	3.365

b. Tray or Sack Container

Entry Point	Carrier Route/ 5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
DDU	0.937			
DSCF	1.353	0.833		
DADC	1.770	1.249	0.833	
DNDC	2.082	1.562	1.457	
Origin	2.810	2.186	2.092	0.437

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1400 Package Services

1400.1 Class Description

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- d. Package Services pieces that are undeliverable-as-addressed will be forwarded on request of the addressee, or forwarded and returned on request of the mailer, subject to the applicable single-piece Package Services mail price when forwarded or returned ~~from one Post Office to another~~. Pieces which combine domestic Package Services mail with First-Class Mail or Standard Mail pieces will be forwarded if undeliverable-as-addressed, and returned if undeliverable, as specified in the Domestic Mail Manual.

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1405 Parcel Post

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1405.5 Optional Features

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

- Pickup On Demand Service
- Ancillary Services (1505)
 - Address Correction Service (1505.1)
 - Certificate of Mailing (1505.6)
 - Collect on Delivery (1505.7)
 - Delivery Confirmation (1505.8)
 - Insurance (1505.9)
 - Merchandise Return Service (1505.10)
 - Return Receipt (1505.13)
 - Return Receipt for Merchandise (1505.14)
 - Restricted Delivery (1505.15)
 - Signature Confirmation (1505.17)
 - Special Handling (1505.18)
- Competitive Ancillary Services (2645)
 - Package Intercept Service (2645.2)

1405.6 Prices

Parcel Post

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)
1	5.20	5.25	5.35	5.45	5.55	5.60	5.70
2	5.30	5.65	6.16	7.49	7.78	8.13	8.83
3	5.75	6.53	7.37	8.54	9.36	9.87	11.14
4	6.17	7.33	8.10	9.51	10.41	11.10	12.09
5	7.29	8.42	9.18	10.34	11.08	11.74	12.70
6	8.01	9.28	10.13	11.17	11.74	12.38	13.48
7	8.46	9.98	10.66	12.03	12.65	13.39	14.61
8	8.77	10.48	11.03	12.40	13.27	14.13	15.51
9	9.01	10.81	11.43	12.77	13.86	14.85	16.39
10	9.27	11.17	11.80	13.16	14.48	15.62	17.29
11	9.56	11.50	12.19	13.52	15.07	16.34	18.18
12	9.86	11.86	12.53	13.88	15.68	17.08	19.05
13	10.19	12.18	12.92	14.24	16.29	17.85	19.97
14	10.49	12.54	13.30	14.61	16.89	18.57	20.88
15	10.79	12.87	13.66	14.97	17.49	19.33	21.78
16	11.09	13.23	14.04	15.35	18.11	20.08	22.66
17	11.42	13.55	14.42	15.71	18.70	20.84	23.55
18	11.73	13.93	14.79	16.19	19.32	21.56	24.46
19	12.03	14.26	15.13	16.68	19.91	22.31	25.35
20	12.33	14.61	15.48	17.15	20.53	23.06	26.23
21	12.64	14.96	15.84	17.64	21.16	23.80	27.15
22	12.98	15.33	16.22	18.12	21.75	24.55	28.05
23	13.28	15.67	16.57	18.63	22.38	25.31	28.96
24	13.59	16.02	16.93	19.09	23.00	26.08	29.84
25	13.89	16.35	17.27	19.59	23.60	26.84	30.76
26	14.20	16.71	17.64	20.07	24.22	27.59	31.66
27	14.50	17.08	17.97	20.56	24.85	28.35	32.55
28	14.84	17.43	18.35	21.02	25.45	29.09	33.45
29	15.14	17.77	18.71	21.52	26.07	29.86	34.36
30	15.44	18.12	19.06	22.00	26.68	30.62	35.25
31	15.77	18.46	19.41	22.48	27.31	31.37	36.14
32	16.08	18.80	19.78	22.98	27.92	32.10	37.06
33	16.39	19.17	20.13	23.48	28.55	32.87	37.96

Parcel Post (Continued)

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)
34	16.70	19.50	20.49	23.94	29.15	33.60	38.87
35	17.01	19.83	20.85	24.43	29.75	34.37	39.77
36	17.16	20.21	21.19	24.91	30.36	35.12	40.67
37	17.31	20.54	21.58	25.39	30.99	35.86	41.56
38	17.47	20.90	21.92	25.87	31.59	36.61	42.49
39	17.62	21.24	22.27	26.36	32.19	37.36	43.39
40	17.81	21.57	22.66	26.85	32.81	38.10	44.29
41	17.95	21.95	23.00	27.33	33.43	38.84	45.20
42	18.11	22.28	23.36	27.82	34.04	39.60	46.09
43	18.27	22.44	23.71	28.29	34.64	40.35	46.99
44	18.42	22.60	24.10	28.76	35.26	41.11	47.91
45	18.58	22.80	24.45	29.23	35.86	41.88	48.81
46	18.73	22.96	24.80	29.72	36.49	42.62	49.72
47	18.88	23.13	25.16	30.21	37.11	43.38	50.62
48	19.04	23.30	25.54	30.69	37.71	44.14	51.53
49	19.20	23.46	25.90	31.18	38.33	44.91	52.44
50	19.35	23.63	26.25	31.65	38.95	45.63	53.35
51	19.51	23.80	26.61	32.12	39.57	46.44	54.26
52	19.70	24.00	26.99	32.62	40.17	47.29	55.17
53	19.84	24.17	27.34	33.10	40.80	48.18	56.06
54	19.99	24.34	27.70	33.58	41.40	48.36	56.98
55	20.14	24.50	28.06	34.08	42.04	49.26	57.88
56	20.29	24.67	28.42	34.56	42.64	49.94	58.79
57	20.44	24.84	28.77	35.04	43.28	50.68	59.71
58	20.61	25.01	29.16	35.55	43.89	51.58	60.60
59	20.77	25.18	29.52	36.03	44.49	52.37	61.51
60	20.92	25.35	29.87	36.51	45.13	53.15	62.44
61	21.06	25.52	30.24	37.00	45.74	53.93	63.32
62	21.22	25.69	30.58	37.50	46.35	54.72	64.23
63	21.40	25.89	30.93	37.99	46.99	55.47	65.15
64	21.54	26.07	31.30	38.46	47.60	56.26	66.03
65	21.70	26.24	31.64	38.95	48.22	56.81	66.94
66	21.85	26.41	32.02	39.47	48.86	57.59	67.85
67	21.99	26.58	32.36	39.95	49.47	58.38	68.74
68	22.17	26.75	32.74	40.44	50.56	59.18	69.64
69	22.71	27.30	33.51	41.36	51.32	60.26	70.74
70	23.25	27.85	34.28	42.29	52.09	61.35	71.84
Oversized	62.42	65.30	66.60	68.57	91.83	97.79	108.23

Balloon Price

Pieces exceeding 84 inches in length and girth combined (but not more than 108 inches) 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 length plus girth must pay the oversized price.

Pickup On Demand Service

Add ~~\$15.30~~ price specified for Parcel Post Pickup On Demand service (section 1405.6) for each Pickup On Demand stop

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1415 Bound Printed Matter Flats

1415.5 Optional Features

The following additional 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)
- Competitive Ancillary Services (2645)
 - Package Intercept Service (2645.2)
- 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	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.386	0.533	0.974	0.974	0.974	0.974
Per Pound	0.024	0.043	0.066	0.081	0.132	0.188

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	0.139	0.155	0.197	0.250	0.318	0.358	0.480

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 (\$)	DNDC Zones 1 & 2 (\$)	DNDC Zone 3 (\$)	DNDC Zone 4 (\$)	DNDC Zone 5 (\$)
Per Piece	0.484	0.631	1.072	1.072	1.072	1.072
Per Pound	0.024	0.043	0.066	0.081	0.132	0.188

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	0.155	0.197	0.250	0.318	0.358	0.480

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	1.86	1.91	1.97	2.06	2.16	2.22	2.42
1.5	1.86	1.91	1.97	2.06	2.16	2.22	2.42
2.0	1.95	2.01	2.09	2.21	2.35	2.43	2.69
2.5	2.04	2.12	2.22	2.37	2.54	2.64	2.97
3.0	2.13	2.22	2.34	2.52	2.73	2.85	3.24
3.5	2.22	2.33	2.47	2.68	2.92	3.06	3.52
4.0	2.31	2.43	2.59	2.83	3.11	3.27	3.79
4.5	2.40	2.54	2.72	2.99	3.30	3.48	4.07
5.0	2.49	2.64	2.84	3.14	3.49	3.69	4.34
6.0	2.67	2.85	3.09	3.45	3.87	4.11	4.89
7.0	2.85	3.06	3.34	3.76	4.25	4.53	5.44
8.0	3.03	3.27	3.59	4.07	4.63	4.95	5.99
9.0	3.21	3.48	3.84	4.38	5.01	5.37	6.54
10.0	3.39	3.69	4.09	4.69	5.39	5.79	7.09
11.0	3.57	3.90	4.34	5.00	5.77	6.21	7.64
12.0	3.75	4.11	4.59	5.31	6.15	6.63	8.19
13.0	3.93	4.32	4.84	5.62	6.53	7.05	8.74
14.0	4.11	4.53	5.09	5.93	6.91	7.47	9.29
15.0	4.29	4.74	5.34	6.24	7.29	7.89	9.84

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

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1420.4 Price Categories

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

- Carrier Route
 - DDU
 - DSCF
 - DNDC
 - Zone-Rated Nondestination Entry
- ~~Presorted – A barcode discount is available for machinable parcels, other than DDU and DSCF~~
 - DDU
 - DSCF
 - DNDC
 - Zone-Rated Nondestination Entry
- ~~Nonpresorted – A barcode discount is available for machinable parcels that meet minimum piece requirements~~

1420.5 Optional Features

The following additional 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)
 - Delivery Confirmation (1505.8)
 - Insurance (1505.9)
 - Merchandise Return Service (1505.10)
 - Return Receipt (1505.13)
 - Return Receipt for Merchandise (1505.14)
 - Signature Confirmation (1505.17)
 - Restricted Delivery (1505.15)
 - Special Handling (1505.18)
- Competitive Ancillary Services (2645)
 - Package Intercept Service (2645.2)

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	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.600	0.746	1.188	1.188	1.188	1.188
Per Pound	0.026	0.061	0.075	0.106	0.153	0.214

b. Other Than Destination Entry

	Zones Local 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	1.362	1.362	1.362	1.362	1.362	1.362	1.362
Per Pound	0.166	0.200	0.241	0.306	0.377	0.433	0.570

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	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.698	0.844	1.286	1.286	1.286	1.286
Per Pound	0.026	0.061	0.075	0.106	0.153	0.214

b. Other Than Destination Entry¹

	Zones Local 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	1.460	1.460	1.460	1.460	1.460	1.460	1.460
Per Pound	0.166	0.200	0.241	0.306	0.377	0.433	0.570

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 DNDC 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	2.38	2.44	2.50	2.59	2.69	2.75	2.95
1.5	2.38	2.44	2.50	2.59	2.69	2.75	2.95
2.0	2.48	2.56	2.64	2.76	2.90	2.98	3.24
2.5	2.59	2.69	2.79	2.94	3.11	3.21	3.54
3.0	2.69	2.81	2.93	3.11	3.32	3.44	3.83
3.5	2.80	2.94	3.08	3.29	3.53	3.67	4.13
4.0	2.90	3.06	3.22	3.46	3.74	3.90	4.42
4.5	3.01	3.19	3.37	3.64	3.95	4.13	4.72
5.0	3.11	3.31	3.51	3.81	4.16	4.36	5.01
6.0	3.32	3.56	3.80	4.16	4.58	4.82	5.60
7.0	3.53	3.81	4.09	4.51	5.00	5.28	6.19
8.0	3.74	4.06	4.38	4.86	5.42	5.74	6.78
9.0	3.95	4.31	4.67	5.21	5.84	6.20	7.37
10.0	4.16	4.56	4.96	5.56	6.26	6.66	7.96
11.0	4.37	4.81	5.25	5.91	6.68	7.12	8.55
12.0	4.58	5.06	5.54	6.26	7.10	7.58	9.14
13.0	4.79	5.31	5.83	6.61	7.52	8.04	9.73
14.0	5.00	5.56	6.12	6.96	7.94	8.50	10.32
15.0	5.21	5.81	6.41	7.31	8.36	8.96	10.91

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

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1425.4 Price Categories

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

- Media Mail
 - 5-Digit
 - Basic —~~A barcode discount is available for machinable parcels~~
 - Single-Piece —~~A barcode discount is available for machinable parcels that meet minimum piece requirements~~
- Library Mail
 - 5-Digit
 - Basic —~~A barcode discount is available for machinable parcels~~
 - Single-Piece —~~A barcode discount is available for machinable parcels that meet minimum piece requirements~~

1425.5 Optional Features

The following additional 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)
 - Delivery Confirmation (1505.8)
 - Insurance (1505.9)
 - Merchandise Return Service (1505.10)
 - Return Receipt (1505.13)
 - Return Receipt for Merchandise (1505.14)
 - Restricted Delivery (1505.15)
 - Signature Confirmation (1505.17)
 - Special Handling (1505.18)
- Competitive Ancillary Services (2645)
 - Package Intercept Service (2645.2)

1425.6 Prices

Media Mail

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
1	1.73	2.07	2.47
2	2.15	2.49	2.89
3	2.57	2.91	3.31
4	2.99	3.33	3.73
5	3.41	3.75	4.15
6	3.83	4.17	4.57
7	4.25	4.59	4.99
8	4.65	4.99	5.39
9	5.05	5.39	5.79
10	5.45	5.79	6.19
11	5.85	6.19	6.59
12	6.25	6.59	6.99
13	6.65	6.99	7.39
14	7.05	7.39	7.79
15	7.45	7.79	8.19
16	7.85	8.19	8.59
17	8.25	8.59	8.99
18	8.65	8.99	9.39
19	9.05	9.39	9.79
20	9.45	9.79	10.19
21	9.85	10.19	10.59
22	10.25	10.59	10.99
23	10.65	10.99	11.39
24	11.05	11.39	11.79
25	11.45	11.79	12.19

Media Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
26	11.85	12.19	12.59
27	12.25	12.59	12.99
28	12.65	12.99	13.39
29	13.05	13.39	13.79
30	13.45	13.79	14.19
31	13.85	14.19	14.59
32	14.25	14.59	14.99
33	14.65	14.99	15.39
34	15.05	15.39	15.79
35	15.45	15.79	16.19
36	15.85	16.19	16.59
37	16.25	16.59	16.99
38	16.65	16.99	17.39
39	17.05	17.39	17.79
40	17.45	17.79	18.19
41	17.85	18.19	18.59
42	18.25	18.59	18.99
43	18.65	18.99	19.39
44	19.05	19.39	19.79
45	19.45	19.79	20.19
46	19.85	20.19	20.59
47	20.25	20.59	20.99
48	20.65	20.99	21.39
49	21.05	21.39	21.79
50	21.45	21.79	22.19

Media Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
51	21.85	22.19	22.59
52	22.25	22.59	22.99
53	22.65	22.99	23.39
54	23.05	23.39	23.79
55	23.45	23.79	24.19
56	23.85	24.19	24.59
57	24.25	24.59	24.99
58	24.65	24.99	25.39
59	25.05	25.39	25.79
60	25.45	25.79	26.19
61	25.85	26.19	26.59
62	26.25	26.59	26.99
63	26.65	26.99	27.39
64	27.05	27.39	27.79
65	27.45	27.79	28.19
66	27.85	28.19	28.59
67	28.25	28.59	28.99
68	28.65	28.99	29.39
69	29.05	29.39	29.79
70	29.45	29.79	30.19

Library Mail

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
1	1.64	1.97	2.35
2	2.04	2.37	2.75
3	2.44	2.77	3.15
4	2.84	3.17	3.55
5	3.24	3.57	3.95
6	3.64	3.97	4.35
7	4.04	4.37	4.75
8	4.42	4.75	5.13
9	4.80	5.13	5.51
10	5.18	5.51	5.89
11	5.56	5.89	6.27
12	5.94	6.27	6.65
13	6.32	6.65	7.03
14	6.70	7.03	7.41
15	7.08	7.41	7.79
16	7.46	7.79	8.17
17	7.84	8.17	8.55
18	8.22	8.55	8.93
19	8.60	8.93	9.31
20	8.98	9.31	9.69
21	9.36	9.69	10.07
22	9.74	10.07	10.45
23	10.12	10.45	10.83
24	10.50	10.83	11.21
25	10.88	11.21	11.59

Library Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
26	11.26	11.59	11.97
27	11.64	11.97	12.35
28	12.02	12.35	12.73
29	12.40	12.73	13.11
30	12.78	13.11	13.49
31	13.16	13.49	13.87
32	13.54	13.87	14.25
33	13.92	14.25	14.63
34	14.30	14.63	15.01
35	14.68	15.01	15.39
36	15.06	15.39	15.77
37	15.44	15.77	16.15
38	15.82	16.15	16.53
39	16.20	16.53	16.91
40	16.58	16.91	17.29
41	16.96	17.29	17.67
42	17.34	17.67	18.05
43	17.72	18.05	18.43
44	18.10	18.43	18.81
45	18.48	18.81	19.19
46	18.86	19.19	19.57
47	19.24	19.57	19.95
48	19.62	19.95	20.33
49	20.00	20.33	20.71
50	20.38	20.71	21.09

Library Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
51	20.76	21.09	21.47
52	21.14	21.47	21.85
53	21.52	21.85	22.23
54	21.90	22.23	22.61
55	22.28	22.61	22.99
56	22.66	22.99	23.37
57	23.04	23.37	23.75
58	23.42	23.75	24.13
59	23.80	24.13	24.51
60	24.18	24.51	24.89
61	24.56	24.89	25.27
62	24.94	25.27	25.65
63	25.32	25.65	26.03
64	25.70	26.03	26.41
65	26.08	26.41	26.79
66	26.46	26.79	27.17
67	26.84	27.17	27.55
68	27.22	27.55	27.93
69	27.60	27.93	28.31
70	27.98	28.31	28.69

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.

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1500 Special Services

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1505 Ancillary Services

1505.1 Address Correction Service

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1505.1.2 Prices

	(\$)
Manual correction, each	
First-Class Mail piece, on-piece correction only	0.00
Other	0.50
Electronic correction, each	
First-Class Mail piece	0.10
Other	0.28
Automated correction (Letters Only)	
First-Class Mail piece	
First two notices, for a given address change, each	0.03
Additional notices, for a given address change, each	0.10
Standard Mail piece	
First two notices, for a given address change, each	0.06
Additional notices, for a given address change, each	0.22
Full-service correction, each	0.00

1505.2 Applications and Mailing Permits

1505.2.1 Description

Payment of an application, mailing, or permit fee is required to mail certain products. Many of the fees apply at the class level and encompass the associated products. Fees that apply to particular special services are included in the price schedules for those special services.

First-Class Mail/First-Class Package Service

A mailing fee must be paid once each 12-month period at each office of mailing by any person who mails at the presorted or automation prices except for qualifying full-service Intelligent Mail barcode mailings. Payment of the fee allows the mailer to mail at any First-Class Mail or First-Class Package Service price.

Standard Mail/Parcel Select Lightweight

A mailing fee must be paid each 12-month period for each permit used to mail Standard Mail or Parcel Select Lightweight pieces, except for qualifying full-service Intelligent Mail barcode mailings.

Periodicals

Each authorized Periodicals publication must pay the application fee for one original entry authorization at the Post Office where the office of publication is maintained. An authorization to enter a publication at an additional entry office may be granted by the Postal Service upon application by the publisher and payment of the additional entry fee. A re-entry application fee must be paid whenever the publisher changes the publication's title, frequency of issue, ~~or~~ office of original entry, or qualification category. Prior to entering Nonprofit, Classroom, and Science of Agriculture Periodicals mail, a publication must obtain an additional Postal Service entry authorization to mail at those prices. Periodicals mail may be entered only by publishers or registered news agents. A news agent is a person or concern engaged in distributing two or more Periodicals publications published by more than one publisher. News agents must register at each Post Office at which they enter Periodicals mail, and pay the appropriate application fee.

Package Services Mail

A mailing fee must be paid once each 12-month period to mail at any destination entry Bound Printed Matter price; except for qualifying full-service Intelligent Mail barcode mailings. A separate mailing fee

must be paid once each 12-month period to mail at any Media Mail presorted or Library Mail presorted price.

Parcel Select

A mailing fee must be paid once each 12-month period for Parcel Select, except for Parcel Select Lightweight, matter entered at a DDU, DSCF, and or DNDC price.

Parcel Return Service

A mailing fee must be paid once each 12-month period by mailers using Parcel Return Service. In addition, the permit holder must pay an account maintenance fee once each 12-month period for each advance deposit account.

Permit Imprint Application

A fee is charged for application to use a permit imprint as a method of payment.

1505.2.2 Prices

	(\$)
First-Class Mail/ <u>First-Class Package Service</u> Presort Mailing Fee (per year)	190.00
Standard Mail Mailing Fee (per year)	190.00
Periodicals Application Fees (one-time only for each)	
A. Original Entry	550.00
B. Additional Entry	90.00
C. Re-entry	70.00
D. Registration for News Agents	60.00
Bound Printed Matter: Destination Entry Mailing Fee (per year)	190.00
Media Mail Presorted Mailing Fee (per year)	190.00
Library Mail Presorted Mailing Fee (per year)	190.00
Parcel Select: Destination Entry Mailing Fee (per year)	190.00
Parcel Return Service Account Maintenance Fee (per year)	605.00
Parcel Return Service Mailing Fee (per year)	190.00
Application to Use Permit Imprint (one-time only)	190.00

1505.3 Business Reply Mail

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1505.3.2 Prices

	(\$)
Regular (no account maintenance fee)	
Permit (per year)	190.00
Per-piece charge	0.76
Regular (with account maintenance fee)	
Permit (per year)	190.00
Account maintenance (per year)	605.00
Per-piece charge	0.087
Qualified Business Reply Mail, low-volume	
Permit (per year)	190.00
Account maintenance (per year)	605.00
Per-piece charge	0.056
Qualified Business Reply Mail, high-volume	
Permit (per year)	190.00
Account maintenance (per year)	605.00
Quarterly	2,025.00
Per-piece charge	0.008
Bulk Weight Averaged (Non-letters only)	
Permit (per year)	190.00
Account maintenance (per year)	605.00
Per-piece charge	0.015
Monthly maintenance	1,015.00

1505.4 Bulk Parcel Return Service

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1505.4.2 Prices

	(\$)
Permit (per year)	190.00
Account maintenance (per year)	605.00
Per-piece charge	2.60

1505.5 Certified Mail

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1505.5.1 Description

- a. Certified Mail service provides a mailer of First-Class Mail, First-Class Package Service, or Priority Mail (except Critical Mail) pieces with a mailing receipt and, upon request, electronic verification that an article was delivered or that a delivery attempt was made. If the initial attempt to deliver the mail is not successful, a notice of attempted delivery is left at the mailing address, and the date and time of the attempted delivery is made available to the mailer.
- b. Delivery status may be obtained: over the Internet, by telephone, or by bulk electronic file transfer for mailers who provide an electronic manifest. The Postal Service maintains a record of delivery (which includes the recipient's signature) for a specified period of time.
- c. A mailer must mail the article at a Post Office, branch, or station, or give the article to a rural carrier, in order to obtain a mailing receipt.

1505.5.2 Prices

	(\$)
Per piece	2.95

1505.6 Certificate of Mailing

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1505.6.1 Description

- a. Certificate of Mailing service furnishes evidence that mail has been presented to the Postal Service for mailing.
- b. Certificate of Mailing service is available for ~~of use with~~ First-Class Mail, First-Class Package Service commercial base parcels, Priority Mail (except Critical Mail), Package Services, and Standard Mail (except Customized MarketMail) and Parcel Select Lightweight items.
- c. Certificate of Mailing service does not include retention of a record of mailing by the Postal Service or provide evidence of delivery.
- d. A mailer may obtain a duplicate Certificate of Mailing on terms specified in the Domestic Mail Manual.

1505.6.2 Prices

Individual Piece 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)	0.44
Each additional copy of original Certificate of Mailing or original mailing receipt for Registered Mail, insured, Certified Mail, and COD mail pieces (each copy)	1.15

Bulk Prices

Identical First-Class Mail, First-Class Package Service commercial base parcels, Priority Mail, Standard Mail, Parcel Select Lightweight, and Package Services pieces paid with ordinary stamps, precanceled stamps, or meter stamps (as applicable) are subject to the following fees:

	(\$)
Up to 1,000 pieces (one certificate for total number)	6.70
Each additional 1,000 pieces or fraction	0.80
Duplicate copy	1.15

1505.7 Collect on Delivery

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1505.7.1 Description

- a. Collect on Delivery (COD) service allows a mailer to mail an article for which full or partial payment of \$1,000.00 or less has not yet been received and have that payment, the cost of postage and fees, and anticipated or past due charges collected by the Postal Service from the addressee when the article is delivered.
- b. COD service is available with Express Mail, First-Class Mail, First-Class Package Service, Priority Mail, Package Services, and Parcel Select (excluding Parcel Select Lightweight) services.
- c. COD service includes: a mailing receipt; the ability to obtain additional copies of the mailing receipt; and insurance against loss, damage, or missing contents, as well as failure to receive the instrument issued to the mailer after payment of COD charges. Postal Service liability for failure to receive the instrument is limited to loss in transit.
- d. If a delivery is not attempted or is unsuccessful, a notice will be left at the delivery address. The mailer may receive a notice of nondelivery if the piece mailed is endorsed appropriately and the appropriate fee is paid.
- e. A mailer of COD mail guarantees to pay any return postage unless otherwise specified on the mailpiece.
- f. The mailer may designate a new addressee or alter the COD charges by submitting the appropriate form and by paying the appropriate fee.
- g. A claim for complete loss may be filed by the mailer only. A claim for damage or for partial loss may be filed by either the mailer or addressee.
- h. COD service is not available for: collection agency purposes; return of merchandise, unless the new addressee has consented in advance to such return; parcels containing moving-picture films mailed by exhibitors to moving-picture manufacturers, distributors, or exchanges; goods that have not been ordered by the addressee and the sending of only bills or statements of indebtedness. However, when a legitimate COD shipment consists of merchandise or bill of lading, the balance due on a past or anticipated transaction may be included in the charges on a COD article, provided that the addressee has consented in advance to such action.

1505.7.2 Prices

	(\$)		(\$)	(\$)
Amount to be collected, or insurance coverage desired, whichever is higher:				
	0.01	to	50.00	5.90
	50.01	to	100.00	7.30
	100.01	to	200.00	8.70
	200.01	to	300.00	10.10
	300.01	to	400.00	11.50
	400.01	to	500.00	12.90
	500.01	to	600.00	14.30
	600.01	to	700.00	15.70
	700.01	to	800.00	17.10
	800.01	to	900.00	18.50
	900.01	to	1,000.00	19.90
Notice of nondelivery				3.95
Alteration of COD charges				3.95
Designation of new addressee				3.95
Registered COD				5.10

1505.8 Delivery Confirmation

1505.8.1 Description

- a. Delivery Confirmation service provides, upon request, electronic confirmation to the mailer of delivery or attempted delivery.
- b. Delivery Confirmation service is available with First-Class Mail parcels, First-Class Package Service, Priority Mail pieces, Standard Mail ~~NEMs~~ Parcels, Package Services parcels, and Parcel Select parcels.
- c. Delivery Confirmation service may be requested only at time of mailing.

1505.8.2 Prices

	(\$)
First-Class Mail Parcels	
Electronic/ <u>Returns with integrated retail systems label</u>	0.00
Retail	0.85
<u>First-Class Package Service</u>	
<u>Electronic</u>	<u>0.00</u>
Standard Mail Parcels	
Electronic	0.19
Package Services	
<u>Returns with integrated retail systems label</u>	<u>0.00</u>
Electronic	0.19
Retail	0.85
Priority Mail	
Electronic/ <u>Returns with integrated retail systems label</u>	0.00
Retail	0.75
Parcel Select	
Electronic — Destination Entry only	0.00
— Electronic — All other	0.19

1505.9 Insurance

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1505.9.1 Description

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General Insurance

- a. General Insurance provides the mailer with indemnity for items mailed using Package Services, Parcel Select service, Standard Mail parcels, or eligible to be mailed via Standard Mail service or Package Services mail if included in a First-Class Mail, First-Class Package Service, or Priority Mail piece.
- b. General Insurance provides the mailer with a receipt for each item mailed and indemnity for up to the actual value of the article at the time of mailing. For General Insurance, other than Bulk Insurance, a claim for complete loss may be filed by the mailer only, and a claim for damage or for partial loss may be filed by either the mailer or addressee.
- c. For mail insured for \$200.00 or less, the USPS maintains delivery information (not including a signature) for a specified period of time. For mail insured for more than \$200.00, the USPS maintains a delivery record (which includes the recipient's signature) for a specified period of time.
- d. General Insurance is not available for matter offered for sale and addressed to a prospective purchaser who has not ordered or authorized its sending.

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1505.9.2 Prices

General Insurance

	(\$)		(\$)	(\$)
Merchandise coverage:				
	0.01	to	50.00	1.85
	50.01	to	100.00	2.35
	100.01	to	200.00	2.90
	200.01	to	300.00	4.85
	300.01	to	400.00	5.95

*Special Services
Ancillary Services*

400.01	to	500.00	7.05
500.01	to	600.00	8.15
600.01	to	5,000.00	8.15 plus 1.10 for each 100.00 or fraction thereof over 600.00

Bulk Insurance Option

			(\$)
Amount of coverage:			
0.01	to	50.00	1.05
50.01	to	100.00	1.55
100.01	to	200.00	2.10
200.01	to	300.00	4.05
300.01	to	5,000.00	4.05 plus 1.10 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	0.80
200.01	to	500.00	2.20
500.01	to	5,000.00	2.20 plus 1.45 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

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1505.10.1 Description

- a. Merchandise Return Service enables a permit holder to authorize a mailer to send parcels with the postage and fees paid by the permit holder.
- b. Merchandise Return Service is available for parcels sent by First-Class Mail service, First-Class Package Service, Priority Mail service (except Critical Mail service), and Package Services.
- c. The permit holder must pay an account maintenance fee for each advance deposit account.

1505.10.2 Prices

	(\$)
Permit (per year)	190.00
Account maintenance (per year)	605.00
Per piece	0.00

1505.11 Parcel Airlift (PAL)

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1505.11.2 Prices

	(\$)
For pieces weighing:	
Not more than 2 pounds	0.60
Over 2 but not more than 3 pounds	1.20
Over 3 but not more than 4 pounds	1.65
Over 4 but not more than 30 pounds	2.25

1505.12 Registered Mail

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1505.12.1 Description

- a. Registered Mail service provides added protection to First-Class Mail, First-Class Package Service, and Priority Mail (except Critical Mail) pieces, and provides indemnity in case of loss, damage, or missing contents. The amount of indemnity depends upon the actual value of the article at the time of mailing, up to a maximum of \$25,000.00. Articles with a declared value of more than \$25,000.00 can be registered, but compensation for loss, damage, or missing contents is limited to \$25,000.00.
- b. Registered Mail service provides the mailer with a mailing receipt and, upon request, electronic verification that an article was delivered or that a delivery attempt was made. A notice of attempted delivery is left at the delivery address if the initial delivery attempt is unsuccessful. A notice of nondelivery is provided when a Registered Mail piece is undeliverable-as-addressed and cannot be forwarded. Delivery status may be obtained: over the Internet, by telephone, or by bulk electronic file transfer for mailers who provide an electronic manifest. The Postal Service maintains a record of delivery (which includes the recipient's signature) for a specified period of time.
- c. Registered Mail pieces are forwarded and returned without additional registry charge.
- d. Restrictions on the availability of Registered Mail service may apply, and specific mail preparation requirements must be met.
- e. Indemnity claims for Registered Mail service must be filed within a specified period of time from the date the article was mailed. A claim concerning complete loss of registered articles may be filed by the mailer only. A claim concerning damage to or partial loss of registered articles may be filed by either the mailer or addressee.

Prices (Continued)

	(\$)	(\$)	(\$)
Declared Value:	25,000.01	to	15,000,000.00
			48.50 plus 1.40 per additional 1,000.00 of value
	Greater than		15,000,000.00
			21,013.50 plus amount determined by the Postal Service based on weight, space, and value

1505.13 Return Receipt

1505.13.1 Description

- a. Return Receipt service provides a mailer with evidence that a mailpiece has been received at the delivery address, including an original or copy of the recipient's signature.
- b. Return Receipt service is available with:
 - Express Mail;
 - First-Class Mail (when purchased at the time of mailing with Certified Mail, COD, Insured mail for more than \$200.00, or Registered Mail);
 - First-Class Package Service (when purchased at the time of mailing with Certified Mail, COD, Insured mail for more than \$200.00, or Registered Mail);
 - Priority Mail (except Critical Mail) (when purchased at the time of mailing with Adult Signature (PS Form 3811 only), Certified Mail, COD, Insured mail for more than \$200.00, or Registered Mail);
 - Standard Mail and Parcel Select Lightweight (when purchased at the time of mailing with bulk insurance for more than \$200.00 and prepared as parcels);
 - Package Services (when purchased at the time of mailing with COD or Insured mail for more than \$200.00); and
 - Parcel Select, except Parcel Select Lightweight (when purchased at the time of mailing with COD or Insured mail for more than \$200.00).

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1505.13.2 Prices

	(\$)
Original signature	2.35
Copy of signature (electronic)	1.15
Requested after mailing	4.75

1505.14 Return Receipt for Merchandise

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1505.14.2 Prices

	(\$)
Per Piece (Requested at time of mailing)	3.95

1505.15 Restricted Delivery

1505.15.1 Description

- a. Restricted delivery service permits a mailer to direct delivery only to the addressee or addressee's authorized agent. The addressee must be an individual (or natural person) specified by name.
- b. Restricted Delivery service is available with:
 - First-Class Mail (when purchased at the time of mailing with Certified Mail, COD, Insured mail for more than \$200.00, or Registered Mail);
 - First-Class Package Service (when purchased at the time of mailing with Certified Mail, COD, Insured mail for more than \$200.00, or Registered Mail);
 - Priority Mail (except Critical mail) (when purchased at the time of mailing with Certified Mail, COD, Insured mail for more than \$200.00, or Registered Mail);
 - Standard Mail and Parcel Select Lightweight (when purchased at the time of mailing with bulk insurance for more than \$200 and prepared as parcels);
 - Package Services (when purchased at the time of mailing with COD or Insured mail for more than \$200.00); and
 - Parcel Select, except Parcel Select Lightweight (when purchased at the time of mailing with COD or Insured mail for more than \$200.00).
- c. Restricted Delivery is available to the mailer at the time of mailing or after mailing.

1505.15.2 Prices

	(\$)
Per Piece	4.55

1505.16 Shipper-Paid Forwarding

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1505.16.2 Prices

	(\$)
Account Maintenance Fee (per year)	605.00

1505.17 Signature Confirmation

1505.17.1 Description

- a. Signature Confirmation service provides mailers of First-Class Mail parcels, First-Class Package Service parcels, Package Services parcels, Parcel Select parcels (except Parcel Select Lightweight), and Priority Mail pieces electronic confirmation of the delivery or attempted delivery of the mailpiece.
- b. A delivery record is maintained by the Postal Service, and a copy, including a copy of the signature of the recipient if delivery was successful, is available upon request.
- c. Signature Confirmation service must be requested at the time of mailing.

1505.17.2 Prices

	(\$)
Electronic	2.10
Retail	2.55

1505.18 Special Handling

1505.18.1 Description

- a. Special Handling service provides preferential handling of First-Class Mail, First-Class Package Service, Priority Mail (except Critical Mail), Package Services, and Parcel Select pieces (except Parcel Select Lightweight), to the extent practicable during dispatch and transportation.
- b. Special Handling service is mandatory for matter that requires special attention in handling, transportation and delivery.
- c. If undeliverable-as-addressed, Special Handling mail that is forwarded to the addressee is given special handling without requiring payment of an additional handling fee. However, additional postage at the applicable price is collected on delivery.

1505.18.2 Prices

Weight	(\$)
Not more than 10 pounds	7.70
More than 10 pounds	10.80

1505.19 Stamped Envelopes

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1505.19.2 Prices

	(\$)
Plain stamped envelopes	
Basic, size 6-3/4, each	0.11
Basic, size 6-3/4, 500	15.95
Basic, over size 6-3/4, each	0.11
Basic, over size 6-3/4, 500	18.20
Personalized stamped envelopes	
Basic, size 6-3/4, 50	5.00
Basic, size 6-3/4, 500	24.70
Basic, over size 6-3/4, 50	5.00
Basic, over size 6-3/4, 500	27.95
Additional Charges for premium options, per 50 envelopes	
Color other than white	1.00
Pressure-sensitive sealing	5.00
Font size, font style, and/or ink color (for one, two, or all three)	1.00
Monogram	5.00
<u>Window</u>	<u>1.00</u>
Additional Charges for premium options, per 500 envelopes	
Color other than white	2.00
Pressure-sensitive sealing	15.00
Font size, font style, and/or ink color (for one, two, or all three)	2.10
Monogram	7.00
<u>Window</u>	<u>2.00</u>
4-color logo (5,000 envelope minimum)	45.00

	(\$)
Shipping—Boxes of 50	
1 box	5.00
2 boxes	6.50
3 boxes	7.50
4 boxes	8.50
5 boxes	10.50
6 boxes	11.00
7 boxes	12.00
8 boxes	13.00
9 or more boxes	14.00
Shipping—Boxes of 500	
1 box	9.00
2 or more boxes	14.00

1505.20 Stamped Cards

1505.20.1 Description

Stamped Cards are postcards with imprinted or impressed First-Class Mail postage. Double Stamped Cards consist of two attached postcards, one of which may be detached by the receiver and returned by mail as a single Stamped Card. The premium options allow customization of large orders for an additional charge.

1505.20.2 Prices

	(\$)
Single card	0.03
Double reply-paid card	0.06
Sheet of 40 cards (uncut)	1.20
<u>Pack of 10 sheets of 4 cards each</u>	<u>1.30</u>
 <u>Premium Options</u>	 <u>Additional Charge (\$)</u>
 <u>Per order of 250 cards</u>	
<u>Printing of return address</u>	<u>20.00</u>
<u>Font size, font style, and/or ink color (for one, two, or all three)</u>	<u>1.00</u>
<u>Monogram</u>	<u>1.00</u>
<u>4-Color logo – first 250 cards</u>	<u>80.00</u>
<u>4-Color logo – additional 250 cards</u>	<u>5.00</u>
 <u>Per Order of 1,000 cards</u>	
<u>Printing of return address</u>	<u>50.00</u>
<u>Font size, font style, and/or ink color (for one, two, or all three)</u>	<u>2.00</u>
<u>Monogram</u>	<u>2.00</u>
<u>4-Color logo – first 1,000 cards</u>	<u>85.00</u>
<u>4-Color logo -- additional 1,000 cards</u>	<u>10.00</u>

1505.21 Premium Stamped Stationery

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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

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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

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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)	0.44
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)	6.70
Each additional 1,000 pieces or fraction	0.80
Duplicate copy	1.15

1510.2 International Registered Mail

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1510.2.2 Prices

Outbound International Registered Mail Prices

	(\$)
Per Piece	11.75

Inbound International Registered Mail Prices

Payment is made in accordance with Part III of the Universal Postal Convention. This information is available in the Letter Post Manual at www.upu.int.

1510.3 International Return Receipt

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1510.3.2 Prices

Outbound International Return Receipt Prices

	(\$)
Per Piece	2.35

Inbound International Return Receipt Prices

No additional payment.

1510.4 International Restricted Delivery

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1510.4.2 Prices

Outbound International Restricted Delivery Prices

	(\$)
Per Piece	4.55

Inbound International Restricted Delivery Prices

No additional payment.

1510.6 Customs Clearance and Delivery Fee

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1510.6.2 Prices

	(\$)
Per Dutiable Item	5.50

1515 Address Management Services

1515.1 Description

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

Advance Notification and Tracking System

The ADVANCE system provides mailers with delivery performance reports and data for qualified Standard Mail and Periodicals mailings with specific in-home delivery windows.

Address Sequencing

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

AEC II (Address Element Correction II) Service

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

AIS (Address Information System) Viewer

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

CRIS (Carrier Route Information System)

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

CASS (Coding Accuracy Support System) Certification

CASS evaluates and certifies the accuracy of address-matching software that applies ZIP + 4, DPV (Delivery Point Validation), LACS^{Link} (Locatable Address Conversion Service), CRIS (Carrier Route Information System), DSF² (Delivery Sequence File—2nd Generation), eLOT (enhanced Line of Travel), RDI (Residential Delivery Indicator) and Five-Digit ZIP. The Postal Service certifies software meeting its standards until the expiration of the applicable CASS cycle. Software must be re-certified for each CASS cycle. Ordinarily, a CASS testing cycle extends from August 1st through July 31st of the next year, and permits software use until the following July 31st.

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

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

City State

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

CDS (Computerized Delivery Sequence)

CDS service provides and updates delivery sequence address information by carrier route for qualified mailers. The CDS No Stat service provides and updates nondelivery address information about new construction and rural route vacancies by carrier route for qualified mailers.

Correction of Address Lists

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

Delivery Statistics

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

DMM (Domestic Mail Manual) Labeling Lists

DMM Labeling Lists contain destination ZIP Code numbers with the corresponding Postal Service facility destination information.

DPV (Delivery Point Validation) System

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

DSF² (Delivery Sequence File—2nd Generation) Service

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

eLOT (enhanced Line of Travel) Service

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

FASTforward MLOCR (Multi-line Optical Character Reader)

The FASTforward system makes change-of-address information for moves available to mailers so that it can be applied to a mail piece while it is being processed on a multi-line optical character reader. Customers use FFMUN (FASTforward Move Update Notification) electronic files to update their databases with change of address information.

Five-Digit ZIP

The Five-Digit ZIP service provides detailed street data for multi-coded cities (*i.e.*, cities that have more than one 5-digit ZIP Code number), so that the proper ZIP Code number can be identified. Copying is allowed for an additional fee.

LACS^{Link} (Locatable Address Conversion Service)

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

- Interface Developer which grants the right to develop an interface between address-matching software and the LACS^{Link} database service;
- Interface Distributor which grants the right to sub-license the interface and the LACS^{Link} database service to third parties; and
- End User which grants the right to obtain the LACS^{Link} database service directly from the Postal Service for use in updating mailing lists.

MAC (Manifest Analysis and Certification) Batch System Certification

The MAC Batch System Certification service evaluates and certifies that manifest/presort mailing products accurately list and calculate postage for presorted non-identical piece mailings consistent with DMM, IMM and Manifest Mailing System processing standards. Software is certified until the expiration of the applicable MAC Batch System cycle.

MAC (Manifest Analysis and Certification) Gold System Certification

The MAC Gold System evaluates and certifies that manifest mailing systems (software, weigh scales, and label printers) accurately list and calculate postage for non-identical piece mailings consistent with DMM, IMM and Manifest Mailing system itemized pricing standards. Software is certified until the expiration of the applicable MAC Gold System cycle.

MAC (Manifest Analysis and Certification) System Certification

The MAC System evaluates and certifies that manifest mailing software accurately lists and calculates postage for non-identical piece mailings consistent with DMM, IMM and Manifest Mailing System standards, until the expiration of the applicable MAC System cycle.

MASS (Multiline Accuracy Support System) Certification

MASS provides certification for multiline optical character readers, remote video encoding, local video encoding, and encoding stations (“equipment”). The MASS certification process is designed to evaluate the ability of the equipment to process address information using CASS (Coding Accuracy Support System) Certified™ software, and apply an accurate delivery point barcode to a mailpiece. The Postal Service separately certifies the equipment for a manufacturer and the user. Certified equipment can be used until the expiration of the applicable MASS cycle. Ordinarily, a MASS testing cycle extends from August 1st through July 31st of the next year, and permits use until the following July 31st. One-half the applicable fee is charged for recertification of a machine due to a move, transfer, or upgrade of the system.

NCOA^{Link} (National Change of Address) Service

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

- NCOA^{Link} Interface Developer which grants the right to develop a software interface between address-matching software and the NCOA^{Link} service database;
- NCOA^{Link} Interface Distributor which grants the right to unlimited sublicensing of software interfaces developed pursuant to an NCOA^{Link} Interface Developer License;
- NCOA^{Link} Full Service Provider (FSP) which grants the right to perform address list updating services for both the licensee and third party mailers using 48 months of change-of-address data. Postal Service database services such as DPV and LACS^{Link} are included;
- NCOA^{Link} Limited Service Provider (LSP) which grants the right to perform address list updating services for third party mailers, as well as for licensee’s own mail using 18 months of change-of-address data; and
- NCOA^{Link} End User Mailer (EUM) which grants a mailer the right to perform address list updating for its own mail using 18 months of change-of-address data.
- NCOA^{Link} Mail Processing Equipment (MPE) which grants a mailer the right to perform address updating directly onto its mailpieces using 18 months of change-of-address data and a multiline optical character reader (MLOCR).

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

NCOA^{Link} (National Change of Address) Service—ANK^{Link} (Address Not Known) Service Option

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

Official National Zone Charts

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

PAGE (Presort Accuracy, Grading, and Evaluation) System Certification

The PAGE System evaluates and certifies the accuracy of publication and print planning (PPP) software that calculates virtual copy weight and the percentage of advertising consistent with DMM Periodicals price computation standards, and certifies users of PPP software who demonstrate knowledge of the software for Periodicals mailings based on DMM standards and applicable Postal Service Customer Support Rulings. Software and users are certified until the expiration of the applicable PAGE cycle.

PAVE (Presort Accuracy, Validation, and Evaluation) System Certification

The PAVE System evaluates and certifies the accuracy of presort software that sorts mailing lists consistent with DMM mail preparation standards. Software is certified until the expiration of the applicable PAVE cycle.

RDI (Residential Delivery Indicator) Service

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

Z4CHANGE

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

Z4INFO

Z4INFO is an add-on utility to the ZIP + 4 service that can be integrated into address-matching software to improve address quality.

ZIP + 4 Service

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

ZIPMove

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

ZIP Code Sortation of Address Lists

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

99 Percent Accurate Method

The 99 Percent Accurate Method provides testing of mailers' address lists to determine how up-to-date the lists are. Lists deemed to meet threshold requirements are considered to be Move Update compliant.

1515.2 Prices

	(\$)
Address Sequencing	
Per correction (removal of each undeliverable address, or addition of each missing or new address)	0.37 ¹
Insertion of blanks	0.00
AEC II Service	
1-100 records resolved, minimum fee	27.00
Additional records resolved, per record	0.27
AIS (Address Information System) Viewer (per year, per operating system)	
City State Delivery Type Retrieval	
Annual Subscription	60.00
Single Issue	40.00
County Name Retrieval	
Annual Subscription	60.00
Single Issue	40.00
Delivery Statistic Retrieval	
Annual Subscription	85.00
Single Issue	56.00
ZIP + 4 Retrieval	
Annual Subscription	60.00
Single Issue	40.00
CRIS Route (per year)	
Per state (annual subscription)	25.00*
All States (annual subscription)	925.00*
CASS Certification	
Cycle Testing: (for next cycle) August-January	200.00
Cycle Testing: February, March	500.00
Cycle Testing: April	600.00
Cycle Testing: May	700.00
Cycle Testing: June	800.00
Cycle Testing: July	900.00
Cycle Testing: (for current cycle) After July 31 st	1,000.00

	(\$)
Change-of-Address Information for Election Boards and Registration Commissions	
Per change of address	0.37
City State (per year)	
All States (annual subscription)	370.00*
CDS (per address, per year)	0.0072
Minimum (per year)	36.00
Correction of Address Lists	
Per submitted address	0.37
Minimum charge per list (30 items)	11.10
Delivery Statistics (per year)	
All States (annual subscription)	370.00*
DMM Labeling Lists	60.00
DPV System (per year) ³	10,500.00
DSF ² Service (per year) ⁴	104,000.00
Each additional location per year	52,000.00
Each additional platform per location per year	52,000.00
eLOT Service (per year)	
Per state (annual subscription)	30.00*
All States (annual subscription)	875.00*
FASTforward MLOCR (per year)	5,000.00
Each additional site per year	5,000.00
Each additional platform per year	5,000.00
Audit	2,600.00

	(\$)
Five-Digit ZIP (per year)	
All States (annual subscription)	525.00*
LACSLink5	
Interface Developer (first year)	1,050.00 ⁶
Interface Developer (each one-year extension)	320.00 ⁶
Interface Distributor (per year)	1,250.00 ⁷
Data Distributor (per year)	320.00
End User (per year)	320.00 ⁸
MASS Certification	
MASS Manufacturers (MLOCR)	
Cycle Testing: (for next cycle) November – June	500.00
Cycle Testing: July	1,000.00
Cycle Testing: (for current cycle) After July 31 st	1,500.00
MASS End-Users (MLOCR)	
Cycle Testing: (for next cycle) March – June	500.00
Cycle Testing: July	1,000.00
Cycle Testing: (current cycle) After July 31 st	1,500.00
MASS Manufacturers (Encoder)	
Cycle Testing: (for next cycle) November – June	300.00
Cycle Testing: July	750.00
Cycle Testing: (for current cycle) After July 31 st	1,000.00
MASS End-Users (Encoder)	
Cycle Testing: (for next cycle) March – June	300.00
Cycle Testing: July	750.00
Cycle Testing: After July 31 st	1,000.00

	(\$)
NCOA^{Link} Service⁹	
Initial Interface Developer (first year fee)	5,350.00
Interface Developer (per each one year extension)	1,050.00
Interface Distributor (per year)	26,500.00
Full Service Provider (per year)	180,000.00
Full Service Provider Each Additional Site (per year)	90,000.00
Limited Service Provider (per year)	15,750.00
Limited Service Provider (per each one year extension)	
One Site only	15,750.00
Each additional site	7,950.00
ANKLink Service Option (per year)	
First site	3,700.00
Each additional site	1,750.00
End User/ <u>MPE</u> (first year)	7,950.00
End User/ <u>MPE</u> (each renewal year)	
One site	7,950.00
Each additional site	3,900.00
ANK ^{Link} Service Option (per year)	800.00
NCOA ^{Link} Test, Audit (each)	1,050.00
Official National Zone Charts (per year)	
Matrix	55.00
RDI Service (per year) ¹⁰	320.00
Z4 Change (per year)	
All States	3,200.00*
ZIP + 4 Service (per year)	
Per state (annual subscription)	25.00*
All States (annual subscription)	925.00

	(\$)
ZIP Code Sortation of Address Lists Per 1,000 addresses, or fraction	125.00
ZIPMove (per year) All States (annual subscription)	110.00*
99 Percent Accurate Method (per 1,000 addresses per year) Minimum (per year)	1.10 110.00

Notes

- *. See AMS Price Table for Single Issues or Additional Copies appearing below.
- 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.
- 2. Note number not to be used.
- 3. Fees are prorated for first year based on the month the agreement is executed.
- 4. Initial fee is prorated for first year based on the month the agreement is executed. There is no proration for additional locations or platforms.
- 5. Fees are prorated for first year for LACS^{Link} Interface Distributor, Data Distributor, and End User based on month the Postal Service certifies system. Interface Developer test fees are waived if part of CASS certification; otherwise, CASS test fees apply for stand-alone testing.
- 6. Interface Developer fees are waived for certified CASS and NCOA^{Link} Full Service Provider distributors fulfilling requirement to provide users access to LACS^{Link}
- 7. Interface Distributor fee are waived for certified CASS distributor who provides End Users of LACS^{Link} Distributor products with access to LACS^{Link} System.
- 8. End User fee is waived for certified NCOA^{Link} Full Service Providers who fulfill requirement to offer LACS^{Link} as component of its products and services.

9. NCOA^{Link} fees (excluding Interface Developer) prorated for first year based on month Postal Service certifies system. No proration for fees for additional sites.
10. First year pro-rated based on date of execution of license.

AMS Price Table for Single Issues or Additional Copies

Address Management Services with an asterisk allow copying for an additional fee, and provide a single issue instead of an annual subscription for a reduced fee. The fee is calculated by multiplying the list price by a factor based on a single issue order or the total number of copies to be made, as shown below.

Price* (per year, from above) x Factor corresponding to single issue or number of copies (far right column below) = \$ Total Price (per year)

Number of Copies	*Price (from above)	Multiply by	Factor
Single Issue	*Price	x	0.66
1-100	*Price	x	0.5
101-200	*Price	x	1.0
201-300	*Price	x	1.5
301-400	*Price	x	2.0
401-500	*Price	x	2.5
501-600	*Price	x	3.0
601-700	*Price	x	3.5
701-800	*Price	x	4.0
801-900	*Price	x	4.5
901-1000	*Price	x	5.0
1001-10,000	*Price	x	6.5
10,001 – 20,000	*Price	x	8.0
20,001 – 30,000	*Price	x	9.5
30,001 and over	*Price	x	11.0
Unlimited quantity of any of the following: Five-Digit ZIP, City State, CRIS, Delivery Statistics, eLot, Z4Change, ZIPMove, ZIP + 4	\$10,000.00	n/a	n/a

1520 Caller Service

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1520.2 Prices

	(\$)
Groups based on Post Office location (Semi-Annual):	
Group 1	700.00
Group 2	610.00
Group 3	550.00
Group 4	540.00
Group 5	530.00
Group 6	480.00
Group 7	440.00
Call Number Reservation (Annual)	42.00

1525 Change-of-Address Credit Card Authentication

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1525.2 Prices

	(\$)
Requests submitted over the Internet or by telephone. (Per credit card authentication)	1.00

1530 Confirm Service

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1530.2 Prices

	(\$)
Bronze	
Subscription (12 months)	0.00
Additional Scans (block of 10,000)	0.00
Silver	
Subscription (3 months)	0.00
Additional Scans (block of 2 million)	0.00
Gold	
Subscription (12 months)	0.00
Additional Scans (block of 6 million)	0.00
Platinum	
Subscription (12 months)	0.00
Additional ID Codes	
Annual	0.00
Quarterly	0.00

1535 International Reply Coupon Service

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1535.2 Prices

Outbound International Reply Coupon Service Prices

	(\$)
Per Coupon	2.20

Inbound International Reply Coupon Service Prices

Payment is made in accordance with Part III of the Universal Postal Convention and associated UPU Letter Post Regulations. This information is available in the Letter Post Manual at www.upu.int.

1540 International Business Reply Mail Service

* * * * *

1540.3 Prices

Outbound International Business Reply Mail Service Prices

	(\$)
Card	1.00
Envelope	1.50

Inbound International Business Reply Mail Service Prices

Payment is made in accordance with Universal Postal Convention article 13. This information is available in the Letter Post Manual at www.upu.int.

1545 Money Orders

* * * * *

1545.2 Prices

	(\$)		(\$)	(\$)
Domestic	0.01	to	500.00	1.15
Domestic	500.01	to	1,000.00	1.55
APO/FPO/DPO	0.01	to	1,000.00	0.30
Inquiry, including a copy of paid money order				5.50

1550 Post Office Box Service

1550.1 Description

f. Market Dominant locations serve customers at all locations that do not qualify as, or are not treated as, Competitive locations.

1550.3 Prices

Regular and No Fee

Box Size	Semi-annual Fees—Groups (Groups based on Post Office location) (\$)							
	1	2	3	4	5	6	7	E ¹
1	50.00	39.00	32.00	24.00	22.00	16.00	14.00	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

Box Size	3-Month Fees (Groups based on Post Office location) (\$)						
	1	2	3	4	5	6	7
<u>1</u>	<u>29.00</u>	<u>23.00</u>	<u>19.00</u>	<u>14.00</u>	<u>13.00</u>	<u>10.00</u>	<u>9.00</u>
<u>2</u>	<u>41.00</u>	<u>34.00</u>	<u>28.00</u>	<u>21.00</u>	<u>17.00</u>	<u>13.00</u>	<u>11.00</u>
<u>3</u>	<u>72.00</u>	<u>58.00</u>	<u>51.00</u>	<u>32.00</u>	<u>29.00</u>	<u>22.00</u>	<u>18.00</u>
<u>4</u>	<u>147.00</u>	<u>113.00</u>	<u>92.00</u>	<u>64.00</u>	<u>52.00</u>	<u>38.00</u>	<u>29.00</u>
<u>5</u>	<u>236.00</u>	<u>202.00</u>	<u>156.00</u>	<u>118.00</u>	<u>90.00</u>	<u>67.00</u>	<u>52.00</u>

Notes

- 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.

Ancillary Post Office Box Services

	(\$)
Key duplication or replacement	6.00
Lock replacement	15.00
Key deposit	3.00

1555 Customized Postage

* * * * *

1555.2 Prices

	(\$)
Annual Participation Fee (up to two printing facilities)	300,000.00
Additional Printing Sites (3-50 sites, each site)	50,000.00
Over 50 Printing Sites (each site)	5,000.00

1560 Stamp Fulfillment Services

* * * * *

1560.2 Prices

	(\$)
Orders mailed to domestic United States destinations	
<u>Orders up to \$50</u>	<u>1.25; add 2.00² for custom orders</u>
<u>Orders over \$50</u>	<u>1.75; add 2.00² for custom orders</u>
Orders mailed to destinations outside of domestic United States	
<u>Orders up to \$50</u>	<u>6.25; add 2.00² for custom orders</u>
<u>Orders over \$50</u>	<u>6.75; add 2.00² for custom orders</u>

Notes

1. Fee does not apply if the comparable fee from the Philatelic Sales pricing section is being charged for the shipment of a combined order of stamps and philatelic items. Fee also does not apply for orders consisting solely of stamped cards with a printed return address, or stamps sent as part of a subscription, in which the customer agrees to purchase a series of items of a specified type, and establishes a means of payment in advance. If a customer requests expedited shipping, then the order will be shipped using Express Mail, with actual postage charged instead of the listed fees.
2. A custom order is a stamp order in configurations other than those listed for each item in the USA Philatelic catalog.

* * * * *

Workshare Discounts and Benchmarks--Single Piece Letters and Postcards

Type of Worksharing	Benchmark	Discount[1]	Avoided Cost[2]	Passthrough
First-Class Mail Single Piece Letters				
Qualified Business Reply Mail Barcoding				
QBRM	Handwritten Reply Mail	0.022	0.014	157.1%
First-Class Mail Single Piece Postcards				
Qualified Business Reply Mail Barcoding				
QBRM	Handwritten Reply Cards	0.022	0.014	157.1%

Notes

- [1] Source of Discounts: Docket No. R2012-3, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1105
Discounts are calculated by subtracting the price in question from the benchmark price
- [2] QBRM Cost Differences--Source: ACD Fiscal Year 2010, Table VII-2 - First-Class Mail Letters, Flats, and Parcels, Workshare Discounts and Be

Workshare Discounts and Benchmarks--First-Class Mail Bulk Letters and Postcards

Type of Worksharing	Benchmark	Discount[1]	Avoided Cost[2]	Passthrough
First-Class Mail Bulk Letters--Automation				
Barcoding & Presorting (\$ / piece)				
Automation Mixed AADC Letters	Bulk Metered Mail (BMM) Letters	0.046	0.046	100.0%
Automation AADC Letters	Automation Mixed AADC Letters	0.030	0.021	142.9%
Automation 3-digit Letters	Automation AADC Letters	0.000	0.002	0.0%
Automation 5-digit Letters	Automation 3-digit Letters	0.024	0.026	92.3%
First-Class Mail Bulk Letters--Nonautomation				
Barcoding (\$ / piece)				
Nonautomation Presort Letters	Bulk Metered Mail (BMM) Letters	0.026	0.051	51.0%
First-Class Mail Bulk Cards--Automation				
Barcoding & Presorting (\$ / piece)				
Automation Mixed AADC Cards	Nonautomation Presort Cards	0.025	0.027	92.6%
Automation AADC Cards	Automation Mixed AADC Cards	0.011	0.011	100.0%
Automation 3-digit Cards	Automation AADC Cards	0.001	0.001	100.0%
Automation 5-digit Cards	Automation 3-digit Cards	0.014	0.014	100.0%

Notes

[1] Source of Discounts: Docket No. R2012-3, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1110
 Discounts are calculated by subtracting the price in question from the benchmark price

[2] Letters and Cards Presorting and Pre-barcoding Cost Differences--Source: ACD Fiscal Year 2010, Table VII-2 - First-Class Mail Letters, Flats, and Parcels, Workshare Discounts and Benchmarks, Page 87

Workshare Discounts and Benchmarks--First-Class Mail Flats

Type of Worksharing	Benchmark	Discount[1]	Avoided Cost[2]	Passthrough
First-Class Mail Flats--Automation				
Barcoding & Presorting (\$ / piece)				
Automation ADC Flats	Automation Mixed ADC Flats	0.1	0.044	227.3%
Automation 3-digit Flats	Automation ADC Flats	0.056	0.056	100.0%
Automation 5-digit Flats	Automation 3-digit Flats	0.174	0.174	100.0%

Notes

- [1] Source of Discounts: Docket No. R2012-3, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1115
 Discounts are calculated by subtracting the price in question from the benchmark price
- [2] Flats Presorting and Pre-barcoding Cost Differences--Source: ACD Fiscal Year 2010, Table VII-2 - First-Class Mail Letters, Flats, and Parcels,
 Workshare Discounts and Benchmarks, Page 87

Workshare Discounts and Benchmarks--Periodicals Outside County Mail

Type of Worksharing	Benchmark	Discount / (Surcharge) ^[1]	Avoided Cost ^[2,3,4]	Passthrough
Periodicals Outside County Mail				
Presorting (dollars / piece)				
Machinable Nonautomation ADC Flats	Machinable Nonautomation MADC Flats	\$ 0.035	\$ 0.036	97.2%
Machinable Nonautomation 3D/SCF Flats	Machinable Nonautomation ADC Flats	\$ 0.017	\$ 0.035	48.6%
Machinable Nonautomation 5D Flats	Machinable Nonautomation 3D/SCF Flats	\$ 0.100	\$ 0.093	107.5%
CR Basic	Machinable Nonautomation 5D Flats	\$ 0.107	\$ 0.152	70.4%
High Density	CR Basic	\$ 0.031	\$ 0.030	103.3%
Saturation	High Density	\$ 0.020	\$ 0.028	71.4%
Machinable Automation ADC Flats	Machinable Automation MADC Flats	\$ 0.027	\$ 0.030	90.0%
Machinable Automation 3D/SCF Flats	Machinable Automation ADC Flats	\$ 0.015	\$ 0.033	45.5%
Machinable Automation 5D Flats	Machinable Automation 3D/SCF Flats	\$ 0.087	\$ 0.084	103.6%
Nonmachinable Nonauto ADC Flats	Nonmachinable Nonauto MADC Flats	\$ 0.118	\$ 0.142	83.1%
Nonmachinable Nonauto 3D/SCF Flats	Nonmachinable Nonauto ADC Flats	\$ 0.076	\$ 0.046	165.2%
Nonmachinable Nonauto 5D Flats	Nonmachinable Nonauto 3D/SCF Flats	\$ 0.120	\$ 0.221	54.3%
Nonmachinable Automation ADC Flats	Nonmachinable Automation MADC Flats	\$ 0.098	\$ 0.146	67.1%
Nonmachinable Automation 3D/SCF Flats	Nonmachinable Automation ADC Flats	\$ 0.062	\$ 0.042	147.6%
Nonmachinable Automation 5D Flats	Nonmachinable Automation 3D/SCF Flats	\$ 0.110	\$ 0.198	55.6%
Pre-barcoding (dollars / piece)				
Machinable Automation MADC Flats	Machinable Nonautomation MADC Flats	\$ 0.032	\$ 0.026	123.1%
Nonmachinable Automation MADC Flats	Nonmachinable Nonauto MADC Flats	\$ 0.045	\$ 0.022	204.5%
Barcoded Letters				
ADC Automation Letter	Mixed ADC Automation Letter	\$ 0.040	\$ 0.016	250.0%
3-Digit Automation Letter	ADC Automation Letter	\$ 0.021	\$ 0.002	1050.0%
5-Digit Automation Letter	3-Digit Automation Letter	\$ 0.062	\$ 0.019	326.3%

Notes:

- [1] Source of Discounts: Docket No. R2012-3, Notice of Market Dominant Price Adjustment, Attachment A, Schedule 1310.
 Discounts are calculated by subtracting the price in question from the benchmark price.
- [2] Presorting and Barcoding Cost Differences --Source: ACD 2010, Table VII-11, p. 99.
- [3] Mail processing costs for Carrier Route High Density and Saturation Mail are not calculated for Periodicals flats. Proxy data for delivery are used to calculate the cost avoidances for High Density and Saturation rate cells. Source: ACD 2010, Table VII-20, p.109.
- [4] Letters Presorting and Pre-barcoding Cost Differences use Standard Mail as proxies for Letter Cost Differences. Source: ACD 2010, Table VII-21, p. 111.
 Proxies for Delivery cost differences are added to presorting and barcoding differences - Source: ACD 2010, Library Reference 8, Mail Processing and Delivery Costs, UDC Model.

Periodicals Bundle and Container Pricing^[1]

Passthroughs: Bundles
 & Containers
 Page 1 of 2

Bundle Pricing by Container Level

Container Level	Bundle Level	Price ^[2]	Bottom-up Cost ^[3]	Price as Percent of Cost
Mixed ADC	MADC	\$ 0.079	\$ 0.185	42.7%
	ADC	\$ 0.208	\$ 0.495	42.0%
	3-D/SCF	\$ 0.276	\$ 0.641	43.1%
	5-D	\$ 0.285	\$ 0.688	41.4%
	Firm Bundle	\$ 0.185	\$ 0.918	20.2%
ADC	ADC	\$ 0.115	\$ 0.280	41.1%
	3-D/SCF	\$ 0.190	\$ 0.431	44.1%
	5-D	\$ 0.206	\$ 0.479	43.0%
	CR	\$ 0.325	\$ 0.733	44.3%
	Firm Bundle	\$ 0.154	\$ 0.733	21.0%
3-D/SCF	3-D/SCF	\$ 0.129	\$ 0.278	46.4%
	5-D	\$ 0.150	\$ 0.333	45.0%
	CR	\$ 0.288	\$ 0.565	51.0%
	Firm Bundle	\$ 0.142	\$ 0.565	25.1%
5-D/CR	5-D	\$ 0.145	\$ 0.320	45.3%
	CR	\$ 0.152	\$ 0.320	47.5%
	Firm Bundle	\$ 0.079	\$ 0.320	24.7%

Pallet Pricing by Entry Point

Pallet Level	Entry Point	Price ^[2]	Bottom-up Cost ^[3]	Price as Percent of Cost
ADC	OSCF	\$ 33.375	\$ 66.75	50.0%
	OADC	\$ 33.375	\$ 59.80	55.8%
	OBMC	\$ 33.375	\$ 52.58	63.5%
	DBMC	\$ 23.127	\$ 44.26	52.2%
	DADC	\$ 12.803	\$ 24.86	51.5%
3-D/SCF	OSCF	\$ 39.505	\$ 79.01	50.0%
	OADC	\$ 39.505	\$ 73.42	53.8%
	OBMC	\$ 39.505	\$ 61.19	64.6%
	DBMC	\$ 24.572	\$ 47.88	51.3%
	DADC	\$ 21.372	\$ 42.39	50.4%
5-D/CR	DSCF	\$ 11.460	\$ 23.15	49.5%
	OSCF	\$ 50.875	\$ 101.75	50.0%
	OADC	\$ 50.875	\$ 88.50	57.5%
	OBMC	\$ 50.875	\$ 77.27	65.8%
	DBMC	\$ 32.936	\$ 64.95	50.7%
5-D/CR	DADC	\$ 31.180	\$ 62.01	50.3%
	DSCF	\$ 21.062	\$ 42.48	49.6%
	DDU	\$ 1.652	\$ 3.42	48.3%

See Notes, p. 2

Sack Pricing by Entry Point

Sack Level	Entry Point	Price ^[2]	Bottom-up Cost ^[3]	Price as Percent of Cost
Mixed ADC	OSCF	\$ 0.437	\$ 2.66	16.4%
	OADC	\$ 0.437	\$ 2.15	20.3%
ADC	OSCF	\$ 2.092	\$ 6.11	34.2%
	OADC	\$ 2.092	\$ 5.95	35.2%
	OBMC	\$ 2.092	\$ 5.24	39.9%
	DBMC	\$ 1.457	\$ 3.91	37.3%
	DADC	\$ 0.833	\$ 2.15	38.7%
3-D/SCF	OSCF	\$ 2.186	\$ 6.55	33.4%
	OADC	\$ 2.186	\$ 6.24	35.0%
	OBMC	\$ 2.186	\$ 5.44	40.2%
	DBMC	\$ 1.562	\$ 4.03	38.8%
	DADC	\$ 1.249	\$ 3.39	36.8%
	DSCF	\$ 0.833	\$ 2.15	38.7%
5-D/CR	OSCF	\$ 2.810	\$ 8.53	32.9%
	OADC	\$ 2.810	\$ 7.86	35.8%
	OBMC	\$ 2.810	\$ 7.11	39.5%
	DBMC	\$ 2.082	\$ 5.74	36.3%
	DADC	\$ 1.770	\$ 4.98	35.5%
	DSCF	\$ 1.353	\$ 3.84	35.2%
	DDU	\$ 0.937	\$ 2.67	35.1%

Passthroughs: Bundles
 & Containers
 Page 2 of 2

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: Docket No. R2012-3, Notice of Market Dominant Price Adjustment, Attachment A, Schedule 1310.
- [3] Bundle & Container Cost - Source: ACD 2010, Table VII-14, p. 101.

Workshare Discounts and Benchmarks-Periodicals Within County Mail

Type of Worksharing	Benchmark	Discount / (Surcharge)^[1]	Avoided Cost^{[2][3]}	Passthrough
Periodicals Within County Mail				
Presorting (dollars / piece)				
3-Digit Presort	Basic Presort	\$0.012	\$0.054	22.2%
5-Digit Presort	3-Digit Presort	\$0.013	\$0.139	9.4%
CR Basic	5-Digit Presort	\$0.046	\$0.160	28.8%
High Density	CR Basic	\$0.016	\$0.030	53.3%
Saturation	High Density	\$0.014	\$0.028	50.0%
3-Digit Automation Letter	Basic Automation Letter	\$0.010	\$0.010	100.0%
5-Digit Automation Letter	3-Digit Automation Letter	\$0.002	\$0.019	10.5%
Pre-barcoding (dollars / piece)				
Basic Automation Flats	Basic Nonautomation	\$0.016	\$0.083	19.3%
3-Digit Automation Flats	3-Digit Nonautomation	\$0.012	\$0.065	18.5%
5-Digit Automation Flats	5-Digit Nonautomation Flats	\$0.006	\$0.017	35.3%
Dropship (dollars/piece)				
DDU Dropship	All other zones	\$0.008	\$0.029	27.6%

Notes:

- [1] Source of Discounts: Docket No. R2012-3, Notice of Market Dominant Price Adjustment, Attachment A, Schedule 1305. Discounts are calculated by subtracting the price in question from the benchmark price.
- [2] Presorting, Barcoding, and DDU Avoided Cost -Source: ACD 2010, Table VII 10, p. 98.
- [3] Basic Letters Mail Processing and Delivery Cost is the weighted average of Standard Mail MAADC and AADC costs utilized in the calculation of cost avoidance between Basic and 3-Digit Letters. Source: ACD Table VII-21, p. 111.

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

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Standard Mail Letters--Automation				
Presorting (dollars / piece)				
Automation AADC Letters	Automation Mixed AADC Letters	\$0.016	\$0.017	94.1%
Automation 3-digit Letters	Automation AADC Letters	\$0.002	\$0.002	100.0%
Automation 5-digit Letters	Automation 3-digit Letters	\$0.018	\$0.020	90.0%
Pre-barcoding (dollars / piece)				
Automation Mixed AADC Letters	Nonautomation Machinable Mixed AADC Letters	\$0.003	\$0.006	50.0% See Note [3]
Standard Mail Letters--Nonautomation				
Presorting (dollars / piece)^[3]				
Nonautomation AADC Machinable Letters	Nonautomation Mixed AADC Machinable Letters	\$0.016	\$0.000	See Note [3]
Nonautomation ADC Nonmachinable Letters	Nonautomation Mixed ADC Nonmachinable Letters	\$0.097	\$0.097	100.0%
Nonautomation 3-digit Nonmachinable Letters	Nonautomation ADC Nonmachinable Letters	\$0.039	\$0.039	100.0%
Nonautomation 5-digit Nonmachinable Letters	Nonautomation 3-digit Nonmachinable Letters	\$0.093	\$0.096	96.9%
Standard Mail Letters				
Drop Ship (dollars / pound)				
DNDC Letters	Origin Letters	\$0.161	\$0.256	62.9%
DSCF Letters	Origin Letters	\$0.209	\$0.307	68.1%

Notes

- [1] Source of Discounts: Docket No. R2012-3, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1220
- [2] Drop Ship Cost Differences--Source: PRC-ACR2010-LR4-FY 2010, STD DEST ENT LETTERS.xls, Summary page
 Letters Presorting and Pre-barcoding Cost Differences--Source: PRC-ACR2010-LR4-FY 2010, FY 2010 PRC Standard Letter Model.xlsx, Presort Letters Sum page
 Delivery Cost Differences--Source: PRC-ACR2010-LR8-FY 2010, UDCmodel10.xls, Table 1
- [3] The Postal Service letters mail processing cost model only estimates costs for the combined nonautomation machinable AADC and Mixed AADC categories.

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

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	-\$0.002	-500.0%
Automation 3-digit Flats	Automation ADC Flats	\$0.056	\$0.056	100.0%
Automation 5-digit Flats	Automation 3-digit Flats	\$0.085	\$0.129	65.9%
Pre-barcoding (dollars / piece)				
Automation Mixed ADC Flats	Nonautomation Mixed ADC Flats	\$0.057	\$0.025	228.0%
Standard Mail Flats--Nonautomation				
Presorting (dollars / piece)				
Nonautomation ADC Flats	Nonautomation Mixed ADC Flats	\$0.033	\$0.055	60.0%
Nonautomation 3-digit Flats	Nonautomation ADC Flats	\$0.058	\$0.061	95.1%
Nonautomation 5-digit Flats	Nonautomation 3-digit Flats	\$0.082	\$0.082	100.0%
Standard Mail Flats				
Drop Ship (dollars / pound)				
DNDC Flats	Origin Flats	\$0.161	\$0.230	70.0%
DSCF Flats	Origin Flats	\$0.209	\$0.262	79.8%

Notes

- [1] Source of Discounts: Docket No. R2012-3, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1225
- [2] Drop Ship Cost Differences--Source: PRC-ACR2010-LR4-FY 2010, STD DEST ENT FLATS.xls, Summary page
 Flats Presorting and Pre-barcoding Cost Differences--Source: PRC-ACR2010-LR4-FY 2010, Std_Reg_flt 2010.xls,
 CRA Adj Unit Costs page (for presorting); Presort Levels Held Const page (for pre-barcoding)
 Delivery Cost Differences--Source: PRC-ACR2010-LR8-FY 2010, UDCmodel10.xls, Table 1

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

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Nonprofit Standard Mail Parcels				
Presorting (dollars / piece)				
NDC Machinable Parcels	Mixed NDC Machinable Parcels	\$0.369	\$0.402	91.8%
5-digit Machinable Parcels	NDC Machinable Parcels	\$0.250	\$0.698	35.8%
NDC Irregular Parcels	Mixed NDC Irregular Parcels	\$0.369	\$0.144	256.3%
SCF Irregular Parcels	NDC Irregular Parcels	\$0.344	\$0.345	99.7%
5-digit Irregular Parcels	SCF Irregular Parcels	\$0.025	\$0.454	5.5%
Pre-barcoding (dollars / piece)^[3]				
Mixed NDC Machinable Barcoded Parcels	Mixed NDC Machinable Nonbarcoded Parcels	\$0.064	\$0.039	164.1%
Mixed NDC Irregular Barcoded Parcels	Mixed NDC Irregular Nonbarcoded Parcels	\$0.064	\$0.039	164.1%
Commercial and Nonprofit Standard Mail Marketing Parcels				
Presorting (dollars / piece)				
NDC Marketing Parcels	Mixed NDC Marketing Parcels	\$0.415	\$0.237	175.1%
SCF Marketing Parcels	NDC Marketing Parcels	\$0.372	\$0.277	134.3%
5-digit Marketing Parcels	SCF Marketing Parcels	\$0.024	\$0.455	5.3%
Pre-barcoding (dollars / piece)^[3]				
Mixed NDC Barcoded Marketing Parcels	Mixed NDC Nonbarcoded Marketing Parcels	\$0.064	\$0.039	164.1%
Standard Mail Nonprofit Machinable Parcels				
Drop Ship (dollars / pound)				
DNDC Machinable Parcels	Origin Machinable Parcels	\$0.224	\$0.895	25.0%
DSCF Machinable Parcels	Origin Machinable Parcels	\$0.462	\$1.155	40.0%
DDU Machinable Parcels	Origin Machinable Parcels	\$0.641	\$1.259	50.9%
Standard Mail Nonprofit Irregular Parcels, Commercial and Nonprofit Marketing Parcels				
Drop Ship (dollars / pound)				
DNDC Irregular Parcels, Marketing Parcels	Origin Irregular Parcels, Marketing Parcels	\$0.224	\$0.895	25.0%
DSCF Irregular Parcels, Marketing Parcels	Origin Irregular Parcels, Marketing Parcels	\$0.462	\$1.155	40.0%
DDU Irregular Parcels, Marketing Parcels	Origin Irregular Parcels, Marketing Parcels	\$0.641	\$1.259	50.9%

Notes

- [1] Source of Discounts: Docket No. R2012-3, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1230
- [2] Drop Ship Cost Differences--Source: PRC-ACR2010-LR4-FY 2010, STD DEST ENT TOTAL.xls, Summary All Shapes page
 Parcels / Marketing Parcels Presorting Cost Differences--Source: PRC-ACR2010-LR4-FY 2010, PRC STD PARCEL MODEL.xlsx, MP Summary page
 Delivery Cost Differences--Source: PRC-ACR2010-LR8-FY 2010, UDCmodel10.xls, Table 1
 Parcels / Marketing Parcels Prebarcoding Cost Differences--Source: PRC-ACR2010-LR4-FY 2010, PRC STD PARCEL MODEL.xlsx, BC Savings page
 (Note: NFM's costs used as proxies for Marketing Parcels costs)

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

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Standard Mail CR Letters, Flats, Parcels				
Drop Ship (dollars / pound)				
DNDC Letters	Origin Letters	\$0.161	\$0.256	62.9%
DSCF Letters	Origin Letters	\$0.209	\$0.307	68.1%
DNDC Flats	Origin Flats	\$0.161	\$0.230	70.0%
DSCF Flats	Origin Flats	\$0.209	\$0.262	79.8%
DDU Flats	Origin Flats	\$0.252	\$0.301	83.7%
DNDC Parcels	Origin Parcels	\$0.224	\$0.895	25.0%
DSCF Parcels	Origin Parcels	\$0.462	\$1.155	40.0%
DDU Parcels	Origin Parcels	\$0.641	\$1.259	50.9%

Notes

- [1] Source of Discounts: Docket No. R2012-3, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1215
 [2] Drop Ship Cost Differences--Source: PRC-ACR2010-LR4-FY 2010, STD DEST ENT TOTAL.xls, Summary All Shapes page

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

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Standard Mail HD / Saturation Letters				
Presorting (dollars / piece)				
High Density Letters	Carrier Route Letters	\$0.072	\$0.2250	32.0%
Drop Ship (dollars / pound)				
DNDC Letters	Origin Letters	\$0.161	\$0.256	62.9%
DSCF Letters	Origin Letters	\$0.209	\$0.307	68.1%

Notes

- [1] Source of Discounts: Docket No. R2012-3, Notice of Market-Dominant Price Adjustment, Attachment A, Schedules 1205, 1215
- [2] Drop Ship Cost Differences--Source: PRC-ACR2010-LR4-FY 2010, STD DEST ENT TOTAL.xls, Summary All Shapes page
 Presorting Cost Differences--Source: PRC-ACR2010-LR8-FY 2010, FY10 ECR Unit Costs.xls, Table 1

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

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Standard Mail HD / Saturation Flats and Parcels				
Presorting (dollars / piece)				
High Density Flats	Carrier Route Flats	\$0.047	\$0.0520	90.4%
High Density Parcels	Carrier Route Parcels	\$0.139	-\$0.1300	-106.9%
Drop Ship (dollars / pound)				
DNDC Flats	Origin Flats	\$0.161	\$0.230	70.0%
DSCF Flats	Origin Flats	\$0.209	\$0.262	79.8%
DDU Flats	Origin Flats	\$0.252	\$0.301	83.7%
DNDC Parcels	Origin Parcels	\$0.224	\$0.895	25.0%
DSCF Parcels	Origin Parcels	\$0.462	\$1.155	40.0%
DDU Parcels	Origin Parcels	\$0.641	\$1.259	50.9%

Notes

- [1] Source of Discounts: Docket No. R2012-3, Notice of Market-Dominant Price Adjustment, Attachment A, Schedules 1210, 1215;
 [2] Drop Ship Cost Differences--Source: PRC-ACR2010-LR4-FY 2010, STD DEST ENT TOTAL.xls, Summary All Shapes page
 No Carrier Route or High Density parcel delivery costs are available; Regular Parcels delivery costs are used.
 Presorting Cost Differences--Source: PRC-ACR2010-LR8-FY 2010, FY10 ECR Unit Costs.xls, Table 1

Workshare Discounts and Benchmarks--Media Mail and Library Mail

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Media Mail				
Presorting (dollars / piece)				
Basic	Single Piece	0.40	0.43	93.0%
5-digit	Basic	0.34	0.31	109.7%
Library Mail				
Presorting (dollars / piece)				
Basic	Single Piece	0.38	0.43	88.4%
5-digit	Basic	0.33	0.31	106.5%

Notes

- [1] Source of Discounts: Docket No. R2012-3, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1425
- [2] Presorting Cost Differences--Source:PRC ACD FY2010 at p. 119

Workshare Discounts and Benchmarks--Bound Printed Matter Flats

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
BPM Flats				
Presorting (dollars / piece)^[3]				
Basic Flats	Single Piece Flats	0.344	See Note [3]	
Carrier Route Flats	Basic Flats	0.098	0.154	63.6%
Presorting (dollars / pound)^[3]				
Basic, Carrier Route Flats	Single Piece Flats			
Zone 1&2	Zones 1&2	0.041	See Note [3]	
Zone 3	Zone 3	0.055	See Note [3]	
Zone 4	Zone 4	0.053	See Note [3]	
Zone 5	Zone 5	0.060	See Note [3]	
Zone 6	Zone 6	0.062	See Note [3]	
Zone 7	Zone 7	0.062	See Note [3]	
Zone 8	Zone 8	0.070	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	0.174	0.174	100.0%
Basic, Carrier Route DSCF Flats	Basic Origin Flats	0.615	0.636	96.7%
Basic, Carrier Route DDU Flats	Basic Origin Flats	0.762	0.762	100.0%

Notes

- [1] Source of Discounts: Docket No. R2012-3, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1415
- [2] Presorting Cost Differences (Per Piece)--Source:PRC ACD FY2010 at p. 121
 Drop Ship Cost Differences (Per Piece)--Source:PRC ACD FY2010 at p. 121
- [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 previous cost savings for BPM Parcels, the pre-barcoding discount for BPM flats implies a passthrough of 76.9%

Workshare Discounts and Benchmarks--Bound Printed Matter Parcels

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
BPM Parcels / IPPs				
Presorting (dollars / piece)^[3]				
Basic Parcels / IPPs	Single Piece Parcels / IPPs	0.600	See Note [3]	
Carrier Route Parcels / IPPs	Basic Parcels / IPPs	0.098	0.154	63.6%
Presorting (dollars / pound)^[3]				
Basic, Carrier Route Parcels / IPPs	Single Piece Parcels / IPPs			
Zones 1&2	Zones 1&2	0.044	See Note [3]	
Zone 3	Zone 3	0.050	See Note [3]	
Zone 4	Zone 4	0.049	See Note [3]	
Zone 5	Zone 5	0.044	See Note [3]	
Zone 6	Zone 6	0.043	See Note [3]	
Zone 7	Zone 7	0.027	See Note [3]	
Zone 8	Zone 8	0.020	See Note [3]	
Drop Ship (dollars / piece)				
Basic, Carrier Route DBMC Parcels / IPPs	Basic Origin Parcels / IPPs	0.174	0.174	100.0%
Basic, Carrier Route DSCF Parcels / IPPs	Basic Origin Parcels / IPPs	0.616	0.636	96.9%
Basic, Carrier Route DDU Parcels / IPPs	Basic Origin Parcels / IPPs	0.762	0.762	100.0%

Notes

- [1] Source of Discounts: Docket No. R2012-3, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1420
- [2] Presorting and Pre-barcoding Cost Differences (Per Piece)--PRC ACD FY2010 at p. 122
 Drop Ship Cost Differences (Per Piece)--Source:PRC ACD FY2010 at p. 122
- [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.

ATTACHMENT C: PRICE CAP CALCULATION

Calculation of amount of applicable change in CPI-U and Price Cap

	CPI ^[1]	Last 12 Months Point-to-Point ^[2]	12-Month Total ^[3]	12-Month Total Divided by 12 ^[4]	12-Month Moving Average ^[5]	Rule 3010.22.b Adjustment ^[6]
Jan-09	211.143	0.0%	2583.7	215.308	3.5%	
Feb-09	212.193	0.2%	2584.2	215.349	3.2%	
Mar-09	212.709	-0.4%	2583.4	215.281	2.8%	
Apr-09	213.240	-0.7%	2581.8	215.149	2.4%	
May-09	213.856	-1.3%	2579.0	214.918	1.9%	
Jun-09	215.693	-1.4%	2575.9	214.658	1.4%	
Jul-09	215.351	-2.1%	2571.3	214.273	0.8%	
Aug-09	215.834	-1.5%	2568.0	214.002	0.2%	
Sep-09	215.969	-1.3%	2565.2	213.768	-0.324%	
Oct-09	216.177	-0.2%	2564.8	213.735	-0.634%	
Nov-09	216.330	1.8%	2568.7	214.060	-0.570%	
Dec-09	215.949	2.7%	2574.4	214.537	-0.356%	
Jan-10	216.687	2.6%	2580.0	214.999	-0.143%	
Feb-10	216.741	2.1%	2584.5	215.378	0.013%	
Mar-10	217.631	2.3%	2589.5	215.788	0.236%	
Apr-10	218.009	2.2%	2594.2	216.186	0.482%	
May-10	218.178	2.0%	2598.5	216.546	0.757%	
Jun-10	217.965	1.1%	2600.8	216.735	0.968%	
Jul-10	218.011	1.2%	2603.5	216.957	1.252%	
Aug-10	218.312	1.1%	2606.0	217.163	1.477%	
Sep-10	218.439	1.1%	2608.4	217.369	1.685%	
Oct-10	218.711	1.2%	2611.0	217.580	1.799%	
Nov-10	218.803	1.1%	2613.4	217.786	1.741%	
Dec-10	219.179	1.5%	2616.7	218.056	1.640%	0.124%
Jan-11	220.223	1.6%	2620.2	218.350	1.559%	0.259%
Feb-11	221.309	2.1%	2624.8	218.731	1.557%	0.434%
Mar-11	223.467	2.7%	2630.6	219.217	1.589%	0.657%
Apr-11	224.906	3.2%	2637.5	219.792	1.668%	0.921%
May-11	225.964	3.6%	2645.3	220.441	1.799%	1.219%
Jun-11	225.722	3.6%	2653.0	221.087	2.008%	1.516%
Jul-11	225.922	3.6%	2661.0	221.746	2.208%	1.818%
Aug-11	226.545	3.8%	2669.2	222.433	2.426%	2.133%

[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

[6] Rule 3010.22.b requires an adjustment made to the 12 month moving average whenever less than 12 months have passed since the most recent price change. The adjustment calculates the unused rate authority by dividing the Recent Average (Column [4]) applicable to the notice of rate adjustment by the Recent Average utilized in the previous rate adjustment and subtracting one from the quotient. In this particular instance, the Recent Average from the notice of rate adjustment is 222.433 and the Recent Average from the previous rate adjustment is 217.786 with a resulting price cap of 2.133%.