

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

NOTICE OF MARKET-DOMINANT
PRICE ADJUSTMENT

Docket No. R2013-1

UNITED STATES POSTAL SERVICE
NOTICE OF MARKET-DOMINANT PRICE ADJUSTMENT
(October 11, 2012)

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 27, 2013, 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. Greg Hall as the official who will be available to provide responses to queries from the Commission.

Mr. Hall's contact information is as follows:

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The remainder of this Notice is structured as follows. In Part I, the Postal Service discusses its compliance with the price cap, which limits the average percentage price increase for each class of mail. In Part II, the Postal Service describes several temporary promotions that it is proposing as part of this filing, and explains how it has integrated a portion of the revenue loss from these promotions into the price cap calculations for First-Class Mail and Standard Mail. In Part III, 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 IV, 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 2.570 percent. See Attachment C. This is based on the Consumer Price Index – All Urban Consumers, U.S. All Items (the “CUUR0000SA0” series), and conforms with the calculated percentage currently provided on the Commission’s website.

B. Unused Price Adjustment Authority

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	-0.380
Periodicals	-0.562
Package Services	-0.533
Special Services	2.394

C. Overall Price Adjustment Authority

In this filing, the Postal Service will use some of the unused price adjustment authority for the Special Services class. Thus, the Postal Service is authorized to raise the prices for each class by the following percentages:

² Order No. 978 (November 22, 2011) at 2.

Table 2
Price Adjustment Authority By Mail Class

Class	Price Adjustment Authority (%)
First-Class Mail	2.570
Standard Mail	2.570
Periodicals	2.570
Package Services	2.570
Special Services	4.964

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 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-LR-R2013-1/1 | First-Class Mail Cap Compliance |
| USPS-LR-R2013-1/NP1 | First-Class Mail International Cap Compliance |

USPS-LR-R2013-1/2	Standard Mail Cap Compliance
USPS-LR-R2013-1/3	Periodicals Cap Compliance
USPS-LR-R2013-1/4	Package Services Cap Compliance
USPS-LR-R2013-1/5	Special Services Cap Compliance

In addition, the Postal Service is filing three additional workpapers.

USPS-LR-R2013-1/6	Derivation of Volumes for Earned Value Reply Mail Promotion
USPS-LR-R2013-1/7	Standard Mail Contribution Model
USPS-LR-R2013-1/8	FY 2011 Delivery Costs By Shape

Each set of workpapers has a Preface that explains the contents in detail. The Preface for the first five workpapers provides an overview of the workpapers, a discussion of any necessary adjustments to the billing determinants for the four quarters ending Q3 FY 2012, and an explanation of the revenue calculations. Workpapers for First-Class Mail and Standard Mail also incorporate data on promotion volumes, based on the volumes from the 2011 Mobile Barcode Promotion and USPS-LR-R2013-1/6. A description of each promotion (including projected participation volumes) are included in Attachment D

E. Percentage Change by Mail Class

As demonstrated in USPS-LR-R2013-1/1 through 5, the prices for each class comply with the annual limitation of 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	2.570
Standard Mail	2.570
Periodicals	2.560
Package Services	2.569
Special Services	2.850

F. Unused Pricing Authority Resulting From this Change

For Periodicals and Package 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	
R2012-3[1]	-0.530
R2013-1[2]	0.000
Total	-0.530
Standard Mail	
R2012-3 [1]	-0.380
R2013-1[2]	0.000
Total	-0.380
Periodicals	
R2012-3 [1]	-0.562
R2013-1 [2]	0.010
Total	-0.552
Package Services	
R2012-3 [1]	-0.533
R2013-1 [2]	0.001

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.

Total	-0.532
Special Services	
R2012-3 [1]	2.394
R2013-1 [2]	-0.280
Total	2.114

[1] Docket No. R2012-3, Order No. 987, at 2.

[2] Cap Calculation worksheets (USPS-LR-R2013-1/1 through 5).

II. Promotions

In previous years, the Postal Service has offered seasonal and other temporary price reductions designed to increase the value of mail to both senders and recipients, and to grow volume. In the past, these promotions have been submitted separately from the annual Market-Dominant price change filing.⁴ In this filing, however, the Postal Service seeks approval for a total of six promotions to be held during Calendar Year 2013. Each promotion is outlined below and described in more detail in Attachment D.⁵ By seeking approval for these promotions in this price adjustment, the Postal Service is addressing a primary concern raised by customers: that they did not have sufficient time to fully participate in the promotions.⁶

March-April 2013:

- Mobile Coupon/Click-to-Call: This promotion seeks to increase the value of direct mail by further highlighting the integration of mail with mobile technology in two specific ways. First, the promotion would encourage mailers to integrate hard-copy coupons in the mail with mobile-optimized platforms for redemption. Second, the

⁴ See, e.g. Docket No. R2011-5; Docket No. R2012-6; Docket No. R2012-9.

⁵ The Postal Service has also provided cost estimates for each promotion in the file titled, AttachmentD.xls.

⁶ See, e.g. Docket No. R2011-5, Comments of the American Catalogue Mailers Association, at 1 (April 29, 2011); Docket No. R2011-5, Comments of Quad/Graphics Inc., at 3 (May 3, 2011).

promotion will drive consumer awareness, and increased usage, of mail containing mobile barcodes with “click-to-call” functionality.

April-June 2013:

- *Earned Value Reply Mail Promotion*: This promotion is designed to encourage mailers to continue using First-Class Mail® as a primary reply mechanism for their customers. Business Reply Mail (BRM) and Courtesy Reply Mail (CRM) pieces continue to decline along with other Single-Piece First-Class Mail. This promotion encourages mailers to keep the CRM/BRM envelopes in their outgoing mail pieces by providing them with a financial benefit when their customers use the CRM/BRM envelopes.⁷

August-September 2013:

- *Emerging Technology*: This promotion is designed to build on the successes of past mobile barcode promotions by promoting awareness of how innovative technology, such as Near-Field Communication, Augmented Reality, and Authentication, can be integrated with a direct mail strategy to enhance the value of direct mail.
- *Picture Permit*: The Picture Permit promotion is designed to promote the use of picture permit imprint indicia, so as to improve the mailpiece’s visibility and impact as a marketing tool.
- *Product Samples*: This promotion will re-invigorate product sampling via the mail by providing mailers with an upfront postage discount on qualifying mail that contains

⁷ This promotion is called “BRM/CRM Promotion” in the MCS (Attachment A).

product samples. The promotion will raise awareness of the new “Simple Samples” pricing structure in Standard Mail.

November-December 2013:

- *Mobile Buy-it-Now*: This promotion will encourage mailers to adopt and invest in technologies that enhance how consumers interact and engage with mail, and demonstrate how direct mail can be a convenient method for consumers to do their holiday shopping.

Additionally, the Postal Service will seek to recover some of the revenue forgone from these promotions by factoring the lost revenue into the price cap calculation. A conservative estimate of the value of four of these promotions (Mobile Coupon/Click-to-Call, Emerging Technologies, Mobile Buy-it-Now, and Earned Value Reply Mail), based on historical data on qualifying volume, is approximately \$33.4 million. The basis of this calculation is shown in the First-Class Mail and Standard Mail workpapers (USPS-LR-R2013-1/1 and 2).

III. Description of the Prices

In compliance with Rules 3010.14(b)(7) through (8), the Postal Service in this section discusses 1) how its planned prices “help achieve” the objectives of section 3622(b) and “properly take into account” the factors of section 3622(c); and 2) how its planned prices are consistent with sections 3626, 3627, and 3629. In addition, the Postal Service discusses the workshare discounts included within the planned prices, as required by Rules 3010.14(b)(5) and (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.”⁸

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).

⁸ For ease of reference, each objective is referred to according to its placement in section 3622(b). For example, section 3622(b)(1) is referred to as Objective 1. A similar convention is used with respect to the “factors” of section 3622(c) below.

These 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 2.570 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 2011 Annual Compliance Report (ACR), filed December 29, 2011, furnishes to the public considerable data concerning market dominant products’ costs, revenues, and service quality.

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 and consistent with inflation.

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 3622.⁹ When considering these price changes, 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:

Table 5
First-Class Mail Product Price Changes

Product	Percent Change
Single-Piece Letters/Postcards	2.283
Presort Letters/Postcards	2.555
Flats	2.675
Parcels	4.971
International	7.923
Overall	2.570

The Postal Service is increasing the price of a stamp for a one-ounce single-piece letter by one cent to 46 cents. The overall increase for Single-Piece

⁹ Workshare discounts, which implicate Factor 5 and Factor 12, are discussed extensively in Part II.C of this Notice.

Letters/Postcards is 2.283 percent, which includes a 1 cent increase, from 32 cents to 33 cents, in the price for Single-Piece Cards. The average increase for single-piece mail is slightly lower than presorted mail. In the last CPI change (Docket No. R2012-3), the overall increase for Presort Letters/Postcards was 1.580 percent, while Single-Piece Letters/Postcards increased by 2.468 percent.

The MCS establishes each shape within First-Class Mail as a distinct product. This price change increases the per-piece price differentials between letters and flats, and between letters and parcels (Factor 1, Factor 2).¹⁰ Currently the price of a one-ounce single-piece letter is 45 cents and that of a single-piece flat is 90 cents. The difference is 45 cents. The proposed prices include 46 cents for single-piece letters and 92 cents for single-piece flats, resulting in a difference of 46 cents. Also, the only First-Class Mail parcels remaining on the market-dominant side for this docket are retail First-Class Mail parcels. Presort, Commercial Base, and Commercial Plus parcels are now being priced with competitive products.

In this docket, the Postal Service is introducing a new single-piece price for single-piece residual letters. These letters are mainly permit imprint letters which for one reason or another do not meet the presort requirements and end up paying the single-piece price, including charges for additional ounces for heavier pieces. The new price will be 48 cents for up to 2 ounces. This proposal solves a logistical problem for bulk mailers and mail service providers. In the last docket the Postal Service proposed a free second ounce for all presort letters (nonautomation and automation) as a retention strategy to make the mail piece more valuable. As a result of this change, mailers were

¹⁰ The gap between single-piece letters and flats increases to 46 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 increases from \$1.50 to \$1.61.

preparing mailings with the 1 ounce and 2 ounce pieces combined. As long as these pieces ended up in the presort mail stream, there was no postage impact. However, for the residual pieces that did not end up in the presort stream, additional work was required to separate out the 1 and 2 ounce pieces to accurately calculate the postage. The proposed uniform price will allow the mailers to pay postage for these pieces without having to go through the trouble of separating the 1 and 2 ounce pieces. A higher price of 48 cents allows the Postal Service to recover the lost additional ounce revenue while making it easy for the mailers to pay accurate postage (Factor 6). This 48-cent price is applicable to all the residual pieces weighing up to 2 ounces. A residual letter-shaped piece that weighs more than 2 ounces will pay the first ounce price of 46 cents and 20 cents for each additional ounce. Therefore, a 3-ounce residual piece will pay 86 cents, 46 cents for the first ounce and 20 cents each for each additional ounce.

The prices in Presort Letters/Postcards 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/Postcards is slightly below the overall average increase for First-Class Mail. Each of the Automation Presort Letter price cells increases by 1 cent except for Mixed AADC, which increases by only 1/10th of a cent. The price increases for AADC, 3-Digit, and 5-Digit Automation Presort Letters are 2.7 percent, 2.7 percent, and 2.9 percent, respectively. The percent increases differ because the base price is lower for finer presort mail. The Postal Service continues to price AADC and 3-Digit Letters at the same level and extends this structure to Presort Automation Postcards. Also, the free second ounce continues for all Presort First-Class Mail letters (nonautomation and Automation).

Table 6
First-Class Mail First-Ounce Prices

1-ounce letter	Price per Piece		Change	
	Current	New	Cents per piece	Percent Change
Single-Piece	\$0.45	\$0.46	\$0.010	2.2%
Mixed AADC	\$0.404	\$0.405	\$0.001	0.2%
AADC	\$0.374	\$0.384	\$0.010	2.7%
3-Digit	\$0.374	\$0.384	\$0.010	2.7%
5-Digit	\$0.350	\$0.360	\$0.010	2.9%

The overall increase for Flats is 2.675 percent, slightly above the CPI cap of 2.57 percent. The first-ounce price for single-piece flats changes from 90 cents to 92 cents (or the value of two First-Class Mail single-piece stamps), a 2.2 percent increase. Prices for Nonautomation Presort and Mixed ADC Automation flats increase by 7.5 percent, mainly because of the increase in the price of additional ounces from 17 cents to 20 cents (which matches the additional-ounce price for Single-Piece). The percent increases for Mixed ADC, ADC, 3-Digit, and 5-Digit automation flats are 1.4 percent, 1.6 percent, 3.5 percent and 1.5 percent, respectively.

Single-Piece (Retail) Parcels are the only parcel-shaped First-Class Mail pieces that remain on the market-dominant side. All other First-Class Mail parcels have been moved to competitive products. These remaining First-Class Mail parcels receive a 4.971 percent increase, which is higher than the overall increase for First-Class Mail. As reported in the FY 2011 Annual Compliance Determination issued on March 28, 2012 (page 96), the First-Class Mail Retail parcels cost coverage is 110.2 percent. The

higher-than-average increase for First-Class Mail parcels is expected to improve this cost coverage, which is fairly low by First-Class Mail standards..

As discussed above in Part II, the Postal Service is not proposing to recover all of the forgone revenue resulting from the promotions being offered in Calendar Year 2013. Three promotions (Mobile Coupon/Click to Call, Emerging Technologies, and Mobile Buy-it Now) are included in USPS-LR-R2013-1/6 in the umbrella category of “mail to mobile.” The volume data for this category are based on actual historical volumes from the 2011 Mobile Barcode Promotion (July and August, 2011), which took place during the hybrid year period used in this filing. These historical data are segregated by shape and price categories but not price cells. The Hybrid year distribution was used to allocate these data to all the price cells in appropriate price categories. The forgone revenue was estimated by applying the difference in estimated revenues based on proposed nonpromotional prices and promotional prices. The promotional prices are 2 percent less than the nonpromotional prices. This revenue loss was included in the calculation of the change in revenue per piece for cap compliance, in USPS-LR-R2013-1/1. The promotional volume is 480 million (most of it in Presort Letters) and the First-Class Mail revenue forgone for these three promotions is \$3.6 million.

The other promotion that is included in recovery of forgone revenue is the “Earned Value Reply Mail Promotion”. The estimates of BRM and CRM volumes that qualify for this promotion is presented in USPS-LR-R2013-6. The proposed \$0.02 per piece credit is applied to the volume figures to quantify an expected revenue forgone to the Postal Service for giving these earned value credits to qualified mailers. This revenue forgone is included in the First-Class Mail (and Standard Mail) price cap

calculations. USPS-LR-R2013-1/1 and 2. The dollar value of this postage credit for First-Class Mail is \$10.2 million.

For Outbound Single-piece First-Class Mail International (FCMI), the Postal Service is increasing prices by 14.3 percent overall, which is significantly above the First-Class Mail average of 2.570 percent. The FCMI adjustment is necessary to increase contribution and improve cost coverage for FCMI Letters at the one-ounce weight step (Factor 2, Factor 12), and to accommodate the introduction of the International Forever™ stamp. The International Forever stamp will be sold at the price of a single-piece First-Class Mail International first ounce machinable letter, and have a postage value equivalent to the price of a single-piece First-Class Mail International first ounce machinable letter in effect at the time of use.

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 this class, the prices of Standard Mail products increase as follows:

Table 8
Standard Mail Product Price Changes

Product	Percent Change
Letters	2.722
Flats	2.570
Parcels	3.081
High Density / Saturation Letters	2.207
High Density / Saturation Flats and Parcels	2.275
Carrier Route	3.133
Overall	2.570

In this price adjustment, Letters receive an above average price increase, while Flats receive an average (at cap) increase. These pricing decisions reflect a balance between: 1) the Commission's finding of noncompliance for Standard Mail Flats in the FY 2010 Annual Compliance Determination (ACD); 2) the Postal Service's ongoing concern about the long-term health of the catalogue industry, and; 3) the Postal Service's belief that above-average price increases for Flats (at the expense of letters) will impair its ability to enhance revenue and contribution under the statutory price cap (Objective 5). These factors are discussed in more detail below.

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" (ACD Order).¹¹ In response, the Postal Service filed an appeal with the U.S. Court of Appeals for the D.C. Circuit, challenging, among other things, the Commission's authority to issue the ACD Order pursuant to its powers under 39 U.S.C. § 101(d). Though the Court found that the Commission is permitted to rely on section 101(d) in "extreme circumstances,"¹² it remanded the case to the Commission for a "definition of the circumstances that trigger § 101(d)'s failsafe protection, and for an explanation of why the particular remedy imposed here is appropriate to ameliorate that extremity."¹³

In Order No.1427, the Commission set forth its interpretation of section 101(d) and the circumstances that may cause an "extreme case" violation. In brief, the Commission explained that a violation of section 101(d) may arise based on the "totality

¹¹ Docket No. ACR 2010, Annual Compliance Determination, at 106 (March 29, 2011).

¹² *United States Postal Service v. Postal Regulatory Commission*, 676 F.3d 1108 (D.C. Cir. 2012)

¹³ *Id.* at 1105.

of the circumstances."¹⁴ The Commission went on to cite a series of factors that it may consider before making such a finding.¹⁵ During this discussion the Commission further noted that "the finding of an 'extreme case' would not be justified, if, for example...the Postal Service were to demonstrate that price increases would be counterproductive under the statutory price cap..."¹⁶ As the Postal Service will explain in more detail below, it believes that above average price increases for the Flats product would impair its ability to enhance its revenue/contribution under the price cap.

The Postal Service maintains that the proposed prices for Flats and Letters represent a measured approach that will not only help capture additional revenue and contribution, but will also, over time, move Flats toward 100 percent cost coverage. First, the Postal Service remains concerned about the financial health and long-term viability of the catalogue industry, a major user of the Flats product. Accordingly, the Postal Service has used its pricing flexibility to keep the Flats price increases moderate (objectives 2, 4, factors 3, 7). Indeed, between FY 2009 and FY 2011, Flats volume declined by an annual average of 7 percent a year. Alarming, this trend appears to be accelerating, with flats volume declining by 8 percent year-to-date in 2012.¹⁷ While recessionary reductions in consumer spending have undoubtedly placed some downward pressure on Flats volumes, these significant declines reflect, among other things, the systematic migration of catalogues to electronic media.

¹⁴ Docket No. ACR 2010-R, Order No. 1427: Order on Remand, at 10 (August 9, 2012).

¹⁵ *Id.* at 3-10. Such factors include: 1) large, repeated below-100% cost coverages; 2) whether the Postal Service has made a meaningful attempt to correct the problem, and; 3) whether attempts to correct the cost coverage would be counterproductive under the price cap.

¹⁶ *Id.* at 10.

¹⁷ The 2012 Year-to-date volume percentage is calculated by comparing the first three quarters of 2012 with the first three quarters of 2011.

Given this largely systemic decline, the Postal Service believes that above-average price increases (though aimed at eliminating the cost coverage gap) could have the inadvertent effect of sending the Flats product into a tailspin. With each price increase, additional customers would be driven away, which would necessitate additional price increases as volume declines accelerated. Though this would not pose a significant problem if processing costs were perfectly correlated to volume, this is simply not the case. Given the fixed nature of processing equipment and the inflexibility of union contracts, processing costs would fall less quickly than volumes. Though the Postal Service continues to pursue operational efficiencies, such as Network Rationalization, it must be careful not to make pricing decisions that will artificially depress Flats volume.

In contrast to the systemic decline of Flats, Standard Mail Letters grew by an annual average of 4 percent between FY 2009 and FY 2011. These divergent volume trends not only complicate the Postal Service's pricing decision, but also highlight a natural tension that exists within the Postal Accountability and Enhancement Act: the need to achieve 100 percent cost coverage (Factor 2) while maximizing revenue and contribution to achieve financial stability (Objective 5). Though these two aims are not always in conflict, the Commission's ACD Order forces the Postal Service into a Hobson's choice between compliance and generating additional revenue/contribution. As the model filed as USPS-LR-R2013-1/7 (Contribution Model) demonstrates, by applying a greater amount of price cap authority to Standard Mail Letters, the Postal Service could generate a greater amount of contribution.

The Contribution Model presents six scenarios. In the first scenario (1a), the Postal Service's proposed price increases for Letters and Flats are applied. The divergent volume trends are accounted for by applying a 7.0 percent reduction for Flats and a 4.0 percent increase for Letters.¹⁸ The result is a \$518.7 million improvement in contribution. In the second scenario (1b), the divergent volume trends are maintained, but more of the Postal Service's pricing authority is applied to Flats (4.57 percent price increase), while less is applied to Letters (2.229 percent price increase). In this case, contribution only increases by \$513.8 million. Finally, scenario 1c shows that, by applying additional pricing authority to Letters (2.863 percent) and less to Flats (2.00 percent), the Postal Service could generate even more contribution (+\$520.1).¹⁹

Nevertheless, in acknowledgment of the Commission's ACD Order and the need to steadily move Standard Mail Flats toward 100 percent cost coverage, the Postal Service proposes a balanced pricing approach for these two products. Unsurprisingly, this approach most closely mirrors the middle-ground represented by scenario 1a above. The Postal Service believes that this pricing proposal accomplishes two goals: moving Flats toward 100 percent cost coverage and capturing the revenue available under the price cap.

Alternatively, by following the Commission's approach, the Postal Service would be forced to use precious cap space in an attempt to boost Flats' cost coverage. Such efforts may not only have unintended consequences for the catalogue industry, but

¹⁸ These volume trends represent the average annual volume change for each product (Standard Mail Letters and Flats) between FY 2009 and FY 2011.

¹⁹ Additionally, scenarios 2a – 2c make clear that the reason for the differential contribution impacts in Scenarios 1a – 1c is the divergent volume trends. When Flats and Letters volumes are specified to be trending together, as in Scenarios 2a – 2c, the contribution impact is identical in each case (+\$412.2 million).

could also have negative long-term effects on the ability of Standard Mail to contribute to covering network costs. Assuming that the systemic decline in Standard Mail Flats volume continues, Letters will be increasingly burdened with having to pay for network costs. However, keeping the Letters price in check (through repeated attempts to boost Flats' cost coverage) will impair Letters' ability to bear this burden. Moreover, the constraining nature of the price cap will forever prevent Standard Mail from making up the lost ground. Ultimately, this is a self-destructive cycle.

In addition to the concerns mentioned above, the Postal Service's pricing decision for Flats was also influenced by the need to manage the price gap between Standard 5-Digit automation flats and Carrier Route flats. Had the Postal Service given a larger price increase to Standard Mail Flats, it would have been forced to increase Carrier Route prices (which are already increasing by 3.133%) even further. To avoid such an increase, which would have negatively impacted Carrier Route volumes, the Postal Service allowed the gap between these two products to grow from 8.2 cents to 8.3 cents. However, it is not the Postal Service's intention to signal a widening gap in this area.

Based on the above, and the fact that Letters received a below average price increase in last year's price adjustment, the Postal Service believes that the proposed prices for Letters and Flats represent the best approach for all parties. Additionally, when taking into account additional cost savings that will be realized from Network Rationalization, the Postal Service believes that the proposed price change sets Standard Mail Flats on a sustainable path toward 100 percent cost coverage. Indeed,

the Postal Service estimates that Standard Mail Flats' cost coverage will modestly increase in FY 2012, and continue increasing in FY 2013.

In addition to the rates discussed above, the new prices for AADC and 3-Digit Presorted letters are set equal. The Postal Service is not changing the presorting requirements for either rate cell, thus permitting customers pay the same price for either sortation level. Until the Postal Service is able to determine which preparation standard will be most consistent with the redesigned processing network, the Postal Service determined that the best course of action was to preserve existing sortation options in 2013. This approach (as compared to, for example, eliminating one of the current sortation options) will not require customers to prematurely change sortation processes and software. The Postal Service will continue to evaluate the current sortation levels

This price adjustment also includes a proposal to adopt new pricing and preparation standards for parcels in Standard Mail High Density and Saturation Flats/Parcels, and Standard Mail Carrier Route. These changes are referred to as "Simple Samples." Together, the Postal Service believes that these streamlined preparation standards and lower prices (factor 6, objective 4) will help develop and grow a profitable product samples business (factor 8).

The production and distribution of product samples is a large and growing market estimated to reach approximately \$5 billion per year by 2015.²⁰ Despite these trends, annual mail volumes for product samples have repeatedly declined since 2005. The Postal Service believes that complex pricing and preparation requirements for parcel-shaped items made direct mail a less competitive channel for the distribution of these goods.

²⁰ The estimated value of the product samples market includes all methods of dissemination.

Consequently, under the new Simple Samples initiative, customers will be able to induct samples into the mail in cartons without the need to use unnecessary outer packaging. Additionally, under the simplified pricing structure, customers will pay between \$0.260 and \$0.400 per unit up to 200,000 units. Lower prices will be given for higher-volume tiers in order to encourage growth.

The Postal Service is also proposing the introduction of a new High Density Plus price tier. This creates a new option between High Density and Saturation. Current requirements, such as the 125 piece minimum for High Density prices, have been in place for decades. The introduction of a new High Density Plus price tier, requiring at least 300 pieces per carrier route, would simply encourage High Density customers to grow volumes in order to qualify for better pricing (factor 7, objective 1). Depending on the entry point, the proposed price range for High Density Plus letters is from \$0.156 to \$0.199, and for flats from \$0.172 to \$0.224.

Additionally, in this pricing adjustment, the Postal Service gives Detached Address Labels (DALs) a price increase that is consistent with the price cap. Having made a significant step in the last price adjustment toward improving cost coverage, and recognizing the price sensitivity of DAL customers, the Postal Service proposes a moderate increase from 3.0 cents to 3.1 cents (factors 7, 2, objective 4).

As discussed in Part II, the Postal Service is proposing to implement a series of targeted and short-term promotions to increase the value of the mail (factor 7, objective 4). The Postal Service is also attempting to recover some of the foregone revenue from these promotions by factoring the discounted prices into the price cap calculation. The methodology for recovering this forgone revenue in Standard Mail follows the same

approach described in Part III(a)(1). The dollar value of the promotions, for purposes of the Standard Mail price cap compliance calculation, is estimated to be \$19.5 million.

This calculation is explained in more detail in the worksheets titled USPS-LR-R2013-1/2 and 6.

Finally, in Docket No. MC2012-31 (Order No. 1460), the Commission approved the addition of Every Door Direct Mail Retail to the Product List. The approved price is 16 cents. This price adjustment does not propose any changes to the approved price of 16 cents. Similarly, an optional picture permit indicia was approved for letters in Docket No. R2012-7. The approved price of a picture permit for Standard Mail is 2 cents. The Postal Service is not proposing any change to this price in this docket, but is extending the availability of picture permits to flats.

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 Price Changes

Product	Percent Change
Outside County	2.546
Within County	2.911
Overall	2.560

The Periodicals class has been challenged in terms of cost coverage. It did not cover its attributable costs in FY 2011 (Factor 2, Objective 8). Despite its continued failure to cover its costs, the Postal Service was cognizant of Periodicals' value to the

public when making its pricing decisions (Factor 8, Factor 11). However, since both Periodicals products are failing to cover costs by substantially more than the price cap, the Postal Service cannot use its pricing authority to fully cover costs.

Accordingly, this price change simply 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.

4) Package Services

The Package Services class consists of five products: Alaska Bypass Service, 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 Price Changes

Product	Percent Change
Alaska Bypass Service	3.000
BPM Flats	0.002
BPM Parcels	3.424
Media Mail and Library Mail	3.472
Inbound Surface Parcel Post	0.000
Overall	2.569

Bound Printed Matter (BPM) includes two products: Flats (primarily heavy catalogueues), and Parcels (primarily product order fulfillment). The Bound Printed Matter Flats product already covers its costs, and is used by cataloguers, which face

economic pressures, Therefore, to offset the larger price increases for Media/Library Mail and BPM Parcels, the price increase for BPM Flats is almost zero.

In Docket No. MC2012-13, the Commission approved the transfer of Parcel Post to the Competitive product list; however, Alaska Bypass Service will remain on the Market Dominant product list. In this price adjustment, Alaska Bypass prices will be based on the previous 70-pound Parcel Post prices for Zones 1, 2, and 3. In the future, Alaska Bypass prices will be delinked from Parcel Post.

Finally, BPM Parcels and Media/Library Mail will have the largest price increases in Package Services. However, even after these increases, Media Mail and Library Mail will still be priced below other ground parcels, largely to recognize their “educational, cultural, scientific, and informational value” (Factor 11). Regardless, the increases for these two products are still below 3.5 percent.

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. The overall increase for the Special Services is 2.850 percent.

For most of the special services, fee increases were designed to be close to 4.5 percent, while maintaining consistency with historical rounding constraints, which simplify transactions for customers (Factor 3, Factor 6).²¹

The prices for Collect on Delivery are being raised by 9.2 percent overall, reflecting both the value of the service provided and the lack of historical stability in the cost data. Given that Fiscal Year 2011 costs were substantially lower than in Fiscal Year 2010, the Postal Service is proactively raising the prices more than the average, because it is possible that the costs will be higher this year than last year.

Express Mail insurance prices are increasing by 7.9 percent as the Postal Service increases the prices for the first time since 2011. This price increase reflects the value of service provided (Factor 1).

The prices for Return Receipt are being raised by 7.5 percent, reflecting the value the service provides (Factor 1).

Special Handling Prices are being increased by 16.8 percent to reflect the high value the service provides to mailers that use it (Factor 1).

Stamp Fulfillment Services are not receiving a price increase in recognition of the 25-75 percent price increase they received in last year's price adjustment. The Postal Service was concerned that an additional price increase in FY 2013, could provide a disincentive for customers to receive stamps by mail. This approach will allow the Postal Service to see what, if any, impact the previous price increase had on demand (Factor 3).

²¹ The intent was to adjust the prices in a manner that was equivalent to the price cap plus the regulatory limit of 2 percent of the bank. The overall increase was less than this because portions of Delivery Confirmation service had a price reduction to \$0.00.

The prices for retail Delivery Confirmation service for Package Services and Priority Mail, and for electronic Delivery Confirmation service for Parcel Post are being set to zero, as the Postal Service continues its transition to an environment in which tracking becomes an integral feature of parcels. The result is an overall price decrease of 27.1 percent for Delivery Confirmation service (Factors 1, 6, and 13).

The prices for Confirm service are remaining zero in anticipation of a separate filing (later this year) requesting the elimination of Confirm service.(Factors 1 and 13).

The Periodicals Additional Entry application fee is being eliminated; the price for the Original Entry fee is being increased to simplify the pricing structure (Factor 6). Approved Periodicals publications which pay the Original Entry fee would be able to mail at any Post Office with *PostalOne!* access.

Caller Service prices are increased by an average of 5.9 percent. For Post Office Box service, prices will generally not be increased for Size 1 boxes, but will be increased for the larger box sizes. The previous two price adjustments did not increase the larger box sizes at all due to the relatively small size of the cap, and prices for larger size boxes have not changed since 2009. Fee Group 4 is an exception because its fees are anomalously lower than the next higher fee group. Prices are increased in all box sizes for Fee Group 4 to level the price relationships among fee groups. The overall price increase for Post Office Box service is 5.0 percent..

Approximately 5.8 million market dominant Post Office boxes at 6,800 locations moved to the competitive category, pursuant to Commission Order No. 780 (Docket No. MC2011-25) on January 27, 2012. Prices for these boxes are managed under the

Competitive price schedule. Therefore, the box counts within the market dominant P.O. Box product have been adjusted downward to reflect the transfer.

For Stamped Envelopes, the overall price increase is 6.2 percent. The increase is driven by raising the price of single sale envelopes by 1 cent and increasing the shipping fees. (Factors 1 and 6).

Stamped Cards is receiving a 33.3 percent increase as the price of the card increases from \$0.03 to \$0.04. (Factors 1, 2, and 6). This fee has not increased since 2008.

Finally, the special services fees for International Certificates of Mailing are set equal to the fees for the equivalent domestic service (Factor 6). More detail on Special Services price changes is included in USPS-LR-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. R2012-3 price change, which the Commission concluded was an appropriate interpretation of section 3626.²²

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.²³ This price adjustment continues to recognize the preferential status of Within County Periodicals by setting prices below those of regular Outside County Periodicals.

²² See Order No. 987 at 20, 35. Docket No. R2012-3

²³ 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.

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.

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 past practice, 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 59.9 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.²⁴ Details of the nonprofit-commercial revenue per piece ratio are contained in USPS-LR-R2013-1/2, 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

²⁴ 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".

Mail price element. The Postal Service has followed this approach in setting its new prices.

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

In addition to a discussion of section 3626, Rule 3010.14(b)(8) also requires the Postal Service to discuss how its planned prices are consistent with sections 3627 and 3629. Neither section is implicated by this price change: 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 2011 ACD. The discounts in USPS-FY11-3 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 14 passthroughs (discount divided by cost avoidance) in First-Class Mail to be evaluated for compliance. Five 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. Four passthroughs are equal to 100 percent, and two are zero, because of a pricing structure change that was added by the Postal Service for automation letters in the last docket, and that is being extended to automation postcards in this docket.²⁵ 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.

²⁵ These particular passthroughs are zero in the current docket, because the prices for AADC and 3-Digit Automation Letters and Cards 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

Consistent with Order No. 1320, the Postal Service is using metered mail as the benchmark for estimating the Mixed AADC price. Currently, the metered mail price is the same as the Single-Piece letter price. As envisioned by footnote 22 in Order No. 1320 (Docket No. RM2010-13), the Postal Service is considering the proposal of separate pricing for Single-Piece metered letters. Such pricing would improve the workshare ratios for Presorted Letters.²⁶

Cost avoidances for Automation Letters are derived from the errata to Library Reference PRC-RM2010-13-LR1 (May 9, 2012). The only update to the table resulting from the May 9 Errata filing is the Commission-directed update that is filed in USPS-LR-R2013-1/8.

Single-Piece Letters and Postcards

The passthroughs of the cost avoidances underlying the discounts for both QBRM Letters and QBRM postcards are 212.5 percent. In Docket No. R2012-3, this passthrough was 157.1 percent as filed by the Postal Service (Notice of Price Adjustment, Attachment B), and 287.5 percent in the latest Annual Compliance Determination (2011 ACD), issued on March 28, 2012. Postal Service pricing in this docket has reduced the discount from 2.2 cents to 1.7 cents, moving the passthrough closer to 100 percent compared to the 2011 ACD. Even with the greater than 100 percent passthrough, the increase in the price of QBRM letters is 3.5 percent, and the price increase for QBRM cards is 5.0 percent. The problem in this particular instance is not the magnitude of the discount, but further reduction in the cost avoidance from 1.4

²⁶ Consistent with its D.C. Circuit Court of Appeals Brief filed September 14, 2012, in *United States Postal Service v. Postal Regulatory Commission*, the Postal Service does not believe that separate pricing of metered mail would provide the Postal Service the pricing flexibility for Presorted Letters intended under the PAEA.

cents to 0.8 cents. Raising QBRM prices to reduce this discount more was not a desirable option from a business perspective.

QBRM prices, although part of the single-piece product, are paid by bulk mailers to generate additional business. In order to encourage the inclusion of business reply envelopes, the Postal Service initially introduced Reply Rides Free, and then, in Docket No. R2012-3, reduced the price of second-ounce for Presort mail to zero. In this docket, the Postal Service is requesting the approval of the Earned Value Reply Mail promotion for returned BRM and CRM pieces. 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 Cards

There are two passthroughs that exceed 100 percent. The mixed AADC Automation Cards passthrough compared to the benchmark of Nonautomation Presort Cards is 121.1 percent, while the AADC Automation Cards passthrough compared to its benchmark of Mixed AADC Cards is 109.1 percent. In Docket No. R2012-3, the Mixed AADC passthrough was 92.6 percent, while the AADC passthrough was exactly 100 percent.

In the 2011 ACD, page 100, the Commission directed the Postal Service to align the discount between Nonautomation Presort Cards and Automation Mixed AADC Presort Cards with the estimated cost avoidance of 1.9 cents, unless it is subject to one of the exceptions in 3622(e). For Mixed AADC Automation Cards, the estimated cost

avoidance had decreased from 2.7 cents to 1.9 cents, in the 2010 ACD. In the current changes, the Postal Service is reducing this discount from 2.5 cents to 2.3 cents to bring the passthrough closer to 100 percent. A further reduction in this passthrough will not only increase the price of Mixed AADC Automation Cards higher than what is proposed, but would lead to higher increases for all the other presort levels, i.e., AADC, 3-Digit and 5-Digit. In Docket No. R2012-3, the price increase for Automation Cards was significantly higher than the Cap (9.63 percent, compared to the Cap of 2.133 percent). The Presort Cards cost coverage of 271.2 percent in FY2011 is the second highest cost coverage of all market dominant products. second only to Presort Letters. Therefore, to mitigate the price increase (in light of the back to back above CPI increases), the passthrough exceeds 100 percent, pursuant to section 3622(e)(2)(B). The Postal Service will be mindful of this particular cost avoidance in determining the discounts in future price adjustments.

The AADC Automation Cards discount compared to its benchmark of Mixed AADC Cards exceeds the cost avoidance by 9.1 percent. Since the Postal Service is proposing the same price level for AADC and 3-Digit Automation Cards, the price for AADC Cards was lowered by 1/10th of a cent (by increasing the passthrough slightly) because this price is now applicable to both AADC and 3-Digit sort levels. The passthrough between AADC and 3-Digit Automation Letters is zero. Besides the operational and network realignment issues that were presented in Docket No. 2012-3 for the structural change for Automation Letters, this same change is being made for Cards, because some mailers combine Cards and Letters in the same tray. If AADC and 3-Digit Letters pay the same price, but Cards have different price levels for these

two presort levels, it becomes a logistical issue for the mailers to combine 3-Digit and AADC Cards and Letters and calculate the postage accurately. In light of other operational and network issues discussed below for Standard Mail Letters, and to make it easy for the mailers to combine letters and cards, this change is being proposed, resulting in a passthrough that is slightly above 100 percent. Therefore, for AADC Cards, the passthrough exceeds 100 percent, pursuant to section 3622(e)(2)(D).

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, 45 cents minus 35 cents based on current prices and 46 cents minus 36 cents for new prices.

Automation Flats

The passthrough of the avoided cost for the ADC presort level for flats is 178.6 percent, a reduction from the current 214.3 percent (2011 ACD, Table VII-2, Page 98). This improvement in the passthrough was a result of an increase in the estimated cost avoidance from 4.4 cents to 5.6 cents (FY2010 to FY2011). When compared to the 2011 ACD, the discount was also reduced from 12 cents to 10 cents, but that reduction took place as a result of prices proposed in Docket No. R2012-3. 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. The price increase for Presort Flats is 7.5 percent (significantly above the Cap of 2.57 percent) due to the increase in the price of additional ounces from 17 cents to 20 cents. 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 this passthrough in light of new cost information in future price adjustments.

Standard Mail

Standard Mail Letters

Three workshare passthroughs for Standard Mail Letters exceed 100 percent. The presort discount for nonmachinable ADC letters compared to nonmachinable mixed ADC letters is 120.3 percent. The presort discount for nonmachinable 3-digit letters compared to nonmachinable ADC letters is 136 percent. The presort discount between nonmachinable 5-digit letters and nonmachinable 3-digit letters is 125 percent.

In Docket No. R2012-3, which used 2010 ACD avoided cost data, the Postal Service aligned the 9.7 cent presort discount with the avoided cost of nonmachinable ADC letters. While, the Postal Service has decreased this discount to 9.5 cents in the current price adjustment, the avoided cost has decreased to 7.9 cents from 11.1 cents. Decreasing the discount even further than to 9.5 cents at this time would cause a sharp increase in the price of presorted nonmachinable ADC letters. Therefore, the Postal Service justifies this passthrough under section 3622(e)(2)(B).

In the 2010 ACD, the avoided cost of nonautomation 5-digit nonmachinable letters was 10.5 cents. This decreased sharply in the 2011 ACD to 7.6 cents. The Postal Service has tried to align this discount to its avoided cost; however, decreasing it below the proposed 9.5 cents would increase the prices of 5-Digit nonmachinable letters

beyond acceptable limits. Therefore, the Postal Service justifies this passthrough under section 3622(e)(2)(B).

In this price adjustment, the Postal Service has decreased the presort discount of nonmachinable 3-digit letters to 3.4 cents from 3.8 cents in Docket No. R2012-3. Decreasing it even further at this time would increase the nonautomation 3-digit nonmachinable letters prices beyond acceptable levels. Therefore, the Postal Service justifies this passthrough under section 3622(e)(2)(B).

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 2011 ACR estimated the avoided cost for automation letters at 1.8 cents. This avoided cost estimate has been volatile in recent years, even becoming negative in 2008 and 2009. In the Docket No. R2012-3 price change, given the volatility, the Postal Service decided that stability of this incentive made the most sense. Rather than trying to trace the volatile movements of the cost estimates, the Postal Service maintained the discount at 0.3 cent in the Docket No. R2012-3 price adjustment, despite the fact that this passed through only 50 percent of the latest estimate of avoided costs. In this price change, the Postal Service increased this discount to 0.8 cent in an effort to align the discount with the avoided cost. The Postal Service will continue to monitor this discount in future price adjustments in an effort to align the discount with its avoided cost.

As in Docket No. R2012-3, 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 prebarcoding discount between automation and nonautomation flats, and the presort discount for automation 3-Digit flats.

In the Docket No. R2012-3 price adjustment, the Postal Service aligned the discount of 5.6 cents to the avoided cost. The current price adjustment uses the 2011 ACD avoided costs (as required by Commission rules). The avoided cost dropped to 4.6 cents between FY 2011 and FY 2012. While the Postal Service lowered the discount to 5.0 cents, it could not drop this discount fast enough, without being disruptive. As a result, the Postal Service justifies this discount using section 3622(e)(2)(B). The Postal Service will continue to work towards aligning this discount to the avoided cost and.

In the price adjustment implemented April 17, 2011 (Docket No. R2011-2), the Postal Service justified the prebarcoding discount of 5.7 cents by relying on section 3622(e)(2)(D), to encourage as many flats as possible to be prebarcoded and promote successful implementation of the Flats Sequencing System (FSS) program. The Commission accepted this justification in Docket No. R2011-2, and also in the 2010 ACD. The reduction to 5.7 cents in April, 2011, reflected 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 need for an extra incentive for prebarcoding, but that it should be possible to gradually reduce the incentive. The Commission will notice that this prebarcoding incentive was increased to 7.5 cents. This is not a strategic move from the Postal Service, but instead an inadvertent increase. The Postal Service will gradually eliminate the excess incentive, but relies on section 3622(e)(2)(D) to justify the current passthrough.

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, albeit a bit better than what it was in the 2011 ACD. Given the difficulties of the catalogue industry, and the Postal Service's interest in not unduly burdening catalogue 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 increased the discount between Mixed ADC and ADC nonautomation flats to 4.2 cents from the previous discount of 3.3 cents, in an effort to align the discount with the current avoided cost. While moving in the right direction, 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 general 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) SCF irregular parcels and NDC irregular parcels, (3) NDC Marketing Parcels and mixed NDC Marketing Parcels, and (4) SCF Marketing Parcels and NDC Marketing Parcels. The nonbarcoded surcharge also exceeds the avoided costs of prebarcoding in the parcels cost model.

In Docket No. R2012-3, the Postal Service justified the discount between NDC irregular parcels (commercial and nonprofit) and Mixed NDC irregular parcels (commercial and nonprofit) under section 3622(e)(2)(D). The Commission reviewed and accepted this justification in Docket No. R2011-2 and in the 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 continued a pattern of steady reductions in the passthrough for this discount in Docket No. R2012-3.

In the present price adjustment, the Postal Service has reduced the passthrough for NDC irregular parcels and mixed NDC irregular parcels from 300.8 to 280.8 percent, and reduced the passthrough for SCF irregular parcels and NDC irregular parcels from 146.2 to 119.1 percent. The Postal Service believes that pushing this transition further at this time would be unduly disruptive, because this pricing category is still undergoing a major shift brought about by two opposing changes. First, the irregular parcels category no longer contains any commercial parcels. All commercial parcels moved to the Competitive product list as part of the Parcel Select transfer (Docket No. MC2010-36). Only nonprofit irregular parcels remain. Second, the changes that resulted from the elimination of the NFMs category and the introduction of Marketing Parcels caused the migration of some former nonprofit NFMs used for fulfillment purposes 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.

In the one year since the restructuring took place, the avoided costs for both NDC irregular parcels and SCF irregular parcels have decreased. It is still 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 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, stable estimates of costs and avoided costs will clarify the magnitude and direction of the changes in the discounts that will better align them with avoided costs. 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 under section 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, under section 3622(e)(2)(D). The Commission accepted this justification in Docket No. R2011-2 and in the 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. The Postal Service no longer offers an NFM mail category. In Docket No. R2012-3, the Postal Service calculated workshare passthroughs for the successor category, Marketing Parcels, using NFMs avoided costs from the 2010 ACD. The Postal Service urged caution in interpreting these relationships, since it expected that the composition of the successor Marketing Parcels category would not match that of the terminated NFMs category, as discussed below.

The Postal Service has reduced the passthrough for both of these Marketing Parcels discounts in the current price adjustment. The passthrough for NDC marketing parcels and mixed NDC marketing parcels was decreased to 180 percent, while the passthrough for SCF marketing parcels and NDC marketing parcels was decreased to 116.9 percent. 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. The Marketing Parcels category has different size and addressing standards than NFM's. 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 section 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 section 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 product samples. The Postal Service will continue to 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 High Density and Saturation 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. In this price change, the Postal Service added a new price tier called High Density Plus letters. A new worksharing relationship was created between High Density Plus letters and Carrier Route letters.

The workshare discount table shows that, in the present price adjustment, the price difference between High Density and Carrier Route letters and High Density Plus and Carrier Route letters passes through only a minority of the cost difference. The

Postal Service prices High Density and High Density Plus letters (which are required to be automation compatible) based on the market served by these letters. For this reason, both High Density and High Density Plus 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 letter categories based on their price differential/discount, as long as the passthroughs for the cost differential remain below 100 percent.

Standard Mail High Density and Saturation Flats and Parcels

In addition to introducing High Density Plus Letters, the Postal Service is adding a new price tier called High Density Plus Flats. This new price tier reflects operational changes, is responsive to market needs, and encourages customers to increase volume.

In this price adjustment, the Postal Service also is completely revamping the pricing structure of Carrier Route parcels. The new pricing structure, called Simple Samples, is based on volume tiers, as opposed to point of entry discounts. As a result, in this price adjustment, High Density parcels has been eliminated as a price category. These parcels are expected to use the Carrier Route parcels pricing. In addition, as there are no discounts related to point of entry for the new pricing for Saturation parcels, there no longer are workshare discounts to compare to avoided costs. The Postal Service believes that Simple Samples will prove to be a more attractive price structure

than its predecessor in Saturation and High Density parcels, given the simplified preparation and pricing structure.

Standard Mail Dropship Discounts

All of the Standard Mail dropship discounts are below their respective avoided costs, some of them substantially so.

At present, letters and flats continue to have the same dropship discounts. Differentiating those shape categories would raise 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.

In this price adjustment there are no “point of entry” related discounts, because of the new pricing for Carrier Route parcels. Consequently, there are no longer any workshare discounts to compare to avoided costs.

Periodicals

Attachment B contains two workshare discount tables for Periodicals. Some passthroughs exceed 100 percent; but many of them 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 under 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.” Instead, percentages are used to describe how much of a cost is recognized in a given price element.²⁷

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.

²⁷ The language of section 3622(e) reflects the traditional understanding of passthroughs being based on avoided costs, rather than bottom-up costs.

Package Services

Attachment B contains three tables of workshare discounts, cost avoidances, and passthroughs for Package Services.

Media Mail and Library Mail

All workshare discount passthroughs for Media Mail and Library Mail are at 100 percent. Barcode discounts were eliminated in Docket No. R2012-3. so there are only two remaining discounts: Basic Presort and 5 Digit Presort. The proposed presort discounts match the discounts calculated in the most recent Annual Compliance Determination

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 for BPM Parcels but was increased from 0.098 to 0.099 for BPM Flats. The Dropship Discount at the DNDC level was reduced from 0.174 to .0170, consistent with the Commission's FY2011 Annual Compliance Determination.

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.²⁸

²⁸ 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.

Along with minor formatting and wording changes, the substantive classification changes for this filing include the following:

- Add new price category in First-Class Mail to include blended single-piece price for residual 1-2 ounce pieces from Presort mailings.
- Add a handling charge for foreign-origin, inbound direct entry First-Class Mail Single-Piece Machinable Letters, Single-Piece Postcards, Single-Piece Flats, and Single-Piece Parcels tendered by foreign postal operators, subject to the terms of an authorization arrangement.
- Add notes and Glossary definition for International Forever stamps
- Add Standard Mail High Density Plus price category in between current High Density and current Saturation price categories
- Redesign price categories for parcels in Standard Mail Saturation and High Density Flats/Parcels, and Standard Mail Carrier Route products, so that they are simplified for the product sample market.
- Correct the maximum size limitations for Standard Mail parcels
- Eliminate Detached Address Label optional feature listing in Standard Mail Carrier Route, to conform with change in Docket No. R2012-3
- Expand Picture Permit option to First-Class Mail and Standard Mail flats
- Eliminate Mobile Barcode Promotion, which ended August 31, 2012
- Add Mobile-Coupon/Click-To-Call, BRM/CRM, Emerging Technology, Samples, Picture Permit, and Mobile Buy-It-Now Promotions
- Replace Parcel Post with Alaska Bypass Service, change the maximum weight, and remove Zones 4 to 7 pricing
- Eliminate classification and fee for Periodicals Additional Entries

- Allow notice of attempted delivery for Certified Mail, COD, Insurance, and Registered Mail to be provided to the addressee by electronic means, rather than just by paper notice left at the address.
- Add Standard Post (the new name for Parcel Post) as a separate product to the availability lists for the appropriate special services, and to the Delivery Confirmation service price schedule
- Eliminate selected premium options from Stamped Envelopes
- Remove International Outbound Restricted Delivery and International Outbound Reply Coupons, optional services for which, over the years, volume and revenue have steadily declined.
- Add Change-of-Address Customer Confirmation Letter Reprint and Postal Explorer CD-ROM, two services which previously have been omitted from the MCS, to Address Management Services
- Add footnotes and MASS IMb Quality Testing fee for MASS Certification service
- Update Address Management Services language for Residential Delivery Indicator (RDI) service
- Remove language for FASTforward MLOCR (Multi-line Optical Character Reader) service, which is no longer available
- Expand credit card authentication fee so that it applies to all credit card authentications, rather than just those for filing Change-of-Address requests

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. Some unchanged language is included, but only to show the location of the changes. The proposed prices are listed in price tables, whether or not they are different from the current prices)

PART A

MARKET DOMINANT PRODUCTS

1000

MARKET DOMINANT PRODUCT LIST

FIRST-CLASS MAIL*

Single-Piece Letters/Postcards
Presorted Letters/Postcards
Flats
Parcels
Outbound Single-Piece First-Class Mail International
Inbound Letter Post

STANDARD MAIL (COMMERCIAL AND NONPROFIT)*

High Density and Saturation Letters
High Density and Saturation Flats/Parcels
Carrier Route
Letters
Flats
Parcels
Every Door Direct Mail - Retail

PERIODICALS*

Within County Periodicals
Outside-County Periodicals

PACKAGE SERVICES*

~~Alaska Bypass Service~~ Parcel Post
Inbound Surface Parcel Post (at UPU rates)
Bound Printed Matter Flats
Bound Printed Matter Parcels
Media Mail/Library Mail

SPECIAL SERVICES*

Ancillary Services
International Ancillary Services
Address Management Services
Caller Service
~~Change-of-Address~~ Credit Card Authentication
Confirm Service {To be removed in separate filing}
International Reply Coupon Service
International Business Reply Mail Service
Money Orders
Post Office Box Service
Customized Postage
Stamp Fulfillment Services

* Organizational class or group (not a Postal Service product)

* * * * *

1001 MARKET DOMINANT PRODUCT DESCRIPTIONS

1100 First-Class Mail

* * * * *

1105 Single-Piece Letters/Postcards

* * * * *

1105.3 Price Categories

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

- Machinable Letters
- Nonmachinable Letters – Either have an aspect ratio that does not fall between 1 to 1.3 and 1 to 2.5 inclusive or do not meet other machinability requirements
- Qualified Business Reply Mail (QBRM) Letters
- Residual Machinable Letters
- Postcards
- Qualified Business Reply Mail (QBRM) Postcards

* * * * *

1105.5 Prices

Single-Piece Machinable Letters^{1,2}

Maximum Weight (ounces)	Machinable Letters (\$)
1	0.46
2	0.66
3	0.86
3.5	1.06

Notes

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

2. A handling charge of \$0.001 per piece applies to foreign-origin, inbound direct entry mail tendered by foreign postal operators, subject to the terms of an authorization arrangement.

Single-Piece Nonmachinable Letters

Maximum Weight (ounces)	Nonmachinable Letters (\$)
1	0.66
2	0.86
3	1.06
3.5	1.26

Single-Piece QBRM Letters

Maximum Weight (ounces)	QBRM Letters (\$)
1	0.443
2	0.643

Single-Piece Residual Machinable Letters

<u>Maximum Weight (ounces)</u>	<u>Residual Machinable Letters (\$)</u>
<u>1</u>	<u>0.48</u>
<u>2</u>	<u>0.48</u>
<u>3</u>	<u>0.86</u>
<u>3.5</u>	<u>1.06</u>

Single-Piece Postcards^{1,2}

Maximum Weight (ounces)	Postcards (\$)	Single-Piece Double Card (\$)
not applicable	0.33	0.66

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.
2. A handling charge of \$0.001 per piece applies to foreign-origin, inbound direct entry mail tendered by foreign postal operators, subject to the terms of an authorization arrangement. Such inbound direct entry mail cannot include Single-Piece Double Cards.

Single-Piece QBRM Postcards

Maximum Weight (ounces)	QBRM Postcards (\$)
not applicable	0.313

1110 Presorted Letters/Postcards

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1110.4 Optional Features

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

- Ancillary Services (1505)
 - Address Correction Service (1505.1)
 - Certified Mail (1505.5)
 - 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)
- Repositionable Notes: presorted letters only
- Full-service Intelligent Mail Option: automation letters and automation postcards only
- Picture Permit Imprint Indicia
- ~~Mobile Barcode Promotion (Expires August 31, 2012)~~
- Mobile-Coupon/Click-to-Call Promotion (March 1, 2013 to April 30, 2013)
- BRM/CRM Promotion (April 1, 2013 to June 30, 2013)
- Emerging Technology Promotion (August 1, 2013 to September 30, 2013)
- Picture Permit Promotion (August 1, 2013 to September 30, 2013)
- Mobile Buy-It-Now Promotion (November 1, 2013 to December 31, 2013)

1110.5 Prices

Automation Letters

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)
1	0.360	0.384	0.384	0.405
2	0.360	0.384	0.384	0.405
3	0.610	0.634	0.634	0.655
3.5	0.735	0.759	0.759	0.780

Machinable Letters

Maximum Weight (ounces)	Presorted (\$)
1	0.433
2	0.433
3	0.683
3.3	0.808

Nonmachinable Letters

Maximum Weight (ounces)	Presorted (\$)
1	0.633
2	0.633
3	0.883
3.5	1.008

Automation Postcards

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)
not applicable	0.234	0.246	0.246	0.258

Machinable Postcards

Maximum Weight (ounces)	Presorted (\$)
not applicable	0.281

* * * * *

Picture Permit Imprint Indicia

Add \$0.01 for each piece that includes Picture Permit Imprint Indicia

~~*Mobile Barcode Promotion (Expires August 31, 2012)*~~

~~Provide a two percent discount on the qualifying 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.~~

Mobile-Coupon/Click-to-Call Promotion (March 1, 2013 to April 30, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats sent during the established program period, and which include a two-dimensional mobile barcode inside or on the mailpiece. The barcode must either lead the recipient to a coupon that can be stored on a mobile device, or enable the recipient to connect by telephone to another person or call center via a mobile device. To receive the discount, mailers must comply with the eligibility requirements of the program.

BRM/CRM Promotion (April 1, 2013 to June 30, 2013)

Provide a 2 cents per piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that

included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program.

Emerging Technology Promotion (August 1, 2013 to September 30, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and that include print that allows the recipient to engage in one of the following:

- 1) an augmented reality experience facilitated by a smartphone or computer,
- 2) authentication of the recipient's identity, or
- 3) an experience facilitated via Near Field Communication.

To receive the discount, mailers must comply with the eligibility requirements of the program.

Picture Permit Promotion (August 1, 2013 to September 30, 2013)

Eliminate the Picture Permit charge for First-Class Mail and Standard Mail presort or automation letters and postcards that are sent during the established program period, and that include approved Picture Permit Imprint Indicia. To have the Picture Permit charge eliminated, mailers must comply with the eligibility requirements of the program.

Mobile Buy-It-Now Promotion (November 1, 2013 to December 31, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats which include a mobile barcode inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

1115 Flats

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1115.4 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)
 - 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)
- Competitive Ancillary Services (2645)
 - Package Intercept Service (2645.2)
- Repositionable Notes
- Full-service Intelligent Mail option: automation flats only
- Picture Permit Imprint Indicia
- Mobile-Coupon/Click-to-Call Promotion: automation flats only (March 1, 2013 to April 30, 2013)
- Emerging Technology Promotion (August 1, 2013 to September 30, 2013)
- Picture Permit Promotion (August 1, 2013 to September 30, 2013)
- Mobile Buy-It-Now Promotion (November 1, 2013 to December 31, 2013)

1115.5 Prices

Automation Flats

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
1	0.406	0.594	0.640	0.740
2	0.606	0.794	0.840	0.940
3	0.806	0.994	1.040	1.140
4	1.006	1.194	1.240	1.340
5	1.206	1.394	1.440	1.540
6	1.406	1.594	1.640	1.740
7	1.606	1.794	1.840	1.940
8	1.806	1.994	2.040	2.140
9	2.006	2.194	2.240	2.340
10	2.206	2.394	2.440	2.540
11	2.406	2.594	2.640	2.740
12	2.606	2.794	2.840	2.940
13	2.806	2.994	3.040	3.140

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	0.772
2	0.972
3	1.172
4	1.372
5	1.572
6	1.772
7	1.972
8	2.172
9	2.372
10	2.572
11	2.772
12	2.972
13	3.172

Single-Piece Flats¹

Maximum Weight (ounces)	Single-Piece (\$)
1	0.92
2	1.12
3	1.32
4	1.52
5	1.72
6	1.92
7	2.12
8	2.32
9	2.52
10	2.72
11	2.92
12	3.12
13	3.32

Notes

1. A handling charge of \$0.001 per piece applies to foreign-origin, inbound direct entry mail tendered by foreign postal operators, subject to the terms of an authorization arrangement.

Flats including a Repositionable Note

Add \$0.000 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.

Picture Permit Imprint Indicia

Add \$0.01 for each piece that includes Picture Permit Imprint Indicia

Mobile-Coupon/Click-to-Call Promotion (March 1, 2013 to April 30, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats sent during the established program period, and which include a two-dimensional mobile barcode inside or on the mailpiece. The barcode must either lead the recipient to a coupon that can be stored on a mobile device, or enable the recipient to connect by telephone to another person or call center via a mobile device. To receive the discount, mailers must comply with the eligibility requirements of the program.

Emerging Technology Promotion (August 1, 2013 to September 30, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and that include print that allows the recipient to engage in one of the following:

- 1) an augmented reality experience facilitated by a smartphone or computer,
- 2) authentication of the recipient's identity, or
- 3) an experience facilitated via Near Field Communication.

To receive the discount, mailers must comply with the eligibility requirements of the program.

Picture Permit Promotion (August 1, 2013 to September 30, 2013)

Eliminate the Picture Permit charge for First-Class Mail and Standard Mail presort or automation letters and postcards that are sent during the established program period, and that include approved Picture Permit Imprint Indicia. To have the Picture Permit charge eliminated, mailers must comply with the eligibility requirements of the program.

Mobile Buy-It-Now Promotion (November 1, 2013 to December 31, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats which include a mobile barcode inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

1120 Parcels

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1120.5 Prices

Retail¹

Maximum Weight (ounces)	Single-Piece (\$)
1	2.07
2	2.07
3	2.07
4	2.24
5	2.41
6	2.58
7	2.75
8	2.92
9	3.09
10	3.26
11	3.43
12	3.60
13	3.77

Notes

1. A handling charge of \$0.001 per piece applies to foreign-origin, inbound direct entry mail tendered by foreign postal operators, subject to the terms of an authorization arrangement.

Keys and Identification Devices

Maximum Weight (ounces)	Keys and Identification Devices (\$)
1	2.86
2	2.86
3	2.86
4	3.03
5	3.20
6	3.37
7	3.54
8	3.71
9	3.88
10	4.05
11	4.22
12	4.39
13	4.56
1 (pound)	*
2 (pounds)	*

*Priority Mail Retail Zone 4 postage, plus \$0.79.

1125 Outbound Single-Piece First-Class Mail International

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1125.6 Prices

Machinable Letters¹

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
2	1.10	1.65	2.05	2.05	2.05	1.90	1.90	1.90	1.90
3	1.55	2.20	3.00	3.00	3.00	2.70	2.70	2.70	2.70
3.5	2.00	2.75	3.95	3.95	3.95	3.50	3.50	3.50	3.50

Notes

1. International Forever stamps are sold at the price of a single-piece First-Class Mail International first ounce machinable letter and have a postage value equivalent to the price of a single-piece First-Class Mail International first ounce machinable letter in effect at the time of use.

Nonmachinable Letters

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
2	1.30	1.85	2.25	2.25	2.25	2.10	2.10	2.10	2.10
3	1.75	2.40	3.20	3.20	3.20	2.90	2.90	2.90	2.90
3.5	2.20	2.95	4.15	4.15	4.15	3.70	3.70	3.70	3.70

Postcards

Maximum Weight (ounces)	Canada (\$)	Mexico (\$)	All Other Countries (\$)
not applicable	1.10	1.10	1.10

Large Envelopes (Flats)

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	2.05	2.05	2.05	2.05	2.05	2.05	2.05	2.05	2.05
2	2.25	2.65	2.90	2.90	2.90	2.85	2.85	2.85	2.85
3	2.45	3.25	3.75	3.75	3.75	3.65	3.65	3.65	3.65
4	2.65	3.85	4.60	4.60	4.60	4.45	4.45	4.45	4.45
5	2.85	4.45	5.45	5.45	5.45	5.25	5.25	5.25	5.25
6	3.05	5.05	6.30	6.30	6.30	6.05	6.05	6.05	6.05
7	3.25	5.65	7.15	7.15	7.15	6.85	6.85	6.85	6.85
8	3.45	6.25	8.00	8.00	8.00	7.65	7.65	7.65	7.65
12	4.35	7.60	9.70	9.70	9.70	9.30	9.30	9.30	9.30
16	5.25	8.95	11.40	11.40	11.40	10.95	10.95	10.95	10.95
20	6.15	10.30	13.10	13.10	13.10	12.60	12.60	12.60	12.60
24	7.05	11.65	14.80	14.80	14.80	14.25	14.25	14.25	14.25
28	7.95	13.00	16.50	16.50	16.50	15.90	15.90	15.90	15.90
32	8.85	14.35	18.20	18.20	18.20	17.55	17.55	17.55	17.55
36	9.75	15.70	19.90	19.90	19.90	19.20	19.20	19.20	19.20
40	10.65	17.05	21.60	21.60	21.60	20.85	20.85	20.85	20.85
44	11.55	18.40	23.30	23.30	23.30	22.50	22.50	22.50	22.50
48	12.45	19.75	25.00	25.00	25.00	24.15	24.15	24.15	24.15
52	13.35	21.10	26.70	26.70	26.70	25.80	25.80	25.80	25.80
56	14.25	22.45	28.40	28.40	28.40	27.45	27.45	27.45	27.45
60	15.15	23.80	30.10	30.10	30.10	29.10	29.10	29.10	29.10
64	16.05	25.15	31.80	31.80	31.80	30.75	30.75	30.75	30.75

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1200 Standard Mail (Commercial and Nonprofit)

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1205 High Density and Saturation Letters

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1205.4 Price Categories

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

- Saturation
DSCF, DNDC, and Origin entry levels
Commercial and Nonprofit eligible
- High Density Plus
DSCF, DNDC, and Origin entry levels
Commercial and Nonprofit eligible
- High Density
DSCF, DNDC, and Origin entry levels
Commercial and Nonprofit eligible

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1205.5 Optional Features

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

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- Picture Permit Imprint Indicia
- Mobile-Coupon/Click-to-Call Promotion (March 1, 2013 to April 30, 2013)
- BRM/CRM Promotion (April 1, 2013 to June 30, 2013)
- Picture Permit Promotion (August 1, 2013 to September 30, 2013)
- Emerging Technology Promotion (August 1, 2013 to September 30, 2013)
- Mobile Buy-It-Now Promotion (November 1, 2013 to December 31, 2013)

1205.6 Prices

Saturation Letters (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.189	0.115
DNDC	0.156	0.082
DSCF	0.146	0.072

High Density Plus Letters (3.3 ounces or less)

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

High Density Letters (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.202	0.128
DNDC	0.169	0.095
DSCF	0.159	0.085

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

Entry Point	Saturation (\$)	<u>High Density Plus (\$)</u>	High Density (\$)
None	0.201	<u>0.224</u>	0.228
DNDC	0.168	<u>0.191</u>	0.195
DSCF	0.158	<u>0.181</u>	0.185
DDU	-	=	-

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

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density (\$)
None	0.126	<u>0.149</u>	0.153
DNDC	0.093	<u>0.116</u>	0.120
DSCF	0.083	<u>0.106</u>	0.110
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.

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 prices shown in the applicable 1210.5 flats tables. These letters cannot be entered at DDUs and must be prepared as letters.

Letters including a Repositionable Note

Add \$0.000 for each letter 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 letters pay \$0.35 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Full-service Intelligent Mail Option

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

Picture Permit Imprint Indicia

Add \$0.02 for each piece that includes Picture Permit Imprint Indicia

Mobile-Coupon/Click-to-Call Promotion (March 1, 2013 to April 30, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats sent during the established program period, and which include a two-dimensional mobile barcode inside or on the mailpiece. The barcode must either lead the recipient to a coupon that can be stored on a mobile device, or enable the recipient to connect by telephone to another person or call center via a mobile device. To receive the discount, mailers must comply with the eligibility requirements of the program.

BRM/CRM Promotion (April 1, 2013 to June 30, 2013)

Provide a 2 cents per piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program.

Emerging Technology Promotion (August 1, 2013 to September 30, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and that include print that allows the recipient to engage in one of the following:
1) an augmented reality experience facilitated by a smartphone or computer.

2) authentication of the recipient's identity, or
3) an experience facilitated via Near Field Communication.
To receive the discount, mailers must comply with the eligibility
requirements of the program.

Picture Permit Promotion (August 1, 2013 to September 30, 2013)

Eliminate the Picture Permit charge for First-Class Mail and Standard Mail
presort or automation letters and postcards that are sent during the
established program period, and that include approved Picture Permit
Imprint Indicia. To have the Picture Permit charge eliminated, mailers
must comply with the eligibility requirements of the program.

Mobile Buy-It-Now Promotion (November 1, 2013 to December 31, 2013)

Provide a two percent discount on the qualifying postage for First-Class
Mail and Standard Mail presort or automation letters, postcards, and flats
which include a mobile barcode inside or on the mailpiece that facilitates
a mobile optimized shopping experience. To receive the discount, the
qualifying mail must be sent during the established program period by
mailers that comply with the eligibility requirements of the program.

1210 High Density and Saturation Flats/Parcels

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1210.2 Size and Weight Limitations

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Saturation Parcels

	Length	Height	Thickness	Weight
Minimum	large enough to accommodate postage, address, and other required elements on the address side			None
Maximum	<u>not more than any of the following: 12-inch length, 9-inch height, and 2-inch thickness</u> 108 inches in combined length and girth			Less than 16 ounces

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1210.4 Price Categories

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

- Saturation Flats
DDU, DSCF, DNDC, and Origin entry levels
Commercial and Nonprofit eligible
- Saturation Parcels
DDU, DSCF, and DNDC entry levels
Commercial and Nonprofit eligible
- High Density Plus Flats
DDU, DSCF, DNDC, and Origin entry levels
Commercial and Nonprofit eligible
- High Density Flats
DDU, DSCF, DNDC, and Origin entry levels
Commercial and Nonprofit eligible
- Move Update Noncompliance Charge
- Move Update Assessment Charge
- Mobile Coupon/Click-To-Call Promotion (March 1, 2013 to April 30, 2013)

- Emerging Technology Promotion (August 1, 2013 to September 30, 2013)
- Picture Permit Promotion (August 1, 2013 to September 30, 2013)
- Mobile Buy-It-Now Promotion (November 1, 2013 to December 31, 2013)

1210.5 Optional Features

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

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

1210.6 Prices

Saturation Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.201	0.126
DNDC	0.168	0.093
DSCF	0.158	0.083
DDU	0.149	0.074

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	0.075	0.035

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~~)

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	0.304	0.214

b. Per Pound

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

Mailing Volume Tier	Commercial		Nonprofit	
	Small¹ (\$)	Large² (\$)	Small¹ (\$)	Large² (\$)
<u>0-200,000</u>	<u>0.260</u>	<u>0.300</u>	<u>0.195</u>	<u>0.225</u>
<u>200,001-400,000</u>	<u>0.250</u>	<u>0.290</u>	<u>0.188</u>	<u>0.218</u>
<u>400,001-600,000</u>	<u>0.240</u>	<u>0.280</u>	<u>0.180</u>	<u>0.210</u>
<u>600,001-800,000</u>	<u>0.230</u>	<u>0.270</u>	<u>0.173</u>	<u>0.203</u>
<u>800,000-1,000,000</u>	<u>0.220</u>	<u>0.260</u>	<u>0.165</u>	<u>0.195</u>
<u>Over 1,000,000</u>	<u>0.210</u>	<u>0.250</u>	<u>0.158</u>	<u>0.188</u>

Notes

1. Small is not more than any of the following: 6-inch length, 4-inch height, and 1.5-inch thickness.
2. Large is more than any of the following: 6-inch length, 4-inch height, and 1.5-inch thickness, but not more than any of the following: 12-inch length, 9-inch height, and 2-inch thickness.

Handling Fees for DNDC/DSCF Entry		
	<u>Commercial (\$)</u>	<u>Nonprofit (\$)</u>
<u>Entry Point/Presort</u>	<u>Pallet</u>	<u>Pallet</u>
<u>DNDC – 3-Digit</u>	<u>45.614</u>	<u>36.492</u>
<u>DNDC- 5-Digit</u>	<u>74.168</u>	<u>59.334</u>
<u>DSCF – 5-Digit</u>	<u>34.750</u>	<u>27.800</u>
<u>Pallet Presort</u>	<u>Carton/Sack</u>	<u>Carton/Sack</u>
<u>3-Digit</u>	<u>6.212</u>	<u>4.970</u>

High Density Plus Flats (3.3 ounces or less)

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

High Density Plus 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

	<u>Commercial (\$)</u>	<u>Nonprofit (\$)</u>
<u>Per Piece</u>	<u>0.098</u>	<u>0.058</u>

b. Per Pound

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

High Density Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.228	0.153
DNDC	0.195	0.120
DSCF	0.185	0.110
DDU	0.176	0.101

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	0.102	0.062

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
DNDG	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
DNDG	0.622	0.422
DSCF	0.384	0.184
DDU	0.205	0.005

Flats including a Repositionable Note

Add \$0.000 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 pPieces including a Detached Address Label

Add \$0.031 for each ~~flat-shaped~~ piece addressed using a Detached Address Label with no advertising, and \$0.031 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.

Picture Permit Imprint Indicia: flats only

Add \$0.02 for each flat that includes Picture Permit Imprint Indicia

Mobile-Coupon/Click-to-Call Promotion (March 1, 2013 to April 30, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats sent during the established program period, and which include a two-dimensional mobile barcode inside or on the mailpiece. The barcode must either lead the recipient to a coupon that can be stored on a mobile device, or enable the recipient to connect by telephone to another person or call center via a mobile device. To receive the discount, mailers must comply with the eligibility requirements of the program.

Emerging Technology Promotion (August 1, 2013 to September 30, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats

that are sent during the established program period, and that include print that allows the recipient to engage in one of the following:

1) an augmented reality experience facilitated by a smartphone or computer,

2) authentication of the recipient's identity, or

3) an experience facilitated via Near Field Communication.

To receive the discount, mailers must comply with the eligibility requirements of the program.

Picture Permit Promotion (August 1, 2013 to September 30, 2013)

Eliminate the Picture Permit charge for First-Class Mail and Standard Mail presort or automation letters and postcards that are sent during the established program period, and that include approved Picture Permit Imprint Indicia. To have the Picture Permit charge eliminated, mailers must comply with the eligibility requirements of the program.

Mobile Buy-It-Now Promotion (November 1, 2013 to December 31, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats which include a mobile barcode inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

1215 Carrier Route

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1215.2 Size and Weight Limitations

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Parcels

	Length	Height	Thickness	Weight
Minimum	large enough to accommodate postage, address, and other required elements on the address side			none
Maximum	<u>not more than any of the following: 12-inch length, 9-inch height, and 2-inch thickness</u> 108 inches in combined length and girth			Less than 16 ounces

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1215.4 Price Categories

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

- Letters
DSCF, DNDC, and Origin entry levels
Commercial and Nonprofit eligible
- Flats
DDU, DSCF, DNDC, and Origin entry levels
Commercial and Nonprofit eligible
- Parcels
DDU, DSCF, and DNDC, ~~and~~ Origin entry levels
Commercial and Nonprofit eligible

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1215.5 Optional Features

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

- Detached Address Labels: flats and parcels only
- Forwarding-and-Return Services
- Repositionable Notes: letters and flats only

- Ancillary Services (1505)
 - Address Correction Service (1505.1)
 - ~~Bulk Parcel Return Service: parcels only (1505.4)~~
 - Certificate of Mailing (1505.6)
 - Delivery Confirmation: parcels only (1505.8)
 - Bulk Insurance: parcels only (1505.9)
 - ~~Return Receipt: parcels only (1505.13)~~
 - ~~Restricted Delivery: parcels only (1505.15)~~
 - ~~Shipper-Paid Forwarding: parcels only (1505.16)~~
- Full-service Intelligent Mail Option: letters and flats only
- Picture Permit Imprint Indicia: ~~(L)letters and flats (O)only~~
- Mobile-Coupon/Click-to-Call Promotion (letters and flats only) (March 1, 2013 to April 30, 2013)
- BRM/CRM Promotion (letters only) (April 1, 2013 to June 30, 2013)
- Emerging Technology Promotion (letters and flats only) (August 1, 2013 to September 30, 2013)
- Picture Permit Promotion (letters and flats only) (August 1, 2013 to September 30, 2013)
- Samples Promotion (parcels only) (August 1, 2013 to September 30, 2013)
- Mobile Buy-It-Now Promotion (letters and flats only) (November 1, 2013 to December 31, 2013)

1215.6 Prices

Carrier Route Letters (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.279	0.202
DNDC	0.246	0.169
DSCF	0.236	0.159

Carrier Route Letters (greater than 3.3 ounces)

Automation-compatible barcoded carrier route letter-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)

Carrier Route letter-sized pieces over 3.5 ounces, and 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. These letters cannot be entered at DDUs and must be prepared as letters.

Carrier Route Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.279	0.202
DNDC	0.246	0.169
DSCF	0.236	0.159
DDU	0.227	0.150

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	0.135	0.093

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.699	0.529
DNDC	0.538	0.368
DSCF	0.490	0.320
DDU	0.447	0.277

Carrier Route Parcels (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.623	0.527
DNDC	0.577	0.484
DSCF	0.528	0.432
DDU	0.494	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	0.654	0.472
DSCF	0.413	0.234
DDU	0.234	0.055

<u>Mailing Volume Tier</u>	<u>Commercial</u>		<u>Nonprofit</u>	
	<u>Small¹ (\$)</u>	<u>Large² (\$)</u>	<u>Small¹ (\$)</u>	<u>Large² (\$)</u>
<u>0-200,000</u>	<u>0.360</u>	<u>0.400</u>	<u>0.270</u>	<u>0.300</u>
<u>200,001-400,000</u>	<u>0.350</u>	<u>0.390</u>	<u>0.263</u>	<u>0.293</u>
<u>400,001-600,000</u>	<u>0.340</u>	<u>0.380</u>	<u>0.255</u>	<u>0.285</u>
<u>600,001-800,000</u>	<u>0.330</u>	<u>0.370</u>	<u>0.248</u>	<u>0.278</u>
<u>800,000-1,000,000</u>	<u>0.320</u>	<u>0.360</u>	<u>0.240</u>	<u>0.270</u>
<u>Over 1,000,000</u>	<u>0.310</u>	<u>0.350</u>	<u>0.233</u>	<u>0.263</u>

Notes

1. Small is not more than any of the following: 6-inch length, 4-inch height, and 1.5-inch thickness.
2. Large is more than any of the following: 6-inch length, 4-inch height, and 1.5-inch thickness, but not more than any of the following: 12-inch length, 9-inch height, and 2-inch thickness.

<u>Handling Fees for DNDC/DSCF Entry</u>		
	<u>Commercial (\$)</u>	<u>Nonprofit (\$)</u>
<u>Entry Point/Presort</u>	<u>Pallet</u>	<u>Pallet</u>
<u>DNDC – 3-Digit</u>	<u>45.614</u>	<u>36.492</u>
<u>DNDC- 5-Digit</u>	<u>74.168</u>	<u>59.334</u>
<u>DSCF – 5-Digit</u>	<u>34.750</u>	<u>27.800</u>
<u>Pallet Presort</u>	<u>Carton/Sack</u>	<u>Carton/Sack</u>
<u>3-Digit</u>	<u>6.212</u>	<u>4.970</u>

Letters and flats including a Repositionable Note

Add \$0.000 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.

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.

Picture Permit Imprint Indicia: letters and flats only

Add \$0.02 for each letterpiece that includes Picture Permit Imprint Indicia

Mobile-Coupon/Click-to-Call Promotion (letters and flats only) (March 1, 2013 to April 30, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats sent during the established program period, and which include a two-dimensional mobile barcode inside or on the mailpiece. The barcode must either lead the recipient to a coupon that can be stored on a mobile device, or enable the recipient to connect by telephone to another person or call center via a mobile device. To receive the discount, mailers must comply with the eligibility requirements of the program.

BRM/CRM Promotion (letters only) (April 1, 2013 to June 30, 2013)

Provide a 2 cents per piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program.

Emerging Technology Promotion (letters and flats only) (August 1, 2013 to September 30, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and that include print that allows the recipient to engage in one of the following:

1) an augmented reality experience facilitated by a smartphone or computer,

2) authentication of the recipient's identity, or

3) an experience facilitated via Near Field Communication.

To receive the discount, mailers must comply with the eligibility requirements of the program.

Picture Permit Promotion (letters and flats only) (August 1, 2013 to September 30, 2013)

Eliminate the Picture Permit charge for First-Class Mail and Standard Mail presort or automation letters and postcards that are sent during the established program period, and that include approved Picture Permit Imprint Indicia. To have the Picture Permit charge eliminated, mailers must comply with the eligibility requirements of the program.

Samples Promotion (parcels only) (August 1, 2013 to September 30, 2013)

Provide a five percent discount on the qualifying postage for Standard Mail marketing parcels that are sent during the established program period, and that contain a product sample. To receive the discount, mailers must comply with the eligibility requirements of the program.

Mobile Buy-It-Now Promotion (letters and flats only) (November 1, 2013 to December 31, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats which include a mobile barcode inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

1220 Letters

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1220.5 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 letters only
- Picture Permit Imprint Indicia
- Mobile-Coupon/Click-to-Call Promotion (March 1, 2013 to April 30, 2013)
- BRM/CRM Promotion (April 1, 2013 to June 30, 2013)
- Emerging Technology Promotion (August 1, 2013 to September 30, 2013)
- Picture Permit Promotion (August 1, 2013 to September 30, 2013)
- Mobile Buy-It-Now Promotion (November 1, 2013 to December 31, 2013)

1220.6 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	0.247	0.266	0.266	0.282	0.135	0.154	0.154	0.170
DNDC	0.214	0.233	0.233	0.249	0.102	0.121	0.121	0.137
DSCF	0.204	0.223	0.223	n/a	0.092	0.111	0.111	n/a

Machinable Letters (3.3 ounces or less)

Entry Point	Commercial		Nonprofit	
	AADC (\$)	Mixed AADC (\$)	AADC (\$)	Mixed AADC (\$)
Origin	0.274	0.290	0.162	0.178
DNDC	0.241	0.257	0.129	0.145
DSCF	0.231	n/a	0.119	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	0.408	0.503	0.537	0.632	0.296	0.391	0.425	0.520
DNDC	0.375	0.470	0.504	0.599	0.263	0.358	0.392	0.487
DSCF	0.365	0.460	0.494	n/a	0.253	0.348	0.382	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

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Per Piece	0.257	0.335	0.387	0.429	0.134	0.212	0.257	0.299

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.752	0.648
DNDC	0.591	0.487
DSCF	0.543	0.439
DDU		

Letters including a Repositionable Note

Add \$0.000 for each letter 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 letters pay \$0.35 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Full-service Intelligent Mail Option: automation letters only

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

Picture Permit Imprint Indicia

Add \$0.02 for each letterpiece that includes Picture Permit Imprint Indicia

Mobile-Coupon/Click-to-Call Promotion (March 1, 2013 to April 30, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats sent during the established program period, and which include a two-dimensional mobile barcode inside or on the mailpiece. The barcode must either lead the recipient to a coupon that can be stored on a mobile device, or enable the recipient to connect by telephone to another person or call center via a mobile device. To receive the discount, mailers must comply with the eligibility requirements of the program.

BRM/CRM Promotion (April 1, 2013 to June 30, 2013)

Provide a 2 cents per piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program.

Emerging Technology Promotion (August 1, 2013 to September 30, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and that include print that allows the recipient to engage in one of the following:

- 1) an augmented reality experience facilitated by a smartphone or computer,
- 2) authentication of the recipient's identity, or
- 3) an experience facilitated via Near Field Communication.

To receive the discount, mailers must comply with the eligibility requirements of the program.

Picture Permit Promotion (August 1, 2013 to September 30, 2013)

Eliminate the Picture Permit charge for First-Class Mail and Standard Mail presort or automation letters and postcards that are sent during the established program period, and that include approved Picture Permit Imprint Indicia. To have the Picture Permit charge eliminated, mailers must comply with the eligibility requirements of the program.

Mobile Buy-It-Now Promotion (November 1, 2013 to December 31, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats which include a mobile barcode inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

1225 Flats

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1225.5 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
- Picture Permit Imprint Indicia
- Mobile-Coupon/Click-To-Call Promotion (March 1, 2013 to April 30, 2013)
- Emerging Technology Promotion (August 1, 2013 to September 30, 2013)
- Picture Permit Promotion (August 1, 2013 to September 30, 2013)
- Mobile Buy-It-Now Promotion (November 1, 2013 to December 31, 2013)

1225.6 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	0.362	0.449	0.499	0.509	0.218	0.298	0.348	0.358
DNDC	0.329	0.416	0.466	0.476	0.185	0.265	0.315	0.325
DSCF	0.319	0.406	0.456	n/a	0.175	0.255	0.305	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	0.207	0.294	0.344	0.354	0.084	0.164	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	0.752	0.752	0.752	0.752	0.648	0.648	0.648	0.648
DNDC	0.591	0.591	0.591	0.591	0.487	0.487	0.487	0.487
DSCF	0.543	0.543	0.543	n/a	0.439	0.439	0.439	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	0.412	0.490	0.542	0.584	0.268	0.346	0.391	0.433
DNDC	0.379	0.457	0.509	0.551	0.235	0.313	0.358	0.400
DSCF	0.369	0.447	0.499	n/a	0.225	0.303	0.348	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	0.257	0.335	0.387	0.429	0.134	0.212	0.257	0.299

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.752	0.752	0.752	0.752	0.648	0.648	0.648	0.648
DNDC	0.591	0.591	0.591	0.591	0.487	0.487	0.487	0.487
DSCF	0.543	0.543	0.543	n/a	0.439	0.439	0.439	n/a

Customized MarketMail Prices

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

Flats including a Repositionable Note

Add \$0.000 for each flat bearing a Repositionable Note.

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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.

Picture Permit Imprint Indicia

Add \$0.02 for each piece that includes Picture Permit Imprint Indicia

Mobile-Coupon/Click-to-Call Promotion (March 1, 2013 to April 30, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats sent during the established program period, and which include a two-dimensional mobile barcode inside or on the mailpiece. The barcode must either lead the recipient to a coupon that can be stored on a mobile device, or enable the recipient to connect by telephone to another person or call center via a mobile device. To receive the discount, mailers must comply with the eligibility requirements of the program.

Emerging Technology Promotion (August 1, 2013 to September 30, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and that include print that allows the recipient to engage in one of the following:
1) an augmented reality experience facilitated by a smartphone or computer,
2) authentication of the recipient's identity, or
3) an experience facilitated via Near Field Communication.
To receive the discount, mailers must comply with the eligibility requirements of the program.

Picture Permit Promotion (August 1, 2013 to September 30, 2013)

Eliminate the Picture Permit charge for First-Class Mail and Standard Mail presort or automation letters and postcards that are sent during the established program period, and that include approved Picture Permit Imprint Indicia. To have the Picture Permit charge eliminated, mailers must comply with the eligibility requirements of the program.

Mobile Buy-It-Now Promotion (November 1, 2013 to December 31, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats which include a mobile barcode inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

1230 Parcels

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1230.5 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)
- Samples Promotion (August 1, 2013 to September 1, 2013)

1230.6 Prices

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	1.063	1.477	n/a	n/a	0.988	1.402
DNDC	0.637	0.705	1.017	n/a	0.562	0.630	0.942	n/a
DSCF	0.588	0.656	n/a	n/a	0.512	0.580	n/a	n/a
DDU	0.551	n/a	n/a	n/a	0.476	n/a	n/a	n/a

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	0.470	0.538	0.850	1.264	0.411	0.479	0.791	1.205

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Origin	n/a	n/a	1.034	1.034	n/a	n/a	0.954	0.954
DNDC	0.811	0.811	0.811	n/a	0.731	0.731	0.731	n/a
DSCF	0.572	0.572	n/a	n/a	0.492	0.492	n/a	n/a
DDU	0.393	n/a	n/a	n/a	0.313	n/a	n/a	n/a

Nonprofit Machinable Parcels (equal to 3.5 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

	Nonprofit		
	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)
Per Piece	0.548	0.808	1.170

b. Per Pound

Entry Point	Nonprofit		
	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	0.947	0.947
DNDC	0.724	0.724	n/a
DSCF	0.485	n/a	n/a
DDU	0.306	n/a	n/a

Nonprofit Irregular Parcels (3.3 ounces or less)

Entry Point	Nonprofit			
	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	1.128	1.493
DNDC	0.697	0.726	1.082	n/a
DSCF	0.648	0.677	n/a	n/a
DDU	0.611	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

	Nonprofit			
	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Per Piece	0.548	0.577	0.933	1.298

b. Per Pound

Entry Point	Nonprofit			
	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	0.947	0.947
DNDC	0.724	0.724	0.724	n/a
DSCF	0.485	0.485	n/a	n/a
DDU	0.306	n/a	n/a	n/a

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Nonbarcoded Parcels Surcharge

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

Samples Promotion (August 1, 2013 to September 30, 2013)

Provide a five percent discount on the qualifying postage for Standard Mail marketing parcels that are sent during the established program period, and that contain a product sample. To receive the discount, mailers must comply with the eligibility requirements of the program.

1235 Every Door Direct Mail - Retail

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1235.6 Prices

Saturation Flats (3.3 ounces or less)

Entry Point	(\$)
DDU	0.160

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	0.149
Non-DDU	0.194

b. Piece Prices (per addressed piece)

Presort Level	Letters (\$)	Flats (\$)
5-Digit	0.049	0.105
3-Digit	0.051	0.112
Basic	0.062	0.120

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	0.149
Non-DDU	0.194

b. Piece Prices (per addressed piece)

Presort Level	Letters, Flats, and Parcels (\$)
Carrier Route Saturation	0.032
Carrier Route High Density	0.046
Carrier Route Basic	0.063
5-Digit	0.111
3-Digit	0.124
Basic	0.136

Worksharing Discount for DDU

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

In-County Periodicals including a Repositionable Note

Add \$0.000 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 \$0.169 for a Ride-Along item enclosed with or attached to an In-County Periodical.

1310 Outside-County Periodicals

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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	0.138	0.116	0.104	0.116
DSCF	0.211	0.175	0.158	0.175
DADC	0.225	0.187	0.169	0.187
Zones 1 & 2	0.247	0.208	0.185	0.208
Zone 3	0.271	0.208	0.271	0.208
Zone 4	0.333	0.208	0.333	0.208
Zone 5	0.426	0.208	0.426	0.208
Zone 6	0.524	0.208	0.524	0.208
Zone 7	0.645	0.208	0.645	0.208
Zone 8	0.749	0.208	0.749	0.208

Piece Price (per addressed piece)

a. Carrier Route Letters, Flats, and Parcels

Bundle Level	Letters, Flats, and Parcels (\$)
Saturation	0.139
High Density	0.160
Basic	0.193

b. Barcoded Letters

Bundle Level	Barcoded Letters (\$)
5-Digit	0.205
3-Digit/SCF	0.269
ADC	0.290
Mixed ADC	0.331

c. Machinable Flats and Nonbarcoded Letters

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Nonbarcoded Letters (\$)
5-Digit	0.291	0.301	0.301
3-Digit/SCF	0.381	0.404	0.404
ADC	0.397	0.421	0.421
Mixed ADC	0.424	0.457	0.457

d. Nonmachinable Flats and Parcels

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Parcels (\$)
5-Digit	0.318	0.319	0.319
3-Digit/SCF	0.430	0.442	0.442
ADC	0.494	0.520	0.520
Mixed ADC	0.594	0.641	0.641

e. Editorial Adjustment

A per piece editorial adjustment is provided by subtracting \$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 \$0.189.

Bundle Prices (per bundle)

Bundle Level	Container Level			
	Carrier Route/ 5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
Firm	0.081	0.146	0.158	0.190
Carrier Route	0.156	0.295	0.333	
5-Digit	0.149	0.154	0.211	0.292
3-Digit/SFC		0.132	0.195	0.283
ADC			0.118	0.213
Mixed ADC				0.081

Container Prices (per pallet, tray, or sack)

a. Pallet Container

Entry Point	5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
DDU	1.694			
DSCF	21.599	11.752		
DADC	31.975	21.917	13.129	
DNDC	33.776	25.199	23.717	
Origin	53.370	40.719	34.375	3.560

b. Tray or Sack Container

Entry Point	Carrier Route/ 5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
DDU	0.959			
DSCF	1.385	0.853		
DADC	1.812	1.279	0.853	
DNDC	2.132	1.599	1.492	
Origin	2.877	2.238	2.134	0.449

Outside-County Periodicals including a Repositionable Note

Add \$0.000 for each piece bearing a Repositionable Note.

Outside-County Periodicals including a Ride-Along piece

Add \$0.169 for a Ride-Along item enclosed with or attached to an Outside-County Periodical.

Full-service Intelligent Mail Option

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

Publications eligible for Nonprofit and Classroom price categories

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

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

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

1400 Package Services

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1400.2 Products Included in Class

- ~~Alaska Bypass Service~~ Parcel Post (1405)
- Inbound Surface Parcel Post (at UPU rates) (1410)
- Bound Printed Matter Flats (1415)
- Bound Printed Matter Parcels (1420)
- Media Mail/Library Mail (1425)

~~1405 Parcel Post~~

~~1405.1 Description~~

~~Any matter mailable as Package Services mail may be sent via Parcel Post service.~~

~~1405.2 Size and Weight Limitations~~

	Length	Height	Thickness	Weight
Minimum	large enough to accommodate postage, address, and other required elements on the address side			None
Maximum	130 inches in combined length and girth			70 pounds

~~1405.3 Minimum Volume Requirements~~

	Minimum Volume Requirements
Single Piece	None

~~1405.4 Price Categories~~

- ~~Parcel Post~~
 - ~~Zones 1-8~~
 - ~~Balloon Price~~
 - ~~Oversized~~

~~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	5.10	5.15	5.25	5.30	5.34	5.38	5.41
2	5.15	5.38	5.89	7.35	7.65	7.96	8.67
3	5.65	6.39	7.14	8.23	9.00	9.48	10.69
4	6.10	7.14	7.97	9.30	10.13	10.76	11.77
5	7.23	8.28	9.02	10.12	10.82	11.39	12.29
6	7.92	9.15	9.94	10.94	11.45	12.02	13.03
7	8.37	9.86	10.49	11.80	12.36	13.01	14.15
8	8.70	10.34	10.86	12.17	12.96	13.74	15.03
9	8.95	10.69	11.24	12.55	13.56	14.47	15.90
10	9.18	11.03	11.61	12.92	14.16	15.21	16.77
11	9.49	11.38	11.99	13.29	14.76	15.94	17.65
12	9.80	11.72	12.36	13.66	15.36	16.67	18.52
13	10.11	12.06	12.74	14.03	15.96	17.40	19.39
14	10.42	12.41	13.11	14.40	16.56	18.13	20.27
15	10.73	12.75	13.49	14.77	17.16	18.86	21.14
16	11.04	13.10	13.87	15.14	17.76	19.59	22.01
17	11.34	13.44	14.24	15.51	18.36	20.33	22.89
18	11.65	13.79	14.60	15.99	18.96	21.06	23.76
19	11.96	14.13	14.95	16.47	19.56	21.79	24.64
20	12.27	14.48	15.30	16.94	20.16	22.52	25.51
21	12.58	14.82	15.66	17.42	20.76	23.25	26.38
22	12.89	15.17	16.01	17.89	21.36	23.98	27.26
23	13.20	15.51	16.37	18.37	21.96	24.71	28.13
24	13.51	15.86	16.72	18.84	22.56	25.45	29.00
25	13.82	16.20	17.07	19.32	23.16	26.18	29.88
26	14.13	16.55	17.43	19.80	23.76	26.91	30.75
27	14.44	16.89	17.78	20.27	24.36	27.64	31.63
28	14.75	17.24	18.14	20.75	24.96	28.37	32.50
29	15.06	17.58	18.49	21.22	25.56	29.10	33.37
30	15.37	17.93	18.85	21.70	26.16	29.83	34.25
31	15.68	18.27	19.20	22.17	26.76	30.57	35.12
32	15.99	18.62	19.55	22.65	27.37	31.30	35.99
33	16.30	18.96	19.91	23.13	27.97	32.03	36.87

Parcel Post (Continued)

Maximum Weight (pounds)	Zones 1 & 2 -	Zone 3 -	Zone 4 -	Zone 5 -	Zone 6 -	Zone 7 -	Zone 8 -
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
34	16.61	19.31	20.26	23.60	28.57	32.76	37.74
35	16.92	19.65	20.62	24.08	29.17	33.49	38.61
36	17.07	20.00	20.97	24.55	29.77	34.22	39.49
37	17.23	20.34	21.33	25.03	30.37	34.95	40.36
38	17.39	20.68	21.68	25.50	30.97	35.69	41.24
39	17.54	21.03	22.03	25.98	31.57	36.42	42.11
40	17.70	21.37	22.39	26.46	32.17	37.15	42.98
41	17.85	21.72	22.74	26.93	32.77	37.88	43.86
42	18.01	22.06	23.10	27.41	33.37	38.61	44.73
43	18.17	22.23	23.45	27.88	33.97	39.34	45.60
44	18.32	22.40	23.81	28.36	34.57	40.07	46.48
45	18.48	22.57	24.16	28.83	35.17	40.81	47.35
46	18.64	22.74	24.51	29.31	35.77	41.54	48.23
47	18.79	22.91	24.87	29.79	36.37	42.27	49.10
48	18.95	23.08	25.22	30.26	36.97	43.00	49.97
49	19.11	23.25	25.58	30.74	37.57	43.73	50.85
50	19.26	23.42	25.93	31.21	38.17	44.46	51.72
51	19.42	23.59	26.29	31.69	38.77	45.19	52.59
52	19.58	23.76	26.64	32.16	39.37	45.93	53.47
53	19.73	23.93	26.99	32.64	39.97	46.66	54.34
54	19.89	24.10	27.35	33.12	40.57	47.39	55.21
55	20.05	24.27	27.70	33.59	41.17	48.12	56.09
56	20.20	24.44	28.06	34.07	41.77	48.85	56.96
57	20.36	24.61	28.41	34.54	42.37	49.58	57.84
58	20.51	24.78	28.77	35.02	42.97	50.31	58.71
59	20.67	24.95	29.12	35.50	43.57	51.05	59.58
60	20.83	25.12	29.47	35.97	44.17	51.78	60.46
61	20.98	25.29	29.83	36.45	44.77	52.51	61.33
62	21.14	25.46	30.18	36.92	45.37	53.24	62.20
63	21.30	25.63	30.54	37.40	45.97	53.97	63.08
64	21.45	25.80	30.89	37.87	46.57	54.70	63.95
65	21.61	25.97	31.24	38.35	47.17	55.43	64.83
66	21.77	26.14	31.60	38.83	47.77	56.17	65.70
67	21.92	26.31	31.95	39.30	48.37	56.90	66.57
68	22.08	26.48	32.31	39.78	48.97	57.63	67.45
69	22.44	26.89	32.96	40.62	50.02	58.89	68.94
70	22.79	27.30	33.61	41.46	51.07	60.15	70.43
Oversized	61.80	64.65	65.94	67.89	90.92	96.82	107.16

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 for each Pickup On Demand stop

1405 Alaska Bypass Service

1405.1 Description

Subject to applicable FAA regulations and as specified by the Postal Service, all appropriately palletized mail may be sent intra-Alaska from designated "hub points" to designated "bush points" via Alaska Bypass Service.

1405.2 Size and Weight Limitations

	<u>Length</u>	<u>Height</u>	<u>Thickness</u>	<u>Weight</u>
<u>Minimum</u>	None			1,000 lbs
<u>Maximum</u>	40 inches x 48 inches x 77 inches			2,500 lbs

1405.3 Minimum Volume Requirements

	<u>Minimum Volume Requirements</u>
<u>Single-Pallet</u>	None

1405.4 Price Categories

- Zones 1-38

1405.5 Prices

Alaska Bypass Zone Pricing

<u>Weight (pounds)</u>	<u>Zones 1 & 2 (\$)</u>	<u>Zone 3 (\$)</u>	<u>Zone 4 (\$)</u>	<u>Zone 5 (\$)</u>	<u>Zone 6 (\$)</u>	<u>Zone 7 (\$)</u>	<u>Zone 8 (\$)</u>
<u>70</u>	<u>23.95</u>	<u>28.68</u>	<u>34.28</u>	<u>42.29</u>	<u>52.09</u>	<u>61.35</u>	<u>71.84</u>

Pricing Explanation

For Alaska bypass, prices are calculated by dividing the total weight of the shipment by 70 (subject to the maximum weight restriction) and multiplying the result (rounded to the nearest one-hundredth) by the appropriate Alaska bypass price for the zone to which the parcel is addressed.

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1415 Bound Printed Matter Flats

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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	0.385	0.532	0.977	0.977	0.977	0.977
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	1.147	1.147	1.147	1.147	1.147	1.147	1.147
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	1.076	1.076	1.076	1.076
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	0.139	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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1420.6 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	0.630	0.776	1.222	1.222	1.222	1.222
Per Pound	0.028	0.065	0.080	0.110	0.159	0.221

b. Other Than Destination Entry

	Zones Local 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	1.392	1.392	1.392	1.392	1.392	1.392	1.392
Per Pound	0.171	0.204	0.247	0.313	0.386	0.444	0.584

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

	DDU	DSCF	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.725	0.874	1.320	1.320	1.320	1.320
Per Pound	0.028	0.065	0.080	0.110	0.159	0.221

b. Other Than Destination Entry

	Zones Local 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	1.490	1.490	1.490	1.490	1.490	1.490	1.490
Per Pound	0.171	0.204	0.247	0.313	0.386	0.444	0.584

Nonpresorted

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)
1.0	2.48	2.54	2.60	2.69	2.81	2.87	3.08
1.5	2.48	2.54	2.60	2.69	2.81	2.87	3.08
2.0	2.59	2.67	2.75	2.87	3.03	3.11	3.39
2.5	2.71	2.81	2.91	3.06	3.26	3.36	3.71
3.0	2.82	2.94	3.06	3.24	3.48	3.60	4.02
3.5	2.94	3.08	3.22	3.43	3.71	3.85	4.34
4.0	3.05	3.21	3.37	3.61	3.93	4.09	4.65
4.5	3.17	3.35	3.53	3.80	4.16	4.34	4.97
5.0	3.28	3.48	3.68	3.98	4.38	4.58	5.28
6.0	3.51	3.75	3.99	4.35	4.83	5.07	5.91
7.0	3.74	4.02	4.30	4.72	5.28	5.56	6.54
8.0	3.97	4.29	4.61	5.09	5.73	6.05	7.17
9.0	4.20	4.56	4.92	5.46	6.18	6.54	7.80
10.0	4.43	4.83	5.23	5.83	6.63	7.03	8.43
11.0	4.66	5.10	5.54	6.20	7.08	7.52	9.06
12.0	4.89	5.37	5.85	6.57	7.53	8.01	9.69
13.0	5.12	5.64	6.16	6.94	7.98	8.50	10.32
14.0	5.35	5.91	6.47	7.31	8.43	8.99	10.95
15.0	5.58	6.18	6.78	7.68	8.88	9.48	11.58

1425 Media Mail/Library Mail

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1425.6 Prices

Media Mail

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
1	1.67	2.06	2.53
2	2.12	2.51	2.98
3	2.57	2.96	3.43
4	3.02	3.41	3.88
5	3.47	3.86	4.33
6	3.92	4.31	4.78
7	4.37	4.76	5.23
8	4.80	5.19	5.66
9	5.23	5.62	6.09
10	5.66	6.05	6.52
11	6.09	6.48	6.95
12	6.52	6.91	7.38
13	6.95	7.34	7.81
14	7.38	7.77	8.24
15	7.81	8.20	8.67
16	8.24	8.63	9.10
17	8.67	9.06	9.53
18	9.10	9.49	9.96
19	9.53	9.92	10.39
20	9.96	10.35	10.82
21	10.39	10.78	11.25
22	10.82	11.21	11.68
23	11.25	11.64	12.11
24	11.68	12.07	12.54
25	12.11	12.50	12.97

Media Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
26	12.54	12.93	13.40
27	12.97	13.36	13.83
28	13.40	13.79	14.26
29	13.83	14.22	14.69
30	14.26	14.65	15.12
31	14.69	15.08	15.55
32	15.12	15.51	15.98
33	15.55	15.94	16.41
34	15.98	16.37	16.84
35	16.41	16.80	17.27
36	16.84	17.23	17.70
37	17.27	17.66	18.13
38	17.70	18.09	18.56
39	18.13	18.52	18.99
40	18.56	18.95	19.42
41	18.99	19.38	19.85
42	19.42	19.81	20.28
43	19.85	20.24	20.71
44	20.28	20.67	21.14
45	20.71	21.10	21.57
46	21.14	21.53	22.00
47	21.57	21.96	22.43
48	22.00	22.39	22.86
49	22.43	22.82	23.29
50	22.86	23.25	23.72

Media Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
51	23.29	23.68	24.15
52	23.72	24.11	24.58
53	24.15	24.54	25.01
54	24.58	24.97	25.44
55	25.01	25.40	25.87
56	25.44	25.83	26.30
57	25.87	26.26	26.73
58	26.30	26.69	27.16
59	26.73	27.12	27.59
60	27.16	27.55	28.02
61	27.59	27.98	28.45
62	28.02	28.41	28.88
63	28.45	28.84	29.31
64	28.88	29.27	29.74
65	29.31	29.70	30.17
66	29.74	30.13	30.60
67	30.17	30.56	31.03
68	30.60	30.99	31.46
69	31.03	31.42	31.89
70	31.46	31.85	32.32

Library Mail

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
1	1.59	1.96	2.40
2	2.02	2.39	2.83
3	2.45	2.82	3.26
4	2.88	3.25	3.69
5	3.31	3.68	4.12
6	3.74	4.11	4.55
7	4.17	4.54	4.98
8	4.58	4.95	5.39
9	4.99	5.36	5.80
10	5.40	5.77	6.21
11	5.81	6.18	6.62
12	6.22	6.59	7.03
13	6.63	7.00	7.44
14	7.04	7.41	7.85
15	7.45	7.82	8.26
16	7.86	8.23	8.67
17	8.27	8.64	9.08
18	8.68	9.05	9.49
19	9.09	9.46	9.90
20	9.50	9.87	10.31
21	9.91	10.28	10.72
22	10.32	10.69	11.13
23	10.73	11.10	11.54
24	11.14	11.51	11.95
25	11.55	11.92	12.36

Library Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
26	11.96	12.33	12.77
27	12.37	12.74	13.18
28	12.78	13.15	13.59
29	13.19	13.56	14.00
30	13.60	13.97	14.41
31	14.01	14.38	14.82
32	14.42	14.79	15.23
33	14.83	15.20	15.64
34	15.24	15.61	16.05
35	15.65	16.02	16.46
36	16.06	16.43	16.87
37	16.47	16.84	17.28
38	16.88	17.25	17.69
39	17.29	17.66	18.10
40	17.70	18.07	18.51
41	18.11	18.48	18.92
42	18.52	18.89	19.33
43	18.93	19.30	19.74
44	19.34	19.71	20.15
45	19.75	20.12	20.56
46	20.16	20.53	20.97
47	20.57	20.94	21.38
48	20.98	21.35	21.79
49	21.39	21.76	22.20
50	21.80	22.17	22.61

Library Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
51	22.21	22.58	23.02
52	22.62	22.99	23.43
53	23.03	23.40	23.84
54	23.44	23.81	24.25
55	23.85	24.22	24.66
56	24.26	24.63	25.07
57	24.67	25.04	25.48
58	25.08	25.45	25.89
59	25.49	25.86	26.30
60	25.90	26.27	26.71
61	26.31	26.68	27.12
62	26.72	27.09	27.53
63	27.13	27.50	27.94
64	27.54	27.91	28.35
65	27.95	28.32	28.76
66	28.36	28.73	29.17
67	28.77	29.14	29.58
68	29.18	29.55	29.99
69	29.59	29.96	30.40
70	30.00	30.37	30.81

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	0.55
Electronic correction, each	
First-Class Mail piece	0.11
Other	0.29
Automated correction (Letters Only)	
First-Class Mail piece	
First two notices, for a given address change, each	0.04
Additional notices, for a given address change, each	0.11
Standard Mail piece	
First two notices, for a given address change, each	0.07
Additional notices, for a given address change, each	0.23
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.

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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, 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.

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1505.2.2 Prices

	(\$)
First-Class Mail/First-Class Package Service Presort Mailing Fee (per year)	200.00
Standard Mail Mailing Fee (per year)	200.00
Periodicals Application Fees (one-time only for each)	
A. Original Entry	650.00
B. Additional Entry	85.00
<u>B</u> . Re-entry	75.00
<u>C</u> . Registration for News Agents	65.00
Bound Printed Matter: Destination Entry Mailing Fee (per year)	200.00
Media Mail Presorted Mailing Fee (per year)	200.00
Library Mail Presorted Mailing Fee (per year)	200.00
Parcel Select: Destination Entry Mailing Fee (per year)	200.00
Parcel Return Service Account Maintenance Fee (per year)	635.00
Parcel Return Service Mailing Fee (per year)	200.00
Application to Use Permit Imprint (one-time only)	200.00

1505.3 Business Reply Mail

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1505.3.2 Prices

	(\$)
Regular (no account maintenance fee)	
Permit (per year)	200.00
Per-piece charge	0.79
Regular (with account maintenance fee)	
Permit (per year)	200.00
Account maintenance (per year)	635.00
Per-piece charge	0.091
Qualified Business Reply Mail, low-volume	
Permit (per year)	200.00
Account maintenance (per year)	635.00
Per-piece charge	0.060
Qualified Business Reply Mail, high-volume	
Permit (per year)	200.00
Account maintenance (per year)	635.00
Quarterly	2,125.00
Per-piece charge	0.009
Bulk Weight Averaged (Non-letters only)	
Permit (per year)	200.00
Account maintenance (per year)	635.00
Per-piece charge	0.016
Monthly maintenance	1,065.00

1505.4 Bulk Parcel Return Service

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1505.4.2 Prices

	(\$)
Permit (per year)	200.00
Account maintenance (per year)	635.00
Per-piece charge	2.75

1505.5 Certified Mail

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 ~~provided to the addressee 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	3.10

1505.6 Certificate of Mailing

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 use with First-Class Mail, First-Class Package Service commercial base parcels, Priority Mail (except Critical Mail), Package Services, Standard Mail (except Customized MarketMail), Parcel Return Services, ~~and Parcel Select~~, and Standard Post.

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1505.6.2 Prices

Individual Piece Prices

	(\$)
Original Certificate of Mailing, individual article	1.20
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)	1.20

Bulk Prices

	(\$)
Up to 1,000 identical-weight pieces (one certificate for total number)	7.05
Each additional 1,000 identical-weight pieces or fraction thereof	0.85
Duplicate copy	1.20

1505.7 Collect on Delivery

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), and Standard Post 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 provided to the addressee~~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.

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1505.7.2 Prices

	(\$)	(\$)	(\$)
Amount to be collected, or insurance coverage desired, whichever is higher:			
	0.01	to	50.00
			6.45
	50.01	to	100.00
			7.95
	100.01	to	200.00
			9.50
	200.01	to	300.00
			11.05
	300.01	to	400.00
			12.60
	400.01	to	500.00
			14.15
	500.01	to	600.00
			15.70
	600.01	to	700.00
			17.25
	700.01	to	800.00
			18.80
	800.01	to	900.00
			20.35
	900.01	to	1,000.00
			21.90
Notice of nondelivery			4.15
Alteration of COD charges			4.15
Designation of new addressee			4.15
Registered COD			5.35

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 Parcels, Package Services parcels, ~~and~~ Parcel Select parcels, and Standard Post parcels.
- c. Delivery Confirmation service may be requested only at time of mailing.

1505.8.2 Prices

	(\$)
First-Class Mail Parcels	
Electronic>Returns with integrated retail systems label	0.00
Retail	0.90
First-Class Package Service	
Electronic	0.00
Standard Mail Parcels	
Electronic	0.20
Package Services	
Returns with integrated retail systems label	0.00
Electronic	0.20
Retail	0.90
Priority Mail	
Electronic>Returns with integrated retail systems label	0.00
Retail	0.00
Parcel Select	
Electronic	0.00
<u>Standard Post</u>	
<u>Electronic>Returns with integrated retail systems label</u>	<u>0.00</u>
<u>Retail</u>	<u>0.00</u>

1505.9 Insurance

1505.9.1 Description

- a. Insurance is available as either General Insurance with a Bulk Insurance option or Express Mail Insurance.
- b. A notice of attempted delivery is provided to the addressee~~left at the delivery address~~ if the first attempt at delivery is unsuccessful.

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General Insurance

- a. General Insurance provides the mailer with indemnity for items mailed using Package Services, Parcel Select service, or Standard Post, Standard Mail parcels, or items 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.

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1505.9.2 Prices

General Insurance

	(\$)		(\$)	(\$)
Merchandise coverage:				
	0.01	to	50.00	1.95
	50.01	to	100.00	2.45
	100.01	to	200.00	3.05
	200.01	to	300.00	5.10
	300.01	to	400.00	6.25
	400.01	to	500.00	7.40
	500.01	to	600.00	8.55
	600.01	to	5,000.00	8.55 plus 1.15 for each 100.00 or fraction thereof over 600.00

Bulk Insurance Option

	(\$)		(\$)		(\$)
Amount of coverage:					
	0.01	to	50.00		1.15
	50.01	to	100.00		1.65
	100.01	to	200.00		2.25
	200.01	to	300.00		4.30
	300.01	to	5,000.00		4.30 plus 1.15 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		0.90
	200.01	to	500.00		2.40
	500.01	to	5,000.00		2.40 plus 1.55 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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1505.10.2 Prices

	(\$)
Permit (per year)	200.00
Account maintenance (per year)	635.00
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	0.65
Over 2 but not more than 3 pounds	1.25
Over 3 but not more than 4 pounds	1.75
Over 4 but not more than 30 pounds	2.35

1505.12 Registered Mail

1505.12.1 Description

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- 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 provided to the addressee~~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.

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1505.12.2 Prices

	(\$)		(\$)	(\$)
Declared Value:	0.00			11.20
	0.01	to	100.00	12.05
	100.01	to	500.00	13.95
	500.01	to	1,000.00	15.40
	1,000.01	to	2,000.00	16.85
	2,000.01	to	3,000.00	18.30
	3,000.01	to	4,000.00	19.75
	4,000.01	to	5,000.00	21.20
	5,000.01	to	6,000.00	22.65
	6,000.01	to	7,000.00	24.10
	7,000.01	to	8,000.00	25.55
	8,000.01	to	9,000.00	27.00
	9,000.01	to	10,000.00	28.45
	10,000.01	to	11,000.00	29.90
	11,000.01	to	12,000.00	31.35
	12,000.01	to	13,000.00	32.80

Prices (Continued)

(\$)	(\$)	(\$)
Declared Value:		
13,000.01	to 14,000.00	34.25
14,000.01	to 15,000.00	35.70
15,000.01	to 16,000.00	37.15
16,000.01	to 17,000.00	38.60
17,000.01	to 18,000.00	40.05
18,000.01	to 19,000.00	41.50
19,000.01	to 20,000.00	42.95
20,000.01	to 21,000.00	44.40
21,000.01	to 22,000.00	45.85
22,000.01	to 23,000.00	47.30
23,000.01	to 24,000.00	48.75
24,000.01	to 25,000.00	50.20
25,000.01	to 15,000,000.00	50.20 plus 1.45 per additional 1,000.00 of value
Greater than	15,000,000.00	21,763.95 plus amount determined by the Postal Service based on weight, space, and value

1505.13 Return Receipt

1505.13.1 Description

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b. Return Receipt service is available with:

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- 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); and
- Standard Post (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	2.55
Copy of signature (electronic)	1.25
Requested after mailing	4.95

1505.14 Return Receipt for Merchandise

1505.14.1 Description

- a. Return Receipt for Merchandise service provides a mailer with a mailing receipt and a return receipt providing evidence that the mail has been received at the delivery address, including the recipient's signature.
- b. Return Receipt for Merchandise service is available with Priority Mail service (except Critical Mail service), Standard Mail parcels, Package Services, ~~and Parcel Select service,~~ and Standard Post.

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1505.14.2 Prices

	(\$)
Per Piece (Requested at time of mailing)	4.10

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:

* * * * *

- 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); and
- Standard Post (when purchased at the time of mailing with COD or Insured mail for more than \$200.00).

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1505.15.2 Prices

	(\$)
Per Piece	4.75

1505.16 Shipper-Paid Forwarding

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1505.16.2 Prices

	(\$)
Account Maintenance Fee (per year)	635.00

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), Standard Post parcels, and Priority Mail pieces electronic confirmation of the delivery or attempted delivery of the mailpiece.

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1505.17.2 Prices

	(\$)
Electronic	2.20
Retail	2.70

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, Standard Post, and Parcel Select pieces (except Parcel Select Lightweight), to the extent practicable during dispatch and transportation.

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1505.18.2 Prices

Weight	(\$)
Not more than 10 pounds	9.00
More than 10 pounds	11.95

1505.19 Stamped Envelopes

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1505.19.2 Prices

	(\$)
Plain stamped envelopes	
Basic, size 6-3/4, each	0.12
Basic, size 6-3/4, 500	16.75
Basic, over size 6-3/4, each	0.12
Basic, over size 6-3/4, 500	19.10
Personalized stamped envelopes	
Basic, size 6-3/4, 50	5.50
Basic, size 6-3/4, 500	25.90
Basic, over size 6-3/4, 50	5.50
Basic, over size 6-3/4, 500	29.30
Additional Charges for premium options, per 50 envelopes	
— Color other than white	1.00
Pressure-sensitive sealing	5.25
Font size, font style, and/or ink color (for one, two, or all three)	1.05
— Monogram	5.00
Window	1.05
Additional Charges for premium options, per 500 envelopes	
— Color other than white	2.00
Pressure-sensitive sealing	15.75
Font size, font style, and/or ink color (for one, two, or all three)	2.25
— Monogram	7.00
Window	2.25
— 4 color logo (5,000 envelope minimum)	45.00

	(\$)
Shipping—Boxes of 50	
1 box	5.25
2 boxes	6.50
3 boxes	7.50
4 boxes	8.50
5 boxes	10.50
6 boxes	11.25
7 boxes	12.25
8 boxes	13.25
9 or more boxes	15.00
Shipping—Boxes of 500	
1 box	9.25
2 or more boxes	15.00

1505.20 Stamped Cards

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1505.20.2 Prices

	(\$)
Single card	0.04
Double reply-paid card	0.08
Sheet of 40 cards (uncut)	1.60
Pack of 10 sheets of 4 cards each	1.70
 Premium Options	 Additional Charge (\$)
Per order of 250 cards	
Printing of return address	20.00
Font size, font style, and/or ink color (for one, two, or all three)	1.00
Monogram	1.00
4-Color logo – first 250 cards	80.00
4-Color logo – additional 250 cards	5.00
Per Order of 1,000 cards	
Printing of return address	50.00
Font size, font style, and/or ink color (for one, two, or all three)	2.00
Monogram	2.00
4-Color logo – first 1,000 cards	85.00
4-Color logo -- additional 1,000 cards	10.00

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 Pieces Prices

	(\$)
Original certificate of mailing for listed pieces of ordinary Single-Piece First-Class Mail International items	1.20
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)	1.20

Multiple Piece Prices

	(\$)
Up to 1,000 identical-weight pieces (one certificate for total number)	7.05
Each additional 1,000 identical weight pieces or fraction thereof	0.85
Duplicate copy	1.20

1510.2 International Registered Mail

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1510.2.2 Prices

Outbound International Registered Mail Prices

	(\$)
Per Piece	12.95

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	3.50

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1510.4 International Restricted Delivery

1510.4.1 Description

Outbound International Restricted Delivery

- a. ~~Outbound International Restricted Delivery service limits who may receive an item as determined by the internal requirements of the destination country.~~
- b. ~~International Restricted Delivery service is available only at the time of mailing for First-Class Mail International items using Registered Mail service and accompanied by a receipt, subject to availability in the destination country.~~

Inbound International Restricted Delivery

- a. Inbound International Restricted Delivery Service limits who may accept and sign for a registered letter post item.
- b. Restricted Delivery service is available for Registered Mail items sent with Return Receipt service.

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

* * * * *

Change-of-Address Customer Confirmation Letter Reprint

Change-of-Address Customer Confirmation Letter Reprint provides customers with a copy of the letter that is sent to the customer's new address following the filing of a Change-of-Address order with the Postal Service.

* * * * *

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.~~

* * * * *

Postal Explorer CD-ROM

The Postal Explorer CD-ROM provides customers with select postal regulatory publications in convenient media.

RDI (Residential Delivery Indicator) Service

The RDI data service verifies whether a delivery type is classified as residential or business. Copying is allowed for an additional fee.

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1515.2 Prices

	(\$)
Address Sequencing	
Per correction (removal of each undeliverable address, or addition of each missing or new address)	0.39 ¹
Insertion of blanks	0.00
AEC II Service	
1-100 records resolved, minimum fee	30.00
Additional records resolved, per record	0.30
AIS (Address Information System) Viewer (per year, per operating system) [Replace Single Issue prices with * on price]	
City State Delivery Type Retrieval	
Annual Subscription	63.00*
Single Issue	40.00
County Name Retrieval	
Annual Subscription	63.00*
Single Issue	40.00
Delivery Statistic Retrieval	
Annual Subscription	89.00*
— Single Issue	56.00
ZIP + 4 Retrieval	
Annual Subscription	63.00*
— Single Issue	40.00
CRIS Route (per year)	
Per state (annual subscription)	30.00*
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	0.39
<u>Change-of-Address Customer Notification Letter Reprint</u>	50.00
City State (per year)	
All States (annual subscription)	385.00*
CDS (per address, per year)	0.0080
Minimum (per year)	40.00
Correction of Address Lists	
Per submitted address	0.39
Minimum charge per list (30 items)	11.70
Delivery Statistics (per year)	
All States (annual subscription)	385.00*
DMM Labeling Lists	63.00
DPV System (per year) ³	11,000.00
DSF ² Service (per year) ⁴	109,000.00
Each additional location per year	55,000.00
Each additional platform per location per year	55,000.00
eLOT Service (per year)	
Per state (annual subscription)	30.00*
All States (annual subscription)	925.00*
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)	550.00*
LACS ^{Link5}	
Interface Developer (first year)	1,100.00 ⁶
Interface Developer (each one-year extension)	335.00 ⁶
Interface Distributor (per year)	1,300.00 ⁷
Data Distributor (per year)	335.00
End User (per year)	335.00 ⁸
MASS Certification	
MASS Manufacturers (MLOCR)	
Cycle Testing: (for next cycle) November – June	500.00 ⁹
Cycle Testing: July	1,000.00 ⁹
Cycle Testing: (for current cycle) After July 31 st	1,500.00 ¹⁰
MASS End-Users (MLOCR)	
Cycle Testing: (for next cycle) March – June	500.00 ⁹
Cycle Testing: July	1,000.00 ⁹
Cycle Testing: (current cycle) After July 31 st	1,500.00 ¹⁰
MASS Manufacturers (Encoder)	
Cycle Testing: (for next cycle) November – June	300.00 ⁹
Cycle Testing: July	750.00 ⁹
Cycle Testing: (for current cycle) After July 31 st	1,000.00 ¹⁰
MASS End-Users (Encoder)	
Cycle Testing: (for next cycle) March – June	300.00 ⁹
Cycle Testing: July	750.00 ⁹
Cycle Testing: After July 31 st	1,000.00 ¹⁰
<u>MASS IMb Quality Testing</u>	<u>300.00</u>

	(\$)
NCOA^{Link} Service⁹¹¹	
Initial Interface Developer (first year fee)	5,600.00
Interface Developer (per each one year extension)	1,100.00
Interface Distributor (per year)	27,750.00
Full Service Provider (per year)	190,000.00
Full Service Provider Each Additional Site (per year)	94,400.00
Limited Service Provider (per year)	16,500.00
Limited Service Provider (per each one year extension)	
One Site only	16,500.00
Each additional site	8,300.00
ANK ^{Link} Service Option (per year)	
First site	3,900.00
Each additional site	1,750.00
End User/MPE (first year)	8,300.00
End User/MPE (each renewal year)	
One site (each site for MPE)	8,300.00
Each additional site (End User only)	3,900.00
ANK ^{Link} Service Option (per year)	850.00
NCOA ^{Link} Test, Audit (each)	1,100.00
Official National Zone Charts (per year)	
Matrix	60.00
<u>Postal Explorer (CD-ROM)</u>	20.00
RDI Service (per year) ⁴⁹	335.00*
Z4 Change (per year)	
All States	3,350.00*
ZIP + 4 Service (per year)	
Per state (annual subscription)	30.00*
All States (annual subscription)	925.00

	(\$)
ZIP Code Sortation of Address Lists Per 1,000 addresses, or fraction	130.00
ZIPMove (per year) All States (annual subscription)	115.00*
99 Percent Accurate Method (per 1,000 addresses per year) Minimum (per year)	1.15 115.00

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. MASS fees are prorated at 50 percent of regular fee for new, transferred, or upgraded MLOCR/Encoder systems during testing cycle.
- 10. MASS fees are pro prorated at 50 percent of regular fee for new, transferred, or upgraded MLOCR/Encoder systems outside of testing cycle.

119. 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, <u>RDI Service</u> , 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	740.00
Group 2	700.00
Group 3	580.00
Group 4	570.00
Group 5	560.00
Group 6	520.00
Group 7	475.00
Call Number Reservation (Annual)	45.00

1525 ~~Change of Address~~ Credit Card Authentication

1525.1 Description

~~Change of Address~~ The Credit Card Authentication fee is charged when customers use a credit card for credit card authentication of Change of Address Service requests made over the Internet or by telephone. A customer's credit card information will be use to verify their identity to the Postal Service, and/or authenticate a credit card of the customer.

1525.2 Prices

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

1530 Confirm Service

* * * * *

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

* * * * *

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

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1540.3 Prices

Outbound International Business Reply Mail Service Prices

	(\$)
Card	1.25
Envelope	1.75

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.

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1545 Money Orders

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1545.2 Prices

	(\$)		(\$)	(\$)
Domestic	0.01	to	500.00	1.20
Domestic	500.01	to	1,000.00	1.60
APO/FPO/DPO	0.01	to	1,000.00	0.35
Inquiry, including a copy of paid money order				5.75

1550 Post Office Box Service

* * * * *

1550.3 Prices

Regular and No Fee

Box Size	Semi-annual Fees (Groups based on Post Office location) (\$)							
	1	2	3	4	5	6	7	E ¹
1	50.00	39.00	32.00	27.00	22.00	16.00	14.00	0.00
2	74.00	62.00	50.00	39.00	29.00	23.00	19.00	0.00
3	130.00	105.00	90.00	65.00	53.00	40.00	32.00	0.00
4	270.00	205.00	165.00	125.00	95.00	68.00	52.00	0.00
5	425.00	365.00	280.00	225.00	160.00	120.00	95.00	0.00

Box Size	3-Month Fees (Groups based on Post Office location) (\$)						
	1	2	3	4	5	6	7
1	29.00	23.00	19.00	16.00	13.00	10.00	9.00
2	43.00	36.00	29.00	23.00	17.00	13.00	11.00
3	76.00	61.00	53.00	38.00	31.00	23.00	19.00
4	158.00	120.00	97.00	73.00	56.00	40.00	30.00
5	249.00	214.00	164.00	132.00	94.00	70.00	56.00

Notes

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

Postal Facilities Primarily Serving Academic Institutions or Their Students

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

Ancillary Post Office Box Services

	(\$)
Key duplication or replacement	6.00
Lock replacement	20.00
Key deposit	3.00

1555 Customized Postage

* * * * *

1555.2 Prices

	(\$)
Annual Participation Fee (up to two printing facilities)	315,000.00
Additional Printing Sites (3-50 sites, each site)	52,500.00
Over 50 Printing Sites (each site)	5,250.00

1560 Stamp Fulfillment Services

* * * * *

1560.2 Prices

	(\$)
Orders mailed to domestic United States destinations	
Orders up to \$50	1.25; add 2.00 ² for custom orders
Orders over \$50	1.75; add 2.00 ² for custom orders
Orders mailed to destinations outside of domestic United States	
Orders up to \$50	6.25; add 2.00 ² for custom orders
Orders over \$50	6.75; add 2.00 ² for custom orders

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.

3000 GLOSSARY OF TERMS AND CONDITIONS

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3007 F

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Forever Stamps/Indicia

Forever stamps and Forever Print-on-Demand indicia are sold at the prevailing price for single-piece letters, first ounce, in First-Class Mail. Once purchased, Forever stamps and Forever Print-on-Demand indicia may be used for postage equal to the prevailing price, at the time of use, for single-piece letters, first ounce, in First-Class Mail. Forever stamps and Forever Print-on-Demand indicia are intended for the prepayment of postage for the first ounce of First-Class Mail single-piece letter mail, and otherwise may be used for the prepayment of postage. Forever Print-on-Demand indicia is a form of postage offered by the Postal Service, consisting of images aligned with indicia of postage payment.

International Forever stamps are sold at the price of a single-piece First-Class Mail International first ounce machinable letter and have a postage value equivalent to the price of a single-piece First-Class Mail International first ounce machinable letter in effect at the time of use. International Forever stamps are intended for the prepayment of postage for the first ounce of First-Class Mail International single-piece machinable letter mail, and otherwise may be used for the prepayment of postage.

* * * * *

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	\$0.017	\$0.008	212.5%
First-Class Mail Single Piece Postcards				
Qualified Business Reply Mail Barcoding QBRM	Handwritten Reply Cards	\$0.017	\$0.008	212.5%

Notes

- [1] Source of Discounts: Docket No. R2013-1, Notice of 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 2011, Table VII-2 - First-Class Mail Letters, Flats, and Parcels, Workshare Discounts and Benchmarks, Page 98

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 [3]				
Barcoding & Presorting (\$ / piece)				
Automation Mixed AADC Letters	Metered Letters	\$0.055	\$0.059	93.2%
Automation AADC Letters	Automation Mixed AADC Letters	\$0.021	\$0.021	100.0%
Automation 3-digit Letters	Automation AADC Letters	\$0.000	\$0.004	0.0%
Automation 5-digit Letters	Automation 3-digit Letters	\$0.024	\$0.025	96.0%
First-Class Mail Bulk Letters--Nonautomation				
Barcoding (\$ / piece)				
Nonautomation Presort Letters[4]	Bulk Metered Mail (BMM) Letters	\$0.027	\$0.053	50.9%
First-Class Mail Bulk Cards--Automation				
Barcoding & Presorting (\$ / piece)				
Automation Mixed AADC Cards	Nonautomation Presort Cards	\$0.023	\$0.019	121.1%
Automation AADC Cards	Automation Mixed AADC Cards	\$0.012	\$0.011	109.1%
Automation 3-digit Cards	Automation AADC Cards	\$0.000	\$0.002	0.0%
Automation 5-digit Cards	Automation 3-digit Cards	\$0.012	\$0.012	100.0%

Notes

- [1] Source of Discounts: Docket No. R2013-1, Notice of Price Adjustment, Attachment A, Schedule 1110
 Discounts are calculated by subtracting the price in question from the benchmark price
- [2] Cards Presorting and Pre-barcoding Cost Differences--Source: ACD Fiscal Year 2011, Table VII-3 - First-Class Mail Cards Workshare Discounts and Benchmarks, Page 99
- [3] Letter Cost Estimates from Notice of Errata in Docket No. RM2010-13 issued on May 9, 2012
- [4] Non-Auto Presort Letters Cost from Commission workpapers filed with the ACD on March 28, 2012, FCM_LTRS.FAST Revision_prc.xls, Worksheet Summary

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	\$0.100	\$0.056	178.6%
Automation 3-digit Flats	Automation ADC Flats	\$0.046	\$0.046	100.0%
Automation 5-digit Flats	Automation 3-digit Flats	\$0.188	\$0.188	100.0%

Notes

- [1] Source of Discounts: Docket No. R2013-1, Notice of 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 2011, Table VII-2 - First-Class Mail Letters, Flats, and Parcels,
 Workshare Discounts and Benchmarks, Page 98

Workshare Discounts and Benchmarks using New Prices for Periodicals Outside County Mail

Type of Worksharing	Benchmark	Discount / Avoided Cost Passthrough		
Periodicals Outside County Mail				
Presorting (dollars / piece)				
Machinable Nonautomation ADC Flats	Machinable Nonautomation MADC Flats	0.036	0.039	92.3%
Machinable Nonautomation 3D/SCF Flats	Machinable Nonautomation ADC Flats	0.017	0.045	37.8%
Machinable Nonautomation 5D Flats	Machinable Nonautomation 3D/SCF Flats	0.103	0.09	114.4%
CR Basic	Machinable Nonautomation 5D Flats	0.108	0.154	70.1%
High Density	CR Basic	0.033	0.025	132.0%
Saturation	High Density	0.021	0.032	65.6%
Machinable Automation ADC Flats	Machinable Automation MADC Flats	0.027	0.033	81.8%
Machinable Automation 3D/SCF Flats	Machinable Automation ADC Flats	0.016	0.043	37.2%
Machinable Automation 5D Flats	Machinable Automation 3D/SCF Flats	0.09	0.081	111.1%
Nonmachinable Nonauto ADC Flats	Nonmachinable Nonauto MADC Flats	0.121	0.108	112.0%
Nonmachinable Nonauto 3D/SCF Flats	Nonmachinable Nonauto ADC Flats	0.078	0.008	975.0%
Nonmachinable Nonauto 5D Flats	Nonmachinable Nonauto 3D/SCF Flats	0.123	0.15	82.0%
Nonmachinable Automation ADC Flats	Nonmachinable Automation MADC Flats	0.1	0.109	91.7%
Nonmachinable Automation 3D/SCF Flats	Nonmachinable Automation ADC Flats	0.064	0.009	711.1%
Nonmachinable Automation 5D Flats	Nonmachinable Automation 3D/SCF Flats	0.112	0.144	77.8%
Pre-barcoding (dollars / piece)				
Machinable Automation MADC Flats	Machinable Nonautomation MADC Flats	0.033	0.027	122.2%
Nonmachinable Automation MADC Flats	Nonmachinable Nonauto MADC Flats	0.047	0.006	783.3%
Presorting Automation Letters (dollars/piece)				
ADC Automation Letter	Mixed ADC Automation Letter	0.041	0.016	256.3%
3-Digit Automation Letter	ADC Automation Letter	0.021	0.003	700.0%
5-Digit Automation Letter	3-Digit Automation Letter	0.064	0.019	336.8%

Notes

- [1] Source of Discounts: 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 2011. Table VII-8, Page 109

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	\$0.032	37.5%
5-Digit Presort	3-Digit Presort	\$0.013	\$0.115	11.3%
CR Basic	5-Digit Presort	\$0.048	\$0.157	30.6%
High Density	CR Basic	\$0.017	\$0.025	68.0%
Saturation	High Density	\$0.014	\$0.032	43.8%
3-Digit Automation Letter	Basic Automation Letter	\$0.011	\$0.011	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	\$0.032	50.0%
3-Digit Automation Flats	3-Digit Nonautomation	\$0.012	\$0.042	28.6%
5-Digit Automation Flats	5-Digit Nonautomation Flats	\$0.006	\$0.011	54.5%
Dropship (dollars/piece)				
DDU Dropship	All other zones	\$0.008	\$0.029	27.6%

Notes

- [1] Source of Discounts: Docket No. R2013-1, 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 2011, Table VII -5, p. 107
- [3] Basic Letters Mail Processing and Delivery Cost is the weighted average of Standard Mail MAADC and AADC costs utilized

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	\$0.000	\$0.003	0.0%
Automation 5-digit Letters	Automation 3-digit Letters	\$0.019	\$0.019	100.0%
Pre-barcoding (dollars / piece)				
Automation Mixed AADC Letters	Nonautomation Machinable Mixed AADC Letters	\$0.008	\$0.018	44.4% 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	\$0.095	\$0.079	120.3%
Nonautomation 3-digit Nonmachinable Letters	Nonautomation ADC Nonmachinable Letters	\$0.034	\$0.025	136.0%
Nonautomation 5-digit Nonmachinable Letters	Nonautomation 3-digit Nonmachinable Letters	\$0.095	\$0.076	125.0%
Standard Mail Letters				
Drop Ship (dollars / pound)				
DNDC Letters	Origin Letters	\$0.161	\$0.317	62.9%
DSCF Letters	Origin Letters	\$0.209	\$0.377	68.1%

Notes

- [1] Source of Discounts: Docket No. R2013-1, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1220
- [2] Avoided Cost--Source: PRC ACD FY2011, Table VII-16 at p. 124
- [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	\$0.010	100.0%
Automation 3-digit Flats	Automation ADC Flats	\$0.050	\$0.046	108.7%
Automation 5-digit Flats	Automation 3-digit Flats	\$0.087	\$0.117	74.4%
Pre-barcoding (dollars / piece)				
Automation Mixed ADC Flats	Nonautomation Mixed ADC Flats	\$0.075	\$0.023	326.1%
Standard Mail Flats--Nonautomation				
Presorting (dollars / piece)				
Nonautomation ADC Flats	Nonautomation Mixed ADC Flats	\$0.042	\$0.050	84.0%
Nonautomation 3-digit Flats	Nonautomation ADC Flats	\$0.052	\$0.054	96.3%
Nonautomation 5-digit Flats	Nonautomation 3-digit Flats	\$0.078	\$0.078	100.0%
Standard Mail Flats				
Drop Ship (dollars / pound)				
DNDC Flats	Origin Flats	\$0.161	\$0.228	70.6%
DSCF Flats	Origin Flats	\$0.209	\$0.264	79.2%

Notes

[1] Source of Discounts: Docket No. R2013-1, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1225

[2] Avoided Cost--Source: PRC ACD FY2011, Table VII-16 at p. 124

CRA Adj Unit Costs page (for presorting); Presort Levels Held Const page (for pre-barcoding)

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	\$0.362	\$0.362	100.0%
5-digit Machinable Parcels	NDC Machinable Parcels	\$0.260	\$0.590	44.1%
NDC Irregular Parcels	Mixed NDC Irregular Parcels	\$0.365	\$0.130	280.8%
SCF Irregular Parcels	NDC Irregular Parcels	\$0.356	\$0.299	119.1%
5-digit Irregular Parcels	SCF Irregular Parcels	\$0.029	\$0.433	6.7%
Pre-barcoding (dollars / piece)^[3]				
Mixed NDC Machinable Barcoded Parcels	Mixed NDC Machinable Nonbarcoded Parcels	\$0.064	\$0.041	156.1%
Mixed NDC Irregular Barcoded Parcels	Mixed NDC Irregular Nonbarcoded Parcels	\$0.064	\$0.041	156.1%
Commercial and Nonprofit Standard Mail Marketing Parcels				
Presorting (dollars / piece)				
NDC Marketing Parcels	Mixed NDC Marketing Parcels	\$0.414	\$0.230	180.0%
SCF Marketing Parcels	NDC Marketing Parcels	\$0.312	\$0.267	116.9%
5-digit Marketing Parcels	SCF Marketing Parcels	\$0.068	\$0.426	16.0%
Pre-barcoding (dollars / piece)^[3]				
Mixed NDC Barcoded Marketing Parcels	Mixed NDC Nonbarcoded Marketing Parcels	\$0.064	\$0.041	156.1%
Standard Mail Nonprofit Machinable Parcels				
Drop Ship (dollars / pound)				
DNDC Machinable Parcels	Origin Machinable Parcels	\$0.223	\$1.095	20.4%
DSCF Machinable Parcels	Origin Machinable Parcels	\$0.462	\$1.344	34.4%
DDU Machinable Parcels	Origin Machinable Parcels	\$0.641	\$1.490	43.0%
Standard Mail Nonprofit Irregular Parcels, Commercial and Nonprofit Marketing Parcels				
Drop Ship (dollars / pound)				
DNDC Irregular Parcels, Marketing Parcels	Origin Irregular Parcels, Marketing Parcels	\$0.223	\$1.095	20.4%
DSCF Irregular Parcels, Marketing Parcels	Origin Irregular Parcels, Marketing Parcels	\$0.462	\$1.344	34.4%
DDU Irregular Parcels, Marketing Parcels	Origin Irregular Parcels, Marketing Parcels	\$0.641	\$1.490	43.0%

Notes

[1] Source of Discounts: Docket No. R2013-1, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1230

[2] Avoided Cost--Source: PRC ACD FY2011, Table VII-17 (p. 125)

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	\$0.317	50.8%
DSCF Letters	Origin Letters	\$0.209	\$0.377	55.4%
DNDC Flats	Origin Flats	\$0.161	\$0.228	70.6%
DSCF Flats	Origin Flats	\$0.209	\$0.264	79.2%
DDU Flats	Origin Flats	\$0.252	\$0.304	82.9%
^[3] DNDC Parcels	Origin Parcels			
DSCF Parcels	Origin Parcels			
DDU Parcels	Origin Parcels			

Notes

- [1] Source of Discounts: Docket No. R2013-1, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1215
 [2] Avoided Cost--Source: PRC ACD FY2011, Table VII-15 (p. 123)
 [3] There are no discounts related to dropship in the new Simple Samples price structure for Carrier Route Parcels. Rows 17-19 no longer apply, and will be deleted in future filings.

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	\$0.077	\$0.381	20.2%
^[3] High Density Plus Letters	Carrier Route Letters	\$0.080	\$0.381	21.0%
Drop Ship (dollars / pound)				
DNDC Letters	Origin Letters	\$0.161	\$0.317	50.8%
DSCF Letters	Origin Letters	\$0.209	\$0.377	55.4%

Notes

- [1] Source of Discounts: Docket No. R2013-1, Notice of Market-Dominant Price Adjustment, Attachment A, Schedules 1205, 1215
- [2] Avoided Cost--Source: PRC ACD FY2011, Table VII-15 (p. 123)
- [3] High Density Plus Letters is a new worksharing relationship added because of the new price tier, High Density Plus Letters

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	\$0.051	\$0.058	87.9%
^[3] High Density Plus Flats	Carrier Route Flats	\$0.055	\$0.058	94.8%
^[4] High Density Parcels	Carrier Route Parcels			
Drop Ship (dollars / pound)				
DNDC Flats	Origin Flats	\$0.161	\$0.228	70.6%
DSCF Flats	Origin Flats	\$0.209	\$0.264	79.2%
DDU Flats	Origin Flats	\$0.252	\$0.304	82.9%
^[5] DNDC Parcels	Origin Parcels			
DSCF Parcels	Origin Parcels			
DDU Parcels	Origin Parcels			

Notes

- [1] Source of Discounts: Docket No. R2013-1, Notice of Market-Dominant Price Adjustment, Attachment A, Schedules 1210, 1215;
 [2] Avoided Cost--Source: PRC ACD FY2011, Table VII-15 at p. 123
 [3] High Density Plus Flats is a new worksharing relationship added because of the new price tier, High Density Plus Flats
 [4] Due to the introduction of Simple Samples, High Density Parcels has been eliminated as a price category
 [5] There are no discounts related to dropship in the new Simple Samples price structure for Saturation Parcels.
 Rows 13, and 20-22 no longer apply, and will be deleted in future filings.

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	0.47	0.47	100.0%
5-digit	Basic	0.39	0.39	100.0%
Library Mail				
Presorting (dollars / piece)				
Basic	Single Piece	0.47	0.47	100.0%
5-digit	Basic	0.39	0.39	100.0%

Notes

- [1] Source of Discounts: Docket No. R2013-1, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1425
- [2] Presorting Cost Differences--Source:PRC ACD FY2011 at p. 132

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	0.099	0.153	64.7%
Presorting (dollars / pound)^[3]				
Basic, Carrier Route Flats	Single Piece Flats			
Zones 1&2		0.041	See Note [3]	
Zone 3		0.055	See Note [3]	
Zone 4		0.053	See Note [3]	
Zone 5		0.060	See Note [3]	
Zone 6		0.062	See Note [3]	
Zone 7		0.062	See Note [3]	
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 DNDC Flats	Basic Origin Flats	0.170	0.170	100.0%
Basic, Carrier Route DSCF Flats	Basic Origin Flats	0.615	0.655	93.9%
Basic, Carrier Route DDU Flats	Basic Origin Flats	0.762	0.789	96.6%

Notes

- [1] Source of Discounts: Docket No. R2013-1, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1415
- [2] Presorting Cost Differences (Per Piece)--Source:PRC ACD FY2011 at p. 134
 Drop Ship Cost Differences (Per Piece)--Source:PRC ACD FY2011 at p. 134
- [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 73.2%

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	0.670	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		0.050	See Note [3]	
Zone 3		0.056	See Note [3]	
Zone 4		0.053	See Note [3]	
Zone 5		0.057	See Note [3]	
Zone 6		0.054	See Note [3]	
Zone 7		0.036	See Note [3]	
Zone 8		0.047	See Note [3]	
Drop Ship (dollars / piece)				
Basic, Carrier Route DNDC Parcels / IPPs	Basic Origin Parcels / IPPs	0.170	0.170	100.0%
Basic, Carrier Route DSCF Parcels / IPPs	Basic Origin Parcels / IPPs	0.616	0.655	94.0%
Basic, Carrier Route DDU Parcels / IPPs	Basic Origin Parcels / IPPs	0.762	0.789	96.6%

Notes

- [1] Source of Discounts: Docket No. R2013-1, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1420
- [2] Presorting and Pre-barcoding Cost Differences (Per Piece)--PRC ACD FY2011 at p. 135
 Drop Ship Cost Differences (Per Piece)--Source:PRC ACD FY2011 at p. 135
- [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]
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%
Jan-11	220.223	1.6%	2620.2	218.350	1.559%
Feb-11	221.309	2.1%	2624.8	218.731	1.557%
Mar-11	223.467	2.7%	2630.6	219.217	1.589%
Apr-11	224.906	3.2%	2637.5	219.792	1.668%
May-11	225.964	3.6%	2645.3	220.441	1.799%
Jun-11	225.722	3.6%	2653.0	221.087	2.008%
Jul-11	225.922	3.6%	2661.0	221.746	2.208%
Aug-11	226.545	3.8%	2669.2	222.433	2.426%
Sep-11	226.889	3.9%	2677.6	223.137	2.653%
Oct-11	226.421	3.5%	2685.4	223.779	2.849%
Nov-11	226.230	3.4%	2692.8	224.398	3.036%
Dec-11	225.672	3.0%	2699.3	224.939	3.157%
Jan-12	226.665	2.9%	2705.7	225.476	3.263%
Feb-12	227.663	2.9%	2712.1	226.006	3.326%
Mar-12	229.392	2.7%	2718.0	226.499	3.322%
Apr-12	230.085	2.3%	2723.2	226.931	3.248%
May-12	229.815	1.7%	2727.0	227.252	3.090%
Jun-12	229.478	1.7%	2730.8	227.565	2.930%
Jul-12	229.104	1.4%	2734.0	227.830	2.743%
Aug-12	230.379	1.7%	2737.8	228.149	2.570%

[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

2013 Mailing Services Promotions Calendar Overview

The 2011 Mobile Barcode Promotion and 2012 Mobile Commerce and Personalization Promotion have generated increased awareness and use of mobile technologies in direct mail. To generate continued interest in the various uses of mobile barcodes in direct mail, and to grow awareness of the ways in which technology can improve direct mail, the Postal Service has developed the 2013 Promotions Calendar. This calendar not only includes promotional opportunities for First-Class and Standard Mail pieces that integrate mobile and emerging technologies, but also contains promotional opportunities related to more traditional elements of integrated marketing campaigns. Included in the "2013 Promotions Calendar" will be:

- Mobile Coupon and Click-to-Call
- Earned Value Reply Mail
- Picture Permit
- Product Samples
- Emerging Technology
- Mobile Buy-It-Now

The Postal Service has also provided cost estimates for each promotion. These cost estimates have been filed separately as *AttachmentD.xls*.

1) DIRECT MAIL MOBILE COUPON AND CLICK-TO-CALL PROMOTION

BACKGROUND

This promotion will build upon previous promotions and continue our strategy of encouraging mailers to integrate direct mail with mobile technology. The Postal Service is offering business mailers two ways to participate. To qualify for the upfront 2 percent postage discount, mailers must include a mobile barcode (or other similar technology) on their mailpieces that can either: 1) lead the recipient to a digital coupon; or 2) facilitate a phone call on a mobile device.

High growth in digital coupons (mobile/online) is expected to continue as Internet and smartphone adoption increases, consumer comfort with technology rises, and newspaper circulation declines. Additionally, demographic shifts and emerging technologies, such as Near Field Communication (NFC) and Radio Frequency Identification (RFID), make digital coupon users an increasingly attractive market for advertisers. This promotion seeks to drive awareness and increase the value of direct mail coupons in today's digital world. In doing so, it will encourage mailers to integrate hard-copy coupons in the mail with mobile platforms, without facilitating a digital relationship between businesses and consumers as an alternative to direct mail.

Click-to-Call is a web-based communication tool in which a person initiates a phone call by clicking a button, image, or text to connect with another person. Click to call can be initiated by hyperlinks on websites and emails or through any other Internet-connected object, including 2-D barcodes. This promotion also seeks to drive awareness and increase functionality and ease-of-use for today's mail recipients, driving improvements in mailer's ROI on direct mail.

DESCRIPTION

The mailpiece must meet the requirements for at least one of the two following scenarios:

Option 1

Mobile Coupon Component:

1. Coupon/Mailpiece Requirements: The physical mailpiece must be a coupon.
 - A coupon is a voucher or code entitling the holder to a discount off the price of a particular product(s) or service(s).
 - The discount is offered only to mailpiece recipients and is not a discount or sale price on a product or service that is applied to all consumers.
2. Mobile Coupon Requirements: The coupon mailpiece must contain **one** of the following print-mobile technologies that allows the recipient to store a coupon on a mobile device:
 - a. Mobile-print technology (e.g. 2D Barcode, RFID chip, NFC Smart tag, etc.) on the mailpiece that can be scanned or read by a mobile device linking to a mobile coupon that is stored on a mobile device
 - b. A short number to be used to initiate text message communication. The text message triggers a SMS/EMS or MMS message with a one-time coupon or a coupon code. Texts that allow a consumer to sign up for ongoing coupon delivery via text are not eligible, or
3. Coupon Redemption:
 - a. The coupon mailpiece must be redeemable at retail locations by **both** methods described below:
 - 1) The physical mailpiece coupon can be presented at a retail location to receive discount.
 - 2) The print-mobile technology allows the customer to store the coupon on a mobile device which can be presented at retail for discount. (see mobile coupon requirements above)
 - b. Mailers who sell exclusively online or do not have retail locations where coupons can be redeemed must meet the following requirements.
 - The mailpiece must contain a code that can be used to receive the discount online or through a call center
 - The coupon discount is offered only to mailpiece recipients and is not a discount or sale price on a product or service that is applied to all customers.
 - The mailpiece must contain a mobile-print technology (mobile barcode, RFID chip or tag, etc.) that allows the recipient to redeem a coupon through a mobile device.
 - The entire shopping experience and path to purchase must be mobile optimized.

Option 2

Click-to-Call Component:

- The physical mailpiece must contain mobile technology (e.g. 2D Barcode, RFID chip, NFC Smart tag, etc.) that can be scanned by a mobile device and allows for one of the following:
 - The barcode links directly to a mobile optimized website with a “click to call” link, or
 - The barcode, when scanned, brings up a phone number automatically in the users phone

PROGRAM PARAMETERS

Registration Period	January 15 through April 30, 2013
Program Period	March 1 through April 30, 2013
Discount Amount	2% of eligible postage. The discount is calculated in PostalOne!® and applied to the mailing statement at the time of mailing. Normal postage prices as listed in the published price schedule apply to the mailing, and the discount is applied to those prices
Eligible Mail Classes	Standard Mail® letters and flats Nonprofit Standard Mail letters and flats First-Class Mail® presort and automation letters, cards and flats

REGISTRATION REQUIREMENTS

Participants and/or mail service providers (MSP) must register on the Business Customer Gateway (BCG) via the Incentive Program service (gateway.usps.com) and agree to promotion terms at least 2 hours prior to presenting the first qualifying mailing and specify which permits and/or Customer Registration IDs (CRIDs) will be participating in the promotion. (It is recommended that mailers register several days in advance of the first qualifying mailing.) As part of the terms of participation, at the end of the promotion period, mailers agree to complete a survey about their participation in the promotion.

MAILING SUBMISSION REQUIREMENTS

Submission Requirement	Description
Documentation/Postage Statement	Mailings must be submitted electronically via mail.dat, mail.xml or Postal Wizard. (Mailings submitted via Postal Wizard claiming the Full Service discount cannot exceed 9,999 pieces. Basic Service pieces in Postal Wizard mailings are not subject to this limitation.) Mailings that are prepared and entered by an entity other than the mail owner must indicate the owner's identity in the electronic documentation ("eDoc"). The eDoc must identify the mail owner and mail preparer in the By/For fields by CRID.
Combined and Commingled Mailings	First-Class Mail and Standard Mail commingled, combined, and co-mail mailings (including MLOCR mailings) may qualify for the Promotion only if: <ul style="list-style-type: none"> • All of the pieces commingled in the mailing meet program requirements, or • The mailings include multiple clients (or versions) but have separate postage statements generated for the mailpieces that are claiming the promotion discount
Mailing Date	Mail must be tendered for acceptance during the promotion period, March 1 – April 30, 2013. Plant-Verified Drop Shipment (PVDS) mailings that are verified and paid for during the promotion period, and that qualify for the Promotion will be accepted at destination entry postal facilities through May 15, 2013, when presented with appropriate verification and payment documentation (PS Form 8125). A PVDS mailing that qualifies for the Promotion –its verification or actual drop ship can not occur before March 1. Any qualifying mailing that is accepted and paid for prior to March 1 st is not eligible for the promotion discount.
IMB Requirements	Mailings of automation letters or flats must have Intelligent Mail® barcodes.

Attachment D

Postage Payment Method:	Postage must be paid using a Permit Imprint. Some Precancelled Stamp and Meter Permit mailings may qualify. OMAS and "Official Government Mail" mailings are not eligible for the promotion. Every Door Direct Mail (EDDM) deposited at a Business Mail Entry Unit may qualify, but EDDM Retail mailings taken to local Post Office retail units are ineligible to participate.
Meter Mail Payment Option	Meter mailers with advance deposit (permit) accounts who submit qualifying mailings may receive the discount applied to net postage due. All discounts must be claimed at the time of mailing and cannot be rebated at a later date. Customers who wish to claim the incentive must affix the appropriate reduced promotion amounts listed in the program requirements document to each piece in the mailing. The net postage due for the mailing must be paid from an advance deposit (permit) account.
Discount	Participating mailers will be required to affirmatively claim this promotion in the Incentive Claimed section on electronic postage statement submissions, certifying each mailpiece meets all eligibility requirements. All mailpieces covered by a postage statement must meet all eligibility requirements NOTE: THE DISCOUNT MUST BE CLAIMED AT THE TIME OF MAILING AND CANNOT BE REBATED AT A LATER DATE

2) EARNED VALUE REPLY MAIL PROMOTION

BACKGROUND AND PROGRAM DESCRIPTION

The 2013 Earned Value Reply Mail Promotion is intended to slow the decline of First-Class Mail®, Business Reply Mail (BRM), and Courtesy Reply Mail (CRM) pieces as their volumes continue to shrink along with other Single Piece First-Class Mail. As technology continues to disrupt the mail volume, the Postal Service will ensure reply mail remains a relevant part of the First-Class Mail marketing mix.

The 2013 “Earned Value” promotion will be offered to mailers who use First-Class Mail BRM and CRM enclosures. Mailers must register their permits and Mailer IDs (MIDs), and the Permit Imprint account to which future earned credits will be applied on the Business Customer Gateway to participate. The Intelligent Mail Visibility (IM-VIS) system will send scan data to the Alternate Postage system. All mailpiece counts for BRM and CRM pieces containing the registered MID(s) that customers return to the registered mailer will be collected. At the end of the promotion, the 2 cent award value assigned to BRM will be multiplied by total BRM pieces scanned. Similarly, the 2 cent award value assigned to CRM will be multiplied by the total CRM pieces scanned. The award amount or credit will be applied to the mailer’s Permit Imprint account. The mailer can apply the earned credit to future mailings of Standard Mail letters and FCM automation and presort letters.

PROGRAM PARAMETERS

Registration Period	January 1 through March 31, 2013
Program Period	April 1 through June 30, 2013
Discount Amount	\$0.02 per scanned CRM or BRM mailpiece
Eligible Mail Classes	BRM/CRM mailpieces can be distributed in any outgoing mailing
Credit Application	Earned rebate credits can be applied to First-Class Mail Presort and Automation letters and Standard Mail letters.

The 2013 Earned Value Reply Mail Promotion provides mailers with an earned postage credit based on qualifying First-Class Mail® BRM and CRM cards and letters with an Intelligent Mail barcode. The encoded IMb with registered Mailer ID(s) in the Earned Value Reply Mail promotion will be read by Intelligent Mail Visibility (IM-VIS). The Alternate Postage system will provide the count of BRM and CRM pieces by MID to the Business Customer Gateway.

REGISTRATION REQUIREMENTS

Program Registration: Participants must register their MIDs and permits on the Incentive Programs Service within the Business Customer Gateway. Mail service providers cannot register on behalf of mail owners nor can they enroll customers via the auto-enrollment edoc features. At the time of registration, participants must also select a Permit Imprint account to which future credits will be applied. Mailers agree to participate in a survey about the promotion. Registration opens January 1, 2013 and ends on March 31, 2013.

MAILING SUBMISSION REQUIREMENTS

BRM and CRM pieces can be enclosed in any class, category or shape of mail.

REBATE CALCULATION AND REDEMPTION

Rebate Credits: The rebate credit is earned on Reply Mail that is scanned by the IM-VIS system during the promotion period April 1, 2013 through June 30, 2013. Rebate credit will not be earned on pieces scanned after June 30, 2013 even if the outbound mailpiece was sent prior to that date.

Rebate Redemption: Participants can redeem rebate credits for postage on future mailings of First-Class Mail Presort and Automation letters and cards and Standard Mail letters paid from the Permit Imprint account where the Earned Value credit was applied. The earned value or credit may be applied until the mailer has drawn down the balance to zero.

MAILPIECE/MAILING CONTENT REQUIREMENTS

The BRM and the CRM pieces must contain the Intelligent Mail barcode with the Mailer ID encoded to qualify. All qualifying reply mail must contain an Earned Value Promotion preregistered MID. The pieces scanned by the IM-VIS system will be transferred to the Alternate Postage system.

Postcard and letter-size BRM must be barcoded with a valid and properly used ZIP+4 code on the mailpiece and the same ZIP +4 code must be encoded within the IMb. The IMb on all BRM and CRM must contain the barcode ID, service type ID, and correct ZIP+4 routing code. Permit holders must use the ZIP+4 codes and the IMb assigned by the USPS.

3) EMERGING TECHNOLOGIES PROMOTION

BACKGROUND

This promotion is designed to build on the goals of past mobile barcode promotions and to continue to promote awareness of how innovative technology, such as Near-Field Communication, Augmented Reality, and Authentication can be integrated with a direct mail strategy to enhance the value of direct mail.

DESCRIPTION

The mailpiece must meet the requirements for at least one of the three following scenarios:

- **Near-Field Communication¹ (NFC) Component:** The physical mailpiece must contain a NFC smart tag² or RFID chip³ that allows information to be transmitted from the mailpiece to a mobile device. For example, the smart tag could upload a mobile coupon to a mobile wallet when scanned by a mobile device.
- **Augmented Reality⁴ Component:** The physical mailpiece must contain print that allows the user to engage in an augmented reality experience that is facilitated by a mobile device or computer. The augmented reality experience must have the following characteristics: it combines real and virtual, it is interactive in real time, and it is registered in 3-D.
- **Authentication⁵ Component:** The physical mailpiece must integrate the attributes of physical mail, including delivery to a physical address, with mobile technology, and the user must be able to complete authentication processes for customers, potential customers, and/or mail recipients that meet their needs. Mailiers must get prior approval for their proposed authentication uses from the USPS program office to be eligible for this discount.

PROGRAM PARAMETERS

Registration Period	June 15 through September 30, 2013
Program Period	August 1 through September 30, 2013
Discount Amount	2% of eligible postage. The Emerging Technologies Promotion discount is calculated in PostalOne!® and applied to the mailing statement at the time of mailing. Normal postage prices as listed in the published price schedule apply to the mailing, and the discount is applied to those prices. If multiple emerging technologies are used on the same mailpiece, this discount is only applied once.
Eligible Mail Classes	Standard Mail® letters and flats Nonprofit Standard Mail letters and flats First-Class Mail® presort and automation letters, cards and flats

¹ **Near Field Communication:** Near Field Communications (NFC) refers to technology that stores and transmits electronic data used in commercial transactions, digital content, and touch screen interfacing.

² **NFC Smart tag:** a piece of information that can be read electronically over a short distance by a NFC-enabled device. A smart tag can contain a range of information, such as web addresses, telephone numbers, email addresses, coupons, graphics, media files, event details, etc.

³ **RFID Chip:** a tag containing unique information that can be transmitted over a long distance through radio waves to a electronic device.

⁴ **Augmented Reality:** Augmented reality (AR) is a live, direct or indirect, view of a physical, real-world environment whose elements are augmented by computer-generated sensory input such as sound, video, graphics or GPS data, etc.

⁵ **Authentication:** Authentication describes the digital process of verifying a unique customer/consumer using one or a combination or authentication factors

REGISTRATION REQUIREMENTS

Participants and/or mail service providers (MSP) must register on the Business Customer Gateway (BCG) via the Incentive Program service (gateway.usps.com), and agree to promotion terms at least 2 hours prior to presenting the first qualifying mailing, and specify which permits and/or CRIDs will be participating in the promotion. (It is recommended that mailers register several days in advance of the first qualifying mailing.) As part of the terms of participation, at the end of the promotion period, mailers agree to complete a survey on the Business Customer Gateway about their participation in the promotion.

MAILING SUBMISSION REQUIREMENTS

Submission Requirement	Description
Documentation/Postage Statement	Mailings must be submitted electronically via mail.dat, mail.xml or Postal Wizard. (Mailings submitted via Postal Wizard claiming the Full Service discount cannot exceed 9,999 pieces. Basic Service pieces in Postal Wizard mailings are not subject to this limitation.) Mailings that are prepared and entered by an entity other than the mail owner must indicate the owner's identity in the electronic documentation ("eDoc"). The eDoc must identify the mail owner and mail preparer in the By/For fields by Customer Registration ID (CRID).
Combined and Commingled Mailings	First-Class Mail and Standard Mail commingled, combined, and co-mail mailings (including MLOCR mailings) may qualify for the Promotion only if: <ul style="list-style-type: none"> • All of the pieces commingled in the mailing meet eligibility requirements, or • The mailings include multiple clients (or versions) but have separate postage statements generated for the mailpieces that meet eligibility requirements.
Mailing Date	Mail must be tendered for acceptance during the promotion period, Aug 1 – Sept 30, 2013. Plant-Verified Drop Shipment (PVDS) mailings that are verified and paid for during the promotion period (Aug 1 – Sept 30), and that qualify for the Emerging Technologies Promotion will be accepted at destination entry postal facilities through October 15, 2013, when presented with appropriate verification and payment documentation (PS Form 8125). A PVDS mailing that qualifies for the Emerging Technologies Promotion –its verification or actual drop ship can not occur before August 1. Any qualifying mailing that is accepted and paid for prior to August 1 st is not eligible for the promotion discount.
IMB Requirements	Mailings of automation letters or flats must have Intelligent Mail® barcodes. Mailpieces with POSTNET™ barcodes claiming automation prices will not be eligible for the price reduction.
Postage Payment Method:	Postage must be paid using a Permit Imprint, or Precancelled Stamp permit. Some Meter Permit mailings may qualify. OMAS and "Official Government Mail" mailings are not eligible for the promotion. Every Door Direct Mail (EDDM) deposited at a Business Mail Entry Unit may qualify, but EDDM Retail mailings taken to local Post Office retail units are ineligible to participate.
Meter Mail Payment Option	Meter mailers with advance deposit (permit) accounts who submit qualifying mailings may receive the discount applied to net postage due. All discounts must be claimed at the time of mailing and cannot be rebated. at a later date. Customers who wish to claim the incentive must affix the

	<p>appropriate reduced promotion amounts listed below to each piece in the mailing. Note this translates into setting the electronic file to "M" for Metered Neither because the pre-denominated amount is not the amount of postage affixed.</p> <p>The net postage due for the mailing must be paid from an advance deposit (permit) account.</p>
Discount	<p>Participating mailers will be required to affirmatively claim this promotion in the Incentive Claimed section on electronic postage statement submissions, certifying each mailpiece meets all eligibility requirements. All mailpieces covered by a postage statement must meet all eligibility requirements. NOTE: THE DISCOUNT MUST BE CLAIMED AT THE TIME OF MAILING AND CANNOT BE REBATED AT A LATER DATE</p>

4) PICTURE PERMIT PROMOTION

PICTURE PERMIT BACKGROUND AND PROMOTION DESCRIPTION

The Picture Permit Imprint Indicia offering (Picture Permit) is an initiative designed to create an opportunity for mailers to use the permit indicia space of the mailpiece as prime real estate for branding and customizing their offerings.

Picture Permit provides commercial mailers the creativity and flexibility to customize the permit indicia space of a First-Class Mail or Standard Mail piece by adding a business-related image such as a company logo, trademark or brand (color images only). Picture Permit is designed to improve the mailpiece's visibility and impact as a marketing tool, and the purpose of the promotion is to raise awareness of this offering.

Qualifying mailings may participate in the Picture Permit Promotion and another mailing promotion discount may also be applied.

PROGRAM PARAMETERS

Registration Period	June 15 through September 30, 2013 (by invitation)
Program Period	August 1 through September 30, 2013
Discount Amount	The normal fees for the service will be waived during the promotion period. <i>Normal Prices:</i>
	<i>First-Class Mail</i> 1-cent fee per mailpiece
	<i>Standard Mail</i> 2-cent fee per mailpiece
Eligible Mail Classes	Standard Mail® letters and flats Nonprofit Standard Mail letters and flats First-Class Mail® presort and automation letters, cards and flats

PROMOTION REQUIREMENTS

Picture Permit Offering Registration: This promotion is open to mailers who have been pre-approved to mail using Picture Permit. Registration for the Picture Permit offering can be started at: <https://www.usps.com/business/picture-permit.htm> which provides the step by step process to be approved to mail using Picture Permit.

It is recommended that mailers interested in participating in this promotion begin the Picture Permit registration process at least six months prior to mailing.

Once approved to mail using Picture Permit, mailers and/or mail service providers will be invited to register for the Incentive Services Program on the Business Customer Gateway. Mailers agree to participate in a survey about the promotion.

MAILING SUBMISSION REQUIREMENTS

Documentation/Postage Statement: Mailings must be submitted electronically via mail.dat, mail.xml or Postal Wizard.

Participating mailers will be required to affirmatively claim this promotion on electronic postage statement submissions. All mailpieces in a mailing statement must be eligible for the promotion. Note, the discount (fee waiver) must be applied at the time of mailing and cannot be claimed at a later date.

Mailing Date: Mail must be tendered for acceptance during the promotion period, August 1, 2013, through September 30, 2013. Qualified PVDS mailings that are verified and paid for by September 30, 2012, will be accepted at destination entry postal facilities through October 15, 2013.

IMB Requirements: Mailpieces must contain an Intelligent Mail barcode.

Postage Payment Method: Postage must be paid using a Permit Imprint. Precancelled Stamp permit, Meter Permit mailings and OMAS and "Official Government Mail" mailings are not eligible for the promotion.

5) PRODUCT SAMPLES PROMOTION

PROGRAM BACKGROUND

Product Sampling is a large growing market estimated at \$5 billion across all channels (in-store, direct mail, venue-based, etc). However, as product sampling has migrated from large saturation mailings to targeted mail programs, and as changes in pricing have made it, in most cases, cost prohibitive to use the mail, the USPS has seen significant declines in product sampling volumes over the past 10 years. In order to re-invigorate product sampling, the USPS is exploring various avenues to grow this business, including the Simple Samples program, which will be launched in January 2013. This program will simplify the preparation process and reduce prices for Marketing Parcels to meet market needs.

PROGRAM DESCRIPTION

The 2013 Product Samples Promotion will further re-invigorate product sampling via the mail by encouraging mailers to have product samples delivered by the USPS as a method to increase product usage, obtain new customers, and increase brand awareness. The foundation of this promotion will enable mailers' access to an upfront postage discount on qualifying Standard Mail® Marketing Parcels that contain product samples.

PROGRAM PARAMETERS

Registration Period	May 1 through September 30, 2013
Program Period	August 1 through September 30, 2013
Discount Amount	5% of eligible postage. The Promotion discount is calculated in PostalOne!® and applied to the mailing statement at the time of mailing. Normal postage prices as listed in the published price schedule apply to the mailing, and the discount is applied to those prices.
Eligible Mail Classes	Standard Mail® Regular and Non Profit Marketing parcels

REGISTRATION REQUIREMENTS

Program Registration: Participants and/or mail service providers must register on the Business Customer Gateway. Mailers agree to participate in a survey about the promotion. Registration opens May 1, 2013 and will continue throughout the promotion period.

MAILING SUBMISSION REQUIREMENTS

Documentation/Postage Statement: Mailings must be submitted electronically via mail.dat, mail.xml or Postal Wizard.

Participating mailers will be required to affirmatively claim this promotion on electronic postage statement submissions. All mailpieces in a mailing statement must be eligible for the promotion. Note, the discount must be claimed at the time of mailing and cannot be rebated at a later date.

Mailing Date: Mail must be tendered for acceptance during the promotion period, August 1, 2013, through September 30, 2013. Qualified PVDS mailings that are verified and paid for by September 30th will be accepted at destination entry postal facilities through October 15, 2013.

Postage Payment Method: Postage must be paid using a Permit Imprint. Precancelled Stamp permit, Meter Permit mailings, OMAS and "Official Government Mail" mailings are not eligible for the promotion.

MAILPIECE/MAILING CONTENT REQUIREMENTS

All qualifying mailpieces must contain product samples.

For the purpose of the promotion, a product sample is defined as a physical product (i.e. a trial size or miniature version of a full-sized product) whose purpose is to encourage recipients to purchase a product or service, form a belief or opinion, or take an action.

6) MOBILE BUY-IT-NOW PROMOTION

BACKGROUND

As mobile technology continues to evolve, mail has the potential to offer greater value. By encouraging customers to adopt and invest in technologies that enhance how consumers interact and engage with mail, the Postal Service seeks to reinforce direct mail as a relevant part of the marketing mix and improve the long-term value of the product. This strategy provides substantial advantages and opportunities for innovation in future years. With the 2013 Mobile Buy-It-Now Promotion, the Postal Service seeks to demonstrate how direct mail combined with mobile technology can be a convenient method for consumers to do their holiday shopping.

DESCRIPTION

The 2013 Mobile Buy-It-Now Promotion provides business mailers with an upfront two percent postage discount on Standard Mail® and First-Class Mail® letters, flats and cards (presort and automation) that include a two-dimensional (2-D) barcode (or other print/mobile technology) that can be read or scanned by a mobile device. The technology must directly lead the recipient to a mobile optimized webpage that allows the recipient to purchase an advertised product through a financial transaction on the mobile device. The entire purchase and checkout experience must be mobile optimized and meet the highest industry standards available at the time of the Promotion to streamline the purchase of the product(s) marketed on the mailpiece.

All qualifying mail must contain a mobile barcode (or equivalent technology) that, when scanned by a mobile device, opens a web page. This technology may consist of mailpieces that contain open-sourced barcodes (such as a QR Code® or Datamatrix code), a proprietary barcode or tag (such as SnapTags or MS Tags), an image embedded with a digital watermark, or intelligent print image recognition. The mailpiece must also contain text near the barcode or image providing guidance to the consumer to scan the barcode or image and/or information about the landing page. Additional requirements are listed below:

- The destination web page(s) must contain information relevant to the content of the mailpiece, and some or all of the product(s) advertised in the mailpiece must be available for purchase on a mobile device.
- The destination web pages must reside on a website platform that contains (or is deeply integrated with) a checkout functionality that allows the customer to complete the purchase of the advertised product through a complete mobile optimized experience. For purposes of this promotion, the recipient must be able to complete the purchase in at least one the following ways:
 - through an electronic payment method (such as a credit, debit or prepaid card) made through the internet on the mobile device,
 - through a person-to-person payment method (ex. PayPal) made through the internet on the mobile device,
 - an order placed on the mobile device through the internet where the customer is invoiced at a later date (presumably upon delivery), or an order placed on the mobile device through an internet browser where the charge is added to a recurring bill.
- For the purposes of this promotion a product is defined as a tangible and physical item that needs to be distributed or manufactured and can be shipped via a mailing or shipping

product offered by the Postal Service (delivery by the Postal Service is not required). The product may have an intangible service component built into it, but the sale of a service alone will not qualify.

- If a product is not offered for fulfillment via home delivery and can only be shipped to another business location (e.g. online ordering for in-store pick-up), the mailing will not qualify.

PROGRAM PARAMETERS

Registration Period	September 15 through December 31, 2013
Program Period	November 1 through December 31, 2013
Discount Amount	2% of eligible postage. The discount is calculated in PostalOne!® and applied to the postage statement at the time of mailing. The 2% discount is deducted from the postage amounts of qualifying product categories that are paid at the time of mailing. Normal postage prices as listed in the published Price List (Notice 123) apply to the mailing and the discount is applied to those prices.
Eligible Mail Classes	Standard Mail® letters and flats Nonprofit Standard Mail letters and flats First-Class Mail® presort and automation letters, cards and flats

REGISTRATION REQUIREMENTS

Participants and/or mail service providers (MSP) must register on the Business Customer Gateway (BCG) via the Incentive Program service (gateway.usps.com) and agree to promotion terms at least 2 hours prior to presenting the first qualifying mailing and specify which permits and/or CRIDs will be participating in the promotion. (It is recommended that mailers register several days in advance of the first qualifying mailing.) As part of terms of participation, at the end of the promotion period, mailers agree to complete a survey on the Business Customer Gateway about their participation in the promotion.

MAILING SUBMISSION REQUIREMENTS

Submission Requirement	Description
Documentation/Postage Statement	Mailings must be submitted electronically via mail.dat, mail.xml or Postal Wizard. (Mailings submitted via Postal Wizard claiming the Full Service discount cannot exceed 9,999 pieces. Basic Service pieces in Postal Wizard mailings are not subject to this limitation.) Mailings that are prepared and entered by an entity other than the mail owner must indicate the owner's identity in the electronic documentation ("eDoc"). The eDoc must identify the mail owner and mail preparer in the By/For fields by Customer Registration ID (CRID).
Combined and Commingled Mailings	First-Class Mail and Standard Mail commingled, combined, and co-mail mailings (including MLOCR mailings) may qualify for the Promotion only if: <ul style="list-style-type: none"> • All of the pieces commingled in the mailing meet eligibility requirements, or • The mailings include multiple clients (or versions) but have separate postage statements generated for the mailpieces that meet eligibility

	requirements
Mailing Date	Mail must be tendered for acceptance during the promotion period, Nov 1 – December 31, 2013. Plant-Verified Drop Shipment (PVDS) mailings that are verified and paid for during the promotion period (Nov 1 – Dec 31), and that qualify for the Promotion will be accepted at destination entry postal facilities through January 15, 2014, when presented with appropriate verification and payment documentation (PS Form 8125). A PVDS mailing that qualifies for the Promotion –its verification or actual drop ship can not occur before November 1. Any qualifying mailing that is accepted and paid for prior to November 1 is not eligible for the promotion discount.
IMB Requirements	Mailings of automation letters or flats must have Intelligent Mail® barcodes. Mailpieces with POSTNET™ barcodes claiming automation prices will not be eligible for the price reduction.
Postage Payment Method:	Postage must be paid using a Permit Imprint, or Precancelled Stamp permit. Some Meter Permit mailings may qualify. OMAS and “Official Government Mail” mailings are not eligible for the promotion. Every Door Direct Mail (EDDM) deposited at a Business Mail Entry Unit may qualify, but EDDM Retail mailings taken to local Post Office retail units are ineligible to participate.
Meter Mail Payment Option	Meter mailers with advance deposit (permit) accounts who submit qualifying mailings may receive the discount applied to net postage due. All discounts must be claimed at the time of mailing and cannot be rebated at a later date. Customers who wish to claim the incentive must affix the appropriate reduced promotion amounts listed in the promotion requirements document to each piece in the mailing.
Discount	Participating mailers will be required to affirmatively claim this promotion in the Incentive Claimed section on electronic postage statement submissions, certifying each mailpiece meets all eligibility requirements. All mailpieces covered by a postage statement must meet all eligibility requirements. NOTE: THE DISCOUNT MUST BE CLAIMED AT THE TIME OF MAILING AND CANNOT BE REBATED AT A LATER DATE