

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Chairman;
Mark Acton, Vice Chairman;
Tony Hammond; and
Nanci E. Langley

Notice of Market-Dominant
Price Adjustment

Docket No. R2018-1

ORDER ON PRICE ADJUSTMENTS FOR FIRST-CLASS MAIL, USPS MARKETING
MAIL, PERIODICALS, PACKAGE SERVICES, AND SPECIAL SERVICES PRODUCTS
AND RELATED MAIL CLASSIFICATION CHANGES



Washington, DC 20268-0001
November 9, 2017

TABLE OF CONTENTS

	<i>Page</i>
I. INTRODUCTION AND OVERVIEW	1
II. PROCEDURAL HISTORY	3
A. The Notice and Initial Commission Action.....	3
B. Additional Information Regarding the Notice.....	4
C. Motions Practice and Related Filings.....	6
D. Comments	7
III. FIRST-CLASS MAIL.....	8
A. Introduction	8
B. Price Adjustments.....	9
C. Workshare Discounts.....	11
D. International First-Class Mail	13
1. Introduction	13
2. Inbound Letter Post Prices	13
3. Adjustments to International First-Class Mail Workpapers.....	19
4. Outbound Single-Piece FCMI	23
5. Non-Public Treatment of Library Reference USPS–LR–R2018- 1/NP1	27
IV. USPS MARKETING MAIL	36
A. Introduction	36
B. Price Adjustments.....	36
C. Workshare Discounts.....	38
D. Statutory Preferential Rates.....	44
E. Nonprofit Discounts	44
V. PERIODICALS	44
A. Introduction	44
B. Price Adjustments.....	45
C. Workshare Discounts.....	48
D. Statutory Preferential Rates.....	51
VI. PACKAGE SERVICES	53
A. Introduction	53

B.	Price Adjustments	53
C.	Workshare Discounts	55
D.	Statutory Preferential Rates	55
VII.	SPECIAL SERVICES	56
A.	Introduction	56
B.	Price Adjustments	56
VIII.	RESOLUTION OF CROSS-CLASS ISSUES.....	58
A.	Close Out of CY 2017 Promotions	58
B.	Classification Changes Resulting from Mail Preparation Changes	59
1.	Introduction	59
2.	Amendment to Pallet Preparation	60
3.	Co-mailing of BPM Flats, USPS Marketing Mail Flats, and Periodicals Flats.....	61
IX.	ORDERING PARAGRAPHS	61

Attachment—Mail Classification Schedule

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(Issued November 9, 2017)

I. INTRODUCTION AND OVERVIEW

On October 6, 2017, the Postal Service filed notice of its planned price adjustments and related mail classification changes for market dominant products.¹ The Commission has reviewed the pricing proposals for compliance with the requirements of title 39, the Commission's regulations appearing in 39 C.F.R. part 3010, and other applicable legal requirements. The Commission concludes that the planned price adjustments do not violate the price cap under 39 U.S.C. § 3622(d) and are consistent with, or justified by an exception to, the workshare discount limitations appearing in 39 U.S.C. § 3622(e). The planned price adjustments are consistent with

¹ Notice of Market Dominant Price Adjustment, October 6, 2017 (Notice).

the pricing requirements appearing in 39 U.S.C. § 3626 and do not implicate the pricing requirements appearing in 39 U.S.C. §§ 3627 and 3629. The Commission also concludes that the planned classification changes are consistent with applicable law and regulations.

Table I-1 shows the percentage increases and total unused price authority for each class as calculated by the Commission.

Table I-1
Percentage Increases and Total Unused Price Authority (By Class)

Class	Price Changes %	Total Unused Price Authority %
First-Class	1.927	0.078
Periodicals	1.924	0.101
USPS Marketing Mail	1.936	0.072
Package Services	1.960	0.103
Special Services	1.987	0.104
Source: Library References PRC-LR-R2018-1/1 through PRC-LR-R2018-1/5, November 9, 2017.		

In section II of this Order, the Commission summarizes the procedural history. In sections III through VII of this Order, the Commission discusses the proposed price adjustments for the First-Class Mail, USPS Marketing Mail, Periodicals, Package Services, and Special Services classes, respectively. Workshare discounts, statutory preferential rates, and nonprofit discounts are also discussed where applicable to a particular class. In section VIII of this Order, the Commission discusses issues in the Notice that apply across multiple classes relating to the close out of the Calendar Year (CY) 2017 promotions and mail classification changes resulting from two planned modifications to mail preparation standards in the *Domestic Mail Manual* (DMM).

II. PROCEDURAL HISTORY

A. The Notice and Initial Commission Action

On October 6, 2017, the Postal Service filed its Notice with the Commission pursuant to 39 U.S.C. § 3622 and 39 C.F.R. part 3010. In its Notice, the Postal Service announced its intention to adjust the prices for market dominant products on January 21, 2018, at 12:01 a.m. by amounts that are within the available price adjustment authority for each class of mail. Notice at 2.

The Notice includes four attachments, which present the planned price and related product description changes, workshare discount calculations, price cap calculations, and a copy of Governors' Resolution No. 16-18, respectively. Notice, Attachments A-D. The Postal Service initially filed seven public library references and one non-public library reference in support of its Notice:

- Library Reference USPS–LR–R2018–1/1, October 6, 2017 First-Class Mail Workpapers
- Library Reference USPS–LR–R2018–1/2, October 6, 2017 USPS Marketing Mail Workpapers
- Library Reference USPS–LR–R2018–1/3, October 6, 2017 Periodicals Workpapers
- Library Reference USPS–LR–R2018–1/4, October 6, 2017 Package Services Workpapers
- Library Reference USPS–LR–R2018–1/5, October 6, 2017 Special Services Workpapers
- Library Reference USPS–LR–R2018–1/6, October 6, 2017 USPS Marketing Mail and Periodicals Cost and Volume Workpapers
- Library Reference USPS–LR–R2018–1/7, October 6, 2017 Move Update Census Data
- Library Reference USPS–LR–R2018–1/NP1, October 6, 2017 First-Class Mail International and Inbound Letter Post Workpapers

The Postal Service requested non-public treatment of the eight Excel files pertaining to Outbound Single-Piece First-Class Mail International (Outbound Single-Piece FCMI) and Inbound Letter Post contained in Library Reference USPS–LR–R2018–1/NP1.²

On October 10, 2017, the Commission issued Order No. 4153, which provided public notification of the Notice; established Docket No. R2018-1 to consider the planned price adjustments' consistency with applicable statutory and regulatory requirements; appointed a Public Representative; and provided an opportunity for interested parties to comment.³

B. Additional Information Regarding the Notice

Five sets of Chairman's Information Requests (CHIRs) were issued to assist the evaluation of the Notice and ensure the accuracy and completeness of the data on the record.⁴

On October 19, 2017, the Postal Service filed its responses to CHIR No. 1, which provided additional information and additional filings related to First-Class Mail, USPS Marketing Mail, and Periodicals.⁵ In response to question 9 of CHIR No. 1, the Postal Service revised Attachment A to the Notice to correct a price listed in the proposed *Mail*

² Notice of the United States Postal Service of Filing USPS-LR-R2018-1/NP1, October 6, 2017, Attachment 1 (Application for Non-Public Treatment).

³ Notice and Order on Rate Adjustments and Classification Changes for Market Dominant Products, October 10, 2017 (Order No. 4153).

⁴ Chairman's Information Request No. 1, October 13, 2017 (CHIR No. 1); Chairman's Information Request No. 2, October 16, 2017 (CHIR No. 2); Chairman's Information Request No. 3, October 18, 2017 (CHIR No. 3); Chairman's Information Request No. 4, October 23, 2017 (CHIR No. 4); Chairman's Information Request No. 5, October 24, 2017 (CHIR No. 5). Chairman's Information Request No. 6, October 25, 2017 (CHIR No. 6) is discussed separately along with other related filings *infra* section II.C.

⁵ Response of the United States Postal Service to Chairman's Information Request No. 1, October 19, 2017 (Response to CHIR No. 1).

Classification Schedule (MCS) applicable to Outside County Periodicals. Response to CHIR No. 1, question 9. In response to questions 7 and 8 of CHIR No. 1, the Postal Service revised Attachment B to the Notice to include the avoided cost estimates reported in the Fiscal Year (FY) 2016 Annual Compliance Report relating to the proposed Periodicals and USPS Marketing Mail workshare discounts.⁶ In response to questions 4 and 6 of CHIR No. 1, the Postal Service also filed updated public workpapers applicable to First-Class Mail and USPS Marketing Mail and non-public workpapers applicable to Outbound Single-Piece FCMI and Inbound Letter Post.⁷

On October 20, 2017, the Postal Service filed its responses to CHIR No. 2, which provided additional information relating to the workpapers filed in support of the proposed pricing adjustments to Special Services.⁸ In response to questions 1, 2, 8, and 12 of CHIR No. 2, the Postal Service also filed updated workpapers applicable to Special Services.⁹

On October 23, 2017, the Postal Service filed its responses to CHIR No. 3, which provided additional information relating to the calculation of revenue forgone associated with the close out of the CY 2017 USPS Marketing Mail promotions.¹⁰

⁶ Response to CHIR No. 1, questions 7-8; *id.* Excel file "Attachment B Rev 10-19.xls."

⁷ Notice of the United States Postal Service of Filing Revised Versions of USPS-LR-R2018-1/1 and USPS-LR-R2018-1/2 – Errata, October 19, 2017; Notice of the United States Postal Service of Filing a Revised Version of USPS-LR-R2018-1/NP1 – Errata, October 19, 2017.

⁸ Responses of the United States Postal Service to Questions 1-12 of Chairman's Information Request No. 2, October 20, 2017 (Response to CHIR No. 2).

⁹ Notice of the United States Postal Service of Filing Revised Version of USPS-LR-R2018-1/5 – Errata, October 20, 2017.

¹⁰ Response of the United States Postal Service to Chairman's Information Request No. 3, October 23, 2017 (Response to CHIR No. 3).

On October 25, 2017, the Postal Service filed its responses to CHIR No. 4, which provided additional information relating to the First-Class Mail billing determinants.¹¹

On October 25, 2017, the Postal Service filed its responses to CHIR No. 5, which revised the workpapers relating to the calculation of revenue forgone associated with the close out of the CY 2017 USPS Marketing Mail promotions.¹²

C. Motions Practice and Related Filings

On October 16, 2017, the U.S. Chamber of Commerce (Chamber) filed a motion requesting two forms of relief: (1) to unseal the entirety of Library Reference USPS–LR–R2018–1/NP1 and (2) to issue an information request containing four proposed questions to the Postal Service.¹³ On October 23, 2017, the Postal Service opposed the request to unseal Library Reference USPS–LR–R2018–1/NP1.¹⁴ The Opposition to Motion to Unseal did not contain any specific opposition to the issuance of the Chamber’s questions. See Opposition to Motion to Unseal.

On October 25, 2017, CHIR No. 6 was issued and included questions related to issues raised in the Motion to Unseal. CHIR No. 6. Specifically, CHIR No. 6 asked about the redaction of four Excel files contained in Library Reference USPS–LR–R2018–1/NP1 relating to the Outbound Single-Piece FCMI billing determinants covering

¹¹ Response of the United States Postal Service to Chairman’s Information Request No. 4, October 25, 2017 (Response to CHIR No. 4).

¹² Response of the United States Postal Service to Chairman’s Information Request No. 5, October 25, 2017 (Response to CHIR No. 5); Notice of the United States Postal Service of Filing Revised Version of USPS-LR-R2018-1/2 – Errata, October 25, 2017.

¹³ U.S. Chamber of Commerce, Motion to Unseal Library Reference and Motion to Request Issuance of Information Request, October 16, 2017 (Motion to Unseal).

¹⁴ United States Postal Service Answer in Opposition to U.S. Chamber of Commerce Motion to Unseal Library Reference and Motion to Request Issuance of Information Request, October 23, 2017 (Opposition to Motion to Unseal).

the hybrid year. *Id.* question 1. CHIR No. 6 also included the four questions proposed by the Chamber. *Id.* questions 2-5; see Motion to Unseal at 6-8.

On October 26, 2017, the Postal Service filed a notice that included a letter written by Canada Post Corporation (Canada Post) in support of its opposition.¹⁵ On October 27, 2017, the Postal Service filed its responses to CHIR No. 6 which provided additional information relating to the issues raised by the Chamber.¹⁶ In response to question 1 of CHIR No. 6, the Postal Service filed an additional public library reference containing the four Excel files.¹⁷

On November 1, 2017, the Chamber requested leave to file comments on the Postal Service's Response to CHIR No. 6.¹⁸ On November 2, 2017, the Postal Service objected to the Motion for Leave.¹⁹ In sections III.D.2 and 5 of this Order, the Commission discusses the remaining issues raised by these filings.

D. Comments

The Commission received nine sets of formal comments in response to the Postal Service's Notice from the following participants: the American Catalog Mailers Association (ACMA); the Chamber; MPA—the Association of Magazine Media (MPA);

¹⁵ United States Postal Service Notice of Filing Third Party Comments, October 26, 2017, Letter from Donald Campbell, Senior Counsel, Canada Post Corporation, to Anthony Alverno, Chief Counsel, Global Business & Service Development, United States Postal Service (October 23, 2017) (Canada Post Letter).

¹⁶ United States Postal Service Response to Chairman's Information Request No. 6, October 27, 2017, questions 2-5 (Response to CHIR No. 6).

¹⁷ Response to CHIR No. 6, question 1; Notice of the United States Postal Service of Filing Public Library Reference, October 27, 2017; Library Reference USPS–LR–R2018–1/8, October 27, 2017.

¹⁸ US Chamber of Commerce Motion for Leave to Comment on the Postal Service's Answer to Chairman's Information Request No. 6, November 1, 2017 (Motion for Leave).

¹⁹ United States Postal Service Response in Opposition to US Chamber of Commerce Motion for Leave to Comment on the Postal Service's Answer to Chairman's Information Request No. 6, November 2, 2017 (Opposition to Motion for Leave).

the National Association of Presort Mailers (NAPM); National Newspaper Association (NNA); Pitney Bowes Inc. (Pitney Bowes); the Association for Postal Commerce (PostCom); the Public Representative; and the National Postal Policy Council (NPPC).²⁰ This Order summarizes and analyzes these comments where relevant to the issues presented.

III. FIRST-CLASS MAIL

A. Introduction

This section discusses the proposed First-Class Mail price adjustments and the workshare relationships between First-Class Mail discounts and associated avoided costs. It also discusses international First-Class Mail. Issues relating to the close out of the CY 2017 promotions for First-Class Mail are discussed *infra* section VIII.A. Aside from the planned changes to the mailing standards for Outbound Single-Piece FCMI discussed *infra* section III.D.4, no classification changes were presented for First-Class Mail.

²⁰ Comments of the American Catalog Mailers Association (ACMA), October 26, 2017 (ACMA Comments); U.S. Chamber of Commerce Comments on the United States Postal Service Notice of Market-Dominant Price Adjustment, October 26, 2017 (Chamber Comments); Comments of MPA—the Association of Magazine Media, October 26, 2017 (MPA Comments); Comments of the National Association of Presort Mailers, October 26, 2017 (NAPM Comments); Comments of National Newspaper Association (NNA) on 2018 Market Dominant Rates, October 26, 2017 (NNA Comments); Comments of Pitney Bowes Inc., October 26, 2017 (Pitney Bowes Comments); Comments of the Association for Postal Commerce, October 26, 2017 (PostCom Comments); Public Representative Comments on Notice of Market Dominant Price Adjustment, October 26, 2017 (PR Comments); Comments of the National Postal Policy Council, October 27, 2017 (NPPC Comments). NPPC filed a motion for late acceptance of its comments. National Postal Policy Council Motion for Late Acceptance of Comments, October 27, 2017 (NPPC Motion). The NPPC Motion is granted.

B. Price Adjustments

The First-Class Mail class consists of five products: (1) Single-Piece Letters/Postcards; (2) Presorted Letters/Postcards; (3) Flats; (4) Outbound Single-Piece FCMI; and (5) Inbound Letter Post. The planned price increase for First-Class Mail is, on average, 1.927 percent, which results in 0.078 percent in total unused price adjustment authority.²¹ Table III-1 shows the percentage price change for each First-Class Mail product as calculated by the Commission.

Table III-1
First-Class Mail Price Changes (By Product)

First-Class Mail Product	Price Change %
Single-Piece Letters/Postcards	2.056
Presorted Letters/Postcards	1.585
Flats	0.443
Outbound Single-Piece FCMI	0.000
Inbound Letter Post	16.732
Overall	1.927
Source: Library Reference PRC-LR-R2018-1/1, November 9, 2017, Excel file "PRC-CAPCALC-FCM-R2018-1.xlsx;" Library Reference PRC-LR-R2018-1/NP1, November 9, 2017, Excel files "PRC-CAPCALC-FCMI-R2018-1.xlsx" and "PRC-CAPCALC-ILP-R2018-1.xlsx."	

In this price adjustment, the Postal Service is increasing the price of the 1-ounce Single-Piece Machinable Stamped Letter by 1 cent to 50 cents. Notice at 9. The Postal Service is also increasing the price for a Single-Piece Machinable Metered Letter by 1

²¹ The 1.927-percent increase for First-Class Mail differs from the Postal Service's figure provided in the Notice. In Library Reference PRC-LR-R2018-1/1, Excel file "PRC-CAPCALC-FCM-R2018-1.xlsx," the Commission incorporates corrections to Inbound Letter Post, resulting in differences for this product and the average increase for the class. These corrections are described *infra* section III.D.3.

cent to 47 cents to maintain the 3-cent differential between Stamped Letters and Metered Letters. *Id.* The Postal Service is increasing the prices for Single-Piece Flats and Non-Automated Presorted Flats by 2.0 percent and 0.2 percent, respectively, and is decreasing prices for Automated Presorted Flats by 1.6 percent. *Id.* The Postal Service states that these price adjustments will maintain the simplicity of the price structure for Single-Piece Letters and Single-Piece Flats. *Id.*

Comments. NPPC, Pitney Bowes, and NAPM commend the Postal Service for maintaining the 3-cent differential between Stamped Letters and Metered Letters. NPPC Comments at 2; Pitney Bowes Comments at 2; NAPM Comments at 1. Pitney Bowes and NAPM state that maintaining this price differential will help keep small- and medium-sized businesses in the postal system. Pitney Bowes Comments at 2; NAPM Comments at 2. NPPC also suggests that decreasing the price for Presorted Letters could also benefit the Postal Service. See NPPC Comments at 2.

Commission analysis. The Commission finds the Postal Service's planned price adjustments for First-Class Mail comply with the price cap limitations specified by 39 U.S.C. § 3622(d). The Postal Service's planned price adjustment of 1.927 percent is less than the total price adjustment authority of 2.005 percent.²² As a result, the total unused price adjustment authority for First-Class Mail is 0.078 percent.²³

²² For First-Class Mail, the current annual limitation is 0.439 percent. In addition to the annual limitation, First-Class Mail has 1.566 percent of unused rate adjustment authority available. Therefore, the total pricing authority available for First-Class Mail is 2.005 percent.

²³ See Library Reference PRC-LR-R2018-1/1; see *supra* section I, Table I-1. For First-Class Mail, the Postal Service uses the 0.439 percent of price adjustment authority available under the annual limitation plus 1.488 percent of the available unused price adjustment authority, thus 0.078 percent of unused price adjustment authority remains available for future price adjustments.

C. Workshare Discounts

The Commission is required to ensure workshare “discounts do not exceed the cost that the Postal Service avoids as a result of workshare activity” unless the discount falls within a specified exception. 39 U.S.C. § 3622(e)(2).

Commission rules require the Postal Service to justify any proposed workshare discount that exceeds 100 percent of the avoidable costs by explaining how it meets one or more exceptions under the Postal Accountability and Enhancement Act (PAEA).²⁴ The Postal Service must also identify and explain discounts that are set substantially below avoided costs, and explain any relationship between discounts that are above and those that are below avoided costs. 39 C.F.R. § 3010.12(b)(6).

No planned First-Class Mail workshare discounts have passthroughs exceeding 100 percent. Notice at 12.

Comments. The Public Representative states that the proposed price adjustments for First-Class Mail satisfy the Commission’s directives for First-Class Mail workshare discounts in the FY 2016 Annual Compliance Determination (ACD). PR Comments at 6. The Public Representative also commends the Postal Service’s efforts in aligning workshare discounts with avoided costs and states that the Postal Service’s efforts to align workshare discounts for Automation 5-Digit Flats go beyond the specific ACD directives. *Id.*

NAPM supports the Postal Service's decision to maintain the current discount for 5-Digit Automation Letters because it will help to improve operational efficiency, reduce total mailing costs, and encourage mail to remain in the system. NAPM Comments at 2. Similarly, Pitney Bowes suggests that the Postal Service further increase the 5-Digit

²⁴ 39 C.F.R. § 3010.12(b)(6); see Postal Accountability and Enhancement Act, Pub L. 109-435, 120 Stat. 3198 (2006).

Automation Letter discount in a future price adjustment so that the discount fully reflects avoided costs. Pitney Bowes Comments at 2.

PostCom cautions against the Postal Service's efforts to reduce workshare passthroughs that exceed 100 percent. PostCom Comments at 3. PostCom states that it understands that the Postal Service's efforts to decrease the passthroughs are driven, in part, by Commission directives. *Id.* at 4. However, PostCom recommends that the Commission consider the potential negative effects of decreasing workshare discounts as well as 39 U.S.C. § 3622(e)(2)(D), which permits workshare discounts to exceed avoided costs where "reduction or elimination of the discount would impede the efficient operation of the Postal Service," and 39 U.S.C. § 3622(e)(3)(A), which provides that the workshare discount set greater than avoided costs need not be reduced if the reduction would "lead to a loss of volume[.]" *Id.* at 4-5 (quoting 39 U.S.C. § 3622(e)(2)(D) and 39 U.S.C. § 3622(e)(3)(A), respectively).

Commission analysis. In the FY 2016 ACD, the Commission directed the Postal Service to align the following six First-Class Mail discounts with avoided costs: Automation AADC Letters, Automation Mixed AADC Cards, Automation AADC Cards, 5-Digit Automation Cards, Automation ADC Flats, and Automation 3-Digit Flats.²⁵ In addition, although the Commission found the excessive passthrough for Automation 5-Digit Flats justified, it directed the Postal Service to implement a proposed plan to reduce the discount by 5 percentage points at each price adjustment, until the discount was equal to or less than avoided costs. FY 2016 ACD at 15.

The Postal Service's proposed price adjustments for First-Class Mail align all the workshare discounts at or below avoided costs. The Commission approves all proposed workshare discounts as consistent with 39 U.S.C. § 3622(e).

²⁵ Docket No. ACR2016, Annual Compliance Determination, March 28, 2016, at 13-14 (FY 2016 ACD).

D. International First-Class Mail

1. Introduction

There are two international mail products within First-Class Mail: (1) Outbound Single-Piece FCMI and (2) Inbound Letter Post. Outbound Single-Piece FCMI consists of letters, flats, and cards that originate inside the United States and are destined for delivery abroad. Inbound Letter Post consists of mailpieces that originate outside of the United States and are destined for delivery inside of the United States and encompasses letters, packages, postcards, printed matter, and small packets, weighing up to 4.4 pounds (2 kilograms).

As shown in Table III-1, the Postal Service does not plan a price increase for Outbound Single-Piece FCMI. Inbound Letter Post prices will increase 16.732 percent.

2. Inbound Letter Post Prices

The Postal Service states that the price adjustments for Inbound Letter Post are outside its control. Notice at 10. The Inbound Letter Post prices, referred to as terminal dues rates, are determined each calendar year according to a Universal Postal Union (UPU) formula established in the Universal Postal Convention (UPU Convention).²⁶ The Postal Service states that the average price increase for Inbound Letter Post will be 22.787 percent.²⁷ Inbound Letter Post prices factor into the price cap calculation for First-Class Mail because Inbound Letter Post is a First-Class Mail product. Below, the Commission summarizes the issues raised by the Chamber and the Postal Service's responses relating to the proposed Inbound Letter Post prices. Then, the Commission

²⁶ Terminal dues refer to payments by foreign postal operators to the Postal Service for delivery of Inbound Letter Post in the United States.

²⁷ The Postal Service revised its calculation of the average price increase for Inbound Letter Post and filed revised workpapers on October 19, 2017. Library Reference USPS-LR-R2018-1/1, October 19, 2017, Excel file "CAPCALC-FCM-R2018-1 Rev 10_19.xlsx," tab "FCM International."

provides its analysis. The issues relating to transparency of the Inbound Letter Post prices are discussed *infra* section III.D.5.

Motion to Unseal. The Chamber raises several questions related to the Postal Service's legal authority to accept and deliver Inbound Letter Post at UPU terminal dues rates. Motion to Unseal at 3, 6-8. Specifically, the Chamber questions whether the United States is bound by the 2016 UPU Convention to accept and deliver Inbound Letter Post at UPU terminal dues rates. See *id.* at 3. The Chamber requests the Commission to issue four questions to clarify the legal situation related to the proposed Inbound Letter Post prices. *Id.* at 6-8.

Opposition to Motion to Unseal. In its opposition, the Postal Service contends that the scope of the broad policy issues raised by the Chamber in its Motion to Unseal, such as whether the Inbound Letter Post prices are outside the control of the Postal Service, extend far beyond this price adjustment proceeding and cannot be resolved within this proceeding. See Opposition to Motion to Unseal at 7. The Postal Service did not specifically oppose the issuance of the Chamber's questions.

CHIR No. 6. The four questions proposed by the Chamber were included in CHIR No. 6. See CHIR No. 6, questions 2-5.

Chamber Comments. In its comments, the Chamber expresses similar concerns regarding the legal authority of the Postal Service to accept and deliver Inbound Letter Post at UPU terminal dues rates. Chamber Comments at 3, 12-15. The Chamber states that the proposed Inbound Letter Post prices are not outside the Postal Service's control. *Id.* at 12. It states that the Postal Service is not bound by the terminal dues system in the 2016 UPU Convention because the United States has not formally approved the agreement. *Id.* In addition, the Chamber states that, even if the United States formally approved the 2016 UPU Convention, the Postal Service is not obligated to accept and deliver Inbound Letter Post at terminal dues rates for inbound mailpieces

originating in UPU-member countries that have not formally approved the 2016 UPU Convention. *Id.* at 12-13.

In addition to questioning whether the 2016 UPU Convention applies to the Postal Service or other UPU member countries' designated postal operators, the Chamber also states that the proposed Inbound Letter Post prices unduly or unreasonably discriminate among users of the mail or grant an undue or unreasonable preference to any such user in violation of 39 U.S.C. § 403(c). *Id.* at 2. The Chamber states that the proposed Inbound Letter Post prices violate section 403(c) because they provide foreign postal operators and foreign mailers preferential rates for the delivery of small packets (E format Inbound Letter Post). *See id.*

The Chamber notes that according to UPU policy, the Postal Service should set Inbound Letter Post prices equal to approximately 70 percent of the corresponding domestic First-Class Mail or Priority Mail prices. *Id.* at 5. The Chamber attaches two appendices to its comments. First, Appendix A compares, for each weight step, terminal dues rates adopted at the 2016 UPU Congress with prices that are 70 percent of First-Class Mail and Priority Mail prices proposed for 2018. *Id.* Second, Appendix B shows, for each weight step and each terminal dues schedule, the percentage discount of the terminal dues charge compared to 70 percent of domestic retail rates for First-Class Mail and Priority Mail. *Id.* at 7. The Chamber states that, for the most part, Inbound Letter Post prices are less than 70 percent of domestic retail rates for First-Class Mail and Priority Mail. *Id.*

When determining whether the proposed Inbound Letter Post prices grant undue or unreasonable preference to foreign postal operators or foreign mailers in violation of section 403(c), the Chamber states that the Commission should also consider whether the proposed Inbound Letter Post prices are consistent with a number of other statutory requirements. *Id.* at 11. Specifically, the Chamber states that the UPU terminal dues system is inconsistent with other provisions of title 39 of the United States Code,

including the international postal policies outlined in section 407(a), the national postal policies set out in section 101, the objectives and factors in section 3622, section 404a(a)(1), and section 409(e). *Id.*

Response to CHIR No. 6, questions 2-5. In response to the Chamber's questions relating to the legal authority of the Postal Service to accept and deliver mail at UPU terminal dues rates, the Postal Service states that the UPU Constitution requires UPU-member countries to abide by the terms of the UPU Convention and related UPU regulations. *Response to CHIR No. 6, question 2.a.* The Postal Service also responds that "[i]nterpretation of the UPU Acts is ultimately the responsibility of the Department of State." *Id.* question 2.c. In addition, the Postal Service recommends that this proceeding is not the proper forum to inquire about the interpretation of the UPU Acts considering the scope and timeframe of market dominant price adjustment proceedings. *Id.*

Motion for Leave. The Chamber filed the Motion for Leave to comment on the Postal Service's Response to CHIR No. 6. *Motion for Leave.* The Chamber states that the Response to CHIR No. 6, question 2.a does not directly answer the question related to the legal basis for the statement that Inbound Letter Post prices are outside the Postal Service's control. *Id.* at 3. The Chamber also states that the Postal Service's response outlining the applicability of the 2016 UPU Convention insufficiently responds to the request, and that the response appears to conflict with previous statements made by the State Department. *Id.*

Furthermore, the Chamber states that the Postal Service's response implies that Inbound Letter Post is fundamentally different from domestic First-Class Mail products such that it is impossible to compare Inbound Letter Post prices with a reasonable estimate of equivalent domestic postage. *Id.* at 4. The Chamber states that both Postal Service positions are questionable. *Id.* The Chamber echoes its previous comment that the proposed Inbound Letter Post prices are unduly or unreasonably discriminatory

or grant undue or unreasonable preference to foreign postal operators and mailers in violation of section 403(c). See *id.*; see also Chamber Comments at 2.

Opposition to Motion for Leave. The Postal Service objects to the Chamber's request to file additional comments, contending that the material is repetitive and relates to issues that are outside the scope of this market dominant price adjustment proceeding. Opposition to Motion for Leave at 1; see Opposition to Motion to Unseal at 6. The Postal Service contends that permitting such additional comment would unnecessarily complicate the resolution of this market dominant price adjustment proceeding. Opposition to Motion for Leave at 2-3. The Postal Service states that the Chamber's filings focus on broad policy issues, such as the application of UPU terminal dues rates, and not on issues relevant to the proceeding. *Id.* at 1-2. The Postal Service states that such issues cannot be resolved in this proceeding and that the Chamber has ample opportunity to raise these issues in other more appropriate forums, such as the Advisory Committee on International Postal and Delivery Services and future International Mail dockets that will likely precede the 2018 and 2020 UPU Congress meetings. *Id.* at 2-3.

Commission analysis. In a market dominant price adjustment proceeding, the Commission must determine whether the Postal Service's proposed prices comply with the CPI-U price cap and whether the proposed prices meet the statutory preferential pricing requirements.²⁸ This finding must be issued within 14 days of the conclusion of the public comment period. *Id.* The Commission's rules provide that public comments should focus on these issues. *Id.* § 3010.11(b). In addition, the Commission's rules provide that public comments may also address relevant statutory provisions and applicable Commission orders or directives. *Id.* § 3010.11(c).

²⁸ See 39 C.F.R. § 3010.11(d). Preferential pricing requirements are found in 39 U.S.C. §§ 3626, 3627, and 3629.

In its comments, the Chamber raises two concerns related to the proposed Inbound Letter Post prices. First, the Chamber states that the Inbound Letter Post prices unduly or unreasonably discriminate among users of the mail or grant undue or unreasonable preference to foreign postal operators in violation of 39 U.S.C. § 403(c). Chamber Comments at 2. Second, the Chamber questions whether the Postal Service must accept and deliver Inbound Letter Post at UPU terminal dues rates. *Id.* at 12.

The Chamber's concerns related to section 403(c) are more appropriately raised under section 3662(a) of title 39 of the United States Code, which provides that any interested person who believes that the Postal Service is not operating in conformance with section 403(c) may lodge a complaint with the Commission in such form or manner that the Commission prescribes. 39 U.S.C. § 3662(a). Pursuant to section 3662(b), the Commission must, within 90 days, either begin complaint proceedings or issue an order dismissing the complaint. *Id.* § 3662(b). The Commission declines to consider the Chamber's comments related to section 403(c) in the instant proceeding. See 39 C.F.R. part 3010.

The Commission also declines to review the question of whether the 2016 UPU Convention obligates the Postal Service to accept and deliver Inbound Letter Post at UPU terminal dues rates. The Postal Service asserts that interpretation of international law is ultimately the responsibility of the State Department and that consideration of such issues is outside the scope of a price adjustment proceeding. Response to CHIR No. 6, question 2.c. The Commission agrees that the State Department is responsible for interpreting international law generally and the UPU Constitution and Acts specifically. Accordingly, the Commission declines to consider this question in the instant proceeding.

The Motion for Leave does not raise new issues of fact or law that are within the scope of this market dominant price adjustment proceeding. The record contains the information and data needed to resolve whether the planned prices for First-Class Mail

comply with the requirements appearing in 39 C.F.R. § 3010.11(d). Because the record is complete, consideration of the comments attached to the Motion for Leave is unnecessary to resolve this proceeding. Also, allowing parties to file additional comments at this time would unduly delay the proceeding, which must be resolved by November 9, 2017. See Opposition to Motion for Leave at 3.

When considering the criteria outlined in 39 C.F.R. § 3010.11(d), the Commission accepts the Postal Service's price cap calculations for Inbound Letter Post, as revised by the Postal Service and with modifications.²⁹ Applying the accepted methodology results in a price change of 16.732 percent for Inbound Letter Post, which is lower than the price change of 22.787 percent calculated by the Postal Service.³⁰

3. Adjustments to International First-Class Mail Workpapers

a. Negotiated Service Agreement ePacket Volume

Postal Service position. In its workpapers, the Postal Service excluded ePacket volume from the Inbound Letter Post price cap calculation. See Library Reference USPS–LR–R2018–1/NP1. The Postal Service states that it is appropriate to exclude this volume from the price cap calculation because it is impractical to identify the rates of general applicability for that volume. Response to CHIR No. 1, question 3.c. The Postal Service further explains that it is impractical to identify the rates of general applicability because ePacket volume includes features, such as mail preparation, separation, data sharing, and labeling requirements, that are unavailable for other inbound international products, including E format international letter post items, also

²⁹ See Notice of the United States Postal Service of Filing Revised Versions of USPS–LR–R2018-1/1 and USPS–LR–R2018-1/2 – Errata, October 19, 2017; Library Reference PRC–LR–R2018–1/1 and PRC–LR–R2018–1/NP1; see also *infra* section III.D.3.

³⁰ See Library Reference USPS–LR–R2018–1/1, October 19, 2017, Excel file “CAPCALC-FCM-R2018-1 Rev. 10_19.xls,” tab “FCM International.”

called small packets. Response to CHIR No. 4, question 2. Furthermore, the Postal Service highlights tracking as an additional feature that is available for ePackets that is unavailable for small packets. *Id.* The Postal Service also states that because small packets lack tracking as a feature, many ePacket mailpieces would not be shipped through Inbound Letter Post. *Id.*

Commission analysis. The Commission concludes that ePacket volumes should be included in the Inbound Letter Post cap calculation because it is not impractical to identify the rates of general applicability for that volume. When calculating the price change percentage, the Commission's rules permit the exclusion of negotiated service agreement volumes when it is impractical to identify the rate of general applicability for that volume. 39 C.F.R. § 3010.24(a). In Docket No. R2011-2, the Postal Service relied on 39 C.F.R. § 3010.24(a) to exclude Inbound Single-Piece First-Class Mail International mailpieces, the precursor to Inbound Letter Post, received from Canada Post from its price cap calculation.³¹ In Order No. 675, the Commission held that the Postal Service's reliance on 39 C.F.R. § 3010.24(a) was misplaced and that it was not impractical to identify the generally applicable rates for Canada-origin mail.³² The Commission held that in the absence of the negotiated service agreement, the prices for inbound mail from Canada would be UPU terminal dues rates. Order No. 675 at 21. The Commission revised the international First-Class Mail workpapers to include the volume of Inbound Single-Piece First-Class Mail International from Canada in calculating the price change for Inbound Single-Piece First-Class Mail International. *Id.*

Since the issuance of Order No. 675, the Postal Service has included ePacket volume when calculating the price change for Inbound Letter Post. Although negotiated

³¹ Docket No. R2011-2, Library Reference USPS-LR-R2011-2/1, Excel file "InboundCAPCALC-FCMI-FY2010.xls," tab "Inbound FCMI BD Summary."

³² Docket No. R2011-2, Order Revising Postal Service Market Dominant Price Adjustments, February 16, 2011, at 20-21 (Order No. 675).

service agreements with foreign postal operators have changed since Docket No. R2011-2, the Postal Service has stated and the Commission has found that later agreements are functionally equivalent to their predecessors.³³ These predecessor agreements also include additional features that were not available for Inbound Letter Post; such features include mail sortation and tracking.³⁴ The Postal Service has not provided sufficient justification for why the Commission should now find that it is impractical to identify a rate of general applicability for ePacket volume.

Consistent with past practice and 39 C.F.R. § 3010.24(a), the Commission revises the Inbound Letter Post workpapers to include ePacket volume in its price change calculations. In this instance, the Commission does not consider it impractical to identify the generally applicable rates for ePackets. Therefore, the Commission includes ePacket volume at the E format terminal dues rates.

b. Inbound International Registered Mail

The Postal Service included the volume and terminal dues revenue data and did not include the surcharge for Inbound International Registered Mail in the Inbound Letter Post cap calculation. Response to CHIR No. 1, question 3.b.

³³ See Docket No. R2017-4, Notice of United States Postal Service of Type 2 Rate Adjustment, and Notice of Filing Functionally Equivalent Agreement, February 9, 2017, at 8-12; Docket No. R2017-4, Order No. 3809, Order Approving Inbound Market Dominant Multi-Service Agreement with Foreign Postal Operators 1 Negotiated Service Agreement (with China Post Group), March 1, 2017, at 6-7.

³⁴ See Docket Nos. MC2010-12 and R2010-2, Request of the United States Postal Service to Add Canada Post- United States Postal Service Contractual Bilateral Agreement for Inbound Market Dominant Services to the Market Dominant Product List, Notice of Type 2 Rate Adjustment, and Notice of Filing Agreement (Under Seal), November 19, 2009, at 4; Docket Nos. MC2010-35, R2010-5, and R2010-6, Request of the United States Postal Service to Add Inbound Market-Dominant Multi-Service Agreements with Foreign Postal Operators to the Market Dominant Product List, Notice of Type 2 Rate Adjustments, and Notice of Filing Two Functionally Equivalent Agreements (Under Seal), August 13, 2010, at 4, 10.

In Docket No. R2010-4, the Postal Service noted that excluding Inbound International Registered Mail volume and weight data from its cap calculations is appropriate because Inbound International Registered Mail is not considered to be Inbound Single-Piece First-Class Mail International volume.³⁵ In Order No. 675, the Commission adopted the Postal Service's approach and excluded Inbound International Registered Mail in calculating the Inbound Letter Post price change. Order No. 675 at 20. The Postal Service has not provided sufficient justification for why the Commission should now include Inbound International Registered Mail volume when calculating the price change for Inbound Letter Post.

Consistent with past practice, the Commission revised the Inbound Letter Post workpapers to exclude Inbound International Registered Mail volume and revenue in its price change calculations for Inbound Letter Post.

c. Internal Air Conveyance

The Commission makes two adjustments to the Postal Service's calculation of Internal Air Conveyance revenue. First, the Commission includes kilograms from flows undifferentiated by shape in the calculation. Second, the Commission excludes surface kilograms from the calculation because surface volumes do not require air transportation. In modifying the workpapers for shape-based rates, the Postal Service did not disaggregate air and surface kilograms. The Commission uses data provided in the FY 2016 International Cost and Revenue Analysis Report to remove surface kilograms from each country.³⁶

³⁵ Docket No. R2010-4, Library Reference USPS–R2010–4/1 (revised), August 6, 2010, file “First-Class Mail Preface Revised Aug62010.doc,” at 8.

³⁶ Docket No. ACR2016, REVISED – USPS–FY16–NP2, FY2016 International Cost and Revenue Analysis (ICRA) Report, February 3, 2017, Excel file “Reports (Unified).xls,” tab “ICRA Database.”

4. Outbound Single-Piece FCMI

Request. The Postal Service states that it plans to change the mailing standards in the International Mail Manual (IMM) for Outbound Single-Piece FCMI to prohibit goods from being included within Outbound Single-Piece FCMI pieces.³⁷ The Postal Service explains that this change will give effect to a change in UPU regulations that provide that goods mailed in international letter post may no longer be sent in letters or flats. Notice at 10. To reflect this change in the mailing standards, the Postal Service “zeroed out” approximately 9.1 million Outbound Single-Piece FCMI mailpieces that it estimates contained goods during the hybrid billing determinants year. *Id.* at 11. The Postal Service states that this approach is consistent with the logic of 39 C.F.R. § 3011.23(d)(4), which provides that the Postal Service should adjust the billing determinants associated with the rate cell to zero when it deletes a rate cell for which an alternate rate cell is not available. *Id.*

The Postal Service acknowledges that although the Outbound Single-Piece FCMI mailing standard changes will not result in the deletion of any rate cells, the rate cells will no longer be available to Outbound Single-Piece FCMI mailpieces containing goods. *Id.* The Postal Service states that because the only options for mailing Outbound Single-Piece FCMI mailpieces containing goods are on the competitive product list, and applies the logic of 39 C.F.R. § 3010.23(d)(4) to account for the effects of the change. *Id.* The Postal Service states that when it proposed removing the option of sending First-Class Parcels with Merchandise Return Service in Docket No. R2017-1, the only remaining Merchandise Return Service options were on the competitive product list. *Id.* The Postal Service states that in that situation the Commission applied

³⁷ Notice at 10. The Postal Service filed proposed changes to the *International Mail Manual* (IMM) in response to CHIR No. 1. Response to CHIR No. 1, question 5.a, Attachment 1. The Postal Service also published these proposed IMM changes in the *Federal Register*. 82 Fed. Reg. 49,160 (Oct. 24, 2017).

39 C.F.R. § 3010.23(d)(4) and zeroed out the remaining Merchandise Return Service volume. Notice at 11-12.

Comments. The Public Representative notes that although the Postal Service does not delete any Outbound Single-Piece FCMI rate cell, it removes approximately 9.1 million mailpieces containing goods from the Outbound Single-Piece FCMI billing determinants. PR Comments at 3. He confirms that there is no market dominant offering that can satisfy the UPU requirement for goods that are sent via small packets. *See id.* at 4. He states that the Postal Service has an obligation to show that the competitive products to which Outbound Single-Piece FCMI mailpieces containing goods volume have been transferred will continue to cover their attributable costs. *Id.* The Public Representative does not conclude that the Postal Service's approach is improper; however, he urges the Commission to consider whether the zeroed volume should be added to competitive products. *Id.*

PostCom questions whether the Postal Service should have applied 39 C.F.R. § 3010.23(d)(4) to zero out the mailpieces containing goods from the Postal Service's Outbound Single-Piece FCMI billing determinants. PostCom Comments at 5. PostCom comments that the Postal Service's reliance on Commission statements in a recent brief filed in *USPS v. Postal Regulatory Comm'n*, No. 16-1412 (D.C. Cir. May 5, 2017) is misplaced because the product at issue in the appeal had been shifted to the competitive product list in its entirety. PostCom Comments at 6. Here, PostCom states that because the Postal Service has not transferred the product, it has not made a showing that it lacks market power over the volume in the deleted rate cell, and thus, must account for any increased price in its price cap calculations. *Id.* at 6-7.

Commission analysis. First, the Commission determines whether the change to the IMM description for Outbound Single-Piece FCMI mailing constitutes a classification change requiring compliance with the price cap rules. Under 39 C.F.R. § 3010.23(d)(2), the Postal Service must account for classification changes that result in the introduction,

deletion, or redefinition of rate cells. Currently, mailers are able to send goods internationally in letter- or flat-shaped Outbound Single-Piece FCMI mailpieces. The proposed change to the IMM limits the contents of Outbound Single-Piece FCMI to documents only; goods can no longer be sent through Outbound Single-Piece FCMI. Notice at 10.

Deletion of a rate cell occurs when the mail preparation change causes the elimination of a rate, or the functional equivalence of an elimination of a rate.³⁸ The proposed change to the IMM prohibiting goods from being sent in Outbound Single-Piece FCMI does not result in the deletion of a rate cell. The Postal Service acknowledged that the Outbound Single-Piece FCMI rate cells will still be available to Outbound Single-Piece FCMI letters and flats that do not contain goods. See Notice at 11. The Postal Service states that as a result of the mailing standard changes, the Outbound Single-Piece FCMI rate cells would no longer be available for *some* Outbound Single-Piece FCMI mailpieces, specifically those containing goods. *Id.* When analyzing whether a change results in the deletion or redefinition of a rate cell under 39 C.F.R. § 3010.23(d)(2), the focus of the inquiry is on the impact to the rate cell itself. Because no rate cells will be deleted as a result of the change to the IMM, and other market dominant mailpieces can still access the rate cells,³⁹ the Commission determines that the change does not constitute a deletion and 39 C.F.R. § 3010.23(d)(4) does not apply.

³⁸ Docket No. R2013-10R, Order Resolving Issues on Remand, January 22, 2016, at 2 (Order No. 3047).

³⁹ Although the Postal Service points to the removal of First-Class Mail Parcels using Merchandise Return Service (MRS) as similar to the IMM change to Outbound Single-Piece FCMI, the two changes are distinguishable. In that case, the Postal Service “entirely eliminated MRS for market dominant products.” Docket No. R2017-1, Order No. 3670, Order on Price Adjustments for Special Services Products and Related Mail Classification Changes, December 15, 2016, at 13. Here, the IMM change removing goods from the Outbound Single-Piece FCMI mailing does not eliminate the rate for market dominant products because documents still qualify.

The Commission has held that a mail preparation is a classification change that redefines a rate cell when it “causes a significant change to a basic characteristic of a mailing.”⁴⁰ A basic characteristic of the mailing is a “way to describe the individual features that define the parameters of the specific rate cell in question and inform a mailer how to qualify for the specific rate cell.” Order No. 3047 at 16.

The change to the Outbound Single-Piece FCMI rate cells constitutes a redefinition because it results in a significant change to a basic characteristic of a mailing by limiting the mailing to only documents. Due to the difference between documents and goods, mailers seeking to send goods through Outbound Single-Piece FCMI will be unable to make alterations or change their mailing to access the modified Outbound Single-Piece FCMI rate cells. Where the mailing consists of a grouping of mailpieces, including both goods and documents, and the change results in the removal of goods from the grouping, the rate cells for Outbound Single-Piece FCMI has been redefined. Because the Outbound Single-Piece FCMI mail preparation changes will change what the mailer is able to send in Outbound Single-Piece FCMI mailpieces, the Commission concludes that the proposed Outbound Single-Piece FCMI mail preparation changes cause a significant change to a basic characteristic of a mailing. Accordingly, under 39 C.F.R. § 3010.23(d)(2), as the Postal Service acknowledges by adjusting its billing determinants to account for the change, the change to the IMM requires compliance with the price cap rules.⁴¹

Next, as the Commission has determined that the change to the IMM requires compliance with the price cap, the Commission looks to whether the Postal Service made “reasonable adjustments to the billing determinants.” 39 C.F.R. § 3010.23(d)(2).

⁴⁰ Docket No. R2013-10R, Order Resolving Issues on Remand, January 22, 2016, at 15 (Order No. 3047).

⁴¹ See Docket No. RM2007-1, Order No. 43, Order Establishing Ratemaking Regulations for Market Dominant and Competitive Products, October 29, 2007, at 89.

Furthermore, the Commission's rules also require that, whenever possible, these changes be based on "known mail characteristics or historical volume data, as opposed to forecasts of mailer behavior." *Id.* § 3010.23(d)(3). The Postal Service estimates that 9.1 million Outbound Single-Piece FCMI mailpieces contained goods in the hybrid billing determinants year. Notice at 11. To account for the Outbound Single-Piece FCMI mail preparation change, the Postal Service removed this volume in the Outbound Single-Piece FCMI workpapers, relying on the logic of 39 C.F.R. § 3010.24(d)(4). Although the Commission finds that the IMM change is more appropriately classified as the redefinition of a rate cell, as opposed to a deletion, the Postal Service's changes to the billing determinants to adjust for the change are reasonable because the adjustment appropriately accounts for the proportion of volume that contained goods. Accordingly, the Commission finds that the Postal Service's approach, the removal of 9.1 million Outbound Single-Piece FCMI mailpieces containing goods from the Outbound Single-Piece FCMI volume, is a reasonable adjustment to the billing determinants to account for the effects of the proposed Outbound Single-Piece FCMI mail preparation changes.

This adjustment is consistent with 39 C.F.R. § 3010.23(d)(2). Accordingly, the Commission declines to adopt the suggestions put forth by the Public Representative and PostCom. See PR Comments at 4; PostCom Comments at 7.

5. Non-Public Treatment of Library Reference USPS–LR–R2018-1/NP1

The issues relating to the redaction of four Excel files contained in Library Reference USPS–LR–R2018–1/NP1 relating to the Outbound Single-Piece FCMI billing determinants covering the hybrid year have been resolved through the Postal Service's public filing of this material in this docket. Response to CHIR No. 6, question 1. Below, the Commission summarizes the issues raised in the filings by the Chamber and PostCom as well as the responses from the Postal Service and Canada Post relating to the non-public treatment of the remainder of the redacted material in Library Reference

USPS–LR–R2018–1/NP1. This redacted material consists of four Excel files relating to Inbound Letter Post and Outbound Single-Piece FCMI. Application for Non-Public Treatment at 1. After summarizing the participants' filings, the Commission provides its analysis.

Motion to Unseal. The Chamber states that although the Postal Service has publicly filed detailed information on the proposed rates, the anticipated volumes and revenues, and calculations relating to compliance with the applicable price cap for domestic market dominant products, such information for international market dominant products has not been made publicly available. Motion to Unseal at 2. The Chamber further states that the Commission must “‘balance the nature and extent of the likely commercial injury identified by the [Postal Service] against the public interest in maintaining the financial transparency of a government entity competing in commercial markets.’” *Id.* at 4 (quoting 39 C.F.R. § 3007.33). It states that the “[Postal Service] has not identified any likely commercial injury from public disclosure of USPS–LR–R2018–1/NP1.” *Id.*

The Chamber states that the public interest in maintaining financial transparency of a government entity competing in commercial markets is well established. *Id.* at 5. It states the same public interest that supports public treatment of workpapers relating to domestic market dominant products supports public treatment of international market dominant product workpapers. *Id.* The Chamber notes that public interest may be greater in the case of Inbound Letter Post because it appears that United States merchants have been adversely affected by Inbound Letter Post prices. *Id.*

Opposition to Motion to Unseal. The Postal Service outlines three reasons why the Commission should not unseal Library Reference USPS–LR–R2018–1/NP1. Opposition to Motion to Unseal at 1. First, the Postal Service states that its Application for Non-Public Treatment made a sufficient showing that the nature and extent of commercial injury from public disclosure of the country-specific volume and revenue

data and the non-published rates data outweighs the public interest in financial transparency in this instance. *Id.* For example, the Postal Service states that competitors could use non-published rates information to “assess the rates charged by the Postal Service to foreign postal operators for any possible comparative vulnerabilities and focus sales and marketing efforts on those areas[.]” Application for Non-Public Treatment at 5. In addition, the Postal Service states that foreign postal operators may use country-specific volume, revenue, and weight data and the non-published rates information to gain an advantage when discussing terms of a negotiated service agreement with the Postal Service. *Id.* at 3-4. The Postal Service also notes that foreign postal operators have a proprietary interest in the country-specific data in Library Reference USPS–LR–R2018–1/NP1 because their competitors could use the data to assess the foreign postal operators’ market size and costs and develop a competitive alternative. *Id.* at 4.

Second, the Postal Service states that the Commission has recognized the commercially-sensitive nature of similar international mail data. Opposition to Motion to Unseal at 4-6. The Postal Service states that, in Docket No. IM2016-1, the Commission recognized the commercially sensitive nature of “inputs used to forecast the financial impact of changes in terminal dues, including volume and weight data by surface and air, and by target and transition system, and disaggregated volume and weight data by country and transportation method.”⁴² In addition, the Postal Service notes that the Commission recognized the Postal Service’s legitimate interest in protecting certain

⁴² *Id.* at 5. The Commission explained that when it adopted the procedural rules for development of its section 407 views, it distinguished dockets under section 407 from proceedings that establish rates and classifications for domestic market dominant products. Docket No. IM2016-1, Order Granting, in Part, Request for Data and Explanations, July 14, 2016, at 4 (Order No. 3427). The Commission declined to compel the Postal Service to disclose the data requested by Federal Express (FedEx) because International Mail dockets are intended to increase transparency and provide the public an opportunity to comment, and discovery is not permitted by interested persons under 39 C.F.R. part 3017. Order No. 3427 at 7.

foreign postal operator data, disaggregated by operator and by product, in Docket No. RM2016-10 when it granted a motion for access on the condition that the parties file an agreement regarding inadvertent disclosure. Opposition to Motion to Unseal at 5.

Third, the Postal Service states that the Motion to Unseal is procedurally and substantively deficient. *Id.* at 6-8. The Postal Service cites the requirement that a request for the Commission to disclose non-public material must include a “specific and detailed statement justifying why the non-public materials should be made public, giving specific recognition to any pertinent rationale(s) provided in the [application for non-public treatment].” *Id.* at 6 (quoting 39 C.F.R. § 3007.31(a)). The Postal Service argues that the Motion to Unseal fails to address the Postal Service’s justifications for non-public treatment and likely commercial injuries identified in the Application for Non-Public Treatment. *Id.*

Furthermore, the Postal Service states that to the extent that the Chamber seeks to address prices and other issues relevant to this proceeding, the Commission has established procedures by which interested parties may request access to non-public information. *Id.* at 7-8.

Canada Post Letter. Canada Post does not support unsealing Library Reference USPS–LR–R2018–1/NP1. Canada Post Letter at 2. Canada Post states that disclosure of commercially-sensitive information, such as volume and revenue data and parcel flows, would have a “serious and significant impact” on its revenues and commercial interests. *Id.*

Chamber Comments. The Chamber raises concerns regarding the transparency of the proposed Inbound Letter Post prices. Chamber Comments at 13. The Chamber states that for the public to understand the effect of the proposed price adjustment on the price cap, “then transparency into the proposed terminal dues rates is absolutely essential.” *Id.* The Chamber references its earlier Motion to Unseal and states that the Commission should consider two additional factors when weighing the likely commercial

injury against the public interest in maintaining the financial transparency of a government entity competing in commercial markets. *Id.* at 15. First, the Chamber suggests that Inbound Letter Post prices unduly or unreasonably discriminate against domestic mailers in favor of foreign postal operators. *Id.* at 3-11. The Chamber states that the total difference between the rates charged to foreign postal operators and domestic mailers for small packets appears to be significant. *Id.* at 15. The Chamber states that the non-public status of the proposed terminal dues rates obscures the public's insight into the pending price adjustment proceeding. *Id.* Second, the Chamber states that the Commission should also consider whether the Postal Service is bound by international law to accept and deliver Inbound Letter Post at UPU terminal dues rates. *Id.*

PostCom Comments. PostCom encourages the Commission to critically evaluate the Postal Service's claims that releasing this information would cause commercial injury. PostCom Comments at 8. Because Inbound Letter Post is a market dominant product, PostCom states that the Commission should be wary of any claims that disclosing related information would cause the Postal Service competitive harm. *Id.* In addition, PostCom encourages the Commission to extend transparency to Inbound Letter Post. *Id.* at 7. PostCom states that the non-public status of terminal dues rates impairs concerned parties' ability to provide input on the legality of these prices in determining First-Class Mail cap compliance. *Id.* at 8.

Motion for Leave. In its Motion for Leave, the Chamber echoes its previous statements that the Postal Service has not provided publicly available data in support of its proposed Inbound Letter Post prices. Motion for Leave at 2; see Chamber Comments at 13. In addition, the Chamber states that it has no objection “to redaction of all data relating to competitive products and all country-specific data which is unnecessary to calculate the revenues resulting from the separate rate schedules for Inbound Letter Post.” Motion for Leave at 1-2. The Chamber also states that it would not object if the only information made publicly available is the data necessary to calculate Inbound Letter Post revenue by country group and shape. *Id.* at 2 n.2.

Opposition to Motion for Leave. The Postal Service filed a response in opposition to the Chamber’s Motion for Leave, and repeats previous statements that non-public treatment of Inbound Letter Post data is necessary to protect commercially sensitive information. Opposition to Motion for Leave at 3-4; see Opposition to Motion to Unseal at 1. Noting that it is common for parties to participate in proceedings that involve the consideration of non-public material, the Postal Service asserts that the non-public treatment of the material does not prevent the Chamber from participating effectively in this proceeding. Opposition to Motion for Leave at 4. The Postal Service again states that the Commission has procedures in place to provide interested parties with access to non-public materials. *Id.* The Postal Service objects to the filing of the additional comments appearing in the Motion for Leave, asserting that the issue has been fully briefed. *Id.* at 3.

Commission analysis. The Postal Service may file materials under seal that contain information of a commercial nature, including trade secrets, whether or not obtained from a person outside the Postal Service, which under good business practice

would not be publicly disclosed. See 39 U.S.C. § 410(c)(2); see also 39 C.F.R. § 3007.1(b) and 39 U.S.C. § 504(g)(1).⁴³ Additionally, any materials claimed to be protectable under Federal Rule of Civil Procedure 26(c) by a third party with a proprietary interest may be exempt from public disclosure. 39 C.F.R. § 3007.1(b).

The Postal Service must file an application for non-public treatment that meets the burden of persuasion to withhold the sealed materials from public disclosure. *Id.* § 3007.21(b). This application must, among other requirements, include a “specific and detailed statement” that sets forth the rationale for claiming that the materials are non-public and identifies the nature and extent of commercial harm alleged and likelihood of such harm. *Id.* § 3007.21(c)(1) and (4). The Commission determines “the appropriate degree of protection, if any, to be accorded to the materials....” *Id.* § 3007.32.

The Application for Non-Public Treatment states that the sealed material consists of information of a commercial nature that, under good business practice, would not be publicly disclosed. Application for Non-Public Treatment at 1 (citing 39 U.S.C. § 410(c)(2) and 5 U.S.C. § 552(b)(3) and (4)). The Application for Non-Public

⁴³ The Postal Service may seek non-public treatment if it asserts that the materials are exempt from disclosure under 39 U.S.C. §§ 504(g), 3652(f), or 3654(f). 39 C.F.R. § 3007.1(b). Specifically, 39 U.S.C. § 504(g)(1) provides:

If the Postal Service determines that any document or other matter it provides to the Postal Regulatory Commission under a subpoena issued under subsection (f), or otherwise at the request of the Commission in connection with any proceeding or other purpose under this title, contains information which is described in section 410(c) of this title, or exempt from public disclosure under section 552(b) of title 5, the Postal Service shall, at the time of providing such matter to the Commission, notify the Commission, in writing, of its determination (and the reasons therefor).

The types of information described in 39 U.S.C. § 410(c) include “information of a commercial nature, including trade secrets, whether or not obtained from a person outside the Postal Service, which under good business practice would not be publicly disclosed.” 39 U.S.C. § 410(c)(2).

Moreover, 5 U.S.C. § 552(b)(3) exempts from public disclosure information that is specifically exempted by another statutory provision, such as 39 U.S.C. § 410(c)(2). Additionally, 5 U.S.C. § 552(b)(4) exempts “trade secrets and commercial or financial information obtained from a person and privileged or confidential.”

Treatment identifies several commercial harms likely to result from public disclosure of the four remaining redacted Excel files contained in Library Reference USPS–LR–R2018–1/NP1. See *id.* at 3-6. Moreover, the Application for Non-Public Treatment asserts that public disclosure of the material may also result in commercial harm to foreign postal operators that have a proprietary interest in the country-specific data. *Id.* at 6-7. Therefore, the Postal Service’s Application for Non-Public Treatment satisfies the requirements of 39 C.F.R. § 3007.21 with respect to the four remaining Excel files contained in Library Reference USPS–LR–R2018–1/NP1.

To resolve a request to unseal non-public materials filed by the Postal Service, the Commission must “balance the nature and extent of the likely commercial injury identified by the Postal Service against the public interest in maintaining the financial transparency of a government entity competing in commercial markets.” 39 C.F.R. § 3007.33(a). To resolve a request to unseal non-public materials in which the Commission determines a third party has a proprietary interest, the Commission must “balance the interests of the parties based on Federal Rule of Civil Procedure 26(c).” *Id.* § 3007.33(b). The Commission may deny a request that may annoy, oppress, or unduly burden a party.⁴⁴

A request to unseal non-public materials must “provide a specific and detailed statement justifying why the non-public materials should be made public, giving specific recognition to any pertinent rationale(s) provided in the [application for non-public treatment].” 39 C.F.R. § 3007.31(a). This requirement facilitates the Commission’s balancing of the nature and extent of the likely commercial injury against the public interest in maintaining financial transparency. The Motion to Unseal does not contain a detailed statement that specifically challenges the pertinent rationales relied upon in the

⁴⁴ See Fed. R. Civ. P. 26(c)(1) (a court may for good cause issue an order to protect a party from annoyance, embarrassment, oppression, or undue burden or expense, including requiring that confidential research or commercial information not be revealed).

Postal Service's Application for Non-Public Treatment, which claim that: (1) the sealed material consists of information of a commercial nature that, under good business practice, would not be publicly disclosed; (2) public disclosure of the material would be likely to result in commercial harm to the Postal Service; and (3) public disclosure of the material may also result in commercial harm to foreign postal operators that have a proprietary interest in the country-specific data. Accordingly, the Motion to Unseal does not satisfy 39 C.F.R. § 3007.31.

The Motion for Leave focuses the scope of the Chamber's request to unseal to the non-public material filed in Library Reference USPS-LR-R2018-1/NP1 that is necessary to calculate the Inbound Letter Post revenues. See Motion for Leave at 1-2. The Motion for Leave further states that the Chamber would not object if such data were "aggregated at the terminal dues group level." *Id.* at 2 n.2. Essentially, the Chamber requests that the Commission unseal data that is necessary to calculate Inbound Letter Post revenues by country or UPU terminal dues group. The Commission appreciates that the Motion for Leave attempts to limit the scope of the material requested for public disclosure. However, Library Reference USPS-LR-R2018-1/NP1 does not contain any Inbound Letter Post revenues data at that level of aggregation. The materials contained in Library Reference USPS-LR-R2018-1/NP1 that are able to be publicly disclosed without causing commercial harm—outbound market dominant billing determinant data—have already been publicly filed. See Response to CHIR No. 6, question 1.

For all of these reasons, the Commission finds that no further information is required to determine whether the planned pricing adjustments for First-Class Mail are consistent with the price cap. See *supra* section III.D.2.

The Commission appreciates the Chamber's and PostCom's statements regarding the need for transparency in proposed market dominant prices. Although public disclosure of the materials is not required to resolve this price adjustment proceeding, the Commission believes such information as requested by the Chamber in

its Motion for Leave could assist in making the process surrounding international mail postage rates more transparent.⁴⁵ As a result, the Commission encourages the Postal Service to provide publicly available Inbound Letter Post revenue data by country group and shape in its FY 2017 Annual Compliance Report, which it will file with the Commission later this year, or explain why it cannot do so. The Commission also urges the Postal Service to be mindful of additional opportunities to further enhance transparency and minimize redacted content in the future.

IV. USPS MARKETING MAIL

A. Introduction

This section discusses the proposed USPS Marketing Mail price adjustments and the workshare relationships between USPS Marketing Mail discounts and associated avoided costs. It also discusses statutory preferential rates and nonprofit discounts. Issues relating to the close out of the CY 2017 promotions for First-Class Mail are discussed *infra* section VIII.A. Aside from the planned changes to mail preparation requirements discussed *infra* section VIII.B, no classification issues were presented for USPS Marketing Mail.

B. Price Adjustments

USPS Marketing Mail class consists of seven products: (1) Letters; (2) Flats; (3) Parcels; (4) High Density and Saturation Letters; (5) High Density and Saturation Flats and Parcels; (6) Carrier Route; and (7) Every Door Direct Mail - Retail. The planned price increase for USPS Marketing Mail is, on average, 1.936 percent, which results in

⁴⁵ As discussed *supra* section III.D.2, the Chamber's request to issue an information request containing four proposed questions to the Postal Service was resolved through the issuance of CHIR No. 6, questions 2-5.

0.072 percent in total unused price adjustment authority.⁴⁶ Table IV-1 shows the percentage price change for each USPS Marketing Mail product as calculated by the Commission.

Table IV-1
USPS Marketing Mail Price Changes (By Product)

USPS Marketing Mail Product	Price Change %
Letters	1.980
Flats	2.167
Parcels	2.768
High Density/Saturation Letters	2.400
High Density/Saturation Flats and Parcels	1.149
Carrier Route	2.100
Every Door Direct Mail – Retail	0.565
Overall	1.936
Source: Library Reference PRC–LR–R2018–1/2, November 9, 2017, Excel file “PRC-CAPCALC-MM-R2018-1.xlsx.”	

Comments. No commenter addresses the planned overall price adjustments for USPS Marketing Mail.

Commission analysis. The Commission finds the Postal Service’s planned price adjustments for USPS Marketing Mail comply with the price cap limitations specified in 39 U.S.C. § 3622(d). The Postal Service’s planned price adjustment of 1.936 percent is less than the total available authority of 2.008 percent.⁴⁷ As a result, the total unused

⁴⁶ Library Reference PRC–LR–R2018–1/2, Excel file “PRC-CAPCALC-MM-R2018-1.xlsx.”

⁴⁷ For USPS Marketing Mail, the current annual limitation is 0.439 percent. In addition to the annual limitation, USPS Marketing Mail has 1.569 percent of unused rate adjustment authority available. Therefore, the total pricing authority available for USPS Marketing Mail is 2.008 percent.

price adjustment authority available for USPS Marketing Mail is 0.072 percent.⁴⁸ See Library Reference PRC–LR–R2018–1/2.

C. Workshare Discounts

The Commission is required to ensure that workshare “discounts do not exceed the cost that the Postal Service avoids as a result of workshare activity” unless the discount falls within a specified exception. 39 U.S.C. § 3622(e)(2).

Commission rules require the Postal Service to justify any proposed workshare discount that exceeds 100 percent of the avoidable costs by explaining how it meets one or more exceptions under the PAEA. 39 C.F.R. § 3010.12(b)(6). The Postal Service shall also identify and explain discounts that are set substantially below avoided costs, and explain any relationship between discounts that are above and those that are below avoided costs. *Id.*

There are eleven planned discounts within the USPS Marketing Mail class that have passthroughs exceeding 100 percent. See Library Reference PRC–LR–R2018–1/2, Excel file “PRC-CAPCALC-MM-R2018-1.xlsx.” These discounts are listed in Table IV-2 below.

⁴⁸ See *supra* section I, Table I-1. For USPS Marketing Mail, the Postal Service uses the 0.439 percent of price adjustment authority available under the annual limitation plus 1.497 percent of the available unused price adjustment authority, thus 0.072 percent of unused price adjustment authority remains available for future price adjustments.

Table IV-2
USPS Marketing Mail Passthroughs Exceeding 100 Percent

	Discount (Commercial and Nonprofit)	Passthrough %
1	Automation Mixed AADC Letters	650.0
2	DNDC Letters	126.3
3	DSCF Letters	140.9
4	Automation Mixed ADC Flats	211.8
5	Nonprofit Mixed NDC Machinable Barcoded Parcels	156.8
6	Nonprofit Mixed NDC Irregular Barcoded Parcels	156.8
7	Mixed NDC Barcoded Marketing Parcels	156.8
8	DNDC Carrier Route Letters	142.1
9	DSCF Carrier Route Letters	159.1
10	DNDC High Density and Saturation Letters	115.8
11	DSCF High Density and Saturation Letters	127.3
Source: Library Reference PRC-LR-R2018-1/2, Excel file "PRC-CAPCALC-MM-R2018-1.xlsx."		

The Postal Service's stated statutory justifications for these proposed passthroughs are discussed below.

Automation Mixed AADC Letters. The Postal Service justifies the passthrough for this barcode discount pursuant to 39 U.S.C. § 3622(e)(2)(D) (operational efficiency). Notice at 17. The Postal Service explains that this discount encourages mailers to include Intelligent Mail barcodes on their mailpieces. *Id.* The Postal Service also notes that the Automation Mixed AADC Letters cost avoidance "has been volatile over the last several years." *Id.* at 17 n.25.

DNDC and DSCF dropship Letters. The Postal Service justifies the passthroughs for these dropship discounts pursuant to 39 U.S.C. § 3622(e)(2)(B) (rate shock). *Id.* The Postal Service observes that in Docket No. R2017-1, the Commission accepted the Postal Service's passthroughs pursuant to the same exception contingent

upon the Postal Service's plan to reduce the passthroughs by at least 10 percentage points in each subsequent market dominant rate case.⁴⁹ The Postal Service has reduced each passthrough in this docket by more than 10 percentage points. Notice at 18. It plans to continue to reduce the passthroughs by at least 10 percentage points in subsequent rate cases. *Id.*

Automation Mixed area distribution center (ADC) Flats. The Postal Service justifies the passthrough for this barcode discount pursuant to 39 U.S.C. § 3622(e)(2)(D) (operational efficiency). *Id.* The Postal Service explains that the value of encouraging Intelligent Mail barcoding of flats justifies this passthrough, but it will be mindful to reduce this passthrough in future price adjustments. *Id.*

Nonprofit network distribution center (NDC) Machinable Barcoded Parcels, Nonprofit Mixed NDC Irregular Barcoded Parcels, and Mixed NDC Barcoded Marketing Parcels. The Postal Service justifies the passthroughs for these discounts pursuant to 39 U.S.C. § 3622(e)(2)(D) (operational efficiency). *Id.* at 19. The Postal Service explains that the value of encouraging mailers to pre-barcode their parcels justifies these passthroughs. *Id.* It plans to continue to reduce these passthroughs by at least 10 percentage points in subsequent rate cases. *Id.*

Carrier Route DNDC Letters and Carrier Route DSCF Letters. The Postal Service justifies the passthroughs for these barcode discounts pursuant to 39 U.S.C. § 3622(e)(2)(B) (rate shock). *Id.* at 20. The Postal Service observes that in Docket No. R2017-1, the Commission accepted the Postal Service's passthroughs pursuant to the same exception contingent upon the Postal Service's plan to reduce the passthroughs by at least 10 percentage points in each subsequent market dominant rate case. *Id.*

⁴⁹ *Id.* (citing Docket R2017-1, Order on Price Adjustments for First-Class Mail, Standard Mail, Periodicals, and Package Services Products and Related Mail Classification Changes, November 15, 2016, at 38 (Order No. 3610)).

(citing FY2016 ACD at 34). The Postal Service has reduced each passthrough in this docket by more than 10 percentage points. Notice at 20. It plans to continue to reduce the passthroughs by at least 10 percentage points in subsequent rate cases. *Id.*

DNDC High Density and Saturation Letters, and DSCF High Density and Saturation Letters. The Postal Service justifies the passthroughs for these dropship discounts pursuant to 39 U.S.C. § 3622(e)(2)(B) (rate shock). *Id.* at 21. The Postal Service observes that in Docket No. R2017-1, the Commission accepted the Postal Service's passthroughs pursuant to the same exception contingent upon the Postal Service's plan to reduce the passthroughs by at least 10 percentage points in each subsequent market dominant rate case. *Id.* (citing FY 2016 ACD at 36). The Postal Service has reduced each passthrough in this docket by more than 10 percentage points. Notice at 21. It plans to continue to reduce the passthroughs by at least 10 percentage points in subsequent rate cases. *Id.*

Comments. NAPM, PostCom, ACMA, NPPC, and the Public Representative filed comments regarding the proposed USPS Marketing Mail workshare discounts.

NAPM commends the Postal Service for the incremental approach used to adjust the entry discounts for DSCF and DNDC Marketing Mail letters. NAPM Comments at 3. It maintains that the proposed approach represents real progress by reducing the passthroughs over the course of several price adjustments while also providing the industry with the requisite time to absorb the change. *Id.*

PostCom states that the Commission should be mindful of unintended consequences that could result in additional costs and inefficiencies when evaluating workshare discounts. PostCom Comments at 3. It states that there are often tenuous relationships between the dropship entry rate discounts and avoided costs estimates, with no reasonable justification provided by the Postal Service. *Id.* at 3-4. It notes that further decreasing dropship entry discounts may provide mailers with less incentive to enter mail at the DSCF so that more mail may be shifted upstream, which not only taxes

the Postal Service's capability to handle such mail but also has service impacts on mailers who cannot afford to move mail upstream. *Id.* at 4.

ACMA also cautions that the decrease in dropship discounts may incentivize mailers to stop destination entry entirely, particularly for longer haul destinations, which will force the Postal Service to make expensive adjustments. ACMA Comments at 4-6.

The Public Representative agrees with most of the Postal Service's justifications for its excessive passthroughs but expresses skepticism about two of the proposed statutory justifications. PR Comments at 6. First, the Public Representative discusses Automation Mixed AADC Letters, for which the Postal Service reports a 650 percent passthrough and justifies it by the mail efficiency exemption. *Id.* The Public Representative notes that this passthrough is substantially higher than the 325 percent passthrough established in Docket No. R2017-1, which he observes fails to demonstrate continued improvement. *Id.* He states that "it is difficult to see the need for a 600 percent passthrough to encourage barcoding, when 325 percent was sufficient a year ago." *Id.* Second, he points to the rate shock exemption cited for DNDC and DSCF Dropship letters and notes that to make the passthroughs equal to 100 percent, the Postal Service would only need to increase the price of Origin Letters by 2 percent and 4 percent, respectively. *Id.* at 6-7. Although he notes that the exception may be justified, he urges the Commission consider the "substantially reduced percentage increase required for benchmark prices when determining whether these passthroughs qualify for the rate shock exemption in this proceeding." *Id.* at 7.

NPPC points out that several passthroughs less than 100 percent fail to set rates at the optimal level for economic efficiency. NPPC Comments at 4-5. It also discusses the 650 percent passthrough for Automation Mixed AADC Letters, stating that the Postal Service properly justifies this on the basis of promoting operational efficiency. *Id.* at 5. It also notes that the cost avoidance estimates for Automation Mixed AADC letters have been volatile, and reducing the passthrough further at this time may result in rate

shock for some mailers as well as producing a “trickle-down effect” of raising the prices for all of the more workshared tiers below it. *Id.*

Commission analysis. The Commission approves all proposed workshare discounts as consistent with 39 U.S.C. § 3622(e) or adequately justified pursuant to an exception identified in 39 U.S.C. § 3622(e)(2). The Commission recommends that the Postal Service continue its plan to reduce passthroughs that are greater than 100 percent by at least 10 percentage points in its next general market dominant price adjustment. In the future, when calculating the reduction in the passthrough,⁵⁰ the Postal Service should reduce the passthrough by 10 percentage points using the most recent discount and the most recent avoided cost as the baseline.⁵¹ Further discussion of the passthrough for Automation Mixed AADC Letters follows.

Automation Mixed AADC Letters. The passthrough for Automation Mixed AADC has fluctuated due to a change in avoided cost. In Docket No. R2017-1, this passthrough was 325 percent, which was calculated using the 2015 avoided cost of 0.4 cents. The FY 2016 avoided cost decreased to 0.2 cents, and the passthrough reported in the FY 2016 ACD was 800 percent.⁵² In the instant docket, the Postal Service proposes to maintain the discount at 1.3 cents, which results in the passthrough decreasing 150 percentage points from the level reported in the FY 2016 ACD. The Commission encourages the Postal Service to investigate the fluctuations in the avoided cost for Automation AADC Letters to reduce volatility in the future and continue

⁵⁰ The Postal Service requested that the Commission clarify the appropriate baseline for comparison. Notice at 18 n.28.

⁵¹ For example, in the instant docket the Postal Service should have used the Docket No. R2017-1 discounts and the FY 2016 avoided costs and reduced the discounts at least 10 percentage points from that baseline.

⁵² The FY 2016 ACD passthrough was calculated using the year-end discount, which was the Docket No. R2015-4 discount and the FY 2016 avoided cost.

its plan to reduce the passthrough by at least 10 percentage points in future price adjustments.

D. Statutory Preferential Rates

Nonprofit rates are required to yield per-piece revenues that equal, as nearly as practicable, 60 percent of commercial per-piece revenues. 39 U.S.C. § 3626(a)(6)(A). No commenter challenges the Postal Service's compliance with this requirement. For the planned prices in this proceeding, the percentage ratio of the nonprofit average revenue per-piece to the commercial average revenue per-piece is 60.0 percent. The Commission finds that the revenue per-piece percentage ratio proposed by the Postal Service fulfills the requirement of 39 U.S.C. § 3626(a)(6)(A).

E. Nonprofit Discounts

The Postal Service is required by 39 U.S.C. § 3622(e)(2) and *Nat'l Easter Seal Soc'y v. USPS*, 656 F.2d 754 (D.C. Cir. 1981) (*National Easter Seal Society*) to either equalize or adequately justify all unequal nonprofit and commercial discounts. No commenter challenges the Postal Service's compliance with this requirement. The Commission finds that the Postal Service's planned nonprofit discounts conform with the requirements set forth by 39 U.S.C. § 3622(e)(2) and *National Easter Seal Society*.

V. PERIODICALS

A. Introduction

This section discusses the proposed Periodicals price adjustments, the workshare relationships between Periodicals discounts and associated avoided costs, and statutory preferential rates. Aside from the planned changes to mail preparation requirements discussed *infra* section VIII.B, no classification issues were presented for Periodicals.

B. Price Adjustments

The Periodicals class consists of two products: (1) Within County,⁵³ and (2) Outside County. The planned price increase for Periodicals is, on average, 1.924 percent, which results in 0.101 percent in total unused price adjustment authority. Table V-1 shows the percentage price change for each Periodicals product as calculated by the Commission.

Table V-1
Periodicals Price Changes (By Product)

Periodicals Product	Price Change %
Outside County	1.927
Within County	1.835
Overall	1.924
Source: Library Reference PRC-LR-R2018-1/3, November 9, 2017, Excel file "PRC-CAPCALC-PER-R2018-1.xlsx."	

The Postal Service states that in FY 2016, Periodicals once again did not cover its attributable cost. Notice at 23. The Postal Service states that it is taking several measures designed to send efficient pricing signals to mailers. *Id.* These measures include changing certain container prices for trays and sacks to boost their cost coverage; adjusting the prices of bundles and pallet containers to maintain the strategy of setting prices based on estimated bottom up costs; increasing the price difference between basic Carrier Route and Machinable Automation 5-Digit Flats to encourage preparation of more Carrier Route pieces; and changing the DMM to increase

⁵³ This product is named In-County Periodicals in the MCS. Mail Classification Schedule section 1300.2, available at <http://www.prc.gov/mail-classification-schedule>.

preparation of Periodicals Carrier Route bundles on 5-Digit Carrier Route pallets in non-FSS zones. *Id.*; see *infra* section VIII.B.2 (discussing the planned DMM change).

In addition, the Postal Service provides two notes regarding its pricing strategy for Periodicals. Notice at 24. First, the Postal Service states that it is setting prices of Flats pieces based on estimated costs, with exceptions either to avoid very significant increases or to encourage desirable mail preparation. *Id.* Second, the Postal Service states that it is maintaining its pricing strategy of setting prices for bundles and pallet containers based on their estimated bottom up costs. *Id.* In particular, the following prices will be moved closer to their estimated bottom up costs: ADC bundles in ADC containers, 3-Digit bundles in 3-Digit containers, 5-Digit bundles in 3-Digit containers, 5-Digit bundles in 5-Digit containers, Carrier Route bundles in 5-Digit and Carrier Route containers, all sacks at origin entry, and all pallet containers at all entry levels except destination delivery unit (DDU).⁵⁴

Comments. Several commenters address the planned price changes for Periodicals. MPA comments that the proposed prices for Periodicals represent another missed opportunity to improve Periodicals contribution. MPA Comments at 1.

NNA states that the proposed prices are a disappointment, both in the steep increases for sacks and the absence of a rational recognition of the value of the flats trays. NNA Comments at 5. NNA asserts that a fair investigation is likely to conclude that trays are cheaper to use than sacks. *Id.* at 2. NNA urges the Commission to explore several actions: (1) request data on the numbers of trays in use; (2) request an analysis of the numbers of sacks in the Periodicals mailstream that might be converted to trays; (3) ask the Postal Service to identify actions it may take to encourage greater

⁵⁴ *Id.* The Postal Service also states that the current ratemaking system is not suited to bringing about a meaningful change in Periodicals' cost coverage. *Id.* The ability of the current ratemaking system to provide meaningful change in Periodicals' cost coverage is not relevant to the Commission's determination of whether the proposed price adjustments comply with statutory limitations. The Commission is reviewing the current ratemaking system in Docket No. RM2017-3.

use of trays; (4) request any available costing data on flats trays that might support a bottoms-up rate in 2018; and (5) reject the Outside County sack charge increase until a better approach can be achieved. *Id.* at 5.

The Public Representative states that the Postal Service took several actions to increase cost coverage by increasing certain prices for trays and sacks, maintaining the strategy of setting bundles and pallet containers closer to bottoms up costs, and changing prices to encourage preparation of more carrier route bundles. PR Comments at 4-5. The Public Representative commends the Postal Service for taking these steps. *Id.* at 5.

Commission analysis. The Commission finds the Postal Service's planned price adjustments for Periodicals comply with the price cap limitations specified in 39 U.S.C. § 3622(d). The Postal Service's planned price adjustment of 1.924 percent is less than the total available price adjustment authority of 2.025 percent. The Postal Service's current annual limitation authority for Periodicals is 1.987 percent and the existing unused price adjustment authority for Periodicals is 0.038 percent. The new unused price adjustment authority for Periodicals generated from this docket is 0.063 percent. As a result, the total unused price adjustment authority for Periodicals is 0.101 percent.⁵⁵

With respect to Periodicals not covering attributable cost, the Commission acknowledges the limited price adjustment authority for Periodicals and notes that the Postal Service took several measures to improve cost coverage. The Commission encourages the Postal Service to explore additional avenues to improve Periodicals cost coverage.⁵⁶

⁵⁵ See Library Reference PRC-LR-R2018-1/3; see *supra* section I, Table I-1.

⁵⁶ See Docket No. RM2018-1, Order No. 4142, Advance Notice of Proposed Rulemaking to Develop Data Enhancements and Reporting Requirements for Flats Issues, October 4, 2017, at 4-5.

With respect to NNA's request for the Commission to explore several actions regarding the use of trays, the Commission finds that these suggested actions are outside the scope of this proceeding. This proceeding focuses on whether the proposed price adjustments comply with applicable statutory and regulatory requirements. The Commission encourages the Postal Service to work with the mailing community to address concerns regarding the use of trays.

C. Workshare Discounts

The Commission is required to ensure that workshare "discounts do not exceed the cost that the Postal Service avoids as a result of workshare activity" unless the discount falls within a specified exception. 39 U.S.C. § 3622(e)(2).

Commission rules require the Postal Service to justify any proposed workshare discount that exceeds 100 percent of the avoidable costs by explaining how it meets one or more exceptions under the PAEA. 39 C.F.R. § 3010.12(b)(6). The Postal Service must also identify and explain discounts that are set substantially below avoided costs, and explain any relationship between discounts that are above and those that are below avoided costs. *Id.*

There are ten planned discounts within the Periodicals class that have passthroughs exceeding 100 percent. See Library Reference PRC-LR-R2018-1/3, Excel file "PRC-WORKSHARE-PER18.xlsx." These discounts are listed in Table V-2 below.

Table V-2
Periodicals Passthroughs Exceeding 100 Percent

	Discount	Passthrough %
Outside County		
1	Machinable Nonautomation 5-Digit Flats	103.1
2	Saturation	700.0
3	Non-machinable Nonautomation 3-Digit/SCF Flats	114.0
4	Non-machinable Nonautomation 5-Digit Flats	157.1
5	Machinable Automation MADC Flats	102.3
6	Non-machinable Automation 5-Digit Flats	155.3
7	ADC Automation Letters	246.7
8	3-Digit Automation Letters	500.0
9	5-Digit Automation Letters	272.0
Within County		
10	Saturation	500.0
Source: Library Reference PRC-LR-R2018-1/3, Excel file "PRC-WORKSHARE-PER18.xlsx."		

The Postal Service states that all Periodicals passthroughs over 100 percent are justified under section 3622(e)(2)(C), the exception which permits discounts greater than avoided costs in connection with mail matter of educational, cultural, scientific, or informational value. Notice at 25.

Comments. The Public Representative states that the proposed price adjustment moves passthroughs for workshare discounts in the proper direction. PR Comments at 8. In particular, the Public Representative explains that the proposed price adjustments bring many of the Periodicals discounts closer to avoided costs, and the improvements in passthroughs should increase contribution and cost savings to the Postal Service. *Id.* at 7-8. MPA suggests that the Postal Service has missed the

opportunity to improve the passthrough for Carrier Route Basic, which is below 60 percent. MPA Comments at 2.

Commission analysis. The Commission approves all proposed Periodicals workshare discounts as consistent with 39 U.S.C. § 3622(e) or adequately justified pursuant to an exception identified in 39 U.S.C. § 3622(e)(2). As discussed below, the Commission also notes the Postal Service's improvement with respect to reducing Periodicals passthroughs that are greater than 100 percent in this docket.

In the FY 2015 ACD, the Commission noted that “[g]iven that the Periodicals class does not cover costs, sending efficient price signals is particularly important.”⁵⁷ The Commission stated that “the Postal Service should, in all cases, consider whether [passthroughs that are less than 100 percent] send efficient pricing signals to mailers.” FY 2015 ACD at 17. The Commission further stated that “[c]ontinued moderate improvement of the relationship between discounts and avoided costs should signal to the mailer the mail preparation method that is most efficient for both the Postal Service and the mailer.” *Id.* at 18. The Commission directed the Postal Service to file a report addressing four issues regarding Periodicals pricing efficiency. *Id.* at 24. The Commission also directed the Postal Service to provide an updated report in its FY 2016 Annual Compliance Report. *Id.* The Postal Service provided these reports to the Commission.⁵⁸

In this proceeding, the Postal Service has reduced several passthroughs that were greater than 100 percent. The Commission recognizes this is a limited improvement and expects the Postal Service to continue its progress in future price

⁵⁷ Docket No. ACR2015, Annual Compliance Determination, March 28, 2016, at 17 (FY 2015 ACD).

⁵⁸ Docket No. ACR2015, Third Response of the United States Postal Service to Commission Requests for Additional Information in the FY 2015 Annual Compliance Determination, July 26, 2016, at 6; Docket No. ACR2016, Library Reference USPS–FY16–44, December 29, 2016.

adjustments. The Commission recommends that the Postal Service continue to make progress aligning Periodicals discounts with avoided costs in its next general market dominant price adjustment.

D. Statutory Preferential Rates

The Periodicals class is accorded several statutory pricing preferences. See 39 U.S.C. § 3626. In this docket, the Postal Service states that it implements these requirements in accordance with past practices. Notice at 31.

Within County. Section 3626(a)(3) of title 39 of the United States Code requires that the prices for Within County Periodicals reflect this product's preferred status relative to the prices for regular rate (Outside County) Periodicals. The Postal Service asserts that the price adjustment in this case "continues to recognize the preferential status of Within County Periodicals by setting prices below those of regular Outside County Periodicals." *Id.*

Outside County—Nonprofit and Classroom. Section 3626(a)(4)(A) of title 39 of the United States Code requires that Nonprofit and Classroom Periodicals receive, as nearly as practicable, a 5-percent discount from regular rate postage, except for advertising pounds. The Postal Service asserts that, consistent with past practice, it continues 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. *Id.* at 31-32.

Outside County—Science of Agriculture Periodicals. Section 3626(a)(5) of title 39 of the United States Code requires that Science of Agriculture Periodicals be given preferential treatment for advertising pounds. The Postal Service states that it will continue to provide these publications with advertising pound prices for DDU, DSCF, destination area distribution center (DADC), and Zones 1 and 2 that are 75 percent of the advertising pound prices applicable to regular Outside County Periodicals. *Id.* at 32.

Limited circulation discount. Section 3626(g)(4) of title 39 of the United States Code provides preferential treatment for Outside County pieces of a Periodicals publication with fewer than 5,000 Outside County pieces and at least one Within County piece. The Postal Service observes that a limited circulation discount was implemented in 2008 to provide these pieces with a discount equivalent to the Nonprofit and Classroom discount, a discount that is retained in this docket. *Id.*

Comments. No commenter addressed statutorily preferred rates.

Commission analysis. The planned prices are consistent with statutory preferences for mail in the Periodicals class. Specifically:

- *Within County.* The average per-piece revenue for Within County is approximately 41 percent of the average per-piece revenue for Outside County Flats pieces. This satisfies 39 U.S.C. § 3626(a)(3).
- *Outside County—Nonprofit and Classroom.* Nonprofit and Classroom publications receive a 5-percent discount from regular Outside County piece, bundle, sack, and pallet prices, and editorial pound prices, consistent with 39 U.S.C. § 3626(a)(4)(A).
- *Outside County—Science of Agriculture Periodicals.* Science of Agriculture advertising pound rates are 25 percent less than regular Periodicals, and consistent with 39 U.S.C. § 3626(a)(5).
- *Limited circulation discount.* The planned limited circulation discount for qualifying Outside County pieces is 5 percent, consistent with 39 U.S.C. § 3626(g)(4).

VI. PACKAGE SERVICES

A. Introduction

This section discusses the proposed Package Services price adjustments, the workshare relationships between Package Services discounts and associated avoided costs, and the proposed adjustments to billing determinants.⁵⁹ It also discusses statutory preferential rates. Aside from the planned changes to mail preparation requirements discussed *infra* section VIII.B, no classification issues were presented for Package Services.

B. Price Adjustments

The Package Services class consists of four products: (1) Alaska Bypass Service; (2) Bound Printed Matter (BPM) Flats; (3) BPM Parcels; and (4) Media Mail/Library Mail. The planned price increase for Package Services is, on average, 1.960 percent, which results in 0.103 percent in total unused price adjustment authority. Table VI-1 shows the percentage price change for each Package Services product as calculated by the Commission.

⁵⁹ All FSS Carrier Route volumes from Quarter 4 of FY 2016 and Quarters 1 and 2 of FY 2017 have been merged with the Basic Presort Flats volume in the existing Carrier Route and Basic Presort price cells. See Notice at 27.

Table VI-1
Package Services Price Changes (By Product)

Package Services Product	Price Change %
Alaska Bypass Service	1.306
BPM Flats	2.085
BPM Parcels	1.921
Media Mail/Library Mail	1.993
Overall	1.960
Source: Library Reference PRC–LR–R2018–1/4, November 9, 2017, Excel file “PRC-CAPCALC-PKGS-R2018-1.xlsx.”	

Comments. No commenter addresses the planned price changes for Package Services.

Commission analysis. The Commission finds the Postal Service’s planned price adjustments for Package Services comply with the price cap limitations specified in 39 U.S.C. § 3622(d). The Postal Service’s planned price adjustment of 1.960 percent is less than the total available price adjustment authority of 2.063 percent. The Postal Service’s current annual limitation authority for Package Services is 1.987 percent and the existing unused price adjustment authority for Package Services is 0.076 percent. The new unused price adjustment authority for Package Services generated from this docket is 0.027 percent. As a result, the total unused pricing authority for Package Services is 0.103 percent.⁶⁰

⁶⁰ See Library Reference PRC–LR–R2018–1/4; see *supra* section I, Table I-1.

C. Workshare Discounts

The Commission is required to ensure that workshare “discounts do not exceed the cost that the Postal Service avoids as a result of workshare activity” unless the discount falls within a specified exception. 39 U.S.C. § 3622(e)(2).

Commission rules require the Postal Service to justify any proposed workshare discount that exceeds 100 percent of the avoidable costs by explaining how it meets one or more exceptions under the PAEA. 39 C.F.R. § 3010.12(b)(6). The Postal Service must also identify and explain discounts that are set substantially below avoided costs, and explain any relationship between discounts that are above and those that are below avoided costs. *Id.*

The Postal Service has complied with the Commission’s FY 2016 ACD directives by aligning the following Package Services discounts with avoided costs: BPM Flats DNDC dropship, BPM Flats DSCF dropship, BPM Flats DDU dropship, BPM Parcels DNDC dropship, BPM Parcels DSCF dropship, and BPM Parcels DDU dropship. FY 2016 ACD at 40. All Package Services workshare discounts are set at equal to or below their avoided costs.

Comments. The Public Representative notes that the Postal Service’s alignment of workshare discounts with avoided costs for the Package Services class is “commendable” and satisfies the Commission’s directives. PR Comments at 6.

Commission analysis. The Commission approves all proposed workshare discounts as consistent with 39 U.S.C. § 3622(e).

D. Statutory Preferential Rates

The Postal Service is required to set prices for Library Mail at 95 percent of Media Mail Prices. 39 U.S.C. § 3625(a)(7). The Postal Service explains that it satisfies this requirement by setting each Library Mail price element equal to 95 percent of its

corresponding Media Mail price element. Notice at 32. The Commission finds that the prices for Media Mail and Library Mail comply with 39 U.S.C. § 3626(a)(7) because Library Mail prices are set at 95 percent of corresponding Media Mail prices.

VII. SPECIAL SERVICES

A. Introduction

This section discusses the proposed Special Services price adjustments. There are no classification changes for Special Services.

B. Price Adjustments

Special Services consists of ten products: (1) Ancillary Services; (2) International Ancillary Services; (3) Address Management Services; (4) Caller Service; (5) Credit Card Authentication; (6) International Business Reply Mail Service; (7) Money Orders; (8) Post Office Box Service; (9) Customized Postage; and (10) Stamp Fulfillment Services. The planned price increase for Special Services is, on average, 1.987 percent, which results in 0.104 percent in total unused price adjustment authority.⁶¹ Table VII-1 shows the percentage price change for each Special Services product as calculated by the Commission.

⁶¹ See Library Reference PRC-LR-R2018-1/5, Excel file "PRC-CAPCALC-SS-R2018-1.xlsx."

Table VII-1
Special Services Price Changes (By Product)

Special Services Product	Percent Change %
Ancillary Services ⁶²	2.400
International Ancillary Services	3.689
Address Management Services	2.830
Caller Service	1.805
Credit Card Authentication	0.000
International Business Reply Mail Service	2.806
Money Orders	0.421
Post Office Box Service	1.856
Customized Postage	0.000
Stamp Fulfillment Service	0.000
Overall	1.987
Source: Library Reference PRC-LR-R2018-1/5, November 9, 2017, Excel file "PRC-CAPCALC-SS-R2018-1.xlsx."	

Workpaper issues. In this rate proceeding, the Postal Service's Special Services workpapers required considerably fewer revisions than they have in previous rate proceedings. The Postal Service has demonstrated an understanding of the Commission's requirements and directions for its Special Services rate proceeding submissions.

In prior years, the initial workpapers filed by the Postal Service contained significant inconsistencies and errors. The initial workpapers in this proceeding represented a significant improvement in transparency and accuracy. The initial workpapers contained minor discrepancies in revenue and volume reported between

⁶² See PRC-LR-R2018-1/5 for entire list of Ancillary Services and their respective price changes.

the billing determinants and the cap calculation file. These errors were identified in CHIR No. 2, and the Postal Service addressed them in its Response to CHIR No. 2, which was filed on October 20, 2017, well before its deadline. In its response, the Postal Service corrected the identified errors or provided a sufficient explanation.

Comments. No comments were submitted on the proposed pricing adjustments to Special Services.

Commission analysis. The Commission finds the Postal Service's planned price adjustments for Special Services comply with the price cap limitations specified in 39 U.S.C. § 3622(d). The Postal Service's planned price adjustment of 1.987 percent is less than the total available authority of 2.091 percent.⁶³ As a result, the total unused price adjustment authority available for Special Services is 0.104 percent.⁶⁴

VIII. RESOLUTION OF CROSS-CLASS ISSUES

A. Close Out of CY 2017 Promotions

The proposed prices in this proceeding reflect the close out of CY 2017 promotions in both First-Class Mail and USPS Marketing Mail. Notice at 29.

Comments. No comments were received regarding the method used to close out the CY 2017 promotions in the Postal Service's workpapers. However, several commenters address the effect of the lack of promotions in the proposed price adjustments. ACMA and NPPC note that some mailers will experience a larger price

⁶³ For Special Services, the current annual limitation is 0.439 percent. In addition to the annual limitation, Special Services has 1.652 percent of unused rate adjustment authority available. Therefore, the total pricing authority available for Special Services is 2.091 percent.

⁶⁴ See Library Reference PRC-LR-R2018-1/5; see also *supra* section I, Table I-1. For Special Services, the Postal Service uses the 0.439 percent of price adjustment authority available under the annual limitation plus 1.547 percent of the available unused price adjustment authority; thus 0.104 percent of unused price adjustment authority remains available for future price adjustments.

increase due to the loss of promotions. ACMA Comments at 2; NPPC Comments at 2. NPPC further comments that it is disappointing that Governors' Resolution No. 16-18 does not adequately consider the effect of the promotions or take into account the promotions' long-run value to the Postal Service. NPPC Comments at 3. NAPM states that it is encouraged that the Postal Service has stated that it will introduce new promotional programs as soon as a Governor is confirmed. NAPM Comments at 3. NAPM also states that advance notice of promotions would be helpful. *Id.*

Commission analysis. The Commission finds that the Postal Service accurately removed the promotional prices in its workpapers for First-Class Mail, which has the impact of using 0.193 percent of price cap authority.⁶⁵ The Commission finds that the Postal Service accurately removed the promotional prices in its revised workpapers for USPS Marketing Mail filed in Response to CHIR No. 5, question 1, which has the impact of using 0.422 percent of price cap authority.⁶⁶ In addition, the Commission notes the concerns regarding the lack of promotions and encourages the Postal Service to work with the mailing community to address these concerns.

B. Classification Changes Resulting from Mail Preparation Changes

1. Introduction

In conjunction with the proposed pricing adjustments discussed above, the Postal Service plans to modify two mail preparation standards in the DMM.⁶⁷ Both proposed modifications conform to the applicable statutory and regulatory requirements relating to

⁶⁵ See Library Reference PRC-LR-R2018-1/1, Excel file "PRC-CAPCALC-FCM-R2018-1.xlsx."

⁶⁶ See Library Reference PRC-LR-R2018-1/2, Excel file "PRC-CAPCALC-MM-R2018-1.xlsx."

⁶⁷ The Postal Service published these proposed DMM changes in the *Federal Register*. 82 Fed. Reg. 47,659 (Oct. 13, 2017).

mail classification changes. The Commission's discussion of each planned mail preparation change follows.

2. Amendment to Pallet Preparation

In conjunction with the proposed pricing adjustments, the Postal Service also proposes to amend the DMM to increase the preparation of USPS Marketing Mail and Periodicals Carrier Route bundles on 5-Digit Carrier Route pallets to require mailers to prepare their volume on lower priced pure Carrier Route pallets before having to resort to 5-Digit merged pallets. Notice at 30. The Postal Service states that this change will reduce mailers' postage by enabling them to access lower rates while creating operational cost savings for the Postal Service. *Id.*

Comments. PostCom states that while it understands the effort to modify mailing standards to encourage efficient mail entry and appreciates the potential for reduced costs associated with the change, it remains skeptical that the incentive offered by additional Carrier Route pallets will induce efficient behavior by mailers. PostCom Comments at 2. PostCom suggests that the Postal Service offer incentives to mailers to prepare mail pursuant to operational efficiencies instead of attempting to adjust mailer behavior through revised preparation requirements. *Id.* at 2-3.

ACMA also expresses uncertainty about the extent of cost savings that will be realized by mailers through the revised preparation requirements. ACMA Comments at 4. It emphasizes the need for predictability and stability in discounts in exchange for "the cost and effort of making workflow changes" and suggests a cost averaging methodology to reduce fluctuations. *Id.*

The Public Representative supports the change, noting that it "will adopt the most efficient method of preparing flats mail in non-FSS zones, resulting in reduced costs...." PR Comments at 8.

Commission analysis. The proposed pallet preparation change is reasonably accounted for within the Postal Service's workpapers and is within the scope of the Postal Service's operational flexibility. As a result, the Commission finds that this change conforms to applicable statutory and regulatory requirements. The Commission encourages the Postal Service to work with the mailing community to address concerns regarding the proposal.

3. Co-mailing of BPM Flats, USPS Marketing Mail Flats, and Periodicals Flats

The Postal Service plans to update the DMM to allow BPM Flats up to 24 ounces to be included in the current co-mailing structure, which includes USPS Marketing Mail flats and Periodicals flats up to 24 ounces entered at a DSCF or a DDU. 82 Fed. Reg. at 47,659.

Comments. No comments were submitted on this proposed change.

Commission analysis. The proposed change does not impact the price cap calculations and is within the scope of the Postal Service's operational flexibility. As a result, the Commission finds that this change conforms to applicable statutory and regulatory requirements.

IX. ORDERING PARAGRAPHS

It is ordered:

1. The Commission finds that the Postal Service's planned price adjustments relating to First-Class Mail as identified in the United States Postal Service Notice of Market Dominant Price Adjustment, filed October 6, 2017, and revised on October 19, 2017, are consistent with 39 U.S.C. §§ 3622(d) and 3622(e), and may take effect as planned.

2. The Commission finds that the Postal Service's planned price adjustments relating to USPS Marketing Mail as identified in the United States Postal Service's Notice of Market Dominant Price Adjustment, filed October 6, 2017, and revised on October 19, 2017, and October 25, 2017, are consistent with 39 U.S.C. §§ 3622(d) and 3622(e), and may take effect as planned.
3. The Commission finds that the Postal Service's planned price adjustments relating to Periodicals as identified in the United States Postal Service Notice of Market Dominant Price Adjustment, filed October 6, 2017, and revised on October 19, 2017, are consistent with 39 U.S.C. §§ 3622(d) and 3622(e), and may take effect as planned.
4. The Commission finds that the Postal Service's planned price adjustments relating to Package Services as identified in the United States Postal Service Notice of Market Dominant Price Adjustment, filed October 6, 2017, are consistent with 39 U.S.C. §§ 3622(d) and 3622(e), and may take effect as planned.
5. The Commission finds that the Postal Service's planned price adjustments relating to Special Services as identified in the United States Postal Service Notice of Market Dominant Price Adjustment, filed October 6, 2017, are consistent with 39 U.S.C. § 3622(d), and may take effect as planned.
6. Revisions to the Mail Classification Schedule appear below the signature of this Order and are effective January 21, 2018.

7. The Motion to Unseal Library Reference and Motion to Request Issuance of Information Request, filed October 16, 2017, and the Motion for Leave to Comment on the Postal Service's Answer to Chairman's Information Request No. 6, filed November 1, 2017, are resolved as discussed in the body of this Order.

Stacy L. Ruble
Secretary

CHANGES TO THE MAIL CLASSIFICATION SCHEDULE

The following material represents a change to the Mail Classification Schedule. The Commission uses two main conventions when making changes to the Mail Classification Schedule. New text is underlined. Deleted text is struck through.

Part A—Market Dominant Products

1105 Single-Piece Letters/Postcards

1105.5 Prices

Single-Piece Machinable Stamped Letters^{1, 2, 3}

Maximum Weight (ounces)	Machinable Letters (\$)
1	<u>0.50</u>
2	<u>0.71</u>
3	<u>0.92</u>
3.5	<u>1.13</u>

Single-Piece Machinable Metered Letters

Maximum Weight (ounces)	Machinable Letters (\$)
1	<u>0.47</u>
2	<u>0.68</u>
3	<u>0.89</u>
3.5	<u>1.10</u>

*First-Class Mail
Single-Piece Letters/Postcards*

Single-Piece Nonmachinable Stamped Letters¹

Maximum Weight (ounces)	Nonmachinable Letters (\$)
1	<u>0.71</u>
2	<u>0.92</u>
3	<u>1.13</u>
3.5	<u>1.34</u>

Single-Piece Nonmachinable Metered Letters

Maximum Weight (ounces)	Nonmachinable Letters (\$)
1	<u>0.68</u>
2	<u>0.89</u>
3	<u>1.10</u>
3.5	<u>1.31</u>

Single-Piece QBRM Letters

Maximum Weight (ounces)	QBRM Letters (\$)
1	<u>0.485</u>
2	<u>0.695</u>

*First-Class Mail
Single-Piece Letters/Postcards*

Single-Piece Residual Machinable Letters

Maximum Weight (ounces)	Residual Machinable Letters (\$)
1	<u>0.51</u> ¹
2	<u>0.51</u> ¹
3	<u>0.51</u> ¹
3.5	<u>0.51</u> ¹

Single-Piece Postcards^{1,2}

Maximum Weight (ounces)	Postcards (\$)	Single-Piece Double Card (\$)
not applicable	<u>0.35</u>	<u>0.70</u>

Single-Piece QBRM Postcards

Maximum Weight (ounces)	QBRM Postcards (\$)
not applicable	<u>0.335</u>

Share Mail Letters and Postcards^{1,2}

Maximum Weight (ounces)	Share Mail Letters (\$)	Share Mail Postcards (\$)
1	<u>0.58</u>	<u>0.43</u>

1110 Presorted Letters/Postcards

1110.5 Prices

Automation Letters

Maximum Weight (ounces)	5-Digit (\$)	AADC (\$)	Mixed AADC (\$)
1	<u>0.378</u>	<u>0.408</u>	<u>0.424</u>
2	<u>0.378</u>	<u>0.408</u>	<u>0.424</u>
3	<u>0.378</u>	<u>0.408</u>	<u>0.424</u>
3.5	<u>0.378</u>	<u>0.408</u>	<u>0.424</u>

Nonautomation Presorted Machinable Letters

Maximum Weight (ounces)	Presorted (\$)
1	<u>0.458</u>
2	<u>0.458</u>
3	<u>0.458</u>
3.5	<u>0.458</u>

Nonmachinable Letters

Maximum Weight (ounces)	Presorted (\$)
1	<u>0.668</u>
2	<u>0.668</u>
3	<u>0.668</u>
3.5	<u>0.668</u>

*First-Class Mail
Presorted Letters/Postcards*

Automation Postcards

Maximum Weight (ounces)	5-Digit (\$)	AADC (\$)	Mixed AADC (\$)
not applicable	<u>0.257</u>	<u>0.268</u>	0.274

Nonautomation Presorted Machinable Postcards

Maximum Weight (ounces)	Presorted (\$)
not applicable	<u>0.280</u>

*First-Class Mail
Flats*

1115 Flats

1115.5 Prices

Automation Flats

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
1	<u>0.474</u>	<u>0.593</u>	<u>0.632</u>	<u>0.705</u>
2	<u>0.684</u>	<u>0.803</u>	<u>0.842</u>	<u>0.915</u>
3	<u>0.894</u>	<u>1.013</u>	<u>1.052</u>	<u>1.125</u>
4	<u>1.104</u>	<u>1.223</u>	<u>1.262</u>	<u>1.335</u>
5	<u>1.314</u>	<u>1.433</u>	<u>1.472</u>	<u>1.545</u>
6	<u>1.524</u>	<u>1.643</u>	<u>1.682</u>	<u>1.755</u>
7	<u>1.734</u>	<u>1.853</u>	<u>1.892</u>	<u>1.965</u>
8	<u>1.944</u>	<u>2.063</u>	<u>2.102</u>	<u>2.175</u>
9	<u>2.154</u>	<u>2.273</u>	<u>2.312</u>	<u>2.385</u>
10	<u>2.364</u>	<u>2.483</u>	<u>2.522</u>	<u>2.595</u>
11	<u>2.574</u>	<u>2.693</u>	<u>2.732</u>	<u>2.805</u>
12	<u>2.784</u>	<u>2.903</u>	<u>2.942</u>	<u>3.015</u>
13	<u>2.994</u>	<u>3.113</u>	<u>3.152</u>	<u>3.225</u>

*First-Class Mail
Flats**Presorted Flats*

Maximum Weight (ounces)	Presorted (\$)
1	<u>0.799</u>
2	<u>1.009</u>
3	<u>1.219</u>
4	<u>1.429</u>
5	<u>1.639</u>
6	<u>1.849</u>
7	<u>2.059</u>
8	<u>2.269</u>
9	<u>2.479</u>
10	<u>2.689</u>
11	<u>2.899</u>
12	<u>3.109</u>
13	<u>3.319</u>

Single-Piece Flats¹

Maximum Weight (ounces)	Single-Piece (\$)
1	<u>1.00</u>
2	<u>1.21</u>
3	<u>1.42</u>
4	<u>1.63</u>
5	<u>1.84</u>
6	<u>2.05</u>
7	<u>2.26</u>
8	<u>2.47</u>
9	<u>2.68</u>
10	<u>2.89</u>
11	<u>3.10</u>
12	<u>3.31</u>
13	<u>3.52</u>

First-Class Mail
Flats*Keys and Identification Devices*

Maximum Weight (ounces)	Keys and Identification Devices (\$)
1	<u>3.54</u>
2	<u>3.54</u>
3	<u>3.54</u>
4	<u>3.54</u>
5	<u>3.72</u>
6	<u>3.90</u>
7	<u>4.08</u>
8	<u>4.26</u>
9	<u>4.44</u>
10	<u>4.62</u>
11	<u>4.80</u>
12	<u>4.98</u>
13	<u>5.16</u>
1 (pound)	Priority Mail Retail Zone 4 postage plus <u>0.84</u>
2 (pounds)	Priority Mail Retail Zone 4 postage plus <u>0.84</u>

USPS Marketing Mail (Commercial and Nonprofit)
High Density and Saturation Letters

1205 High Density and Saturation Letters

1205.6 Prices

Saturation Letters (3.5 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.186	0.111
DNDC	<u>0.164</u>	<u>0.089</u>
DSCF	<u>0.158</u>	<u>0.083</u>

High Density Plus Letters (3.5 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.196	0.117
DNDC	<u>0.174</u>	<u>0.095</u>
DSCF	<u>0.168</u>	<u>0.089</u>

High Density Letters (3.5 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	<u>0.200</u>	0.118
DNDC	<u>0.178</u>	<u>0.096</u>
DSCF	<u>0.172</u>	<u>0.090</u>

Saturation, High Density Plus, and High Density Nonautomation Letters (4.0 ounces or less) Commercial

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density (\$)
None	<u>0.219</u>	<u>0.227</u>	0.248
DNDC	<u>0.179</u>	<u>0.187</u>	0.208
DSCF	<u>0.165</u>	<u>0.173</u>	0.194

*USPS Marketing Mail (Commercial and Nonprofit)
High Density and Saturation Letters*

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

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density (\$)
None	0.136	<u>0.144</u>	<u>0.166</u>
DNDC	0.096	<u>0.104</u>	<u>0.126</u>
DSCF	0.082	<u>0.090</u>	<u>0.112</u>

Picture Permit Imprint Indicia

Add \$0.0201 for each piece that includes Picture Permit Imprint Indicia.

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

1210 High Density and Saturation Flats/Parcels

1210.6 Prices

Saturation Flats (4.0 ounces or less)

Entry Point	Commercial (\$)		Nonprofit (\$)	
	EDDM	Other	EDDM	Other
Origin	<u>0.220</u>	<u>0.219</u>	0.137	0.136
DNDC	<u>0.180</u>	<u>0.179</u>	0.097	0.096
DSCF	<u>0.166</u>	<u>0.165</u>	0.083	0.082
DDU	<u>0.157</u>	<u>0.156</u>	0.074	0.073

Saturation Flats (greater than 4.0 ounces)

a. Per Piece

	Commercial (\$)		Nonprofit (\$)	
	EDDM	Other	EDDM	Other
Per Piece	<u>0.068</u>	<u>0.067</u>	<u>0.028</u>	<u>0.027</u>

b. Per Pound

Entry Point	Commercial (\$)		Nonprofit (\$)	
	EDDM	Other	EDDM	Other
Origin	<u>0.609</u>	<u>0.609</u>	<u>0.436</u>	<u>0.436</u>
DNDC	<u>0.448</u>	<u>0.448</u>	<u>0.275</u>	<u>0.275</u>
DSCF	<u>0.393</u>	<u>0.393</u>	<u>0.220</u>	<u>0.220</u>
DDU	<u>0.357</u>	<u>0.357</u>	<u>0.184</u>	<u>0.184</u>

Saturation Parcels

a. Per Piece

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

Mailing Volume Tier	Commercial		Nonprofit	
	Small (\$)	Large (\$)	Small (\$)	Large (\$)
0-200,000	<u>0.295</u>	<u>0.339</u>	<u>0.221</u>	<u>0.255</u>
200,001 and above	<u>0.283</u>	<u>0.328</u>	<u>0.213</u>	<u>0.247</u>

b. Handling Fees for DNDC/DSCF Entry

	Commercial (\$)	Nonprofit (\$)
Entry Point/ Presort	Pallet	Pallet
DNDC – 3-Digit	<u>51.643</u>	<u>41.314</u>
DNDC – 5-Digit	<u>83.970</u>	<u>67.176</u>
DSCF – 5-Digit	<u>39.342</u>	<u>31.586</u>
Pallet Presort	Carton/Sack	Carton/Sack
3-Digit	<u>7.032</u>	<u>5.730</u>

High Density Plus Flats (4.0 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	<u>0.227</u>	<u>0.144</u>
DNDC	<u>0.187</u>	<u>0.104</u>
DSCF	<u>0.173</u>	<u>0.090</u>
DDU	<u>0.164</u>	<u>0.081</u>

High Density Plus Flats (greater than 4.0 ounces)

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	<u>0.075</u>	0.035

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

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	<u>0.609</u>	<u>0.436</u>
DNDC	<u>0.448</u>	<u>0.275</u>
DSCF	<u>0.393</u>	<u>0.220</u>
DDU	<u>0.357</u>	<u>0.184</u>

High Density Flats (4.0 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.248	<u>0.166</u>
DNDC	0.208	<u>0.126</u>
DSCF/DFSS	0.194	<u>0.112</u>
DDU	0.185	<u>0.103</u>

High Density Flats (greater than 4.0 ounces)

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	<u>0.096</u>	<u>0.057</u>

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

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	<u>0.609</u>	<u>0.436</u>
DNDC	<u>0.448</u>	<u>0.275</u>
DSCF	<u>0.393</u>	<u>0.220</u>
DDU	<u>0.357</u>	<u>0.184</u>

Flat-shaped pieces including a Detached Address Label

Add \$0.0356 for each piece addressed using a Detached Address Label with no advertising, and \$0.0356 for each piece using a Detached Address Label containing advertising (Detached Marketing Label).

Picture Permit Imprint Indicia: Flats Only

Add \$0.0291 for each piece that includes Picture Permit Imprint Indicia.

USPS Marketing Mail (Commercial and Nonprofit)
Carrier Route

1215 Carrier Route

1215.6 Prices

Carrier Route Letters (3.5 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	<u>0.292</u>	<u>0.210</u>
DNDC	<u>0.265</u>	<u>0.183</u>
DSCF	<u>0.257</u>	<u>0.175</u>

Carrier Route Flats (4.0 ounces or less)

Entry Point	Commercial (\$)		Nonprofit (\$)	
	5-Digit Pallet	Other	5-Digit Pallet	Other
Origin	<u>0.276</u>	<u>0.295</u>	<u>0.194</u>	<u>0.213</u>
DNDC	<u>0.246</u>	<u>0.265</u>	<u>0.164</u>	<u>0.183</u>
DSCF	<u>0.238</u>	<u>0.257</u>	<u>0.156</u>	<u>0.175</u>
DDU	<u>0.227</u>	<u>0.246</u>	<u>0.145</u>	<u>0.164</u>

Carrier Route Flats (greater than 4.0 ounces)

a. Per Piece

Entry Point	Commercial (\$)		Nonprofit (\$)	
	5-Digit Pallets	Other	5-Digit Pallets	Other
Origin	<u>0.101</u>	<u>0.120</u>	<u>0.062</u>	<u>0.081</u>
DNDC	<u>0.101</u>	<u>0.120</u>	<u>0.062</u>	<u>0.081</u>
DSCF	<u>0.101</u>	<u>0.120</u>	<u>0.062</u>	<u>0.081</u>
DDU	<u>0.101</u>	<u>0.120</u>	<u>0.062</u>	<u>0.081</u>

USPS Marketing Mail (Commercial and Nonprofit)
Carrier Route

b. Per Pound

Entry Point	Commercial (\$)		Nonprofit (\$)	
	5-Digit Pallets	Other	5-Digit Pallets	Other
Origin	<u>0.698</u>	<u>0.698</u>	<u>0.528</u>	<u>0.528</u>
DNDC	<u>0.578</u>	<u>0.578</u>	<u>0.408</u>	<u>0.408</u>
DSCF	<u>0.546</u>	<u>0.546</u>	<u>0.376</u>	<u>0.376</u>
DDU	<u>0.502</u>	<u>0.502</u>	<u>0.332</u>	<u>0.332</u>

Carrier Route Parcels

a. Per Piece

Mailing Volume Tier	Commercial		Nonprofit	
	Small (\$)	Large (\$)	Small (\$)	Large (\$)
0-200,000	<u>0.408</u>	<u>0.452</u>	<u>0.306</u>	<u>0.339</u>
200,001 and above	<u>0.396</u>	<u>0.441</u>	<u>0.298</u>	<u>0.331</u>

b. Handling Fees for DNDC/DSCF Entry

	Commercial (\$)	Nonprofit (\$)
Entry Point/ Presort	Pallet	Pallet
DNDC – 3-Digit	<u>51.643</u>	<u>41.314</u>
DNDC – 5-Digit	<u>83.970</u>	<u>67.176</u>
DSCF – 5-Digit	<u>39.342</u>	<u>31.586</u>
Pallet Presort	Carton/Sack	Carton/Sack
3-Digit	<u>7.032</u>	<u>5.730</u>

*USPS Marketing Mail (Commercial and Nonprofit)
Carrier Route*

Picture Permit Imprint Indicia

Add \$0.020₁ for each piece that includes Picture Permit Imprint Indicia.

USPS Marketing Mail (Commercial and Nonprofit)
Letters

1220 Letters

1220.6 Prices

Automation Letters (3.5 ounces or less)

Entry Point	Commercial			Nonprofit		
	5-Digit (\$)	AADC (\$)	Mixed AADC (\$)	5-Digit (\$)	AADC (\$)	Mixed AADC (\$)
Origin	0.251	<u>0.274</u>	<u>0.287</u>	<u>0.136</u>	<u>0.159</u>	<u>0.172</u>
DNDC	<u>0.227</u>	<u>0.250</u>	<u>0.263</u>	<u>0.112</u>	<u>0.135</u>	<u>0.148</u>
DSCF	<u>0.220</u>	<u>0.243</u>	n/a	<u>0.105</u>	<u>0.128</u>	n/a

Machinable Letters (3.5 ounces or less)

Entry Point	Commercial		Nonprofit	
	AADC (\$)	Mixed AADC (\$)	AADC (\$)	Mixed AADC (\$)
Origin	<u>0.287</u>	<u>0.300</u>	<u>0.172</u>	<u>0.185</u>
DNDC	<u>0.263</u>	<u>0.276</u>	<u>0.148</u>	<u>0.161</u>
DSCF	<u>0.256</u>	n/a	<u>0.141</u>	n/a

Nonmachinable Letters (4.0 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.479</u>	<u>0.550</u>	<u>0.573</u>	<u>0.646</u>	<u>0.364</u>	<u>0.435</u>	<u>0.458</u>	<u>0.531</u>
DNDC	<u>0.455</u>	<u>0.526</u>	<u>0.549</u>	<u>0.622</u>	<u>0.340</u>	<u>0.411</u>	<u>0.434</u>	<u>0.507</u>
DSCF	<u>0.448</u>	<u>0.519</u>	<u>0.542</u>	n/a	<u>0.333</u>	<u>0.404</u>	<u>0.427</u>	n/a

Picture Permit Imprint Indicia

Add \$0.020₁ for each piece that includes Picture Permit Imprint Indicia.

USPS Marketing Mail (Commercial and Nonprofit)
Flats

1225 Flats

1225.6 Prices

Automation Flats (4.0 ounces or less)

Commercial				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.393</u>	<u>0.500</u>	<u>0.567</u>	<u>0.598</u>
DNDC	<u>0.352</u>	<u>0.459</u>	<u>0.526</u>	<u>0.557</u>
DSCF	<u>0.340</u>	<u>0.447</u>	<u>0.514</u>	n/a

Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.227</u>	<u>0.334</u>	<u>0.401</u>	<u>0.432</u>
DNDC	<u>0.186</u>	<u>0.293</u>	<u>0.360</u>	<u>0.391</u>
DSCF	<u>0.174</u>	<u>0.281</u>	<u>0.348</u>	n/a

USPS Marketing Mail (Commercial and Nonprofit)
Flats

Automation Flats (greater than 4.0 ounces)

a. Per Piece

Commercial				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.169</u>	<u>0.276</u>	<u>0.343</u>	<u>0.374</u>
DNDC	<u>0.169</u>	<u>0.276</u>	<u>0.343</u>	<u>0.374</u>
DSCF	<u>0.169</u>	<u>0.276</u>	<u>0.343</u>	n/a
Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.036</u>	<u>0.143</u>	<u>0.210</u>	<u>0.241</u>
DNDC	<u>0.036</u>	<u>0.143</u>	<u>0.210</u>	<u>0.241</u>
DSCF	<u>0.036</u>	<u>0.143</u>	<u>0.210</u>	n/a

USPS Marketing Mail (Commercial and Nonprofit)
Flats

b. Per Pound

Commercial				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.894</u>	<u>0.894</u>	<u>0.894</u>	<u>0.894</u>
DNDC	<u>0.731</u>	<u>0.731</u>	<u>0.731</u>	<u>0.731</u>
DSCF	<u>0.683</u>	<u>0.683</u>	<u>0.683</u>	n/a

Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.764</u>	<u>0.764</u>	<u>0.764</u>	<u>0.764</u>
DNDC	<u>0.601</u>	<u>0.601</u>	<u>0.601</u>	<u>0.601</u>
DSCF	<u>0.553</u>	<u>0.553</u>	<u>0.553</u>	n/a

USPS Marketing Mail (Commercial and Nonprofit)
Flats*Nonautomation Flats (4.0 ounces or less)*

Commercial				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.466</u>	<u>0.550</u>	<u>0.602</u>	<u>0.634</u>
DNDC	<u>0.425</u>	<u>0.509</u>	<u>0.561</u>	<u>0.593</u>
DSCF	<u>0.413</u>	<u>0.497</u>	<u>0.549</u>	n/a

Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.300</u>	<u>0.384</u>	<u>0.436</u>	<u>0.468</u>
DNDC	<u>0.259</u>	<u>0.343</u>	<u>0.395</u>	<u>0.427</u>
DSCF	<u>0.247</u>	<u>0.331</u>	<u>0.383</u>	n/a

USPS Marketing Mail (Commercial and Nonprofit)
Flats

Nonautomation Flats (greater than 4.0 ounces)

a. Per Piece

Commercial				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.242</u>	<u>0.326</u>	<u>0.378</u>	<u>0.410</u>
DNDC	<u>0.242</u>	<u>0.326</u>	<u>0.378</u>	<u>0.410</u>
DSCF	<u>0.242</u>	<u>0.326</u>	<u>0.378</u>	n/a
Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.109</u>	<u>0.193</u>	<u>0.245</u>	<u>0.277</u>
DNDC	<u>0.109</u>	<u>0.193</u>	<u>0.245</u>	<u>0.277</u>
DSCF	<u>0.109</u>	<u>0.193</u>	<u>0.245</u>	n/a

USPS Marketing Mail (Commercial and Nonprofit)
Flats

b. Per Pound

Commercial				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.894</u>	<u>0.894</u>	<u>0.894</u>	<u>0.894</u>
DNDC	<u>0.731</u>	<u>0.731</u>	<u>0.731</u>	<u>0.731</u>
DSCF	<u>0.683</u>	<u>0.683</u>	<u>0.683</u>	n/a

Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.764</u>	<u>0.764</u>	<u>0.764</u>	<u>0.764</u>
DNDC	<u>0.601</u>	<u>0.601</u>	<u>0.601</u>	<u>0.601</u>
<u>DSCF</u>	<u>0.553</u>	<u>0.553</u>	<u>0.553</u>	n/a

Customized MarketMail Prices

	Commercial (\$)	Nonprofit (\$)
Per Piece	<u>0.451</u>	<u>0.334</u>

Picture Permit Imprint Indicia

Add \$0.0201 for each piece that includes Picture Permit Imprint Indicia.

USPS Marketing Mail (Commercial and Nonprofit)
Parcels

1230 **Parcels**

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	<u>1.243</u>	<u>1.577</u>	n/a	n/a	<u>1.106</u>	<u>1.440</u>
DNDC	<u>0.786</u>	<u>0.879</u>	<u>1.193</u>	n/a	<u>0.649</u>	<u>0.742</u>	<u>1.056</u>	n/a
DSCF	<u>0.736</u>	<u>0.829</u>	n/a	n/a	<u>0.599</u>	<u>0.692</u>	n/a	n/a
DDU	<u>0.691</u>	n/a	n/a	n/a	<u>0.554</u>	n/a	n/a	n/a

USPS Marketing Mail (Commercial and Nonprofit)
Parcels

Marketing Parcels (greater than 3.3 ounces)

a. Per Piece

	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	<u>0.599</u>	<u>0.692</u>	<u>1.006</u>	<u>1.340</u>	<u>0.505</u>	<u>0.598</u>	<u>0.912</u>	<u>1.246</u>

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Origin	n/a	n/a	1.150	1.150	n/a	n/a	<u>0.941</u>	<u>0.941</u>
DNDC	0.905	0.905	0.905	n/a	<u>0.696</u>	<u>0.696</u>	<u>0.696</u>	n/a
DSCF	0.663	0.663	n/a	n/a	<u>0.454</u>	<u>0.454</u>	n/a	n/a
DDU	0.445	n/a	n/a	n/a	<u>0.236</u>	n/a	n/a	n/a

USPS Marketing Mail (Commercial and Nonprofit)
Parcels

Nonprofit Machinable Parcels Prices (3.5 ounces or more)

a. Per Piece

	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)
Per Piece	<u>0.626</u>	<u>0.912</u>	<u>1.308</u>

b. Per Pound

Entry Point	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	<u>1.057</u>	<u>1.057</u>
DNDC	<u>0.812</u>	<u>0.812</u>	n/a
DSCF	<u>0.549</u>	n/a	n/a
DDU	<u>0.352</u>	n/a	n/a

Nonprofit Irregular Parcels (3.3 ounces or less)

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	<u>1.387</u>	<u>1.637</u>
DNDC	<u>0.793</u>	<u>0.955</u>	<u>1.336</u>	n/a
DSCF	<u>0.739</u>	<u>0.901</u>	n/a	n/a
DDU	<u>0.699</u>	n/a	n/a	n/a

Nonprofit Irregular Parcels (greater than 3.3 ounces)

a. Per Piece

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Per Piece	<u>0.626</u>	<u>0.788</u>	<u>1.169</u>	<u>1.419</u>

*USPS Marketing Mail (Commercial and Nonprofit)
Parcels*

b. Per Pound

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	<u>1.057</u>	<u>1.057</u>
DNDC	<u>0.812</u>	<u>0.812</u>	<u>0.812</u>	n/a
DSCF	<u>0.549</u>	<u>0.549</u>	n/a	n/a
DDU	<u>0.352</u>	n/a	n/a	n/a

Non-barcoded Parcels Surcharge

For non-barcoded parcels, add \$0.06~~258~~258 per piece. The surcharge does not apply to pieces sorted to 5-Digit ZIP Codes.

*USPS Marketing Mail (Commercial and Nonprofit)
Every Door Direct Mail—Retail*

1235 Every Door Direct Mail—Retail

1235.6 Prices

Saturation Flats (3.3 ounces or less)

Entry Point	(\$)
DDU	<u>0.178</u>

1305 In-County Periodicals

1305.6 Prices

In-County Automation

a. Pound Prices (per pound or fraction thereof)

Entry Point	Price (\$)
DDU	<u>0.156</u>
Non-DDU	<u>0.204</u>

b. Piece Prices (per addressed piece)

Presort Level	Letters (\$)	Flats (\$)
5-Digit	<u>0.054</u>	<u>0.116</u>
3-Digit	<u>0.056</u>	<u>0.125</u>
Basic	<u>0.066</u>	<u>0.132</u>

In-County Nonautomation

a. Pound Prices (per pound or fraction thereof)

Entry Point	Price (\$)
DDU	<u>0.156</u>
Non-DDU	<u>0.204</u>

b. Piece Prices (per addressed piece)

Presort Level	Letters, Flats, and Parcels (\$)
Carrier Route Saturation	0.034
Carrier Route High Density	<u>0.049</u>
Carrier Route Basic	<u>0.066</u>
5-Digit	<u>0.127</u>
3-Digit	<u>0.143</u>
Basic	<u>0.164</u>

In-County Periodicals including a Ride-Along piece

Add \$0.1756 for a Ride-Along item enclosed with or attached to an In-County Periodical.

1310 Outside County Periodicals

1310.6 Prices

Pound Prices (per pound or fraction thereof)

Piece Price (per addressed piece)

a. Carrier Route Letters, Flats, and Parcels

Bundle Level	Letters, Flats, and Parcels (\$)
Saturation	<u>0.147</u>
High Density	0.168
Basic	<u>0.205</u>

b. Barcoded Letters

c. Machinable Flats and Nonbarcoded Letters

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Nonbarcoded Letters (\$)
5-Digit	<u>0.314</u>	<u>0.317</u>	<u>0.317</u>
3-Digit/SCF	<u>0.390</u>	<u>0.416</u>	<u>0.416</u>
ADC	<u>0.441</u>	<u>0.474</u>	<u>0.474</u>
Mixed ADC	<u>0.490</u>	<u>0.535</u>	<u>0.535</u>

d. Nonmachinable Flats and Parcels

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Parcels (\$)
5-Digit	<u>0.397</u>	<u>0.398</u>	<u>0.398</u>
3-Digit/SCF	<u>0.529</u>	<u>0.530</u>	<u>0.530</u>
ADC	<u>0.569</u>	<u>0.579</u>	<u>0.579</u>
Mixed ADC	<u>0.672</u>	<u>0.672</u>	<u>0.672</u>

e. Editorial Adjustment

A per-piece editorial adjustment is provided by subtracting ~~\$0.0010~~\$0.0010 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 \$0.20~~27~~.

Bundle Prices (per bundle)

Bundle Level	Container Level				
	Carrier Route (\$)	5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
Firm	<u>0.106</u>	<u>0.106</u>	<u>0.257</u>	<u>0.306</u>	<u>0.396</u>
Carrier Route	<u>0.156</u>	<u>0.156</u>	<u>0.558</u>	<u>0.770</u>	<u>0.998</u>
5-Digit		<u>0.343</u>	<u>0.387</u>	<u>0.516</u>	<u>0.761</u>
3-Digit/SFC			<u>0.344</u>	<u>0.459</u>	<u>0.715</u>
ADC				<u>0.366</u>	<u>0.610</u>
Mixed ADC					<u>0.212</u>

Container Prices (per pallet, tray, or sack)

a. Pallet Container

Entry Point	Carrier Route (\$)	5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
DDU	<u>3.046</u>				
DSCF	<u>21.596</u>	<u>40.066</u>	<u>24.849</u>		
DADC	<u>40.331</u>	<u>58.001</u>	<u>42.783</u>	<u>25.475</u>	
DNDC	<u>44.734</u>	<u>62.404</u>	<u>47.187</u>	<u>44.386</u>	
Origin	<u>64.567</u>	<u>82.237</u>	<u>66.992</u>	<u>64.195</u>	<u>8.093</u>

b. Tray or Sack Container

Entry Point	Carrier Route/ 5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
DDU	<u>1.027</u>			
DSCF	<u>1.564</u>	<u>0.957</u>		
DADC	<u>2.077</u>	<u>1.466</u>	<u>0.952</u>	
DNDC	<u>2.475</u>	<u>1.781</u>	<u>1.639</u>	
Origin	<u>3.355</u>	<u>2.546</u>	<u>2.415</u>	<u>0.627</u>

Outside County Periodicals including a Ride-Along piece

Add \$0.1756 for a Ride-Along item enclosed with or attached to an Outside County Periodical.

1405 Alaska Bypass Service

1405.6 Prices

Alaska Bypass

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)
70	<u>25.53</u>	<u>31.20</u>

*Package Services
Bound Printed Matter Flats*

1415 Bound Printed Matter Flats

1415.6 Prices

Carrier Route

1. Destination Entry

	DDU	DSCF	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	<u>0.385</u>	<u>0.542</u>	<u>0.988</u>	<u>0.988</u>	<u>0.988</u>	<u>0.988</u>
Per Pound	<u>0.021</u>	<u>0.037</u>	<u>0.064</u>	<u>0.099</u>	<u>0.126</u>	<u>0.226</u>

2. Other Than Destination Entry

	Zones Local 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zones 8 & 9
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	<u>1.090</u>	<u>1.090</u>	<u>1.090</u>	<u>1.090</u>	<u>1.090</u>	<u>1.090</u>	<u>1.090</u>
Per Pound	<u>0.138</u>	<u>0.149</u>	<u>0.202</u>	<u>0.257</u>	<u>0.329</u>	<u>0.372</u>	<u>0.500</u>

Presorted

1. Destination Entry¹

	DDU	DSCF	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	<u>0.525</u>	<u>0.682</u>	<u>1.128</u>	<u>1.128</u>	<u>1.128</u>	<u>1.128</u>
Per Pound	<u>0.021</u>	<u>0.037</u>	<u>0.064</u>	<u>0.099</u>	<u>0.126</u>	<u>0.226</u>

2. Other Than Destination Entry

	Zones Local 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zones 8 & 9 (\$)
Per Piece	<u>1.230</u>	<u>1.230</u>	<u>1.230</u>	<u>1.230</u>	<u>1.230</u>	<u>1.230</u>	<u>1.230</u>
Per Pound	0.138	0.149	0.202	0.257	0.329	0.372	0.500

Package Services
Bound Printed Matter Flats

Nonpresorted

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zones 8 & 9 (\$)
1.0	<u>1.90</u>	<u>1.95</u>	<u>2.01</u>	<u>2.10</u>	<u>2.20</u>	<u>2.26</u>	<u>2.46</u>
1.5	<u>1.91</u>	<u>1.96</u>	<u>2.02</u>	<u>2.11</u>	<u>2.21</u>	<u>2.27</u>	<u>2.47</u>
2.0	<u>1.99</u>	<u>2.05</u>	<u>2.13</u>	<u>2.25</u>	<u>2.39</u>	<u>2.47</u>	<u>2.73</u>
2.5	<u>2.08</u>	<u>2.16</u>	<u>2.26</u>	<u>2.41</u>	<u>2.58</u>	<u>2.68</u>	<u>3.01</u>
3.0	<u>2.17</u>	<u>2.26</u>	<u>2.38</u>	<u>2.56</u>	<u>2.77</u>	<u>2.89</u>	<u>3.28</u>
3.5	<u>2.27</u>	<u>2.38</u>	<u>2.52</u>	<u>2.73</u>	<u>2.97</u>	<u>3.11</u>	<u>3.58</u>
4.0	<u>2.36</u>	<u>2.48</u>	<u>2.64</u>	<u>2.88</u>	<u>3.16</u>	<u>3.32</u>	<u>3.85</u>
4.5	<u>2.46</u>	<u>2.60</u>	<u>2.78</u>	<u>3.05</u>	<u>3.36</u>	<u>3.54</u>	<u>4.15</u>
5.0	<u>2.55</u>	<u>2.70</u>	<u>2.90</u>	<u>3.20</u>	<u>3.55</u>	<u>3.75</u>	<u>4.42</u>
6.0	<u>2.73</u>	<u>2.91</u>	<u>3.15</u>	<u>3.51</u>	<u>3.93</u>	<u>4.17</u>	<u>4.97</u>
7.0	<u>2.92</u>	<u>3.13</u>	<u>3.41</u>	<u>3.84</u>	<u>4.34</u>	<u>4.62</u>	<u>5.55</u>
8.0	<u>3.10</u>	<u>3.34</u>	<u>3.66</u>	<u>4.15</u>	<u>4.72</u>	<u>5.04</u>	<u>6.10</u>
9.0	<u>3.28</u>	<u>3.55</u>	<u>3.92</u>	<u>4.47</u>	<u>5.11</u>	<u>5.48</u>	<u>6.68</u>
10.0	<u>3.47</u>	<u>3.77</u>	<u>4.18</u>	<u>4.80</u>	<u>5.52</u>	<u>5.93</u>	<u>7.26</u>
11.0	<u>3.66</u>	<u>4.00</u>	<u>4.45</u>	<u>5.13</u>	<u>5.92</u>	<u>6.37</u>	<u>7.84</u>
12.0	<u>3.84</u>	<u>4.21</u>	<u>4.70</u>	<u>5.44</u>	<u>6.30</u>	<u>6.79</u>	<u>8.39</u>
13.0	<u>4.02</u>	<u>4.42</u>	<u>4.95</u>	<u>5.75</u>	<u>6.68</u>	<u>7.21</u>	<u>8.94</u>
14.0	<u>4.21</u>	<u>4.64</u>	<u>5.21</u>	<u>6.07</u>	<u>7.08</u>	<u>7.65</u>	<u>9.51</u>
15.0	<u>4.40</u>	<u>4.87</u>	<u>5.49</u>	<u>6.42</u>	<u>7.50</u>	<u>8.12</u>	<u>10.12</u>

*Package Services
Bound Printed Matter Parcels*

1420 Bound Printed Matter Parcels

1420.6 Prices

Carrier Route

a. Destination Entry

	DDU	DSCF	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	<u>0.625</u>	<u>0.782</u>	<u>1.228</u>	<u>1.228</u>	<u>1.228</u>	<u>1.228</u>
Per Pound	<u>0.039</u>	<u>0.073</u>	<u>0.101</u>	<u>0.131</u>	<u>0.178</u>	<u>0.248</u>

b. Other Than Destination Entry

	Zones Local 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zones 8 & 9
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	<u>1.330</u>	<u>1.330</u>	<u>1.330</u>	<u>1.330</u>	<u>1.330</u>	<u>1.330</u>	<u>1.330</u>
Per Pound	<u>0.187</u>	<u>0.223</u>	<u>0.271</u>	<u>0.334</u>	<u>0.409</u>	<u>0.471</u>	<u>0.616</u>

Package Services
Bound Printed Matter Parcels

Presorted

a. Destination Entry

	DDU (\$)	DSCF (\$)	DNDC Zones 1 & 2 (\$)	DNDC Zone 3 (\$)	DNDC Zone 4 (\$)	DNDC Zone 5 (\$)
Per Piece	<u>0.764</u>	<u>0.921</u>	<u>1.367</u>	<u>1.367</u>	<u>1.367</u>	<u>1.367</u>
Per Pound	<u>0.039</u>	<u>0.073</u>	<u>0.101</u>	<u>0.131</u>	<u>0.178</u>	<u>0.248</u>

b. Other Than Destination Entry

	Zones Local 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zones 8 & 9 (\$)
Per Piece	<u>1.469</u>	<u>1.469</u>	<u>1.469</u>	<u>1.469</u>	<u>1.469</u>	<u>1.469</u>	<u>1.469</u>
Per Pound	<u>0.187</u>	<u>0.223</u>	<u>0.271</u>	<u>0.334</u>	<u>0.409</u>	<u>0.471</u>	<u>0.616</u>

*Package Services
Bound Printed Matter Parcels**Nonpresorted*

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zones 8 & 9 (\$)
1.0	<u>2.58</u>	<u>2.64</u>	<u>2.70</u>	<u>2.79</u>	<u>2.91</u>	<u>2.97</u>	<u>3.18</u>
1.5	<u>2.62</u>	<u>2.69</u>	<u>2.74</u>	<u>2.84</u>	<u>2.97</u>	<u>3.04</u>	<u>3.28</u>
2.0	<u>2.70</u>	<u>2.78</u>	<u>2.86</u>	<u>2.98</u>	<u>3.14</u>	<u>3.22</u>	<u>3.50</u>
2.5	<u>2.82</u>	<u>2.92</u>	<u>3.02</u>	<u>3.17</u>	<u>3.37</u>	<u>3.47</u>	<u>3.82</u>
3.0	<u>2.95</u>	<u>3.07</u>	<u>3.19</u>	<u>3.37</u>	<u>3.61</u>	<u>3.73</u>	<u>4.16</u>
3.5	<u>3.08</u>	<u>3.22</u>	<u>3.36</u>	<u>3.57</u>	<u>3.85</u>	<u>3.99</u>	<u>4.50</u>
4.0	<u>3.20</u>	<u>3.36</u>	<u>3.52</u>	<u>3.76</u>	<u>4.08</u>	<u>4.24</u>	<u>4.82</u>
4.5	<u>3.32</u>	<u>3.50</u>	<u>3.68</u>	<u>3.95</u>	<u>4.31</u>	<u>4.49</u>	<u>5.14</u>
5.0	<u>3.44</u>	<u>3.64</u>	<u>3.84</u>	<u>4.14</u>	<u>4.54</u>	<u>4.74</u>	<u>5.46</u>
6.0	<u>3.69</u>	<u>3.93</u>	<u>4.17</u>	<u>4.54</u>	<u>5.03</u>	<u>5.27</u>	<u>6.13</u>
7.0	<u>3.94</u>	<u>4.22</u>	<u>4.50</u>	<u>4.93</u>	<u>5.51</u>	<u>5.79</u>	<u>6.79</u>
8.0	<u>4.18</u>	<u>4.50</u>	<u>4.82</u>	<u>5.32</u>	<u>5.98</u>	<u>6.30</u>	<u>7.44</u>
9.0	<u>4.43</u>	<u>4.80</u>	<u>5.17</u>	<u>5.73</u>	<u>6.47</u>	<u>6.84</u>	<u>8.13</u>
10.0	<u>4.67</u>	<u>5.08</u>	<u>5.49</u>	<u>6.11</u>	<u>6.93</u>	<u>7.34</u>	<u>8.77</u>
11.0	<u>4.93</u>	<u>5.39</u>	<u>5.85</u>	<u>6.53</u>	<u>7.44</u>	<u>7.90</u>	<u>9.49</u>
12.0	<u>5.17</u>	<u>5.67</u>	<u>6.17</u>	<u>6.91</u>	<u>7.90</u>	<u>8.40</u>	<u>10.13</u>
13.0	<u>5.41</u>	<u>5.95</u>	<u>6.49</u>	<u>7.29</u>	<u>8.36</u>	<u>8.90</u>	<u>10.77</u>
14.0	<u>5.67</u>	<u>6.25</u>	<u>6.83</u>	<u>7.69</u>	<u>8.84</u>	<u>9.42</u>	<u>11.44</u>
15.0	<u>5.91</u>	<u>6.53</u>	<u>7.15</u>	<u>8.07</u>	<u>9.31</u>	<u>9.93</u>	<u>12.09</u>

*Package Services
Media Mail/Library Mail***1425 Media Mail/Library Mail**

1425.6 Prices

Media Mail

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
1	<u>1.74</u>	<u>2.54</u>	<u>2.66</u>
2	<u>2.25</u>	<u>3.05</u>	<u>3.17</u>
3	<u>2.76</u>	<u>3.56</u>	<u>3.68</u>
4	<u>3.27</u>	<u>4.07</u>	<u>4.19</u>
5	<u>3.78</u>	<u>4.58</u>	<u>4.70</u>
6	<u>4.29</u>	<u>5.09</u>	<u>5.21</u>
7	<u>4.80</u>	<u>5.60</u>	<u>5.72</u>
8	<u>5.31</u>	<u>6.11</u>	<u>6.23</u>
9	<u>5.82</u>	<u>6.62</u>	<u>6.74</u>
10	<u>6.33</u>	<u>7.13</u>	<u>7.25</u>
11	<u>6.84</u>	<u>7.64</u>	<u>7.76</u>
12	<u>7.35</u>	<u>8.15</u>	<u>8.27</u>
13	<u>7.86</u>	<u>8.66</u>	<u>8.78</u>
14	<u>8.37</u>	<u>9.17</u>	<u>9.29</u>
15	<u>8.88</u>	<u>9.68</u>	<u>9.80</u>
16	<u>9.39</u>	<u>10.19</u>	<u>10.31</u>
17	<u>9.90</u>	<u>10.70</u>	<u>10.82</u>
18	<u>10.41</u>	<u>11.21</u>	<u>11.33</u>
19	<u>10.92</u>	<u>11.72</u>	<u>11.84</u>
20	<u>11.43</u>	<u>12.23</u>	<u>12.35</u>
21	<u>11.94</u>	<u>12.74</u>	<u>12.86</u>
22	<u>12.45</u>	<u>13.25</u>	<u>13.37</u>
23	<u>12.96</u>	<u>13.76</u>	<u>13.88</u>
24	<u>13.47</u>	<u>14.27</u>	<u>14.39</u>
25	<u>13.98</u>	<u>14.78</u>	<u>14.90</u>

Package Services
Media Mail/Library Mail*Media Mail (Continued)*

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
26	<u>14.49</u>	<u>15.29</u>	<u>15.41</u>
27	<u>15.00</u>	<u>15.80</u>	<u>15.92</u>
28	<u>15.51</u>	<u>16.31</u>	<u>16.43</u>
29	<u>16.02</u>	<u>16.82</u>	<u>16.94</u>
30	<u>16.53</u>	<u>17.33</u>	<u>17.45</u>
31	<u>17.04</u>	<u>17.84</u>	<u>17.96</u>
32	<u>17.55</u>	<u>18.35</u>	<u>18.47</u>
33	<u>18.06</u>	<u>18.86</u>	<u>18.98</u>
34	<u>18.57</u>	<u>19.37</u>	<u>19.49</u>
35	<u>19.08</u>	<u>19.88</u>	<u>20.00</u>
36	<u>19.59</u>	<u>20.39</u>	<u>20.51</u>
37	<u>20.10</u>	<u>20.90</u>	<u>21.02</u>
38	<u>20.61</u>	<u>21.41</u>	<u>21.53</u>
39	<u>21.12</u>	<u>21.92</u>	<u>22.04</u>
40	<u>21.63</u>	<u>22.43</u>	<u>22.55</u>
41	<u>22.14</u>	<u>22.94</u>	<u>23.06</u>
42	<u>22.65</u>	<u>23.45</u>	<u>23.57</u>
43	<u>23.16</u>	<u>23.96</u>	<u>24.08</u>
44	<u>23.67</u>	<u>24.47</u>	<u>24.59</u>
45	<u>24.18</u>	<u>24.98</u>	<u>25.10</u>
46	<u>24.69</u>	<u>25.49</u>	<u>25.61</u>
47	<u>25.20</u>	<u>26.00</u>	<u>26.12</u>
48	<u>25.71</u>	<u>26.51</u>	<u>26.63</u>
49	<u>26.22</u>	<u>27.02</u>	<u>27.14</u>
50	<u>26.73</u>	<u>27.53</u>	<u>27.65</u>

Package Services
Media Mail/Library Mail*Media Mail (Continued)*

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
51	<u>27.24</u>	<u>28.04</u>	<u>28.16</u>
52	<u>27.75</u>	<u>28.55</u>	<u>28.67</u>
53	<u>28.26</u>	<u>29.06</u>	<u>29.18</u>
54	<u>28.77</u>	<u>29.57</u>	<u>29.69</u>
55	<u>29.28</u>	<u>30.08</u>	<u>30.20</u>
56	<u>29.79</u>	<u>30.59</u>	<u>30.71</u>
57	<u>30.30</u>	<u>31.10</u>	<u>31.22</u>
58	<u>30.81</u>	<u>31.61</u>	<u>31.73</u>
59	<u>31.32</u>	<u>32.12</u>	<u>32.24</u>
60	<u>31.83</u>	<u>32.63</u>	<u>32.75</u>
61	<u>32.34</u>	<u>33.14</u>	<u>33.26</u>
62	<u>32.85</u>	<u>33.65</u>	<u>33.77</u>
63	<u>33.36</u>	<u>34.16</u>	<u>34.28</u>
64	<u>33.87</u>	<u>34.67</u>	<u>34.79</u>
65	<u>34.38</u>	<u>35.18</u>	<u>35.30</u>
66	<u>34.89</u>	<u>35.69</u>	<u>35.81</u>
67	<u>35.40</u>	<u>36.20</u>	<u>36.32</u>
68	<u>35.91</u>	<u>36.71</u>	<u>36.83</u>
69	<u>36.42</u>	<u>37.22</u>	<u>37.34</u>
70	<u>36.93</u>	<u>37.73</u>	<u>37.85</u>

Package Services
Media Mail/Library Mail*Library Mail*

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
1	<u>1.65</u>	<u>2.41</u>	<u>2.53</u>
2	<u>2.13</u>	<u>2.89</u>	<u>3.01</u>
3	<u>2.61</u>	<u>3.37</u>	<u>3.49</u>
4	<u>3.09</u>	<u>3.85</u>	<u>3.97</u>
5	<u>3.57</u>	<u>4.33</u>	<u>4.45</u>
6	<u>4.05</u>	<u>4.81</u>	<u>4.93</u>
7	<u>4.53</u>	<u>5.29</u>	<u>5.41</u>
8	<u>5.01</u>	<u>5.77</u>	<u>5.89</u>
9	<u>5.49</u>	<u>6.25</u>	<u>6.37</u>
10	<u>5.97</u>	<u>6.73</u>	<u>6.85</u>
11	<u>6.45</u>	<u>7.21</u>	<u>7.33</u>
12	<u>6.93</u>	<u>7.69</u>	<u>7.81</u>
13	<u>7.41</u>	<u>8.17</u>	<u>8.29</u>
14	<u>7.89</u>	<u>8.65</u>	<u>8.77</u>
15	<u>8.37</u>	<u>9.13</u>	<u>9.25</u>
16	<u>8.85</u>	<u>9.61</u>	<u>9.73</u>
17	<u>9.33</u>	<u>10.09</u>	<u>10.21</u>
18	<u>9.81</u>	<u>10.57</u>	<u>10.69</u>
19	<u>10.29</u>	<u>11.05</u>	<u>11.17</u>
20	<u>10.77</u>	<u>11.53</u>	<u>11.65</u>
21	<u>11.25</u>	<u>12.01</u>	<u>12.13</u>
22	<u>11.73</u>	<u>12.49</u>	<u>12.61</u>
23	<u>12.21</u>	<u>12.97</u>	<u>13.09</u>
24	<u>12.69</u>	<u>13.45</u>	<u>13.57</u>
25	<u>13.17</u>	<u>13.93</u>	<u>14.05</u>

Package Services
Media Mail/Library Mail

Library Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
26	13.65	14.41	14.53
27	14.13	14.89	15.01
28	14.61	15.37	15.49
29	15.09	15.85	15.97
30	15.57	16.33	16.45
31	16.05	16.81	16.93
32	16.53	17.29	17.41
33	17.01	17.77	17.89
34	17.49	18.25	18.37
35	17.97	18.73	18.85
36	18.45	19.21	19.33
37	18.93	19.69	19.81
38	19.41	20.17	20.29
39	19.89	20.65	20.77
40	20.37	21.13	21.25
41	20.85	21.61	21.73
42	21.33	22.09	22.21
43	21.81	22.57	22.69
44	22.29	23.05	23.17
45	22.77	23.53	23.65
46	23.25	24.01	24.13
47	23.73	24.49	24.61
48	24.21	24.97	25.09
49	24.69	25.45	25.57
50	25.17	25.93	26.05

Package Services
Media Mail/Library Mail*Library Mail (Continued)*

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
51	<u>25.65</u>	<u>26.41</u>	<u>26.53</u>
52	<u>26.13</u>	<u>26.89</u>	<u>27.01</u>
53	<u>26.61</u>	<u>27.37</u>	<u>27.49</u>
54	<u>27.09</u>	<u>27.85</u>	<u>27.97</u>
55	<u>27.57</u>	<u>28.33</u>	<u>28.45</u>
56	<u>28.05</u>	<u>28.81</u>	<u>28.93</u>
57	<u>28.53</u>	<u>29.29</u>	<u>29.41</u>
58	<u>29.01</u>	<u>29.77</u>	<u>29.89</u>
59	<u>29.49</u>	<u>30.25</u>	<u>30.37</u>
60	<u>29.97</u>	<u>30.73</u>	<u>30.85</u>
61	<u>30.45</u>	<u>31.21</u>	<u>31.33</u>
62	<u>30.93</u>	<u>31.69</u>	<u>31.81</u>
63	<u>31.41</u>	<u>32.17</u>	<u>32.29</u>
64	<u>31.89</u>	<u>32.65</u>	<u>32.77</u>
65	<u>32.37</u>	<u>33.13</u>	<u>33.25</u>
66	<u>32.85</u>	<u>33.61</u>	<u>33.73</u>
67	<u>33.33</u>	<u>34.09</u>	<u>34.21</u>
68	<u>33.81</u>	<u>34.57</u>	<u>34.69</u>
69	<u>34.29</u>	<u>35.05</u>	<u>35.17</u>
70	<u>34.77</u>	<u>35.53</u>	<u>35.65</u>

1505 Ancillary Services

1505.1.2 Prices

	(\$)
Manual correction, each	
First-Class Mail piece, on-piece correction only	0.00
Other	<u>0.59</u>
Electronic correction, each	
First-Class Mail piece	<u>0.13</u>
Other	0.31
Automated correction (Letters Only)	
First-Class Mail piece	
First two notices, for a given address change, each	<u>0.07</u>
Additional notices, for a given address change, each	<u>0.14</u>
USPS Marketing Mail piece	
First two notices, for a given address change, each	<u>0.10</u>
Additional notices, for a given address change, each	<u>0.27</u>
Full-service correction, each	0.00

1505.2 Applications and Mailing Permits

1505.2.2 Prices

	(\$)
First-Class Mail Presort Mailing Fee (per year)	225.00
USPS Marketing Mail Mailing Fee (per year)	225.00
Periodicals Application Fees (one-time only for each)	
A. Original Entry	<u>700.00</u>
B. Re-entry	<u>80.00</u>
C. Registration for News Agents	<u>80.00</u>
Bound Printed Matter: Destination Entry Mailing Fee (per year) ¹	225.00
Application to Use Permit Imprint (one-time only)	225.00

1505.3 Business Reply Mail

1505.3.2 Prices

	(\$)
Permit (All categories)	225.00 ¹
Regular (no account maintenance fee)	
Per-piece charge	<u>0.84</u>
Regular (with account maintenance fee)	
Account maintenance (per year)	<u>690.00</u>
Per-piece charge	<u>0.098</u>
Qualified Business Reply Mail, low-volume	
Account maintenance (per year)	<u>690.00</u>
Per-piece charge	<u>0.068</u>
Qualified Business Reply Mail, high-volume	
Account maintenance (per year)	<u>690.00</u>
Quarterly	<u>2,350.00</u>
Per-piece charge	<u>0.013</u>
Bulk Weight Averaged (Non-letters only)	
Account maintenance (per year)	<u>690.00</u>
Per-piece charge	0.018
Monthly maintenance	<u>1,155.00</u>

1505.4 Bulk Parcel Return Service

1505.4.2 Prices

	(\$)
Per-piece charge	<u>3.20</u>

1505.5 Certified Mail

1505.5.2 Prices

(Per piece)	(\$)
Certified Mail	<u>3.45</u>
Certified Mail with Restricted Delivery and/or Adult Signature	<u>8.55</u>

1505.6 Certificate of Mailing

1505.6.2 Prices

Individual Piece Prices

	(\$)
Original Certificate of Mailing, Form 3817, individual article presented at retail	<u>1.40</u>
Three or more pieces individually listed on Form 3665-Firm or USPS approved customer provided manifest (per piece listed)	<u>0.40</u>
Each additional copy of original Certificate of Mailing, or original mailing receipt (Form 3877) for Registered Mail, insured mail, Certified Mail, and COD mail (each copy)	<u>1.40</u>

Quantity of Pieces

	(\$)
Up to 1,000 identical-weight pieces (one Form 3606 for total number)	<u>8.25</u>
Each additional 1,000 identical-weight pieces or fraction thereof	<u>1.03</u>
Each additional copy of the original Form 3606	<u>1.40</u>

1505.7 Collect on Delivery

1505.7.2 Prices

(\$)	(\$)	(\$)
Amount to be collected, or insurance coverage desired, whichever is higher:		
0.01	to 50.00	<u>7.50</u>
50.01	to 100.00	<u>9.30</u>
100.01	to 200.00	<u>11.15</u>
200.01	to 300.00	<u>13.00</u>
300.01	to 400.00	<u>14.85</u>
400.01	to 500.00	<u>16.70</u>
500.01	to 600.00	<u>18.55</u>
600.01	to 700.00	<u>20.40</u>
700.01	to 800.00	<u>22.25</u>
800.01	to 900.00	<u>24.10</u>
900.01	to 1,000.00	<u>25.95</u>
Additional Fees for Optional Features:		
COD Restricted Delivery		<u>5.05</u>

1505.8 USPS Tracking

1505.8.2 Prices

	(\$)
First-Class Package Service	
Electronic	0.00
USPS Marketing Mail Parcels	
Electronic	<u>0.39</u>
Package Services	
Returns with integrated retail system label	0.00
Electronic	0.00
Retail	0.00
Priority Mail	
Electronic>Returns with integrated retail system label	0.00
Retail	0.00
Parcel Select	
Electronic	0.00
USPS Retail Ground	
Electronic>Returns with integrated retail system label	0.00
Retail	0.00

*Special Services
Ancillary Services*

1505.9 Insurance

1505.9.2 Prices

Merchandise Coverage^{1, 2, 3}

	(\$)		(\$)	(\$)
	0.01	to	50.00	2.10
	50.01	to	100.00	<u>2.70</u>
	100.01	to	200.00	<u>3.40</u>
	200.01	to	300.00	<u>4.50</u>
	300.01	to	400.00	<u>5.65</u>
	400.01	to	500.00	<u>6.80</u>
	500.01	to	600.00	9.15
	600.01	to	5,000.00	9.15 plus <u>1.30</u> for each 100.00 or fraction thereof over 600.00
Additional Fee for Optional Feature				
Insurance Restricted Delivery				<u>5.05</u>

1505.11 Parcel Airlift (PAL)

1505.11.2 Prices

	(\$)
For pieces weighing:	
Not more than 2 pounds	<u>0.80</u>
Over 2 but not more than 3 pounds	1.40
Over 3 but not more than 4 pounds	1.90
Over 4 but not more than 30 pounds	2.55

1505.12 Registered Mail

1505.12.2 Prices

	(\$)	(\$)	(\$)
Declared Value:			
	0.00		<u>11.90</u>
	0.01	to 100.00	<u>12.60</u>
	100.01	to 500.00	14.55
	500.01	to 1,000.00	<u>16.15</u>
	1,000.01	to 2,000.00	<u>17.75</u>
	2,000.01	to 3,000.00	<u>19.35</u>
	3,000.01	to 4,000.00	<u>20.95</u>
	4,000.01	to 5,000.00	<u>22.55</u>
	5,000.01	to 15,000,000.00	<u>22.55</u> plus <u>1.60</u> for each 1,000.00 or fraction thereof over 5,000.00
	Greater than	15,000,000.00	<u>24,014.55</u> plus amount determined by the Postal Service based on weight, space, and value
Additional Fees for Optional Features:			
Registered Mail Restricted Delivery			<u>5.05</u>
Registered COD			<u>5.70</u>

1505.13 Return Receipt

1505.13.2 Prices

	(\$)
Original signature (hardcopy)	2.75
Copy of signature (electronic)	<u>1.50</u>

1505.16 Shipper-Paid Forwarding/Return

1505.16.2 Prices

	(\$)
Account Maintenance Fee (per year)	<u>690.00</u>

1505.17 Signature Confirmation

1505.17.2 Prices

	(\$)
Electronic	<u>2.55</u>
Retail	<u>3.00</u>
Additional Fee for Optional Feature: Signature Confirmation Restricted Delivery	<u>5.05</u>

1505.18 Special Handling

1505.18.2 Prices

	(\$)
Fragile	<u>10.45</u>

1505.19 Stamped Envelopes

1505.19.2 Prices

	(\$)
Plain stamped envelopes	
Basic, size 6-3/4, each	<u>0.13</u>
Basic, size 6-3/4, 500	<u>17.50</u>
Basic, over size 6-3/4, each	<u>0.13</u>
Basic, over size 6-3/4, 500	<u>19.95</u>
Personalized stamped envelopes	
Basic, size 6-3/4, 50	<u>5.75</u>
Basic, size 6-3/4, 500	<u>27.00</u>
Basic, over size 6-3/4, 50	<u>5.75</u>
Basic, over size 6-3/4, 500	<u>30.60</u>
Additional Charges for premium options, per 50 envelopes	
Pressure-sensitive sealing	<u>5.35</u>
Font size, font style, and/or ink color (for one, two, or all three)	1.05
Window	1.05
Additional Charges for premium options, per 500 envelopes	
Pressure-sensitive sealing	<u>15.95</u>
Font size, font style, and/or ink color (for one, two, or all three)	2.25
Window	2.25

*Special Services
Ancillary Services*

	(\$)
Shipping—Boxes of 50	
1 box	<u>5.35</u>
2 boxes	<u>6.60</u>
3 boxes	<u>7.80</u>
4 boxes	<u>8.85</u>
5 boxes	<u>10.90</u>
6 boxes	<u>11.70</u>
7 boxes	<u>12.95</u>
8 boxes	<u>14.25</u>
9 or more boxes	<u>16.05</u>
Shipping—Boxes of 500	
1 box	<u>9.70</u>
2 or more boxes	<u>16.05</u>

1510 International Ancillary Services

1510.1 International Certificate of Mailing

1510.1.2 Prices

Individual Piece Prices

	(\$)
Original certificate of mailing for listed pieces of ordinary Single-Piece First-Class Mail International items	<u>1.40</u>
Three or more pieces individually listed in a firm mailing book or an approved customer provided manifest (per piece)	<u>0.40</u>
Each additional copy of original certificate of mailing or firm mailing bills (each copy)	<u>1.40</u>

Multiple Piece Prices

	(\$)
Up to 1,000 identical-weight pieces (one certificate for total number)	<u>8.25</u>
Each additional 1,000 identical-weight pieces or fraction thereof	<u>1.03</u>
Duplicate copy	<u>1.40</u>

1510.2 International Registered Mail

1510.2.2 Prices

Outbound International Registered Mail Prices

	(\$)
Per Piece	<u>15.50</u>

1510.3 International Return Receipt

1510.3.2 Prices

Outbound International Return Receipt Prices

	(\$)
Per Piece	<u>4.00</u>

1510.4 Customs Clearance and Delivery Fee

1510.4.2 Prices

	(\$)
Per Dutiable Item	<u>6.25</u>

*Special Services
Address Management Services***1515 Address Management Services**

1515.2 Prices

	(\$)
Address Sequencing	
Per correction (removal of each undeliverable address, or addition of each missing or new address)	0.41
Insertion of blanks	0.00
AEC II Service	
1-100 records resolved, minimum fee	<u>32.00</u>
Additional records resolved, per record	<u>0.32</u>
AIS (Address Information System) Viewer (per year, per site)	
City State Delivery Type Retrieval Annual Subscription	<u>70.00*</u>
County Name Retrieval Annual Subscription	<u>70.00*</u>
Delivery Statistic Retrieval Annual Subscription	<u>100.00*</u>
ZIP + 4 Retrieval Annual Subscription	<u>70.00*</u>
CRIS Route (per year)	
Per state (annual subscription)	<u>45.00*</u>
All States (annual subscription)	950.00*
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	1000.00

*Special Services
Address Management Services*

	(\$)
Change-of-Address Information for Election Boards and Registration Commissions	
Per change of address	0.41
Change-of-Address Customer Notification Letter Reprint	50.00
City State (per year)	
All States (annual subscription)	<u>405.00</u>
CDS (per address, per year)	<u>0.010</u>
Minimum (per year)	<u>50.00</u>
Correction of Address Lists	
Per submitted address	0.41
Minimum charge per list (30 items)	12.30
Delivery Statistics (per year)	
All States (annual subscription)	<u>405.00*</u>
DMM Labeling Lists	63.00
DPV System (per year) ³	<u>11,500.00</u>
DSF ² Service (per year) ⁴	<u>114,000.00</u>
Each additional location per year	<u>57,000.00</u>
Each additional platform per location per year	<u>57,000.00</u>
eLOT Service (per year)	
Per state (annual subscription)	<u>45.00*</u>
All States (annual subscription)	950.00*

	(\$)
Five-Digit ZIP (per year)	
All States (annual subscription)	<u>575.00*</u>
LACS ^{Link5}	
Interface Developer (first year)	<u>1,150.00⁶</u>
Interface Developer (each one-year extension)	<u>360.00⁶</u>
Interface Distributor (per year)	<u>1,350.00⁷</u>
Data Distributor (per year)	<u>360.00</u>
End User (per year)	<u>360.00⁸</u>
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
MASS IMb Quality Testing	300.00

*Special Services
Address Management Services*

	(\$)
NCOA ^{Link} Service ¹¹	
Initial Interface Developer (first year fee)	<u>6,075.00</u>
Interface Developer (per each one year extension)	<u>1,200.00</u>
Interface Distributor (per year)	<u>30,000.00</u>
Full Service Provider (per year)	<u>207,000.00</u>
Full Service Provider Each Additional Site (per year)	<u>102,000.00</u>
Limited Service Provider (per year)	<u>17,800.00</u>
Limited Service Provider (per each one year extension)	
One Site only	<u>17,800.00</u>
Each additional site	<u>8,900.00</u>
ANKLink Service Option (per year)	
First Site	<u>4,150.00</u>
Each Additional Site	<u>1,900.00</u>
End User/MPE (first year)	<u>8,900.00</u>
End User/MPE (each renewal year)	
One site (each site for MPE)	<u>8,900.00</u>
Each additional site (End User only)	<u>4,150.00</u>
ANK ^{Link} Service Option (per year)	<u>915.00</u>
NCOA ^{Link} Test, Audit (each)	<u>1,200.00</u>
Official National Zone Charts (per year)	
Matrix	60.00
RDI Service (per year) ¹	360.00
Z4 Change (per year)	
All States	<u>3,450.00*</u>
ZIP + 4 Service (per year)	
Per state (annual subscription)	<u>45.00*</u>
All States (annual subscription)	950.00

*Special Services
Address Management Services*

	(\$)
ZIP Code Sortation of Address Lists Per 1,000 addresses, or fraction	<u>140.00</u>
ZIP Move (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

1520 Caller Service

1520.2 Prices

	(\$)
Groups based on Post Office location (Semi-Annual):	
Group 1	<u>790.00</u>
Group 2	<u>740.00</u>
Group 3	<u>660.00</u>
Group 4	<u>630.00</u>
Group 5	<u>605.00</u>
Group 6	<u>560.00</u>
Group 7	<u>515.00</u>
Call Number Reservation (Annual ¹)	<u>52.00</u>

*Special Services
International Business Reply Mail Service*

1540 International Business Reply Mail Service

1540.3 Prices

Outbound International Business Reply Mail Service Prices

	(\$)
Card	<u>1.40</u>
Envelope	<u>1.90</u>

*Special Services
Money Orders*

1545 Money Orders

1545.2 Prices

	(\$)		(\$)	(\$)
Domestic	0.01	to	500.00	1.20
Domestic	500.01	to	1,000.00	<u>1.65</u>
APO/FPO/DPO	0.01	to	1,000.00	0.40
Inquiry, including a copy of paid money order				5.95

*Special Services
Post Office Box Service*

1550 Post Office Box Service

1550.4 Prices

Regular and No Fee

Box Size	Semi-annual Fees ¹ (Groups based on Post Office location) (\$)							
	1	2	3	4	5	6	7	E ²
1	56.00	44.00	37.00	31.00	<u>27.00</u>	<u>21.00</u>	<u>19.00</u>	0.00
2	<u>84.00</u>	<u>69.00</u>	<u>56.00</u>	<u>45.00</u>	<u>36.00</u>	<u>28.00</u>	<u>25.00</u>	0.00
3	<u>145.00</u>	<u>117.00</u>	<u>97.00</u>	<u>72.00</u>	<u>58.00</u>	<u>46.00</u>	<u>39.00</u>	0.00
4	<u>265.00</u>	<u>210.00</u>	<u>178.00</u>	<u>137.00</u>	<u>104.00</u>	<u>76.00</u>	<u>60.00</u>	0.00
5	<u>427.00</u>	<u>342.00</u>	<u>280.00</u>	<u>235.00</u>	<u>173.00</u>	<u>132.00</u>	<u>105.00</u>	0.00

Box Size	3-Month Fees (Groups based on Post Office location) (\$)						
	1	2	3	4	5	6	7
1	33.00	26.00	22.00	<u>19.00</u>	<u>15.00</u>	<u>12.00</u>	<u>11.00</u>
2	48.00	40.00	32.00	<u>26.00</u>	<u>21.00</u>	<u>17.00</u>	<u>15.00</u>
3	84.00	68.00	55.00	42.00	33.00	26.00	23.00
4	<u>154.00</u>	<u>121.00</u>	103.00	79.00	59.00	44.00	<u>35.00</u>
5	<u>244.00</u>	<u>195.00</u>	<u>159.00</u>	<u>132.00</u>	99.00	76.00	<u>62.00</u>

1555 Customized Postage

1555.2 Prices

	(\$)
Annual Participation Fee (up to two printing facilities)	<u>330,000.00</u>
Additional Printing Sites (3-50 sites, each site)	<u>55,000.00</u>
Over 50 Printing Sites (each site)	<u>5,500.00</u>