

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

Before Commissioners:

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

Notice of Market-Dominant
Price Adjustment

Docket No. R2019-1

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 13, 2018

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Attachment—Mail Classification Schedule

Appendix A—List of Chairman’s Information Requests and Responses of the United States Postal Service

Appendix B—List of Commenters and Comments

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(Issued November 13, 2018)

I. INTRODUCTION AND OVERVIEW

On October 10, 2018, 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

¹ United States Postal Service Notice of Market-Dominant Price Change, October 10, 2018 (Notice).

appearing in 39 U.S.C. § 3622(e). The planned price adjustments are consistent with 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, with the revisions set forth in the body of this Order, are consistent with applicable law and regulations. All changes to the Mail Classification Schedule (MCS) appear in the Attachment following the signature line of this Order.

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 of Mail	Price Changes %	Total Unused Price Authority %
First-Class Mail	2.464	0.033
Periodicals	2.520	0.000
USPS Marketing Mail	2.482	0.009
Package Services	2.522	0.000
Special Services	2.512	0.011
Source: Library References PRC-LR-R2019-1/1 through PRC-LR-R2019-1/5, November 13, 2018.		

In section II of this Order, the Commission summarizes the procedural history. In section III of this Order, the Commission discusses issues in the Notice that apply across multiple classes relating to the proposed Calendar Year (CY) 2019 promotions and certain adjustments to the billing determinants. In sections IV through VIII 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, mail classification changes, statutory

preferential rates, and nonprofit discounts are also discussed where applicable to a particular class.

II. PROCEDURAL HISTORY

A. Notice and Initial Commission Action

On October 10, 2018, 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 27, 2019, at 12:01 a.m. by amounts that are within the available price adjustment authority for each class of mail. Notice at 1.

The Notice includes four attachments, which present the planned price and related product description changes to the MCS, workshare discount calculations, price cap calculations, and the promotions schedule, respectively. Notice, Attachments A-D. The Postal Service filed seven public library references and one non-public library reference in support of its Notice:

- Library Reference USPS–LR–R2019–1/1, October 10, 2018 First-Class Mail Workpapers
- Library Reference USPS–LR–R2019–1/2, October 10, 2018 USPS Marketing Mail Workpapers
- Library Reference USPS–LR–R2019–1/3, October 10, 2018 Periodicals Workpapers
- Library Reference USPS–LR–R2019–1/4, October 10, 2018 Package Services Workpapers
- Library Reference USPS–LR–R2019–1/5, October 10, 2018 Special Services Workpapers
- Library Reference USPS–LR–R2019–1/6, October 10, 2018 USPS Marketing Mail and Periodicals Carrier Route Flats Volume Workpapers

- Library Reference USPS–LR–R2019–1/7, October 10, 2018 First-Class Mail International Billing Determinants Workpapers
- Library Reference USPS–LR–R2019–1/NP1, October 10, 2018 First-Class Mail International and Inbound Letter Post Workpapers (Nonpublic)

The Postal Service requested non-public treatment of seven 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–R2019–1/NP1.²

On October 11, 2018, the Commission issued Order No. 4851, which provided public notification of the Notice; established Docket No. R2019-1 to consider the planned price adjustments' consistency with applicable statutory and regulatory requirements; appointed a Public Representative; and provided an opportunity for interested persons to comment.³

B. Additional Information Regarding the Notice

Eight 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. Appendix A to this Order provides a list of the CHIRs and the Postal Service's responses filed in this proceeding along with the corresponding citations.

Additionally, to reflect that the Postal Service's proposal to change the maximum weight limit for Outbound Single-Piece FCMI Large Envelopes (FCMI Flats) remains pending before the Commission in Docket No. MC2019-3, on October 19, 2018, the

² See USPS Notice of Filing USPS-LR-R2019-1/NP1, October 10, 2018, Attachment 1.

³ Notice and Order on Price Adjustments and Classification Changes for Market Dominant Products, October 11, 2018 (Order No. 4851).

Commission issued Order No. 4859, which ordered the Postal Service to provide proposed prices for FCMI Flats weighing more than 15.994 ounces and associated workpapers.⁴ On October 23, 2018, in response to Order No. 4859, the Postal Service filed a revised version of Attachment A to the Notice and updated the public and non-public workpapers applicable to First-Class Mail.⁵

During this proceeding, the Postal Service filed other revisions to the documents submitted in support of the Notice. In response to two sets of CHIRs, the Postal Service filed two sets of revisions to the Special Services workpapers.⁶ Additionally, in response to CHIR No. 4, the Postal Service attached a revised version of the workshare discount calculations appearing in Attachment B to the Notice and filed updated workpapers applicable to USPS Marketing Mail.⁷

The Postal Service also provided changes and corrections to the planned price and related product description changes to the MCS. In response to CHIR No. 1, the Postal Service corrected the per piece price applicable to USPS Marketing Mail Non-profit Irregular Parcels weighing 3.3 ounces or less that are presorted to a sectional center facility (SCF) and entered at a destination sectional facility (DSCF). Responses to CHIR No. 1, question 3. In response to CHIR No. 3, the Postal Service provided changes and corrections to the descriptions of its planned Earned Value Reply Mail Promotion and Informed Delivery Promotion for First-Class Mail and USPS Marketing

⁴ Interim Order Relating to Outbound Single-Piece First-Class Mail International Flats, October 19, 2018, at 2 (Order No. 4859).

⁵ USPS Response to Order No. 4859, October 23, 2018 (Response to Order No. 4859); USPS Notice of Filing Revised Library References, October 23, 2018 (October 23 Revised Workpapers Notice). The revisions to the public workpapers for First-Class Mail were also responsive to question 1 of CHIR No. 1. Responses to CHIR No. 1, question 1.

⁶ Responses to CHIR No. 1, questions 7, 9; October 23 Revised Workpapers Notice; October 26 Response to CHIR No. 6, question 2; USPS Notice of Filing Revised Library References, October 26, 2018 (October 26 Revised Workpapers Notice).

⁷ Response to CHIR No. 4, questions 1-2; October 26 Revised Workpapers Notice.

Mail. Response to CHIR No. 3, questions 1, 2, 4. In response to CHIR No. 7, the Postal Service corrected the price applicable to Bound Printed Matter (BPM) Flats requesting Forwarding-and-Return Service that are returned. November 1 Response to CHIR No. 7, question 2.

C. Comments

The Commission received 34 sets of formal comments.⁸ Appendix B to this Order provides a list of commenters and citations to the comments filed in this proceeding. This Order summarizes and analyzes these comments where relevant to the issues presented.⁹ The Commission appreciates the perspectives, interests, and concerns expressed by all commenters.

III. RESOLUTION OF CROSS-CLASS ISSUES

A. CY 2019 Promotions

1. Introduction

The Postal Service seeks Commission approval of six promotions applicable to First-Class Mail and USPS Marketing Mail during CY 2019. Notice at 12, 23. Four of the planned promotions apply to eligible First-Class Mail products—Personalized Color

⁸ An additional set of comments (and a related motion) focusing on the proposed pricing changes to First-Class Package Services, which is a competitive product, will be addressed in Docket No. CP2019-3. See Comments of Elizabeth Kestler, November 2, 2018; Elizabeth Kestler, Motion for Acceptance of Late Filing of Comments, November 2, 2018.

⁹ Several comments appear to include a discussion of the planned increase to rates of general applicability for competitive products, which the Postal Service refers to as Shipping Services. See Cohen Comments at 1; Initial Landis Refining Comments at 1; NBSI Comments at 1; Riccardi Comments at 1. These issues will be addressed in Docket No. CP2019-3. Multiple commenters include a discussion of existing rates set through negotiated service agreements applicable to competitive products. See Borden Comments at 1; Sandridge Comments at 1. These issues will be addressed when the Commission issues an annual determination of compliance as to whether any rates, fees, or service standards in effect during the prior fiscal year did not comply with the applicable statutory standards pursuant to 39 U.S.C. § 3653.

Transpromo Promotion, Emerging and Advanced Technology Promotion, Earned Value Reply Mail Promotion, and Informed Delivery Promotion. *Id.* at 12. Five of the planned promotions apply to eligible USPS Marketing Mail products—Emerging and Advanced Technology Promotion, Earned Value Reply Mail Promotion, Informed Delivery Promotion, Tactile, Sensory, and Interactive Mailpiece Engagement Promotion, and Mobile Shopping Promotion. *Id.* at 23. Only the Informed Delivery Promotion is new. *Id.* at 12, 23. The remaining five promotions were offered in CY 2017. *See id.*

2. Tactile, Sensory, and Interactive Mailpiece Engagement Promotion
(Feb. 1 – July 31, 2019)

The Postal Service plans to offer an upfront 2 percent postage discount on regular and nonprofit USPS Marketing Mail letters and flats that meet the Tactile, Sensory, and Interactive Mailpiece Engagement Promotion requirements. *Id.* at 23. According to the Postal Service, the CY 2019 promotion encourages mailers to enhance customer engagement with mailpieces by using print innovations in paper and stock, substrates, inks, and finishing techniques. *Id.*

3. Emerging and Advanced Technology Promotion
(Mar. 1 – Aug. 31, 2019)

The Postal Service plans to offer an upfront 2 percent postage discount on First-Class Mail presort or automation letters, cards, and flats, and USPS Marketing Mail letters and flats that meet the Emerging and Advanced Technology Promotion requirements. *Id.* at 13. To qualify for the CY 2019 promotion, eligible mailpieces must include affixed or embedded technology that allows the recipient to engage in a technological experience, or have been automatically generated by the recipient's applicable online activities. *Id.*

4. Earned Value Reply Mail Promotion (Apr. 1 – Jun. 30, 2019)

The Postal Service plans to offer the Earned Value Reply Mail Promotion for three months in CY 2019. *Id.* The Postal Service plans to offer a \$0.03 postage credit for each Business Reply Mail (BRM), Courtesy Reply Mail, and Share Mail piece entered into the mailstream. *Id.* The promotion is available to repeat participants (those who registered for this promotion in CY 2017) and new participants (those who were not registered for this promotion in CY 2017). Notice, Attachment D at 10. Repeat participants must meet or exceed 95 percent of their comparable volume from April 1, 2018, through June 30, 2018, to receive the postage credit. *Id.* If the participant is new, there is no volume threshold. *Id.* The Postal Service explains that credits may be applied to postage for future mailings of First-Class Mail presort and automation cards, letters, and flats, and USPS Marketing Mail letters and flats. *Id.* Unused credits will expire December 31, 2019. *Id.*

5. Personalized Color Transpromo Promotion (July 1 – Dec. 31, 2019)

The Postal Service plans to offer an upfront 2 percent postage discount on First-Class Mail presort and automation letters—bills and statements only—that meet the Personalized Color Transpromo Promotion requirements. Notice at 14. For mailers who participated in this promotion in a prior year, the mailpiece must incorporate both dynamically printed color and personalized messaging to qualify for the CY 2019 promotion. Notice, Attachment D at 7. Mailers who did not participate in this promotion in a prior year need only satisfy the dynamic color printing requirement to qualify for the CY 2019 promotion. *Id.*

6. Mobile Shopping Promotion (Aug. 1 – Dec. 31, 2019)

The Postal Service plans to offer an upfront 2 percent postage discount on regular and nonprofit USPS Marketing Mail letters and flats that meet the Mobile Shopping Promotion requirements. Notice at 24. The Postal Service asserts that the

CY 2019 promotion encourages mailers to integrate mobile technology with direct mail to facilitate their customers' online shopping experience. *Id.*; Notice, Attachment D at 4.

7. Informed Delivery Promotion (Sept. 1 – Nov. 30, 2019)

The Postal Service plans to offer an upfront 2 percent discount off postage for First-Class Mail presort and automation letters, cards, and flats and USPS Marketing Mail letters and flats that incorporate Informed Delivery advertising campaigns. Notice at 14, 24. Informed Delivery campaigns are comprised of several additional images that are included in the Informed Delivery email or dashboard images: a “ride-along” image that provides additional information, a URL linking to a web or mobile page, and representative image that replaces the scanned image of the corresponding mailpiece. Response to CHIR No. 3, question 3. The campaign must also include a call-to-action such as “buy,” “shop,” or “donate.” *Id.* The Postal Service intends for this promotion to increase the adoption rate of the Informed Delivery platform. Notice, Attachment D at 8. As this is a new promotion, the Postal Service excluded the promotion from the price cap authority calculation, in accordance with 39 C.F.R. § 3010.12(b)(9)(ii). Notice at 14, 24.

8. Comments

NPPC, Pitney Bowes, Valpak, and NAPM filed comments relating to the planned CY 2019 First-Class Mail and USPS Marketing Mail promotions. NPPC Comments at 6; Pitney Bowes Comments at 4; Valpak Comments at 9; NAPM Comments at 3. NPPC, Pitney Bowes, and NAPM applaud the Postal Service's decision to restore some past promotions and its decision to offer the new Informed Delivery Promotion. NPPC Comments at 6; Pitney Bowes Comments at 4; NAPM Comments at 3. Valpak notes that the Postal Service has given considerable advance notice of these promotions to businesses, which will enable businesses to more effectively plan and participate in the promotions. Valpak Comments at 9.

9. Commission Analysis

The Commission concludes that the Postal Service's inclusion of the Personalized Color Transpromo Promotion,¹⁰ Emerging and Advanced Technology Promotion, and Earned Value Reply Mail Promotion in the price cap calculation for First-Class Mail is consistent with 39 C.F.R. § 3010.23(e)(2). In addition, the Commission concludes that the Postal Service's inclusion of the Emerging and Advanced Technology Promotion; Earned Value Reply Mail Promotion; Tactile, Sensory, and Interactive Mailpiece Engagement Promotion; and Mobile Shopping Promotion in the price cap calculation for USPS Marketing Mail is consistent with 39 C.F.R. § 3010.23(e)(2). The Postal Service excluded the Informed Delivery Promotion in its price cap calculations for First-Class Mail and USPS Marketing Mail, which is also consistent with 39 C.F.R. § 3010.23(e)(2).

To incorporate the planned First-Class and USPS Marketing Mail promotions, the Postal Service submitted proposed revisions to the MCS. See Notice, Attachment A. CHIR No. 3 was issued to: (1) correct a date for Earned Value Reply Mail Promotion; (2) clarify the application of the 95 percent threshold to mailers that participated in the CY 2017 Earned Value Reply Mail Promotion; and (3) to clarify the eligible mailpieces for the Informed Delivery Promotion. CHIR No. 3, questions 1, 2, and 4. In its Response to CHIR No. 3, in addition to confirming the correct date for the Earned Value Reply Mail Promotion, the Postal Service also offered additional edits to the descriptions for the Earned Value Reply Mail Promotion and the Informed Delivery Promotion. Response to CHIR No. 3, questions 1, 2, and 4. The Commission accepts these proposed changes to the MCS language for the First-Class Mail and USPS Marketing Mail promotions.

¹⁰ In its Responses to CHIR No. 1, the Postal Service revised its price cap calculation for First-Class Mail to reflect the correct number of mailpieces eligible for the Personalized Color Transpromo Promotion. Responses to CHIR No. 1, question 1.

B. First-Class Mail and USPS Marketing Mail Billing Determinants
Adjustments to Reflect Changes to Move Update

The Postal Service states that it adjusted the First-Class Mail and USPS Marketing Mail billing determinants to account for changes approved in Docket No. R2017-7. Notice at 11. Specifically, the Postal Service states that the Move Update volumes reported in the pre-adjusted billing determinants for Quarter 4, FY 2017 through Quarter 2, FY 2018 were from a now retired sampling-based Move Update verification method. *Id.* The Postal Service began to report Move Update volumes in Quarter 3, FY 2018 using a census-based verification method. *Id.* In the instant docket, the Postal Service adjusted billing determinants related to Move Update for First-Class Mail and USPS Marketing Mail using volumes from Quarter 3, FY 2018 as a proxy for volumes of the entire hybrid year. *Id.*

The Postal Service's proposed adjustment to billing determinants deviates from the method used when the Commission approved changes to Move Update in Docket No. R2017-7.¹¹ The Postal Service notes that using Quarter 3, FY 2018 data as a proxy for the remaining quarters of the hybrid year is consistent with the Commission's preference that adjustments to billing determinants reflect "historical volume data and known mail characteristics as opposed to forecasts of mailer behavior." *Id.*

The Commission finds that Postal Service's adjustments relating to Move Update volume in the First-Class Mail and USPS Marketing Mail Move Update billing determinants are reasonable.

¹¹ Responses to CHIR No. 2, question 8b. The Postal Service states that although the Seamless Acceptance and Service Performance system contains Move Update assessment volumes for Quarter 4, FY 2017 to Quarter 2, FY 2018, the Postal Service used Move Update data from Quarter 3, FY 2018 as a proxy, because this was the only quarter in which the Move Update charge was assessed using the census-based verification method. *Id.*

C. USPS Marketing Mail and Periodicals Billing Determinants Adjustments to Reflect Movement of Carrier Route Pieces

Effective January 21, 2018, the Postal Service amended the Domestic Mail Manual (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.¹² To reflect the movement of Carrier Route pieces from 5-Digit Merged pallets to 5-Digit Carrier Route pallets and equalize the hybrid billing determinants year, the Postal Service adjusted the billing determinants that preceded the change. Notice at 22-23, 26. The Commission finds that the Postal Service's adjustments are reasonable.

IV. FIRST-CLASS MAIL

A. Introduction

This section discusses the proposed price adjustments, workshare relationships between discounts and associated avoided costs, and mail classification changes applicable to First-Class Mail.¹³ It also discusses international First-Class Mail.

¹² Notice at 22-23, 26; 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, November 9, 2017, at 60-61 (Order No. 4215).

¹³ The planned promotions for First-Class Mail are addressed *supra* section III.A. The planned classification changes applicable to FCMI Flats will be addressed in a separate proceeding, Docket No. MC2019-3. See *supra* section II.B.

B. Price Adjustments

1. Introduction

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, 2.464 percent, which results in 0.033 percent in total unused price adjustment authority.¹⁴ Table IV-1 shows the percentage price change for each First-Class Mail product as calculated by the Commission.

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

First-Class Mail Product	Price Change %
Single-Piece Letters/Postcards	7.534
Presorted Letters/Postcards	0.970
Flats	-10.951
Outbound Single-Piece FCMI	0.000
Inbound Letter Post	7.354
Overall	2.464
Source: Library Reference PRC-LR-R2019-1/1, November 13, 2018, Excel file "PRC-CAPCALC-FCM-R2019-1.xlsx;" Library Reference PRC-LR-R2019-1/NP1, November 13, 2018, Excel files "PRC-CAPCALC-FCMI-R2019-1.xlsx" and "PRC-CAPCALC-ILP-R2019-1.xlsx."	

¹⁴ The 2.464 percent increase for First-Class Mail differs from the Postal Service's figure provided in the revised workpapers filed on October 23, 2018. See *supra* n.5. In Library Reference PRC-LR-R2019-1/1, Excel file "PRC-CAPCALC-FCM-R2019-1.xlsx," the Commission incorporates corrections relating to the Inbound Letter Post product, resulting in differences for this product and the average increase for the class. These corrections are described *infra* section IV.E.3.

In this price adjustment, the Postal Service is increasing the price of 1-ounce Single-Piece Machinable Stamped Letters (Stamped Letters) by 5 cents to 55 cents. Notice at 6. The Postal Service is also increasing the price for Single-Piece Machinable Metered Letters (Metered Letters) by 3 cents to 50 cents. *Id.* The 3-cent increase results in a 5-cent price differential between Stamped Letters and Metered Letters prices, which is greater than the current 3-cent differential. *Id.* The Postal Service is decreasing the additional ounce price and the nonmachinable surcharge by 6 cents, from 21 cents to 15 cents. *Id.* The Postal Service states that it deliberately set the prices for Stamped Letters, additional ounce, and nonmachinable surcharge at numbers divisible by five to “better achieve the ‘simplicity of structure’ called for by [39 U.S.C. § 3622(c)(6)].” *Id.* The Postal Service explains that the 5-cent increase for Stamped Letters should provide retail customers with a “straightforward, understandable pricing structure[.]” *Id.* at 6-7. The Postal Service states that it plans to maintain this pricing structure for retail customers into the future, which means that the Postal Service may not request price increases for Stamped Letters in each annual market dominant price adjustment docket. *Id.* at 7. The Postal Service explains that the 5-cent differential between Stamped Letters and Metered Letters prices will “better retain those non-Presort[ed Letters] customers who most use the mail” and will enhance operational efficiency. *Id.*

The Postal Service is increasing the prices for Presorted Letters/Postcards by 0.970 percent, which is lower than the class average.¹⁵ The Postal Service explains that although it is increasing Presorted Letters/Postcards by less than the class average in this price adjustment proceeding, in future proceedings, Presorted Letters/Postcards prices may increase more than the class average. Notice at 7.

¹⁵ Library Reference USPS–LR–R2019-1/1 REVISED, Excel file “CAPCALC-FCM-R2019-1-Revised-10-23.xlsx,” tab “Percent Change Summary,” cell L5.

2. Comments

a. Stamped Letters

Many commenters, specifically individual and small business mailers, oppose the proposed 5-cent increase for Stamped Letters.¹⁶ Several commenters state that a 10 percent increase in the price of Stamped Letters is unreasonable and will result in fewer stamps purchased.¹⁷ Several individuals suggest alternatives to increasing Stamped Letters prices, such as decreasing costs (e.g., fewer delivery days, no raises or bonuses for Postal Service employees, reducing the workforce);¹⁸ increasing prices for other products, such as USPS Marketing Mail products or Presorted First-Class Mail products;¹⁹ or collecting unpaid postage.²⁰ Several commenters reference their experiences and concerns related to local service performance and customer satisfaction.²¹

GCA and Carlson also oppose the 5-cent increase for Stamped Letters.²² Specifically, they assert that the new pricing structure based on prices divisible by five is

¹⁶ See *generally* Ardis Comments; Carlson Comments; Castle Comments; Derkevics Comments; Dolloff Comments; Additional Dolloff Comments; GCA Comments; MLA Comments; Moore Comments; Morey Comments; Riley Comments; Sandridge Comments; Schaaf Comments; Simmons Comments; Spada Comments; Spears Comments; Wanserski Comments; Wilson Comments; Zybura Comments.

¹⁷ Ardis Comments at 1; Dolloff Comments at 1; Additional Dolloff Comments at 1; MLA Comments at 1; Sandridge Comments at 1; Wanserski Comments at 1.

¹⁸ Schaaf Comments at 1; *see also* Morey Comments at 1; Riccardi Comments at 1; Zybura Comments at 1.

¹⁹ Castle Comments at 1; Dolloff Comments at 1; Moore Comments at 1; Wilson Comments at 1; Zybura Comments at 1.

²⁰ Derkevics Comments at 1.

²¹ Cohen Comments at 1; MLA Comments at 1; Riccardi Comments at 1; Wanserski Comments at 1; Riley Comments at 1; Schaaf Comments at 1; Simmons Comments at 1; Spada Comments at 1; Spears Comments at 1.

²² See *generally* GCA Comments; Carlson Comments. GCA acknowledges that in “price-cap rate adjustment dockets, the Commission does not normally decide issues other than cap compliance,” and that it does not have concerns on that issue. GCA Comments at 1.

not based on customers' views because no investigation was referenced and typical customers purchase stamps in multiples using credit or debit cards. GCA Comments at 2; Carlson Comments at 3-4. Additionally, they review the history of Stamped Letters prices and show that Stamped Letters prices not divisible by five are more common than Stamped Letters prices divisible by five. GCA Comments at 3-4; Carlson Comments at 3. They assert that this history shows that customers are accustomed to such prices. *Id.*

Furthermore, GCA and Carlson state that the Postal Service's reliance on 39 U.S.C. § 3622(c)(6) is misplaced and that the Postal Accountability and Enhancement Act (PAEA)²³ requires the Commission to consider "simplicity" of the entire price structure, not just one price. GCA Comments at 4; Carlson Comments at 6. Carlson states that when considering the "simplicity of structure," the Commission should "focus . . . on the *structure* of rates and classifications, not the actual, individual rates or prices." Carlson Comments at 6 (emphasis in original). GCA and Carlson assert that "simplicity of structure" must be considered in conjunction with other objectives and factors, such as whether the increased price is just and reasonable (Objective 8), the effect of the price adjustment on the general public (Factor 3), and the alternative means of sending and receiving Stamped Letters and other mail at reasonable costs (Factor 4). GCA Comments at 4-5; Carlson Comments at 9-10.

Although PostCom and NPPC do not oppose the proposed 5-cent increase for Stamped Letters, both express concerns with the Postal Service's proposed pricing structure based on prices divisible by five. PostCom Comments at 7-8; NPPC Comments at 7. PostCom calls the 5-cent pricing structure "anachronistic" because retail mailers often purchase stamps in booklets or sheets. PostCom Comments at 7. PostCom and NPPC express concern that the 5-cent pricing structure will result in

²³ Postal Accountability and Enhancement Act, Pub L. 109-435, 120 Stat. 3198 (2006).

greater than average price increases for commercial mailers in years when there is no price increase for Stamped Letters. *Id.* at 8; NPPC Comments at 7. PostCom warns that this volatility may reduce the overall predictability of the current system. PostCom Comments at 8. NPPC states that an “every-other-year approach to sizable increases in [Stamped Letters] and commercial rates will, in our view, prove counterproductive on volumes and revenues.” NPPC Comments at 7-8.

The Public Representative observes that while the planned “ten percent increase in the first-ounce stamp rate seems large, as applied to a relatively small current price, it yields only a 5-cent increase.” PR Comments at 4. With respect to the Postal Service’s statement that Stamped Letters may not receive a price increase in every price adjustment proceeding, he suggests that the Commission consider instructing the Postal Service to publicize planned increases that are more concrete.²⁴ One individual states that the proposed 5-cent increase is “OK.” Borden Comments at 1.

b. Differential Between Stamped Letters and Metered Letters Prices

NPPC, NAPM, and Pitney Bowes support increasing the differential between Stamped Letters and Metered Letters prices. NPPC Comments at 9; NAPM Comments at 3; Pitney Bowes Comments at 3. Specifically, NPPC notes that Metered Letters represent an important subset of the mailstream that is more cost-efficient than Stamped Letters. NPPC Comments at 8. NAPM and Pitney Bowes state that increasing the price differential will help commercial mailers because lower Metered Letters prices will result in lower Presorted Letters/Postcards prices. NAPM Comments at 3; Pitney Bowes Comments at 3. Pitney Bowes asserts that increasing the price differential will encourage small and medium-sized businesses to use Postal Service

²⁴ See *id.* He also observes that purchasing Forever Stamps before the planned price increase goes into effect would mitigate the impact on consumers. See *id.* at 4, n.3.

products. Pitney Bowes Comments at 3. Pitney Bowes contends that the price differential will help the Postal Service because Metered Letters are less costly and more efficient to process than Stamped Letters and use a more secure and efficient payment system. *Id.*

GCA opposes the increased differential between Stamped Letters and Metered Letters prices. See GCA Comments at 6-11. GCA asserts that there is a need for a “full justification” of the increased price differential beyond the “vague generalities” provided by the Postal Service. *Id.* at 6. GCA states that because the Metered Letters price is the benchmark for the Presorted Letters/Postcards prices, it is possible to use the Metered Letters price to “manipulate” Presorted Letters/Postcards prices while complying with the price cap. *Id.* at 7.

GCA also points out that since there has been separate prices for Stamped Letters and Metered Letters, the price differential has had little or no effect on volumes. *Id.* at 8. Accordingly, GCA contends that the “increased differential does no more than to give away revenue with no countervailing benefit to the Postal Service.” *Id.* GCA asserts that because the Postal Service does not quantify avoided costs of Metered Letters, the price differential is arbitrary. *Id.* at 10. GCA states that because Metered Letters prices are arbitrary, Presorted Letters/Postcards prices are also arbitrary. *Id.*

c. Presorted Letters/Postcards

NAPM, Pitney Bowes, and NPPC state that the modest increase for Presorted Letters/Postcards reflects the Postal Service’s need to retain and encourage volume for this highly profitable but price-sensitive product. NAPM Comments at 2; Pitney Bowes at 1-2; NPPC at 2. The Public Representative states that it is reasonable to apply smaller increases to products that are more prone to electronic diversion. PR Comments at 4.

d. Other Issues

NPPC supports the price adjustments to First-Class Mail Flats, including a modest increase for Presorted Flat prices and a reduction in the extra ounce charge. NPPC Comments at 6. NPPC also notes that the 5-cent increase in the residual letter price is important to business mailers because they can do little to avoid or reduce the increase. *Id.* at 8. Accordingly, NPPC states that this increase will erode some of the positive impact generated by the modest increase in the Presort prices. *Id.*

Landis Refining, a small business in an industry that relies heavily on postcard mailings, and its computer software provider, NBSI, express concern with respect to the ability of small businesses to access commercial bulk mailing discounts.²⁵

3. 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 2.464 percent is less than the total price adjustment authority of 2.497 percent.²⁶ As a result, the total unused price adjustment authority for First-Class Mail is 0.033 percent.²⁷

Several commenters take issue with the Postal Service's proposed pricing adjustments for First-Class Mail products—specifically Stamped Letters prices and the increased price differential between Stamped Letters and Metered Letters. However, subject to certain limitations, most prominently the price cap, the PAEA gives the Postal

²⁵ Initial Landis Refining Comments at 1; NBSI Comments at 1.

²⁶ The Postal Service's current annual limitation authority for First-Class Mail is 2.419 percent and the existing unused price adjustment authority for First-Class Mail is 0.078 percent.

²⁷ See Library Reference PRC-LR-R2019-1/1; see also *supra* section I, Table I-1. For First-Class Mail, the Postal Service uses the 2.419 percent of price adjustment authority available under the annual limitation plus 0.045 percent of the available unused price adjustment authority; thus, 0.033 percent of unused price adjustment authority remains available for future price adjustments.

Service pricing flexibility within First-Class Mail. The Postal Service has complied with the applicable statutory and regulatory requirements.

Several commenters also express concern regarding whether the proposed First-Class Mail price adjustments are consistent with mailers' needs. For example, both GCA and Carlson question whether the customers find Stamped Letters prices divisible by five more convenient and easier to understand or if customers would prefer a lower price, not divisible by five. GCA Comments at 2; Carlson Comments at 3-6. The Commission encourages the Postal Service to collaborate with mailers, including individuals and small businesses, about pricing. The Commission notes that although the Postal Service states that it plans to maintain a pricing structure divisible by five for retail customers, the Postal Service has the flexibility to propose Stamped Letter prices that are not divisible by five in future price adjustment proceedings.

With respect to concerns about service performance and customer satisfaction, the Commission encourages the Postal Service to reach out to its customers directly to address issues at the local level.

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 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.*

One planned First-Class Mail discount, Automated Mixed AADC Letters, has a passthrough of 105.9 percent.²⁸ The Postal Service justifies the passthrough for Automated Mixed AADC Letters pursuant to 39 U.S.C. § 3622(e)(2)(D) (operational efficiency). Notice at 10. The Postal Service explains that the “[t]he wider gap between the Metered Letters and Mixed AADC prices will encourage more mail to be entered as Presort mail at the Business Mail Entry Unit[.]” *Id.* The Postal Service also notes that shifting mail volumes from Metered Letters to Automatic Mixed AADC Letters would reduce the amount of mail that requires Advanced Facer Canceler System (AFCS) processing, which will reduce the number of AFCS machines, maintenance needs, and free maintenance employees to complete other work. *Id.*

Comments. NPPC, NAPM, and Pitney Bowes filed comments regarding the proposed First-Class Mail workshare discounts.

NPPC supports the proposed workshare discount for Automation Mixed AADC Letters. NPPC Comments at 4. NPPC states that the Postal Service’s justification for the Automation Mixed AADC Letters discount “recognizes the desirability of taking into account cost efficiencies of Presort and Automation mail that are omitted from the workshare models.” *Id.* NPPC agrees that increasing the differential between Metered Letters and Automation Mixed AADC Letters should increase the incentive to prepare mail for entry at the Automation rates. *Id.*

NPPC, NAPM, and Pitney Bowes disagree with the \$0.001 decrease in the 5-Digit Automation Letters discount, which produces a 90.6 percent passthrough. *Id.* at 4-5; NAPM Comments at 2; Pitney Bowes Comments at 2. They state that decreasing the pricing differential between Automation Mixed AADC Letters and 5-Digit Automation Letters and decreasing the passthrough for the 5-Digit Automation Letters workshare discount inhibits efficient pricing. NPPC Comments at 4; NAPM Comments

²⁸ See Library Reference PRC-LR-R2019-1/1, Excel file “PRC-CAPCALC-FCM-R2019-1.xlsx.”

at 2; Pitney Bowes Comments at 2. Pitney Bowes states that the reduction of the 5-Digit Automation Letters workshare discount represents a “missed opportunity to encourage efficient mail preparation, reduce Postal Service costs, and encourage investment in mail.” Pitney Bowes Comments at 2.

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).

D. Classification Changes

Reclassification of Business Reply Mail. The Postal Service proposes to change the classification of BRM from Metered Letters to Stamped Letters to correct a pricing anomaly. Notice at 8, 33.

The Postal Service explains that when it introduced a separate price for Metered Letters prices in Docket No. R2013-10, BRM shifted from the Stamped Letters prices to the Metered Letters prices. *Id.* at 8. Qualified Business Reply Mail (QBRM) mailers continued to pay Stamped Letters prices, minus a discount. *Id.* At the time, there was a 1-cent difference between the Stamped Letters and Metered Letters prices, which meant that QBRM prices were lower than BRM prices, as intended. *Id.*

However, in Docket No. R2017-1, the differential between Stamped Letters and Metered Letters prices increased from 1-cent to 3-cents, which caused BRM prices to be lower than QBRM prices. *Id.* To correct this anomaly, the Postal Service proposes to apply Stamped Letters prices to both BRM and QBRM, with QBRM continuing to receive a discount. *Id.* As a result, the BRM prices will be higher than the QBRM prices and the two categories will be realigned properly. *Id.* In addition, the Postal Service states that it adjusted the billing determinants to reflect this change and filed

workpapers demonstrating this change.²⁹ The Postal Service calculates the distribution of BRM pieces by weight and shape using FY 2017 data and applies that distribution to the total number of pieces in the hybrid year to estimate the number of BRM letters in the hybrid year. *Id.*

Comments. No commenter addresses these proposed changes.

Commission analysis. The Commission finds that the proposed changes comply with applicable statutory and regulatory requirements. The Commission finds that Postal Service's proposed adjustments to the First-Class Mail billing determinants are reasonable.

E. 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).³⁰

As shown in Table IV-1, the Postal Service does not plan a price increase for Outbound Single-Piece FCMI. Inbound Letter Post prices will increase 7.354 percent.

²⁹ Notice at 11; Library Reference USPS–LR–R2019-1/1, Excel file “BRM Adjustment Calculation.xlsx.”

³⁰ Postal Regulatory Commission, (draft) Mail Classification Schedule posted January 21, 2018 (with revisions through July 15, 2018), available at <http://www.prc.gov/mail-classification-schedule>, § 1130.1(a).

2. Inbound Letter Post Prices

The Postal Service's Notice. The Postal Service states that the average price increase for Inbound Letter Post will be 7.337 percent. Notice at 9. The Postal Service explains that this increase is a consequence of changes in terminal dues established in the Universal Postal Convention.³¹ The Postal Service states that the greatest portion of the increase is attributed to an increase to terminal dues for small packets. Notice at 9. Inbound Letter Post prices factor into the price cap calculation for First-Class Mail because Inbound Letter Post is a First-Class Mail product.

Comments. No commenter addresses the planned Inbound Letter Post price adjustment.

Commission analysis. When considering the criteria outlined in 39 C.F.R. § 3010.23(d), the Commission accepts the Postal Service's price cap calculation for Inbound Letter Post.³² In its Response to CHIR No. 5, the Postal Service states that the Inbound Letter Post volume reported in Library Reference USPS-LR-R2019-1/NP1 was based upon data the Postal Service provided with Proposal Five (Docket No. RM2018-8).³³ The Commission finds incorporating volume data provided with Proposal Five into the First-Class Mail price cap calculation to be reasonable. Applying the accepted methodology results in a price change of 7.354 percent for Inbound Letter Post, which is higher than the price change of 7.337 percent calculated by the Postal Service.³⁴

³¹ *Id.* Terminal dues refer to payments by foreign postal operators to the Postal Service for delivery of Inbound Letter Post in the United States.

³² See Library Reference PRC-LR-R2019-1/1 and PRC-LR-R2019-1/NP1.

³³ Response to CHIR No. 5. The Commission's approval of Proposal Five changed the costing methodology for some inbound international mail products (including Inbound Letter Post and some market dominant international negotiated service agreements) to develop separate costs for letters/flats and bulky letters/small packets. Docket No. RM2018-8, Order on Analytical Principles Used in Periodic Reporting (Proposal Five), September 21, 2018, at 6-7 (Order No. 4827).

³⁴ See Library Reference USPS-LR-R2019-1/1 REVISED, October 23, 2018, Excel file "CAPCALC-FCM-R2019-1-Revised-10-23.xlsx," tab "FCM International."

3. Adjustments to International First-Class Mail Workpapers

a. FCMI Flats

In the Notice, the Postal Service states that it adjusted the Outbound Single-Piece FCMI billing determinants to reflect the proposal introduced in Docket No. MC2019-3, to reduce the maximum weight for FCMI Flats from 64 ounces to 15.994 ounces. Notice at 10. Specifically, the Postal Service notes that it deleted rate cells for FCMI Flats above 16 ounces and “zeroed out” volume in those deleted rate cells. *Id.* at 11.

In Order No. 4859, the Commission noted that the change to FCMI Flats proposed in Docket No. MC2019-3 will be pending when the Commission determines whether the price changes proposed in this rate docket are consistent with applicable regulations. Order No. 4859 at 2. Accordingly, the Commission directed the Postal Service to revise its filing to include prices for FCMI Flats weighing more than 15.994 ounces and to provide billing determinants that include volumes for those rate cells.³⁵ The Postal Service revised its filing and supporting workpapers to reflect no change from the current FCMI Flat prices for mailpieces weighing more than 15.994 ounces.³⁶

As shown in the adjusted billing determinant workpapers, retaining FCMI Flat rate cells for mailpieces weighing more than 15.994 ounces at current prices results in no change to the pricing authority for First-Class Mail.³⁷

³⁵ *Id.* at 2-3. The Public Representative supports the Commission’s actions in Order No. 4859. PR Comments at 6.

³⁶ Response to Order No. 4859, Attachment 1; Library Reference USPS–LR–R2019–1/1 REVISED, October 23, 2018, Excel file “CAPCALC-FCM-R2019-1-Revised-10-23.xlsx,” tab “FCM International.”

³⁷ Library Reference PRC–LR–R2019–1/1 and PRC–LR–R2019–1/NP1.

b. Inbound International Registered Mail

The Postal Service included the volume and terminal dues revenue data but did not include the surcharge for Inbound International Registered Mail in the Inbound Letter Post cap calculation. Public Response to CHIR No. 8, question 2. In Docket No. R2010-4, the Postal Service noted that excluding Inbound International Registered Mail volume and weight data from its cap calculation is appropriate because Inbound International Registered Mail volume is not considered to be Inbound Single-Piece First-Class Mail International volume.³⁸

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.³⁹ The Postal Service has not provided justification for why the Commission should now include Inbound International Registered Mail volume and terminal dues revenue in the price change calculation for Inbound Letter Post.

Consistent with past practice, the Commission revised the Inbound Letter Post workpapers to exclude Inbound International Registered Mail volume and terminal dues revenue in its price change calculation for Inbound Letter Post.⁴⁰

c. Internal Air Conveyance

The Commission makes an adjustment to the Postal Service's calculation of Internal Air Conveyance revenue. 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

³⁸ Docket No. R2010-4, Library Reference USPS-R2010-4/1 (revised), August 6, 2010, file "FirstClass Mail Preface Revised Aug62010.doc," at 8.

³⁹ Docket No. R2011-2, Order Revising Postal Service Market Dominant Price Adjustments, February 16, 2011, at 20 (Order No. 675).

⁴⁰ See Library Reference PRC-LR-R2019-1/1 and PRC-LR-R2019-1/NP1.

surface kilograms. Non-public Response to CHIR No. 8, question 3. The Commission uses data the Postal Service provided in the revised International Cost and Revenue Analysis Report filed in Docket No. RM2018-8 (Proposal Five) to remove surface kilograms from each country.

V. USPS MARKETING MAIL

A. Introduction

This section discusses the proposed price adjustments, workshare relationships between discounts and their associated avoided costs, and proposed mail classification changes applicable to USPS Marketing Mail.⁴¹ It also discusses statutory preferential rates and nonprofit discounts.

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, 2.482 percent, which results in 0.009 percent in unused price adjustment authority.⁴² Table V-1 shows the percentage price change for each USPS Marketing Mail product as calculated by the Commission.

⁴¹ The planned promotions for USPS Marketing Mail are addressed *supra* section III.A.

⁴² Library Reference PRC-LR-R2019-1/2, Excel file "PRC-CAPCALC-MM-R2019-1.xlsx."

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

USPS Marketing Mail Product	Price Change %
Letters	2.382
Flats	2.621
Parcels	2.691
High Density/Saturation Letters	3.817
High Density/Saturation Flats and Parcels	3.576
Carrier Route	0.734
Every Door Direct Mail – Retail	5.056
Overall	2.482
Source: Library Reference PRC-LR-R2019-1/2, November 13, 2018, Excel file "PRC-CAPCALC-MM-R2019-1.xlsx."	

Comments. Pitney Bowes, NAPM, Valpak, PostCom, Landis Refining, and NBSI filed comments on the Postal Service’s proposed price changes.

Pitney Bowes, NAPM, and Valpak support the Postal Service’s proposed increase in the Full-Service Intelligent Mail barcode (FSIMb) incentives for USPS Marketing Mail. Pitney Bowes states that “[t]he increased FSIMb discount will create parity between the First-Class Mail and [USPS] Marketing Mail rate design, encourage increased use of the FSIMb, and promote enhanced transparency and visibility in the mail stream.” Pitney Bowes Comments at 3-4. NAPM “commends the Postal Service for increasing the Full Service Intelligent Mail discount for [USPS] Marketing Mail.” NAPM Comments at 3. Valpak comments that the change “will improve operational efficiency” and “help all users of Full-Service Intelligent Mail offset the additional costs they incur to qualify for the discount.” Valpak Comments at 2-3.

PostCom discusses “the considerable amount of variation in price adjustments for various categories” within the USPS Marketing Mail class. PostCom Comments

at 1. While it does not contend that this variation is illegal, PostCom asserts that the Postal Service's planned pricing choices "raise several policy issues." *Id.* at 2. In particular, PostCom notes that some rates within the High Density and Saturation categories would increase by more than 8 percent whereas Carrier Route would increase by 0.734 percent. *Id.* at 1-2. Observing that the Postal Service references "value in the mailbox" to partially justify its plan to apply a percentage increase to Carrier Route flats that is lower than the percentage increase applied to the class overall, PostCom encourages the Postal Service to disseminate any quantitative evidence that recipients place a higher value on certain types of mail. *Id.* at 2. In PostCom's view, if this justification "is based on a less sound footing," then these planned price increases are "unnecessarily risky." *Id.* PostCom recommends caution with respect to the Postal Service's efforts to differentiate prices within a class. *Id.*

Valpak argues that the Notice "[d]oes not meet the statutory factors and objectives for [USPS] Marketing Mail." Valpak Comments at 5. In Valpak's view, the Postal Service "has proposed changes of dramatically unequal magnitude" and "provides almost no transparency into its ratesetting process as it continues to price in an unjust and unreasonable manner." *Id.* at 6. Valpak highlights that High Density/Saturation Letters and High Density/Saturation Flats and Parcels, which have historically high cost coverages, would receive the highest and second highest planned percentage price increases, respectively. *Id.* Valpak contrasts these planned increases with the "barely-above-average increase for [USPS] Marketing Mail Flats." *Id.* at 7. Valpak states that "[u]nit cost is now so high above unit revenue (losing 13.5 cents per piece) that an average price increase for Flats will not cover an average increase in cost." *Id.* at 7-8 (footnotes omitted). Valpak asserts that "the prices proposed for [USPS] Marketing Mail products are not 'fair and equitable' and they do not maximize the Postal Service's net revenue." *Id.* at 9 (citing 39 U.S.C. § 101(c)).

Landis Refining, a small business in an industry that relies heavily on marketing by mail and its computer software provider, NBSI, express concern with respect to the ability of small businesses to access commercial bulk mailing discounts.⁴³

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 2.482 percent is less than the total available authority of 2.491 percent.⁴⁴ As a result, the total unused price adjustment authority available for USPS Marketing Mail is 0.009 percent.⁴⁵

The Commission recognizes commenter concerns regarding the magnitude of price adjustments for specific price categories and products and encourages the Postal Service to consider the perspective of mailers when setting its prices. The Commission observes that the Postal Service proposed to increase USPS Marketing Mail Flats' price by 108 percent of consumer price index for all urban consumers. While this planned increase is consistent with the Postal Service's schedule of above-average price increases,⁴⁶ the Commission encourages the Postal Service to take into account recent unit attributable cost increases when adjusting USPS Marketing Mail Flats prices to promote cost coverage improvement.

⁴³ Initial Landis Refining Comments at 1; Supplemental Landis Refining Comments at 1-2; NBSI Comments at 1.

⁴⁴ For USPS Marketing Mail, the current annual limitation is 2.419 percent. In addition to the annual limitation, USPS Marketing Mail has 0.072 percent of unused rate adjustment authority available. Therefore, the total pricing authority available for USPS Marketing Mail is 2.491 percent.

⁴⁵ See Library Reference PRC-LR-R2019-1/2; see also *supra* section I, Table I-1. For USPS Marketing Mail, the Postal Service uses the 2.419 percent of price adjustment authority available under the annual limitation plus 0.063 percent of the available unused price adjustment authority, thus 0.009 percent of unused price adjustment authority remains available for future price adjustments.

⁴⁶ Docket No. ACR2010, Annual Compliance Determination Report, Fiscal Year 2010, March 29, 2011, at 107; Docket No. ACR2017, United States Postal Service FY 2017 Annual Compliance Report, December 29, 2017, at 24 (FY 2017 ACR).

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.*

Fourteen planned discounts within the USPS Marketing Mail class have passthroughs exceeding 100 percent. See Library Reference PRC–LR–R2019–1/2. These discounts are listed in Table V-2.

Table V-2
USPS Marketing Mail Passthroughs Exceeding 100 Percent

	Discount (Commercial and Nonprofit)	Passthrough %
1	Automation Mixed AADC Letters	1100.0
2	DNDC Letters	129.4
3	DSCF Letters	133.3
4	Nonprofit Mixed NDC Machinable Barcoded Parcels	138.5
5	Nonprofit Mixed NDC Irregular Barcoded Parcels	138.5
6	Mixed NDC Barcoded Marketing Parcels	138.5
7	DNDC Carrier Route Letters	147.1
8	DSCF Carrier Route Letters	152.4
9	Origin Flats on 5-Digit Pallets	116.7
10	DNDC Flats on 5-Digit Pallets	116.7
11	DSCF Flats on 5-Digit Pallets	116.7
12	DDU Flats on 5-Digit Pallets	116.7
13	DNDC High Density and Saturation Letters	117.6
14	DSCF High Density and Saturation Letters	119.0
Source: Library Reference PRC-LR-R2019-1/2, Excel file "PRC-CAPCALC-MM-R2019-1.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 17-18. The Postal Service explains that this discount encourages mailers to include Intelligent Mail barcodes (IMb) on their mailpieces, which it states increases operational efficiency. *Id.* The Postal Service reports that it has made progress, lowering the passthrough for this discount from the level identified in the FY 2017 ACD, from 1300 percent to 1100 percent. *Id.* Furthermore, the Postal Service notes that it

proposed a methodological change in Docket No. RM2019-1 that would reduce the passthrough from 1100 percent to 183.3 percent. *Id.*

DNDC Letters and DSCF Dropship Letters. The Postal Service justifies the passthroughs for these discounts pursuant to 39 U.S.C. § 3622(e)(2)(B) (rate shock). *Id.* at 18. The Postal Service states that it has lowered these passthroughs by 11.8 and 14.3 percentage points, respectively. *Id.* at 18-19. The Postal Service notes that the Commission has accepted this justification in the past, 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.* The Postal Service states that it "will endeavor to reduce these passthroughs by at least 10 percentage points in future price cases." *Id.*

Comments. PostCom comments that the Postal Service "continues to narrow destination entry discounts for [USPS] Marketing Mail," such as Automation AADC letters. PostCom Comments at 3. PostCom states that "[w]hile the Postal Service may simply be adhering to the Commission's past directives, the result is selective, inefficient, and may distort the market for transportation services in certain lanes." *Id.* NAPM disagrees with the Postal Service's decision to adjust dropship entry discounts for USPS Marketing Mail DSCF and DNDC Letters. NAPM Comments at 3. NAPM comments "[t]he unintended, but foreseeable, consequence of these changes is mail entry moving further "upstream" in the delivery network, increasing the Postal Service's costs and degrading service." *Id.*

Nonprofit Mixed 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 incentive for mailers to pre-barcode their parcels increases operational efficiency. *Id.* The Postal Service reports that it has lowered these passthroughs by 10.2 percentage

points, from 148.7 percent to 138.5 percent. *Id.* The Postal Service observes that the Commission has accepted this justification in the past, 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.* The Postal Service states that it "will endeavor to reduce these passthroughs by at least 10 percentage points in future price cases." *Id.*

Carrier Route DNDC Letters and Carrier Route DSCF Letters. The Postal Service justifies the passthroughs for these discounts pursuant to 39 U.S.C. § 3622(e)(2)(B) (rate shock). *Id.* at 20. The Postal Service has decreased the Carrier Route DNDC Letters passthrough by 11.7 percentage points to 147.1 percent and the Carrier Route DSCF Letters passthrough by 14.3 percentage points to 152.4 percent. *Id.* The Postal Service notes that the Commission has accepted this justification in the past, 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.* The Postal Service avers that it "will endeavor to reduce these passthroughs by at least 10 percentage points in future price cases[.]" *Id.*

5-Digit Carrier Route Pallets at Origin Entry, DNDC Entry, DSCF Entry, and DDU Entry. The Postal Service justifies these four passthroughs pursuant to 39 U.S.C. § 3622(e)(2)(D) (operational efficiency). *Id.* at 20-21. The Postal Service states that "[t]he preparation of 5-Digit Carrier Route pallets is of significant benefit to Postal Service operations, as these pallets can be directly cross-docked to the appropriate delivery unit, thereby bypassing bundle and parcel sortation equipment." *Id.* at 21. The Postal Service plans to increase the discount from \$0.019 to \$0.021, increasing the passthrough from 105.6 percent to 116.7 percent. Responses to CHIR No. 1, question 4.a.

In support of its justification, the Postal Service explains that the current model does not account for certain operational efficiencies and that the cost avoidance of

5-Digit Carrier Route pallets is not isolated. October 31 Response to CHIR No. 6, question 1.b-c, e.

First, the Postal Service avers that the cost avoidance model for USPS Marketing Mail flats “does not account for the allied and platform operations processing differences between 5-Digit Carrier Route pallets and Carrier Route mail prepared on all other containers.” *Id.* The Postal Service provides an estimate of the avoided cost associated with allied and platform operations by using the Periodicals cost avoidance model as a proxy. *Id.* The proxy model calculates an additional \$0.0018 per piece in cost avoidance. *Id.* Adding this proxy cost avoidance to the total avoided cost for the price categories increases the avoided cost to \$0.020. *Id.*

Second, the Postal Service explains that Flats Sequencing System (FSS) Scheme pallets also qualify for the 5-Digit Carrier Route pallet discounts. *Id.* Therefore, both the discount and avoided cost are the weighted average of Carrier Route bundles on 5-Digit Carrier Route pallets and FSS Scheme bundles on FSS Scheme pallets. *Id.* The Postal Service chose a higher discount to target the avoided cost of Carrier Route bundles on 5-Digit Carrier Route pallets, which is \$0.0202. *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). Notice at 21-22. The Postal Service reports that it has reduced the DNDC High Density and Saturation Letters passthrough by 11.8 percentage points, to 117.6 percent and the DSCF High Density and Saturation Letters passthrough by 14.3 percentage points, to 119.0 percent. See *id.* at 22. The Postal Service states that the Commission has accepted this justification in the past, 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.* The Postal Service avers that it “will endeavor to reduce the passthroughs by at least 10 percentage points in future price cases[.]” *Id.*

Comments. Valpak comments that, although the Postal Service is reducing workshare dropship discounts for products such as High Density and Saturation Letters, it “supports the Postal Service’s effort to spread the correction over a number of pricing adjustments to mitigate rate shock for mailers.” *Id.* at 3.

NAPM states that the Postal Service “deserves credit for the caution it has shown in adjusting the drop ship entry discounts for DSCF and DNDC [USPS] Marketing Mail Letters.” NAPM Comments at 3. NAPM comments that “[t]he unintended, but foreseeable, consequence of these changes is mail entry moving further ‘upstream’ in the delivery network, increasing the Postal Service’s costs and degrading service.” *Id.* NAPM “hopes the Postal Service and the Commission will revisit this issue.” *Id.*

PostCom comments that “[i]n addition to a reduction in overall efficiency, erosion of drop shipment incentives punishes customers by forcing them to accept service degradation.” PostCom Comments at 4. PostCom avers that “[p]ostal customers should not be forced to pay more for less.” *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. The Commission acknowledges the commenters’ concerns regarding the impact of reducing dropship workshare discounts to align with their avoided costs as identified in the existing cost avoidance models. The Commission encourages the Postal Service to examine the cost avoidance models and determine if the models can more accurately capture avoided costs. It is important to observe that the Postal Service has cited the rate shock exception to justify these discounts and that this provision requires that the amount of the discount above cost avoided “will be phased

out over time.” 39 U.S.C. § 3622(e)(2)(B). Further discussion of the passthroughs for 5-Digit Carrier Route pallets follows.

5-Digit Carrier Route Pallets at Origin Entry, DNDC Entry, DSCF Entry, and DDU Entry. In the FY 2017 ACR, the Postal Service acknowledged that the workshare discounts for Carrier Route flats on 5-digit pallets entered at Origin, destination network distribution center (DNDC), destination sectional center facility (DSCF), and destination delivery unit (DDU) exceeded their avoided costs. FY 2017 ACR at 21-22. The Postal Service stated that, in the next market dominant rate case, it intended “to recommend to the Governors that they realign the[se] discounts with the latest cost avoidance, or it [would] cite an appropriate statutory exception.” *Id.* at 21. In the FY 2017 Annual Compliance Determination, the Commission found these discounts to be out of compliance and directed the Postal Service to “either align the discounts for Carrier Route flats on 5-digit pallets entered at Origin, DNDC, DSCF, and DDU with their avoided costs during the next general Market Dominant price adjustment, or provide support for an applicable statutory exception.”⁴⁷

The Postal Service has opted to provide support for the operational efficiency statutory exception, 39 U.S.C. § 3622(e)(2)(D). The Postal Service’s assertion that the current cost avoidance model lacks specific allied and platform cost avoidances is logical; however, due to the compressed nature of this proceeding, the Commission is unable to review the merits of this claim. The Commission will accept the 39 U.S.C. § 3622(e)(2)(D) exception in this instance; however, the Postal Service must align these discounts with their avoided costs as identified in the existing cost avoidance models in the future. If the Postal Service wishes to calculate the cost avoidance with an alternative model, such as a model similar to that used for Periodicals, it must file a

⁴⁷ Docket No. ACR2017, Annual Compliance Determination Report, Fiscal Year 2017, March 29, 2018, at 34 (FY 2017 ACD).

petition with the Commission to change analytical principles in accordance with 39 C.F.R. § 3050.11.

D. Classification Changes

Forwarding-and-Return Service. The Postal Service proposes classification changes to the Forwarding-and-Return Service options for USPS Marketing Mail High Density and Saturation Letters, High Density and Saturation Flats/Parcels, Carrier Route, Letters, Flats, and Parcels. Notice at 33. The Postal Service seeks to revise each corresponding MCS section “to correctly reflect the way that the Address Correction Service option works (e.g., no returns), and to remove an incorrect extra reference to ‘price.’” *Id.*

Small Parcel Forwarding Fee. The Postal Service also proposes to add a “Small Parcel Fee” to USPS Marketing Mail parcel products. *Id.* Currently, the Postal Service forwards these parcels “only when the shipper has requested forwarding service using Shipper Paid Forwarding/Return service, or by using one of the following ancillary service endorsements: Address Service Requested (ASR) or Forwarding Service Requested (FSR).” Responses to CHIR No. 2, question 7. The Postal Service states that “[o]ne major difference in services between the current options and the proposed Small Parcel Forwarding fee is that the existing options provide for both forwarding and return, while the Small Parcel Forwarding fee is limited to forwarding.” Response to CHIR No. 7, question 1.a. The Postal Service also points out that “certain mailers are not eligible for the existing forwarding options because they do not manifest their mailings, or manifest using outdated software.” *Id.* The Postal Service states that the planned Small Parcel Fee option may appeal to shippers “sending low-cost parcels that are not worth having returned” since those parcels are discarded under this planned option. *Id.* Conversely, “shippers may choose the existing options for higher value items.” *Id.*

Other Classification Changes. The Postal Service also deleted extraneous references to Destination FSS categories that were eliminated in Docket No. R2017-1. Notice at 34.

Comments. No commenter addresses these proposed changes.

Commission analysis. The Commission finds that the proposed changes comply with applicable statutory and regulatory requirements. The Postal Service's proposed change to the Forwarding-and-Return Service MCS language is appropriate because it would correct and clarify the MCS, giving mailers more accurate and complete information about the Postal Service's offerings. The proposed Small Parcel Forwarding Fee gives mailers additional forwarding options for parcels of differing values. The fee allows mailers to forward parcels without return and without meeting the requirements for existing Postal Service options. Consistent with the logic of 39 C.F.R. § 3010.23(d)(2), the addition of the fee does not require a change to the Postal Service's billing determinants in this proceeding.

E. 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).

F. 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*.

VI. PERIODICALS

A. Introduction

This section discusses the proposed price adjustments, workshare relationships between discounts and associated avoided costs, and mail classification changes applicable to Periodicals. It also discusses statutory preferential rates.

B. Price Adjustments

The Periodicals class consists of two products: (1) Within County;⁴⁸ and (2) Outside County. The planned price increase for Periodicals is, on average, 2.520 percent, which leaves 0.000 percent in available unused price adjustment authority. Table VI-1 shows the percentage price change for each Periodicals product as calculated by the Commission.

⁴⁸ This product is named In-County Periodicals in the MCS. Postal Regulatory Commission, (draft) Mail Classification Schedule posted January 21, 2018 (with revisions through July 15, 2018), available at <http://www.prc.gov/mail-classification-schedule>, § 1300.2.

Table VI-1
Periodicals Price Changes (By Product)

Periodicals Product	Price Change %
Outside County	2.543
Within County	2.015
Overall	2.520
Source: Library Reference PRC-LR-R2019-1/3, November 13, 2018, Excel file "PRC-CAPCALC-PER-R2019-1.xlsx."	

The Postal Service states that in FY 2017, Periodicals once again did not cover its attributable costs. Notice at 25. The Postal Service asserts that this lack of cost coverage is “a function of the lack of adequate pricing flexibility at the class level.” *Id.* The Postal Service proposes:

- above-average increases for trays and sacks to boost their cost coverage;
- above-average increases for all bundles and pallet containers, to raise their cost coverage and encourage operational efficiency;
- increasing the price difference between basic Carrier Route and Machinable Automation 5-Digit Flats, to encourage preparation of Carrier Route pieces; and
- increasing piece prices to bring all workshare discount passthroughs down to 100 percent or below.⁴⁹

Comments. Three commenters address the planned price changes for Periodicals. MPA comments that the proposed prices for Outside County mail reflects the Postal Service’s continued indifference to controlling costs. MPA Comments at 1. MPA states that the Postal Service failed to provide adequate incentives for mailers to prepare mail at the Carrier Route level. *Id.* MPA also states that the planned price

⁴⁹ *Id.* The Postal Service states that all of these changes can be achieved only by keeping pound prices constant, given the small amount of cap space available. *Id.* at 25 n.33.

changes do not provide a sufficient incentive to shift mailpieces from sacks to more efficient pallets. *Id.* at 2. MPA recommends that above-inflation price increases for Periodicals not be considered until the Postal Service reverses the poor cost trends for flats over the last decade. *Id.* at 3.

NNA appreciates the Postal Service's moderation in its planned increases for Within County mail. NNA Comments at 2. NNA suggests that the efficiency of Periodicals mailpieces would be improved by sending appropriate price signals to encourage the use of flats trays. *Id.* Asserting that an inquiry into pricing of more efficient containers for Periodicals mail is not outside the scope of this proceeding, NNA requests that the Commission seek information from the Postal Service on the number and costs of these trays. *Id.* at 4.

Jacqueline McGinness, circulation coordinator of the Angus Journal and the Angus Beef Bulletin, states that she does not oppose the planned price increase; however, noting that multiple subscribers have reported not receiving their monthly publication, she adds that improved delivery service should accompany the price increase. McGinness Comments at 1.

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 2.520 percent is equal to the total available price adjustment authority for Periodicals.⁵⁰ As a result, there is no unused price adjustment authority for Periodicals.⁵¹

⁵⁰ For Periodicals, the current annual limitation is 2.419 percent. In addition to the annual limitation, Periodicals has 0.101 percent of unused rate adjustment authority available. Therefore, the total pricing authority available for Periodicals is 2.520 percent.

⁵¹ See Library Reference PRC-LR-R2019-1/3; see also *supra* section I, Table I-1. For Periodicals, the Postal Service uses the 2.419 percent of price adjustment authority available under the annual limitation plus 0.101 percent of the available unused price adjustment authority; thus, 0.000 percent of unused price adjustment authority remains available for future price adjustments.

With respect to Periodicals not covering attributable costs, the Commission acknowledges the limited price adjustment authority for Periodicals and commends the Postal Service for taking several measures to improve cost coverage. The Commission encourages the Postal Service to explore additional avenues to reduce Periodicals costs.

With respect to NNA's request for the Commission to explore actions regarding the use of flats trays, the Commission again finds that this request is 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 continue to work with the mailing community to address concerns regarding the use of flats trays.⁵²

With respect to concerns about service performance, the Commission encourages the Postal Service to reach out to its customers directly to address issues at the local level.

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

⁵² NNA states that following the Commission's recommendation last year, some data about the volume and uses of flats trays has been collected. NNA Comments at 4.

costs and explain any relationship between discounts that are above and those that are below avoided costs. *Id.*

The Postal Service states that no Periodicals workshare discounts exceed avoided costs. Notice at 26. It explains that the passthroughs for the two Within County and nine Outside County workshare discounts that exceeded avoided costs in the FY 2017 ACD are now set equal to or below 100 percent. *Id.*

Comments. The Public Representative acknowledges that no passthroughs for Periodicals exceed 100 percent. PR Comments at 2. MPA suggests that the Postal Service has missed the opportunity to properly incentivize mailer preparation at the highly efficient carrier route level by failing to improve the passthrough for Carrier Route Basic, which is 60.7 percent. MPA Comments at 2.

Commission analysis. The Commission approves all proposed Periodicals workshare discounts as consistent with 39 U.S.C. § 3622(e). The Commission recognizes that the Postal Service has reduced all of the passthroughs that were greater than 100 percent. The Commission recommends that the Postal Service continue to make progress aligning Periodicals discounts that are below their avoided costs in the next general market dominant price adjustment.

D. Classification Changes

The Postal Service proposes one mail classification change to Periodicals: updating the class description to indicate that Address Correction Service would no longer be mandatory if alternative addressing formats are used. Notice at 33. The Postal Service also deleted extraneous references to Destination FSS categories that were eliminated in Docket No. R2017-1. *Id.* at 34.

Comments. NNA supports the ending of Address Correction Service requirements for alternative addressing in Periodicals. NNA Comments at 1. NNA

states that removing this requirement will save publishers unnecessary address-change fees. *Id.* at 5.

Commission analysis. The Commission finds that the proposed changes comply with applicable statutory and regulatory requirements.

E. 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 30.

Within County. 39 U.S.C. § 3626(a)(3) requires that the prices for Within County Periodicals reflect this product's preferred status relative to the prices for regular rate (Outside County) Periodicals. *Id.* The Postal Service asserts that the price adjustment in this case "continues to recognize the preferential status of Within County Periodicals by keeping its prices below those of regular Outside County Periodicals." *Id.*

Outside County—Nonprofit and Classroom. 39 U.S.C. § 3626(a)(4)(A) requires that Nonprofit and Classroom Periodicals receive, as nearly as practicable, a 5 percent discount from regular rate postage, except for advertising pounds. *Id.* 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.*

Outside County—Science of Agriculture Periodicals. 39 U.S.C. § 3626(a)(5) 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 & 2 that are 75 percent of the advertising pound prices applicable to regular Outside County Periodicals. *Id.*

Limited circulation discount. 39 U.S.C. § 3626(g)(4) 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. *Id.* at 31. The Postal Service states that it is continuing the “limited circulation” discount that provides these pieces with a discount equivalent to the Nonprofit and Classroom discount. *Id.*

Comments. No commenter addresses 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 40 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, 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).

VII. PACKAGE SERVICES

A. Introduction

This section discusses the proposed price adjustments, workshare relationships between discounts and associated avoided costs, and mail classification changes applicable to Package Services. It also discusses statutory preferential rates.

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, 2.522 percent, which results in no remaining unused price adjustment authority. Table VII-1 shows the percentage price change for each Package Services product as calculated by the Commission.

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

Package Services Product	Price Change %
Alaska Bypass Service	2.200
BPM Flats	2.465
BPM Parcels	2.217
Media Mail/Library Mail	2.954
Overall	2.522
Source: Library Reference PRC-LR-R2019-1/4, November 13, 2018, Excel file "PRC-CAPCALC-PACKSERV-R2019-1.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 2.522 percent is

equal to the total available price adjustment authority for Package Services.⁵³ As a result, there is no unused pricing authority for Package Services.⁵⁴

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 2017 ACD directives by aligning the following Package Services discounts with avoided costs: BPM Flats DNDC dropship, BPM Flats DSCF dropship, BPM Parcels DNDC dropship, and BPM Parcels DSCF dropship. FY 2017 ACD at 39. All Package Services workshare discounts are set at equal to or below their avoided costs.

Comments. No commenter addresses workshare discounts for Package Services.

⁵³ For Package Services, the current annual limitation is 2.419 percent. In addition to the annual limitation, Package Services has 0.103 percent of unused rate adjustment authority available. Therefore, the total pricing authority available for Package Services is 2.522 percent.

⁵⁴ See Library Reference PRC–LR–R2019–1/4; see also *supra* section I, Table I-1. For Package Services, the Postal Service uses the 2.419 percent of price adjustment authority available under the annual limitation plus 0.103 percent of the available unused price adjustment authority; thus, 0.000 percent of unused price adjustment authority remains available for future price adjustments.

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

D. Classification Changes

1. Overweight Item Charge

Background. Media Mail and Library Mail pieces over 70 pounds are nonmailable.⁵⁵ Acknowledging that overweight items should not be accepted under the existing standards, the Postal Service states that overweight items have been found in the mailstream.⁵⁶ On April 20, 2018, the Postal Service proposed to amend the Domestic Mail Manual (DMM) “to prevent overweight items from entering the postal network.” *Id.* The Postal Service proposed assessing “a penalty of \$100.00” per overweight item. *Id.*

On August 29, 2018, the Postal Service issued a final rule amending the DMM “to implement a process to remove overweight items from the postal network,” effective immediately for safety reasons.⁵⁷ Upon identification of items over the 70-pound maximum weight limit for Media Mail, Library Mail, and multiple competitive products, the Postal Service will secure the item; contact the sender or receiver for pickup; and dispose of the item, if not picked up within 14 days. *Id.* at 43,986. The Postal Service acknowledged receiving a comment “question[ing] the \$100 fee and whether it could be construed as a price requiring additional approval.” *Id.* at 43,985. In response to the

⁵⁵ See Postal Regulatory Commission, (draft) Mail Classification Schedule posted January 21, 2018 (with revisions through July 15, 2018), available at <http://www.prc.gov/mail-classification-schedule>, § 1425.2 (maximum weight for Media Mail/Library Mail is 70 pounds).

⁵⁶ Overweight Items, 83 Fed. Reg. 17,518 (proposed Apr. 20, 2018) (to be codified at 39 C.F.R. § 111).

⁵⁷ Overweight Items, 83 Fed. Reg. 43,985 (Aug. 29, 2018) (to be codified at 39 C.F.R. § 111) (August 29 Final Rule).

comment, the Postal Service stated “[t]he fee determination will be made at a later date.” *Id.*

The Postal Service’s Notice. In conjunction with its proposed pricing adjustments, the Postal Service filed proposed amendments to the MCS cross-referencing a new charge for nonmailable Media Mail and Library Mail pieces exceeding 70 pounds, as described in the DMM. Notice at 32. The Postal Service states that this charge “was previously announced in the Federal Register,” and references the August 29, 2018, Final Rule. *Id.* at 32, n.40. The Postal Service also states “[a]n additional Federal Register Notice confirming the implementation and amount of the charge will be published separately, prior to its inclusion in the Domestic Mail Manual.” *Id.* The Postal Service indicates it intends to add the language as a note to the size and weight limitations for the affected products “for transparency purposes.” *Id.* at 32.

The DMM Amendments. On October 17, 2018, the Postal Service published in the *Federal Register* its planned changes to the DMM, stating the intention to make the changes effective on January 27, 2019, in conjunction with the pricing and classification changes proposed in the Notice.⁵⁸ This publication announces the introduction of the \$100 charge for handling overweight items. *Id.* The charge would be payable before release of the item, unless the item is picked up at the same facility where it was entered. *Id.* The corresponding text of the planned DMM change, which would apply to Media Mail, Library Mail, and multiple competitive products, appears in a separate *Federal Register* announcement published on the same day.⁵⁹ No further information was provided in either publication.

⁵⁸ New Mailing Standards for Domestic Mailing Services, 83 Fed. Reg. 52,353 (Oct. 17, 2018) (to be codified at 39 C.F.R. § 111).

⁵⁹ Domestic Competitive Products Pricing and Mailing Standards Changes, 83 Fed. Reg. 52,326, 53,327 (Oct. 17, 2018) (to be codified at 39 C.F.R. § 111).

Additional Information. CHIR No. 2 included questions about the charge. CHIR No. 2, questions 1-6. In response, the Postal Service states that it does not consider the charge to be a rate. Responses to CHIR No. 2, question 3.b. According to the Postal Service “[n]o service is provided in connection with packages exceeding the 70-pound maximum weight limitation, which are nonmailable under existing regulations.” *Id.* The Postal Service contends that the charge is intended to discourage mailers from introducing nonmailable packages into the mailstream and to “defray the costs of handling” the packages rather than to grow revenue. *Id.*

The Postal Service cites 39 U.S.C. § 401(2) as the statutory authority for implementing the charge. *Id.* The Postal Service further states that any matter that “exceeds the size and weight limits prescribed for the particular class of mail” is nonmailable. *Id.* (citing 39 U.S.C. § 3001(c)(A)). The Postal Service distinguishes this charge from other fees and charges considered to be rates by stating the items that will incur the overweight item charge are nonmailable, whereas other fees and charges apply to items that are mailable and will be delivered or returned. *Id.*

The Postal Service indicates that it does not have volume information for overweight items (nor an estimate of the number of items that would incur the fee) because it does not track items that enter the mailstream erroneously. *Id.*, questions 4-5. The Postal Service objects to inclusion of the amount of the charge in the MCS, because “it is not a rate or fee within the ambit of Section 3622.” *Id.*, question 6.a.

Comments. The Public Representative and PostCom address the charge in their comments. The Public Representative expresses support for the charge, with some qualifications. PR Comments at 7-8. PostCom cautions the Commission against adopting the Postal Service’s explanation provided in the Responses to CHIR No. 2 without adequate examination. PostCom Comments at 4-7.

The Public Representative agrees with the Postal Service's position "on the issue of charging for the return of overweight parcels." PR Comments at 8. He suggests the Commission consider requiring the Postal Service to report the total dollar amount of fees collected each quarter in the Annual Compliance Report or in the next notice of market dominant price adjustment, because knowing the amount of revenue collected would provide insight into the number of overweight packages moved by the Postal Service. *Id.* He further suggests the Postal Service consider raising the charge or creating additional rate cells that charge higher prices for heavier items if the charge is "ineffective in eliminating the introduction of overweight items into the system[.]" *Id.*

PostCom expresses a different view. Although PostCom neither supports nor opposes the imposition of the fee generally, it encourages a proper evaluation process, including an evaluation of "whether it is just and reasonable and in compliance with the price cap limitation." PostCom Comments at 4-5. PostCom disagrees with the Postal Service's position that the fee is not a rate subject to price cap regulations. *Id.* at 5-7. PostCom asserts that the statutory definition of rates is ambiguous and is not limited to fees for postal services. *Id.* at 5-6. PostCom also disagrees that 39 U.S.C. § 401(2) or § 3001(c)(A) authorizes the Postal Service to establish fees. *Id.* at 5. Furthermore, PostCom asserts that adopting the Postal Service's position that the fee is not a rate because its intent is to discourage mailer behavior (rather than capture revenue) would create a distinction that does not exist in the statutory scheme and is contrary to the Postal Service's position in other dockets.⁶⁰ PostCom posits that the Postal Service is providing a postal service in handling overweight items, so the associated fee meets the definition of a rate, and therefore, the Commission should assess whether it bears a relationship to the associated costs. *Id.* at 6. PostCom acknowledges that the determination of how to classify the fee may be purely "academic" because it may have

⁶⁰ *Id.* at 5-6. PostCom points to Docket No. CP2019-3 where the Postal Service proposes to expand the use of dimensional weighting, which it suggests is a "pricing tool explicitly designed to discourage mailers using high volume packaging." *Id.* at 6 (emphasis in original).

a *de minimis* effect and be exempt from the price cap calculations. *Id.* at 7. However, PostCom recommends that the Commission decline to adopt the Postal Service's reasoning to "avoid setting precedent that could prove detrimental to postal customers in the future[.]" *Id.*

Commission analysis. The Commission finds the charge is a rate and, therefore, is subject to the statutory and regulatory provisions governing rates for market dominant products.

Section 401(2) of title 39 of the United States Code, which the Postal Service asserts as the legal basis for introducing the charge, does not refer to the imposition of charges, fees, or rates. Nor does section 401(2) indicate that it would abrogate the process for adjusting rates set forth in chapter 36 of title 39 of the United States Code. As PostCom observes, an interpretation that section 401(2) allows the Postal Service to depart from the normal rate adjustment process "would upend the statutory scheme[.]" PostCom Comments at 5. While chapter 30, which pertains to nonmailable matter, does indicate that matter exceeding size and weight limitations is nonmailable,⁶¹ and includes penalties for specific forms of nonmailable matter,⁶² chapter 30 does not include penalties for overweight items nor expressly authorize the Postal Service to create such a penalty. Therefore, the Commission finds that the Postal Service's general authority to establish regulations necessary to execute its functions concerning nonmailable matter does not authorize the Postal Service to impose this charge without adhering to the process for adjusting rates set forth in chapter 36.

The Commission is not persuaded by the Postal Service's assertion that the charge is not a rate because the underlying items are nonmailable, which the Postal Service contends means that no postal service is provided. See Responses to CHIR

⁶¹ 39 U.S.C. § 3001(c)(1).

⁶² 39 U.S.C. §§ 3012; 3017(h); 3018.

No. 2, question 3.b. “Rates’, as used with respect to products, includes fees for postal services,” but are not *limited to* fees for postal services. 39 U.S.C. § 102(7). Therefore, the Postal Service cannot rely exclusively on the definition of postal services to determine what is a rate. Rates are defined as amounts “paid or charged for a good or service” and are “tied ... to payments by mailers to the Postal Service[.]”⁶³ The charge is a payment by mailers to the Postal Service in connection with the Postal Service’s handling (and ultimately the release) of a market dominant product.

Furthermore, the Commission is not convinced the definition of postal services would exclude the handling of overweight items as contemplated by the Postal Service. According to 39 U.S.C. § 102(5), “postal service’ refers to the delivery of letters, printed matter, or mailable packages, including acceptance, collection, sorting, transportation, or other functions ancillary thereto.” Although the Postal Service suggests that the handling of overweight items cannot be a postal service because it is a function related to nonmailable packages, rather than mailable packages, overweight Media Mail and Library Mail pieces often would be printed matter (*e.g.*, books), which would fall under the postal service definition. Moreover, the Postal Service is providing some service in the process of handling the items that will be subject to this charge. Although the item may not be delivered to the intended addressee,⁶⁴ the Postal Service is accepting, sorting, and transporting the item in the postal network as if it were a mailable package—rather than refusing to provide service at all. Therefore, the reality is that postal services are being provided when the Postal Service fails to reject the overweight item at entry, even if those services are unintentionally provided for nonmailable matter.

⁶³ *United States Postal Serv. v. Postal Regulatory Comm’n*, 866 F.3d 1253, 1256 (D.C. Cir. 2018).

⁶⁴ 39 U.S.C. § 3001(c)(2) provides that the Postal Service *may* deliver matter that exceeds the size and weight limitations, if the item reaches the destination office and the addressee provides the Postal Service with the sender’s name and address.

The Commission is not persuaded that the Postal Service's stated intent of the charge determines its categorization as a rate. All rates are intended to cover the Postal Service's costs associated with handling the piece. An examination of existing rates shows that a charge for purposes other than revenue generation may still be a rate. For example, a charge may be a rate even if the piece is not delivered to the intended addressee.⁶⁵ Additionally, charges introduced for enforcement or deterrence purposes are rates. The introduction of (and subsequent adjustments to) the Move Update Noncompliance Charge, which adds a per piece charge for failing to comply with the Move Update standard, and the Move Update Assessment Charge, which adds a per piece charge for failing Move Update verification, have been evaluated for compliance with the statutory and regulatory provisions governing market dominant rates (including the price cap).⁶⁶ The Commission finds no distinction in the statutory scheme between rates designed to generate revenue and charges intended to discourage mailer behavior.⁶⁷

⁶⁵ See, e.g., Fee for Return of Undeliverable as Addressed Outbound U.S. Origin Mail Posted through a Foreign Postal Administration or Operator, Mail Classification Schedule section 1125.4, available at <http://www.prc.gov/mail-classification-schedule> (Mail Classification Schedule); Forwarding-and-Return-Service, Mail Classification Schedule *passim*.

⁶⁶ Docket No. R2009-2, Order Reviewing Postal Service Market Dominant Price Adjustments, March 16, 2009, at 55-56 (Order No. 191) (introducing the Move Update Noncompliance Charge); Docket No. R2009-2, Order Approving Revisions in Amended Notice of Market Dominant Price Adjustment, April 9, 2009, at 3-4 (Order No. 201) (approving the Postal Service's plans to postpone introduction of the Move Update Noncompliance Charge along with the corresponding increase in the total unused rate authority); Docket No. R2010-1, Order Reviewing Price Adjustments and Classification Changes Related to Move Update Assessments, November 25, 2009, at 11-12 (Order No. 348) (introducing the Move Update Assessment Charge); Docket No. RM2017-7, Order Approving Price Adjustment and Classification Changes Related to Move Update Assessment, August 23, 2017, at 11-12 (Order No. 4059) (increasing the Move Update Assessment Charge from \$0.07 to \$0.08).

⁶⁷ In any event, it would also be consistent to observe that the charge would incentivize customers to enter matter that is compliant with the Postal Service's size and weight limits (*i.e.*, place books into multiple boxes, each less than 70 pounds).

The Postal Service misapplies the Commission’s prior ruling in Order No. 4059.⁶⁸ In Order No. 4059, the Commission agreed that replacing the mechanism for determining which pieces would trigger the assessment of Move Update Assessment Charge—replacing the use of Performance Based Verification (sampling) with the Address Quality Census Assessment and Measurement Process (based on Census data) to evaluate compliance with the Move Update standard—was “analogous to a city installing additional traffic cameras[.]” Order No. 4059 at 13. By contrast, the introduction of overweight item charge is analogous to the original introduction of the Move Update Assessment Charge.

The Commission finds no support for the overweight item charge to be considered anything other than a rate, which must be evaluated for compliance with the statutory and regulatory provisions governing market dominant rates. Revisions to the MCS that conform with this ruling appear in the Attachment to this Order. See *infra* Attachment at 56, 62-63. Because no historical volume data exist, no adjustments to the billing determinants are required in this proceeding. Accordingly, the Postal Service is ordered to treat this charge as a rate for future rate adjustment and compliance proceedings, including collecting billing determinants for the charge.

2. Forwarding-and-Return Service

Similar to the planned classification changes for several USPS Marketing Mail products, the Postal Service also proposes classification changes to Forwarding-and-Return Service for BPM Flats. Notice at 33; Attachment A at 65. The planned change would “correctly reflect the way that the Address Correction Service option works (*e.g.*, no returns)[.]” Notice at 33. The planned change also corrects the price for returned

⁶⁸ See Responses to CHIR No. 2, question 3.b, n.4 (quoting Order No. 4059 at 13).

BPM Flats, which is the BPM Nonpresorted price. November 1 Response to CHIR No. 7, question 2.a.

Comments. No commenter addresses the planned changes to the Forwarding-and-Return-Service MCS language.

Commission analysis. The Postal Service's proposed change to the Forwarding-and-Return Service MCS language is appropriate because it would correct and clarify the MCS, giving mailers more accurate and complete information about the Postal Service's offerings. As a result, the Commission finds that this change conforms to applicable statutory and regulatory requirements.

E. 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 31. 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.

VIII. SPECIAL SERVICES

A. Introduction

This section discusses the proposed price adjustments and mail classification changes applicable to 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, 2.512 percent, which results in 0.011 percent in total unused price adjustment authority.⁶⁹ Table VIII-1 shows the percentage price change for each Special Services product as calculated by the Commission.

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

Special Services Product	Percent Change %
Ancillary Services ⁷⁰	1.941
International Ancillary Services	3.196
Address Management Services	2.890
Caller Service	3.680
Credit Card Authentication	5.000
International Business Reply Mail Service	2.728
Money Orders	3.965
Post Office Box Service	3.985
Customized Postage	3.030
Stamp Fulfillment Service	3.456
Overall	2.512
Source: Library Reference PRC-LR-R2019-1/5, November 13, 2018, Excel file "PRC-CAPCALC-SpecServ-R2019-1.xlsx."	

⁶⁹ See Library Reference PRC-LR-R2019-1/5, Excel file "PRC-CAPCALC-SpecServ-R2019-1.xlsx."

⁷⁰ See Library Reference PRC-LR-R2019-1/5 for entire list of Ancillary Services and their respective price changes.

The Postal Service's workpapers contained minor discrepancies in revenue and volume reported between the billing determinants and the price cap calculation file. These errors were identified in CHIR No. 1, issued on October 17, 2018, and the Postal Service addressed them partially in its Responses to CHIR No. 1, filed on October 23, 2018. The errors specifically pertained to the unit revenue of Bulk Parcel Return Service and erroneously included transactions for Zip +4. In its response, the Postal Service corrected the Zip +4 error and provided sufficient explanations for other Commission inquiries, but failed to provide updated workpapers addressing the Bulk Parcel Return Service error. Responses to CHIR No. 1, questions 5-14. In response to a follow-up question in CHIR No. 6, the Postal Service filed corrected workpapers. October 26 Response to CHIR No. 6, question 2. These changes do not alter the available price cap authority for Special Services.

Comments. No commenter addresses the planned price changes for 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 2.512 percent is less than the total available authority of 2.523 percent.⁷¹ As a result, the total unused price adjustment authority available for Special Services is 0.011 percent.⁷²

⁷¹ For Special Services, the current annual limitation is 2.419 percent. In addition to the annual limitation, Special Services has 0.104 percent of unused rate adjustment authority available. Therefore, the total pricing authority available for Special Services is 2.523 percent.

⁷² See Library Reference PRC-LR-R2019-1/5; see also *supra* section I, Table I-1. For Special Services, the Postal Service uses the 2.419 percent of price adjustment authority available under the annual limitation plus 0.093 percent of the available unused price adjustment authority; thus, 0.011 percent of unused price adjustment authority remains available for future price adjustments.

C. Classification Changes

The Postal Service proposed several minor classification changes for Ancillary Services. A minor change is proposed to the description of Address Correction Service to reflect that this ancillary service would no longer be mandatory for Periodicals pieces that use alternative addressing formats. Notice, Attachment A at 76. The Postal Service states that the change reflects the addition of a Periodicals Service Type ID (STID) as another option for Periodicals mailers, and that there is no new requirement that would shift Address Correction Service mailers into a different rate cell. Public Response to CHIR No. 8, question 1.a-b.

The proposed changes also include adding references to First-Class Package Service in the descriptions and pricing tables of several ancillary services, reflecting the First-Class Mail Parcels transfer approved by the Commission.⁷³ The affected ancillary services are Address Correction Services (MCS § 1505.1.2), Business Reply Mail (§ 1501.3.1), Registered Mail (§ 1505.12.1), and Shipper-Paid Forwarding/Return (§ 1505.16.1). Notice, Attachment A at 77, 79, 90, 93. The Postal Service also removes a reference to “First-Class Mail Parcels” in the product description of USPS Tracking (§ 1505.8.1). Notice, Attachment A at 85. The Postal Service states that these changes ensure that the descriptions accurately represent the availability and applicability of the ancillary services.

Comments. NNA supports the ending of Address Correction Service requirements for Periodicals with alternative addressing formats, stating that it will encourage mail volumes. NNA Comments at 5-6. No other commenter addresses the proposed mail classification changes for Special Services.

⁷³ Docket No. MC2015-7, Order Conditionally Approving Transfer, July 20, 2017 (Order No. 4009).

Commission analysis. The Commission finds that these proposed classification changes conform with 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 Change, filed October 10, 2018, and revised on October 23, 2018, 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 Change, filed October 10, 2018, and revised on October 23, 2018, 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 Change, filed October 10, 2018, 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 Change, filed October 10, 2018, and revised on November 1, 2018, 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 Change, filed October 10, 2018, are consistent with 39 U.S.C. § 3622(d), and may take effect as planned.
6. Based on the record, the Commission determines that the planned Overweight Item Charge applicable to Media Mail and Library Mail is a rate and that no corresponding adjustments to the workpapers are required in this proceeding. The Postal Service shall report the billing determinants corresponding to this Overweight Item Charge for future rate adjustment and compliance proceedings.
7. Revisions to the Mail Classification Schedule appear below the signature of this Order and are effective January 27, 2019.

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.

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

Part A—Market Dominant Products

1100 First-Class Mail

1105 Single-Piece Letters/Postcards

1105.3 Price Categories

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

- Machinable Stamped Letters – Bear a non-cancelled stamp, or postage validation imprint (PVI) indicia, or permit imprint Business Reply Mail
- Machinable Metered Letters – Bear postage affixed by meter, information-based indicia (IBI), permit imprint (except Business Reply Mail), or pre-cancelled stamp

1105.5 Prices

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

Maximum Weight (ounces)	Machinable Letters (\$)
1	<u>0.55</u>
2	<u>0.70</u>
3	<u>0.85</u>
3.5	<u>1.00</u>

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

Maximum Weight (ounces)	Machinable Letters (\$)
1	<u>0.50</u>
2	<u>0.65</u>
3	<u>0.80</u>
3.5	<u>0.95</u>

Single-Piece Nonmachinable Stamped Letters¹

Maximum Weight (ounces)	Nonmachinable Letters (\$)
1	<u>0.70</u>
2	<u>0.85</u>
3	<u>1.00</u>
3.5	<u>1.15</u>

Single-Piece Nonmachinable Metered Letters

Maximum Weight (ounces)	Nonmachinable Letters (\$)
1	<u>0.65</u>
2	<u>0.80</u>
3	<u>0.95</u>
3.5	<u>1.10</u>

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

Single-Piece QBRM Letters

Maximum Weight (ounces)	QBRM Letters (\$)
1	<u>0.535</u>
2	<u>0.685</u>

Single-Piece Residual Machinable Letters

Maximum Weight (ounces)	Residual Machinable Letters (\$)
1	<u>0.56¹</u>
2	<u>0.56¹</u>
3	<u>0.56¹</u>
3.5	<u>0.56¹</u>

Share Mail Letters and Postcards^{1,2}

Maximum Weight (ounces)	Share Mail Letters (\$)	Share Mail Postcards (\$)
1	<u>0.59</u>	<u>0.44</u>

*First-Class Mail
Presorted Letters/Postcards*

1110 Presorted Letters/Postcards

1110.4 Optional Features

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

- Emerging and Advanced Technology Promotion (March 1, 2019~~7~~ to August 31, 2019~~7~~)
- Earned Value Reply Mail Promotion (April~~January~~ 1, 2019~~7~~ to June 30, 2019~~7~~)
- Personalized Color Transpromo Promotion (July 1, 2019~~7~~ to December 31, 2019~~7~~)
- Informed Delivery Promotion (September 1, 2019 to November 30, 2019)

1110.5 Prices

Automation Letters

Maximum Weight (ounces)	5-Digit (\$)	AADC (\$)	Mixed AADC (\$)
1	<u>0.383</u>	<u>0.412</u>	<u>0.428</u>
2	<u>0.383</u>	<u>0.412</u>	<u>0.428</u>
3	<u>0.383</u>	<u>0.412</u>	<u>0.428</u>
3.5	<u>0.383</u>	<u>0.412</u>	<u>0.428</u>

*First-Class Mail
Presorted Letters/Postcards*

Nonautomation Presorted Machinable Letters

Maximum Weight (ounces)	Presorted (\$)
1	<u>0.459</u>
2	<u>0.459</u>
3	<u>0.459</u>
3.5	<u>0.459</u>

Nonmachinable Letters

Maximum Weight (ounces)	Presorted (\$)
1	<u>0.609</u>
2	<u>0.609</u>
3	<u>0.609</u>
3.5	<u>0.609</u>

Emerging and Advanced Technology Promotion (March 1, 2019~~7~~ to August 31, 2019~~7~~)

*First-Class Mail
Presorted Letters/Postcards*

*Earned Value Reply Mail Promotion (April~~July~~ 1, 2019~~7~~ to June~~December~~
30~~1~~, 2019~~7~~)*

Provide a \$0.03~~5~~ per piece rebate on all Business Reply Mail, Courtesy Reply Mail, and Share Mail pieces when the 2019 volume of those pieces for a registered mailer meets or exceeds 95 percent of the mailer's comparable volume count for the same period during 2018, for those mailers that were registered for the 2017 Earned Value promotion. The \$0.03 per piece rebate also applies to volume received by customers who did not participate in the 2017 promotion, without a threshold. Qualifying mailpieces must that meet program requirements and be placed in the mailstream by the recipient and scanned during the program period. To receive the rebate, registered customers must have distributed a Business Reply Mail, Courtesy Reply Mail, or Share Mail card or envelope, and must comply with all other eligibility requirements of the program.

Personalized Color Transpromo Promotion (July 1, 2019~~7~~ to December 31, 2019~~7~~)

Informed Delivery Promotion (September 1, 2019 to November 30, 2019)

Provide a 2 percent discount on the qualifying postage for First-Class Mail presort or automation letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must comply with the eligibility requirements of the program.

1115 Flats

1115.4 Optional Features

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

- Emerging and Advanced Technology Promotion (March 1, 2019~~7~~ to August 31, 2019~~7~~)
- Earned Value Reply Mail Promotion (~~April~~January 1, 2019~~7~~ to June 30, 2019~~7~~)
- Informed Delivery Promotion (September 1, 2019 to November 30, 2019)

1115.5 Prices

Automation Flats

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
1	<u>0.486</u>	<u>0.605</u>	<u>0.644</u>	<u>0.727</u>
2	<u>0.636</u>	<u>0.755</u>	<u>0.794</u>	<u>0.877</u>
3	<u>0.786</u>	<u>0.905</u>	<u>0.944</u>	<u>1.027</u>
4	<u>0.936</u>	<u>1.055</u>	<u>1.094</u>	<u>1.177</u>
5	<u>1.086</u>	<u>1.205</u>	<u>1.244</u>	<u>1.327</u>
6	<u>1.236</u>	<u>1.355</u>	<u>1.394</u>	<u>1.477</u>
7	<u>1.386</u>	<u>1.505</u>	<u>1.544</u>	<u>1.627</u>
8	<u>1.536</u>	<u>1.655</u>	<u>1.694</u>	<u>1.777</u>
9	<u>1.686</u>	<u>1.805</u>	<u>1.844</u>	<u>1.927</u>
10	<u>1.836</u>	<u>1.955</u>	<u>1.994</u>	<u>2.077</u>
11	<u>1.986</u>	<u>2.105</u>	<u>2.144</u>	<u>2.227</u>
12	<u>2.136</u>	<u>2.255</u>	<u>2.294</u>	<u>2.377</u>
13	<u>2.286</u>	<u>2.405</u>	<u>2.444</u>	<u>2.527</u>

*First-Class Mail
Flats**Presorted Flats*

Maximum Weight (ounces)	Presorted (\$)
1	0.799
2	<u>0.949</u>
3	<u>1.099</u>
4	<u>1.249</u>
5	<u>1.399</u>
6	<u>1.549</u>
7	<u>1.699</u>
8	<u>1.849</u>
9	<u>1.999</u>
10	<u>2.149</u>
11	<u>2.299</u>
12	<u>2.449</u>
13	<u>2.599</u>

*First-Class Mail
Flats**Single-Piece Flats¹*

Maximum Weight (ounces)	Single-Piece (\$)
1	1.00
2	<u>1.15</u>
3	<u>1.30</u>
4	<u>1.45</u>
5	<u>1.60</u>
6	<u>1.75</u>
7	<u>1.90</u>
8	<u>2.05</u>
9	<u>2.20</u>
10	<u>2.35</u>
11	<u>2.50</u>
12	<u>2.65</u>
13	<u>2.80</u>

Keys and Identification Devices

Maximum Weight (ounces)	Keys and Identification Devices (\$)
1	<u>3.60</u>
2	<u>3.60</u>
3	<u>3.60</u>
4	<u>3.60</u>
5	<u>3.78</u>
6	<u>3.96</u>
7	<u>4.14</u>
8	<u>4.32</u>
9	<u>4.50</u>
10	<u>4.68</u>
11	<u>4.86</u>
12	<u>5.04</u>
13	<u>5.22</u>
1 (pound)	Priority Mail Retail Zone 4 postage plus <u>0.83</u>
2 (pounds)	Priority Mail Retail Zone 4 postage plus <u>0.83</u>

Emerging and Advanced Technology Promotion (March 1, 20197 to
August 31, 20197)

*First-Class Mail
Flats*

Earned Value Reply Mail Promotion (April July 1, 2019~~7~~ to JuneDecember
30~~1~~, 2019~~7~~)

Provide a \$0.03~~5~~ per piece rebate on all Business Reply Mail, Courtesy Reply Mail, and Share Mail pieces when the 2019 volume of those pieces for a registered mailer meets or exceeds 95 percent of the mailer's comparable volume count for the same period during 2018, for those mailers that were registered for the 2017 Earned Value promotion. The \$0.03 per piece rebate also applies to volume received by customers who did not participate in the 2017 promotion, without a threshold. Qualifying mailpieces must that meet program requirements and be placed in the mailstream by the recipient and scanned during the program period. To receive the rebate, registered customers must have distributed a Business Reply Mail, Courtesy Reply Mail, or Share Mail card or envelope, and must comply with all other eligibility requirements of the program.

Informed Delivery Promotion (September 1, 2019 to November 30, 2019)

Provide a 2 percent discount on the qualifying postage for First-Class Mail presort or automation letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must comply with the eligibility requirements of the program.

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

1200 USPS Marketing Mail (Commercial and Nonprofit)

1205 High Density and Saturation Letters

1205.5 Optional Features

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

- Emerging and Advanced Technology Promotion (March 1, 2019~~7~~ to August 31, 2019~~7~~)
- Earned Value Reply Mail Promotion (~~April~~July 1, 2019~~7~~ to ~~June~~December 30~~4~~, 2019~~7~~)
- Mobile Shopping Promotion (August 1, 2019~~7~~ to December 31, 2019~~7~~)
- Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2019~~7~~ to July 31, 2019~~7~~)
- ~~Direct Mail Starter Promotion (May 1, 2017 to July 31, 2017)~~
- Informed Delivery Promotion (September 1, 2019 to November 30, 2019)

1205.6 Prices

Saturation Letters (3.5 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	<u>0.190</u>	0.111
DNDC	<u>0.170</u>	<u>0.091</u>
DSCF	<u>0.165</u>	<u>0.086</u>

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

High Density Plus Letters (3.5 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	<u>0.200</u>	0.117
DNDC	<u>0.180</u>	<u>0.097</u>
DSCF	<u>0.175</u>	<u>0.092</u>

High Density Letters (3.5 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	<u>0.209</u>	<u>0.124</u>
DNDC	<u>0.189</u>	<u>0.104</u>
DSCF	<u>0.184</u>	<u>0.099</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>0.224</u>	<u>0.232</u>	<u>0.250</u>
DNDC	<u>0.186</u>	<u>0.194</u>	<u>0.212</u>
DSCF	<u>0.179</u>	<u>0.187</u>	<u>0.205</u>

*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	0.144	0.166
DNDC	<u>0.098</u>	<u>0.106</u>	<u>0.128</u>
DSCF	<u>0.091</u>	<u>0.099</u>	<u>0.121</u>

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

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.454 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Full-service Intelligent Mail Option

Subtract \$0.0034 for each letter that complies with the requirements for the Full-service Intelligent Mail option.

Earned Value Reply Mail Promotion (~~April~~ July 1, 2019~~7~~ to ~~June~~ December 30~~4~~, 2019~~7~~)

Provide a \$0.035 per piece rebate on all Business Reply Mail, Courtesy Reply Mail, and Share Mail pieces when the 2019 volume of those pieces for a registered mailer meets or exceeds 95 percent of the mailer's comparable volume count for the same period during 2018, for those mailers that were registered for the 2017 Earned Value promotion. The \$0.03 per piece rebate also applies to volume received by customers who did not participate in the 2017 promotion, without a threshold. Qualifying mailpieces must that meet program requirements and be placed in the mailstream by the recipient and scanned during the program period. To receive the rebate, registered customers must have distributed a Business Reply Mail, Courtesy Reply Mail, or Share Mail card or envelope, and must comply with all other eligibility requirements of the program.

Emerging and Advanced Technology Promotion (March 1, 2019~~7~~ to August 31, 2019~~7~~)

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

Mobile Shopping Promotion (August 1, 2019~~7~~ to December 31, 2019~~7~~)

*Tactile, Sensory, and Interactive Mailpiece Engagement Promotion
(February 1, 2019~~7~~ to July 31, 2019~~7~~)*

Direct Mail Starter Promotion (May 1, 2017 to July 31, 2017)

~~Provide a five percent discount on the qualifying postage for USPS Marketing Mail letters and flats that contain print-mobile or other qualifying technology that leads the recipient to a mobile optimized website. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program. No more than 10,000 mailpieces per mailer may qualify for the discount during the promotion period.~~

Informed Delivery Promotion (September 1, 2019 to November 30, 2019)

Provide a 2 percent discount on the qualifying postage for First-Class Mail presort or automation letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must comply with the eligibility requirements of the program.

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

1210 High Density and Saturation Flats/Parcels

1210.5 Optional Features

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

- Earned Value Reply Mail Promotion (~~April~~July 1, 2019 to ~~June~~December 30, 2019)
- Emerging and Advanced Technology Promotion (March 1, 2019 to August 31, 2019)
- Mobile Shopping Promotion (August 1, 2019 to December 31, 2019)
- Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2019 to July 31, 2019)
- ~~Direct Mail Starter Promotion (May 1, 2017 to July 31, 2017)~~
- Informed Delivery Promotion (September 1, 2019 to November 30, 2019)

1210.6 Prices

Saturation Flats (4.0 ounces or less)

Entry Point	Commercial (\$)		Nonprofit (\$)	
	EDDM	Other	EDDM	Other
Origin	<u>0.225</u>	<u>0.224</u>	0.137	0.136
DNDC	<u>0.187</u>	<u>0.186</u>	<u>0.099</u>	<u>0.098</u>
DSCF	<u>0.180</u>	<u>0.179</u>	<u>0.092</u>	<u>0.091</u>
DDU	<u>0.162</u>	<u>0.161</u>	0.074	0.073

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

Saturation Flats (greater than 4.0 ounces)

a. Per Piece

	Commercial (\$)		Nonprofit (\$)	
	EDDM	Other	EDDM	Other
Per Piece	<u>0.073</u>	<u>0.072</u>	0.028	0.027

b. Per Pound

Entry Point	Commercial (\$)		Nonprofit (\$)	
	EDDM	Other	EDDM	Other
Origin	0.609	0.609	0.436	0.436
DNDC	<u>0.454</u>	<u>0.454</u>	<u>0.281</u>	<u>0.281</u>
DSCF	<u>0.426</u>	<u>0.426</u>	<u>0.253</u>	<u>0.253</u>
DDU	0.357	0.357	0.184	0.184

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

a. Per Piece

Mailing Volume Tier	Commercial		Nonprofit	
	Small (\$)	Large (\$)	Small (\$)	Large (\$)
0-200,000	<u>0.302</u>	<u>0.347</u>	<u>0.226</u>	<u>0.261</u>
200,001 and above	<u>0.290</u>	<u>0.336</u>	<u>0.218</u>	<u>0.253</u>

b. Handling Fees for DNDC/DSCF Entry

	Commercial (\$)	Nonprofit (\$)
Entry Point/ Presort	Pallet	Pallet
DNDC – 3-Digit	<u>52.847</u>	<u>42.277</u>
DNDC – 5-Digit	<u>85.927</u>	<u>68.742</u>
DSCF – 5-Digit	<u>40.259</u>	<u>32.322</u>
Pallet Presort	Carton/Sack	Carton/Sack
3-Digit	<u>7.196</u>	<u>5.864</u>

High Density Plus Flats (4.0 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	<u>0.232</u>	0.144
DNDC	<u>0.194</u>	<u>0.106</u>
DSCF	<u>0.187</u>	<u>0.099</u>
DDU	<u>0.169</u>	0.081

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

High Density Plus Flats (greater than 4.0 ounces)

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	<u>0.080</u>	0.035

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.609	0.436
DNDC	<u>0.454</u>	<u>0.281</u>
DSCF	<u>0.426</u>	<u>0.253</u>
DDU	0.357	0.184

High Density Flats (4.0 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	<u>0.250</u>	0.166
DNDC	<u>0.212</u>	<u>0.128</u>
DSCF/DFSS	<u>0.205</u>	<u>0.121</u>
DDU	<u>0.187</u>	0.103

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

High Density Flats (greater than 4.0 ounces)

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	<u>0.098</u>	0.057

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.609	0.436
DNDC	<u>0.454</u>	<u>0.281</u>
DSCF	<u>0.426</u>	<u>0.253</u>
DDU	0.357	0.184

Flat-shaped pieces including a Detached Address Label

Add \$0.04036 for each piece addressed using a Detached Address Label with no advertising, and \$0.04036 for each piece using a Detached Address Label containing advertising (Detached Marketing Label).

Forwarding-and-Return Service

If Forwarding Service is used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$1.396 per piece and forwarded parcels pay \$4.53 per piece and returned flats the applicable First-Class Mail price. All other pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail or First-Class Package Service price for the piece plus the price multiplied by a factor of 2.472.

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

Full-service Intelligent Mail Option

Subtract \$0.0034 for each high density flat that complies with the requirements for the Full-service Intelligent Mail option.

Earned Value Reply Mail Promotion (~~April~~July 1, 2019~~7~~ to ~~June~~December 30~~1~~, 2019~~7~~)

Provide a \$0.035 per piece rebate on all Business Reply Mail, Courtesy Reply Mail, and Share Mail pieces when the 2019 volume of those pieces for a registered mailer meets or exceeds 95 percent of the mailer's comparable volume count for the same period during 2018, for those mailers that were registered for the 2017 Earned Value promotion. The \$0.03 per piece rebate also applies to volume received by customers who did not participate in the 2017 promotion, without a threshold. Qualifying mailpieces mustthat meet program requirements and be placed in the mailstream by the recipient and scanned during the program period. To receive the rebate, registered customers must have distributed a Business Reply Mail, Courtesy Reply Mail, or Share Mail card or envelope, and must comply with all other eligibility requirements of the program.

Emerging and Advanced Technology Promotion (March 1, 2019~~7~~ to August 31, 2019~~7~~)

Mobile Shopping Promotion (August 1, 2019~~7~~ to December 31, 2019~~7~~)

Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2019~~7~~ to July 31, 2019~~7~~)

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

~~Direct Mail Starter Promotion (May 1, 2017 to July 31, 2017)~~

~~Provide a five percent discount on the qualifying postage for USPS Marketing Mail letters and flats that contain print-mobile or other qualifying technology that leads the recipient to a mobile-optimized website. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program. No more than 10,000 mailpieces per mailer may qualify for the discount during the promotion period.~~

Informed Delivery Promotion (September 1, 2019 to November 30, 2019)

Provide a 2 percent discount on the qualifying postage for First-Class Mail presort or automation letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must comply with the eligibility requirements of the program.

USPS Marketing Mail (Commercial and Nonprofit)
Carrier Route

1215 **Carrier Route**

1215.5 Optional Features

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

- Earned Value Reply Mail Promotion (~~April~~July 1, 2019~~7~~ to ~~June~~December 30~~1~~, 2019~~7~~)
- Emerging and Advanced Technology Promotion (March 1, 2019~~7~~ to August 31, 2019~~7~~)
- Mobile Shopping Promotion (August 1, 2019~~7~~ to December 31, 2019~~7~~)
- Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2019~~7~~ to July 31, 2019~~7~~)
- ~~Direct Mail Starter Promotion (May 1, 2017 to July 31, 2017)~~
- Informed Delivery Promotion (September 1, 2019 to November 30, 2019)

1215.6 Prices

Carrier Route Letters (3.5 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	<u>0.294</u>	<u>0.209</u>
DNDC	<u>0.269</u>	<u>0.184</u>
DSCF	<u>0.262</u>	<u>0.177</u>

USPS Marketing Mail (Commercial and Nonprofit)
Carrier Route

Carrier Route Flats (4.0 ounces or less)

Entry Point	Commercial (\$)		Nonprofit (\$)	
	5-Digit Pallet	Other	5-Digit Pallet	Other
Origin	<u>0.279</u>	<u>0.300</u>	<u>0.195</u>	<u>0.216</u>
DNDC	<u>0.249</u>	<u>0.270</u>	<u>0.165</u>	<u>0.186</u>
DSCF	<u>0.241</u>	<u>0.262</u>	<u>0.157</u>	<u>0.178</u>
DDU	<u>0.232</u>	<u>0.253</u>	<u>0.148</u>	<u>0.169</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>0.104</u>	<u>0.125</u>	0.062	<u>0.083</u>
DNDC	<u>0.104</u>	<u>0.125</u>	0.062	<u>0.083</u>
DSCF	<u>0.104</u>	<u>0.125</u>	0.062	<u>0.083</u>
DDU	<u>0.104</u>	<u>0.125</u>	0.062	<u>0.083</u>

b. Per Pound

Entry Point	Commercial (\$)		Nonprofit (\$)	
	5-Digit Pallets	Other	5-Digit Pallets	Other
Origin	<u>0.700</u>	<u>0.700</u>	<u>0.530</u>	<u>0.530</u>
DNDC	<u>0.580</u>	<u>0.580</u>	<u>0.410</u>	<u>0.410</u>
DSCF	<u>0.549</u>	<u>0.549</u>	<u>0.379</u>	<u>0.379</u>
DDU	<u>0.511</u>	<u>0.511</u>	<u>0.341</u>	<u>0.341</u>

USPS Marketing Mail (Commercial and Nonprofit)
Carrier Route

Carrier Route Parcels

a. Per Piece

Mailing Volume Tier	Commercial		Nonprofit	
	Small (\$)	Large (\$)	Small (\$)	Large (\$)
0-200,000	<u>0.418</u>	<u>0.463</u>	<u>0.313</u>	<u>0.347</u>
200,001 and above	<u>0.405</u>	<u>0.451</u>	<u>0.305</u>	<u>0.339</u>

b. Handling Fees for DNDC/DSCF Entry

	Commercial (\$)	Nonprofit (\$)
Entry Point/ Presort	Pallet	Pallet
DNDC – 3-Digit	<u>52.847</u>	<u>42.277</u>
DNDC – 5-Digit	<u>85.927</u>	<u>68.742</u>
DSCF – 5-Digit	<u>40.259</u>	<u>32.322</u>
Pallet Presort	Carton/Sack	Carton/Sack
3-Digit	<u>7.196</u>	<u>5.864</u>

Forwarding-and-Return Service

If Forwarding Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.454 per piece, forwarded flats pay \$1.396 per piece, and forwarded parcels pay \$4.53 per piece and returned letters and flats pay the applicable First-Class Mail price. All other pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail or First-Class Package Service price for the piece plus the price multiplied by a factor of 2.472.

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

Full-service Intelligent Mail Option: Letter and Flats Only

Subtract \$0.0034 for each carrier route letter or flat that complies with the requirements for the Full-service Intelligent Mail option.

Earned Value Reply Mail Promotion (~~April~~July 1, 2019~~7~~ to ~~June~~December 30~~1~~, 2019~~7~~)

Provide a \$0.035 per piece rebate on all Business Reply Mail, Courtesy Reply Mail, and Share Mail pieces when the 2019 volume of those pieces for a registered mailer meets or exceeds 95 percent of the mailer's comparable volume count for the same period during 2018, for those mailers that were registered for the 2017 Earned Value promotion. The \$0.03 per piece rebate also applies to volume received by customers who did not participate in the 2017 promotion, without a threshold. Qualifying mailpieces must that meet program requirements and be placed in the mailstream by the recipient and scanned during the program period. To receive the rebate, registered customers must have distributed a Business Reply Mail, Courtesy Reply Mail, or Share Mail card or envelope, and must comply with all other eligibility requirements of the program.

Emerging and Advanced Technology Promotion (March 1, 2019~~7~~ to August 31, 2019~~7~~)

Mobile Shopping Promotion (August 1, 2019~~7~~ to December 31, 2019~~7~~)

Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2019~~7~~ to July 31, 2019~~7~~)

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

~~Direct Mail Starter Promotion (May 1, 2017 to July 31, 2017)~~

~~Provide a five percent discount on the qualifying postage for USPS Marketing Mail letters and flats that contain print-mobile or other qualifying technology that leads the recipient to a mobile-optimized website. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program. No more than 10,000 mailpieces per mailer may qualify for the discount during the promotion period.~~

Informed Delivery Promotion (September 1, 2019 to November 30, 2019)

Provide a 2 percent discount on the qualifying postage for First-Class Mail presort or automation letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must comply with the eligibility requirements of the program.

USPS Marketing Mail (Commercial and Nonprofit)
Letters

1220 **Letters**

1220.5 Optional Features

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

- Earned Value Reply Mail Promotion (~~April~~July 1, 2019~~7~~ to ~~June~~December 30~~1~~, 2019~~7~~)
- Emerging and Advanced Technology Promotion (March 1, 2019~~7~~ to August 31, 2019~~7~~)
- Mobile Shopping Promotion (August 1, 2019~~7~~ to December 31, 2019~~7~~)
- Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2019~~7~~ to July 31, 2019~~7~~)
- ~~Direct Mail Starter Promotion (May 1, 2017 to July 31, 2017)~~
- Informed Delivery Promotion (September 1, 2019 to November 30, 2019)

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	<u>0.256</u>	<u>0.281</u>	<u>0.291</u>	<u>0.138</u>	<u>0.163</u>	<u>0.173</u>
DNDC	<u>0.234</u>	<u>0.259</u>	<u>0.269</u>	<u>0.116</u>	<u>0.141</u>	<u>0.151</u>
DSCF	<u>0.228</u>	<u>0.253</u>	n/a	<u>0.110</u>	<u>0.135</u>	n/a

USPS Marketing Mail (Commercial and Nonprofit)
Letters

Machinable Letters (3.5 ounces or less)

Entry Point	Commercial		Nonprofit	
	AADC (\$)	Mixed AADC (\$)	AADC (\$)	Mixed AADC (\$)
Origin	<u>0.292</u>	<u>0.302</u>	<u>0.174</u>	<u>0.184</u>
DNDC	<u>0.270</u>	<u>0.280</u>	<u>0.152</u>	<u>0.162</u>
DSCF	<u>0.264</u>	n/a	<u>0.146</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>0.505</u>	<u>0.573</u>	<u>0.595</u>	<u>0.668</u>	<u>0.387</u>	<u>0.455</u>	<u>0.477</u>	<u>0.550</u>
DNDC	<u>0.483</u>	<u>0.551</u>	<u>0.573</u>	<u>0.646</u>	<u>0.365</u>	<u>0.433</u>	<u>0.455</u>	<u>0.528</u>
DSCF	<u>0.477</u>	<u>0.545</u>	<u>0.567</u>	n/a	<u>0.359</u>	<u>0.427</u>	<u>0.449</u>	n/a

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.454 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Full-service Intelligent Mail Option: Automation Letters Only

Subtract \$0.0034 for each automation letter that complies with the requirements for the Full-service Intelligent Mail option.

*USPS Marketing Mail (Commercial and Nonprofit)
Letters*

Earned Value Reply Mail Promotion (~~April~~July 1, 2019~~7~~ to ~~June~~December~~30~~1, 2019~~7~~)

Provide a \$0.03~~5~~ per piece rebate on all Business Reply Mail, Courtesy Reply Mail, and Share Mail pieces when the 2019 volume of those pieces for a registered mailer meets or exceeds 95 percent of the mailer's comparable volume count for the same period during 2018, for those mailers that were registered for the 2017 Earned Value promotion. The \$0.03 per piece rebate also applies to volume received by customers who did not participate in the 2017 promotion, without a threshold. Qualifying mailpieces must that meet program requirements and ~~be~~ placed in the mailstream by the recipient and scanned during the program period. To receive the rebate, registered customers must have distributed a Business Reply Mail, Courtesy Reply Mail, or Share Mail card or envelope, and must comply with all other eligibility requirements of the program.

Emerging and Advanced Technology Promotion (March 1, 2019~~7~~ to August 31, 2019~~7~~)

Mobile Shopping Promotion (August 1, 2019~~7~~ to December 31, 2019~~7~~)

Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2019~~7~~ to July 31, 2019~~7~~)

*USPS Marketing Mail (Commercial and Nonprofit)
Letters*

~~Direct Mail Starter Promotion (May 1, 2017 to July 31, 2017)~~

~~Provide a five percent discount on the qualifying postage for USPS Marketing Mail letters and flats that contain print-mobile or other qualifying technology that leads the recipient to a mobile-optimized website. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program. No more than 10,000 mailpieces per mailer may qualify for the discount during the promotion period.~~

Informed Delivery Promotion (September 1, 2019 to November 30, 2019)

Provide a 2 percent discount on the qualifying postage for First-Class Mail presort or automation letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must comply with the eligibility requirements of the program.

USPS Marketing Mail (Commercial and Nonprofit)
Flats

1225 **Flats**

1225.5 Optional Features

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

- Earned Value Reply Mail Promotion (~~April~~July 1, 2019~~7~~ to ~~June~~December 30~~1~~, 2019~~7~~)
- Emerging and Advanced Technology Promotion (March 1, 2019~~7~~ to August 31, 2019~~7~~)
- Mobile Shopping Promotion (August 1, 2019~~7~~ to December 31, 2019~~7~~)
- Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2019~~7~~ to July 31, 2019~~7~~)
- ~~Direct Mail Starter Promotion (May 1, 2017 to July 31, 2017)~~
- Informed Delivery Promotion (September 1, 2019 to November 30, 2019)

1225.6 Prices

Automation Flats (4.0 ounces or less)

Commercial				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.405</u>	<u>0.523</u>	<u>0.597</u>	<u>0.632</u>
DNDC	<u>0.362</u>	<u>0.480</u>	<u>0.554</u>	<u>0.589</u>
DSCF	<u>0.352</u>	<u>0.470</u>	<u>0.544</u>	n/a

USPS Marketing Mail (Commercial and Nonprofit)
Flats

Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.231</u>	<u>0.349</u>	<u>0.423</u>	<u>0.458</u>
DNDC	<u>0.188</u>	<u>0.306</u>	<u>0.380</u>	<u>0.415</u>
DSCF	<u>0.178</u>	<u>0.296</u>	<u>0.370</u>	n/a

Automation Flats (greater than 4.0 ounces)

a. Per Piece

Commercial				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.178</u>	<u>0.296</u>	<u>0.370</u>	<u>0.405</u>
DNDC	<u>0.178</u>	<u>0.296</u>	<u>0.370</u>	<u>0.405</u>
DSCF	<u>0.178</u>	<u>0.296</u>	<u>0.370</u>	n/a

Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.037</u>	<u>0.155</u>	<u>0.229</u>	<u>0.264</u>
DNDC	<u>0.037</u>	<u>0.155</u>	<u>0.229</u>	<u>0.264</u>
DSCF	<u>0.037</u>	<u>0.155</u>	<u>0.229</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>0.907</u>	<u>0.907</u>	<u>0.907</u>	<u>0.907</u>
DNDC	<u>0.736</u>	<u>0.736</u>	<u>0.736</u>	<u>0.736</u>
DSCF	<u>0.694</u>	<u>0.694</u>	<u>0.694</u>	n/a

Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.775</u>	<u>0.775</u>	<u>0.775</u>	<u>0.775</u>
DNDC	<u>0.604</u>	<u>0.604</u>	<u>0.604</u>	<u>0.604</u>
DSCF	<u>0.562</u>	<u>0.562</u>	<u>0.562</u>	n/a

Nonautomation Flats (4.0 ounces or less)

Commercial				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.469</u>	<u>0.561</u>	<u>0.617</u>	<u>0.652</u>
DNDC	<u>0.426</u>	<u>0.518</u>	<u>0.574</u>	<u>0.609</u>
DSCF	<u>0.416</u>	<u>0.508</u>	<u>0.564</u>	n/a

Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.295</u>	<u>0.387</u>	<u>0.443</u>	<u>0.478</u>
DNDC	<u>0.252</u>	<u>0.344</u>	<u>0.400</u>	<u>0.435</u>

USPS Marketing Mail (Commercial and Nonprofit)
Flats

DSCF	<u>0.242</u>	<u>0.334</u>	<u>0.390</u>	n/a
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Nonautomation Flats (greater than 4.0 ounces)

a. Per Piece

Commercial

Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.242	<u>0.334</u>	<u>0.390</u>	<u>0.425</u>
DNDC	0.242	<u>0.334</u>	<u>0.390</u>	<u>0.425</u>
DSCF	0.242	<u>0.334</u>	<u>0.390</u>	n/a

Nonprofit

Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.101</u>	0.193	<u>0.249</u>	<u>0.284</u>
DNDC	<u>0.101</u>	0.193	<u>0.249</u>	<u>0.284</u>
DSCF	<u>0.101</u>	0.193	<u>0.249</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>0.907</u>	<u>0.907</u>	<u>0.907</u>	<u>0.907</u>
DNDC	<u>0.736</u>	<u>0.736</u>	<u>0.736</u>	<u>0.736</u>
DSCF	<u>0.694</u>	<u>0.694</u>	<u>0.694</u>	n/a

Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	<u>0.775</u>	<u>0.775</u>	<u>0.775</u>	<u>0.775</u>
DNDC	<u>0.604</u>	<u>0.604</u>	<u>0.604</u>	<u>0.604</u>
DSCF	<u>0.562</u>	<u>0.562</u>	<u>0.562</u>	n/a

Customized MarketMail Prices

	Commercial (\$)	Nonprofit (\$)
Per Piece	<u>0.462</u>	<u>0.342</u>

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$1.396 per piece and returned flats pay the applicable First-Class Mail price. All other flats requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

*USPS Marketing Mail (Commercial and Nonprofit)
Flats*

Full-service Intelligent Mail Option: Automation Flats Only

Subtract \$0.0034 for each automation flat that complies with the requirements for the Full-service Intelligent Mail option.

Earned Value Reply Mail Promotion (~~April~~July 1, 2019~~7~~ to ~~June~~December 30~~1~~, 2019~~7~~)

Provide a \$0.035 per piece rebate on all Business Reply Mail, Courtesy Reply Mail, and Share Mail pieces when the 2019 volume of those pieces for a registered mailer meets or exceeds 95 percent of the mailer's comparable volume count for the same period during 2018, for those mailers that were registered for the 2017 Earned Value promotion. The \$0.03 per piece rebate also applies to volume received by customers who did not participate in the 2017 promotion, without a threshold. Qualifying mailpieces mustthat meet program requirements and be placed in the mailstream by the recipient and scanned during the program period. To receive the rebate, registered customers must have distributed a Business Reply Mail, Courtesy Reply Mail, or Share Mail card or envelope, and must comply with all other eligibility requirements of the program.

Emerging and Advanced Technology Promotion (March 1, 2019~~7~~ to August 31, 2019~~7~~)

Mobile Shopping Promotion (August 1, 2019~~7~~ to December 31, 2019~~7~~)

Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2019~~7~~ to July 31, 2019~~7~~)

*USPS Marketing Mail (Commercial and Nonprofit)
Flats*

~~Direct Mail Starter Promotion (May 1, 2017 to July 31, 2017)~~

~~Provide a five percent discount on the qualifying postage for USPS Marketing Mail letters and flats that contain print-mobile or other qualifying technology that leads the recipient to a mobile-optimized website. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program. No more than 10,000 mailpieces per mailer may qualify for the discount during the promotion period.~~

Informed Delivery Promotion (September 1, 2019 to November 30, 2019)

Provide a 2 percent discount on the qualifying postage for First-Class Mail presort or automation letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must comply with the eligibility requirements of the program.

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>1.270</u>	<u>1.604</u>	n/a	n/a	<u>1.113</u>	<u>1.467</u>
DNDC	<u>0.813</u>	<u>0.906</u>	<u>1.220</u>	n/a	<u>0.676</u>	<u>0.769</u>	<u>1.083</u>	n/a
DSCF	<u>0.763</u>	<u>0.856</u>	n/a	n/a	<u>0.626</u>	<u>0.719</u>	n/a	n/a
DDU	<u>0.718</u>	n/a	n/a	n/a	<u>0.581</u>	n/a	n/a	n/a

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>0.626</u>	<u>0.719</u>	<u>1.033</u>	<u>1.367</u>	<u>0.532</u>	<u>0.625</u>	<u>0.939</u>	<u>1.273</u>

b. Per Pound

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>0.668</u>	<u>0.954</u>	<u>1.350</u>

b. Per Pound

Entry Point	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	<u>1.060</u>	<u>1.060</u>
DNDC	<u>0.815</u>	<u>0.815</u>	n/a
DSCF	<u>0.552</u>	n/a	n/a
DDU	<u>0.355</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>1.430</u>	<u>1.680</u>
DNDC	<u>0.836</u>	<u>0.998</u>	<u>1.379</u>	n/a
DSCF	<u>0.782</u>	<u>0.944</u>	n/a	n/a
DDU	<u>0.741</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>0.668</u>	<u>0.830</u>	<u>1.211</u>	<u>1.461</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>1.060</u>	<u>1.060</u>
DNDC	<u>0.815</u>	<u>0.815</u>	<u>0.815</u>	n/a
DSCF	<u>0.552</u>	<u>0.552</u>	n/a	n/a
DDU	<u>0.355</u>	n/a	n/a	n/a

Forwarding-and-Return Service

If Forwarding Service is used in conjunction with electronic Address Correction Service, forwarded parcels pay \$4.53 per piece. All other parcels Pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Package Service Mail price or Priority Mail price for the piece ~~plus the price~~ multiplied by a factor of 2.472.

Non-barcoded Parcels Surcharge

For non-barcoded parcels, add \$0.0548 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>0.187</u>

*Periodicals
In-County Periodicals*

1300 Periodicals

1300.1 Class Description

c. Use of Address Correction Service is mandatory with Periodicals mail, except for pieces using an alternative addressing format.

1305 In-County Periodicals

1305.6 Prices

In-County Automation

a. Pound Prices (per pound or fraction thereof)

b. Piece Prices (per addressed piece)

Presort Level	Letters (\$)	Flats (\$)
5-Digit	<u>0.056</u>	<u>0.117</u>
3-Digit	<u>0.063</u>	<u>0.135</u>
Basic	<u>0.069</u>	<u>0.151</u>

In-County Nonautomation

a. Pound Prices (per pound or fraction thereof)

b. Piece Prices (per addressed piece)

Presort Level	Letters, Flats, and Parcels (\$)
Carrier Route Saturation	<u>0.037</u>
Carrier Route High Density	<u>0.050</u>
Carrier Route Basic	<u>0.067</u>
5-Digit	<u>0.136</u>
3-Digit	<u>0.165</u>
Basic	<u>0.188</u>

In-County Periodicals including a Ride-Along piece

Add \$0.1786 for a Ride-Along item enclosed with or attached to an In-County Periodical.

1310 Outside County Periodicals

1310.6 Prices

Piece Price (per addressed piece)

a. Carrier Route Letters, Flats, and Parcels

Bundle Level	Letters, Flats, and Parcels (\$)
Saturation	<u>0.159</u>
High Density	<u>0.172</u>
Basic	0.205

b. Barcoded Letters

Bundle Level	Barcoded Letters (\$)
5-Digit	<u>0.303</u>
3-Digit/SCF	<u>0.324</u>
ADC	<u>0.328</u>
Mixed ADC	0.341

c. Machinable Flats and Nonbarcoded Letters

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Nonbarcoded Letters (\$)
5-Digit	<u>0.317</u>	<u>0.333</u>	<u>0.333</u>
3-Digit/SCF	<u>0.413</u>	<u>0.445</u>	<u>0.445</u>
ADC	<u>0.468</u>	<u>0.507</u>	<u>0.507</u>
Mixed ADC	<u>0.523</u>	<u>0.577</u>	<u>0.577</u>

d. Nonmachinable Flats and Parcels

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Parcels (\$)
5-Digit	<u>0.443</u>	<u>0.445</u>	<u>0.445</u>
3-Digit/SCF	<u>0.539</u>	<u>0.540</u>	<u>0.540</u>
ADC	<u>0.585</u>	<u>0.590</u>	<u>0.590</u>
Mixed ADC	<u>0.702</u>	<u>0.702</u>	<u>0.702</u>

e. Editorial Adjustment

A per-piece editorial adjustment is provided by subtracting \$0.00111~~0~~ 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 \$0.21~~005~~.

Bundle Prices (per bundle)

Bundle Level	Container Level				
	Carrier Route (\$)	5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
Firm	<u>0.119</u>	<u>0.119</u>	<u>0.311</u>	<u>0.375</u>	<u>0.481</u>
Carrier Route	<u>0.175</u>	<u>0.175</u>	<u>0.599</u>	<u>0.832</u>	<u>1.065</u>
5-Digit		<u>0.363</u>	<u>0.411</u>	<u>0.540</u>	<u>0.797</u>
3-Digit/SFC			<u>0.367</u>	<u>0.500</u>	<u>0.764</u>
ADC				<u>0.393</u>	<u>0.646</u>
Mixed ADC					<u>0.214</u>

Container Prices (per pallet, tray, or sack)

a. Pallet Container

Entry Point	Carrier Route (\$)	5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
DDU	3.046				
DSCF	<u>27.220</u>	<u>44.296</u>	<u>27.250</u>		
DFSS					
DADC	<u>46.944</u>	<u>63.943</u>	<u>46.900</u>	<u>27.950</u>	
DNDC	<u>51.767</u>	<u>68.766</u>	<u>51.721</u>	<u>48.666</u>	
Origin	<u>73.421</u>	<u>90.415</u>	<u>73.410</u>	<u>70.369</u>	<u>9.091</u>

b. Tray or Sack Container

Entry Point	Carrier Route/ 5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
DDU	<u>1.149</u>			
DSCF	<u>1.739</u>	<u>1.056</u>		
DADC	<u>2.303</u>	<u>1.618</u>	<u>1.056</u>	
DNDC	<u>2.741</u>	<u>1.966</u>	<u>1.811</u>	
Origin	<u>3.691</u>	<u>2.803</u>	<u>2.657</u>	<u>0.692</u>

Outside County Periodicals including a Ride-Along piece

Add \$0.1786 for a Ride-Along item enclosed with or attached to an Outside County Periodical.

*Package Services
Alaska Bypass*

1400 Package Services

1405 Alaska Bypass Service

1405.6 Prices

Alaska Bypass

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)
70	<u>26.09</u>	<u>31.89</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>0.388</u>	<u>0.561</u>	<u>1.015</u>	<u>1.015</u>	<u>1.015</u>	<u>1.015</u>
Per Pound	<u>0.021</u>	<u>0.036</u>	<u>0.063</u>	<u>0.097</u>	<u>0.124</u>	<u>0.222</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>1.100</u>	<u>1.100</u>	<u>1.100</u>	<u>1.100</u>	<u>1.100</u>	<u>1.100</u>	<u>1.100</u>
Per Pound	0.138	0.149	0.202	0.257	0.329	0.372	0.500

Presorted

1. Destination Entry¹

	DDU	DSCF	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	<u>0.533</u>	<u>0.706</u>	<u>1.160</u>	<u>1.160</u>	<u>1.160</u>	<u>1.160</u>
Per Pound	<u>0.021</u>	<u>0.036</u>	<u>0.063</u>	<u>0.097</u>	<u>0.124</u>	<u>0.222</u>

*Package Services
Bound Printed Matter Flats*

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>1.245</u>	<u>1.245</u>	<u>1.245</u>	<u>1.245</u>	<u>1.245</u>	<u>1.245</u>	<u>1.245</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>1.95</u>	<u>2.00</u>	<u>2.06</u>	<u>2.15</u>	<u>2.25</u>	<u>2.31</u>	<u>2.51</u>
1.5	<u>1.96</u>	<u>2.01</u>	<u>2.07</u>	<u>2.16</u>	<u>2.26</u>	<u>2.32</u>	<u>2.52</u>
2.0	<u>2.04</u>	<u>2.10</u>	<u>2.18</u>	<u>2.30</u>	<u>2.44</u>	<u>2.52</u>	<u>2.79</u>
2.5	<u>2.13</u>	<u>2.21</u>	<u>2.31</u>	<u>2.46</u>	<u>2.63</u>	<u>2.73</u>	<u>3.07</u>
3.0	<u>2.23</u>	<u>2.32</u>	<u>2.44</u>	<u>2.62</u>	<u>2.83</u>	<u>2.95</u>	<u>3.35</u>
3.5	<u>2.33</u>	<u>2.44</u>	<u>2.58</u>	<u>2.80</u>	<u>3.05</u>	<u>3.19</u>	<u>3.67</u>
4.0	<u>2.42</u>	<u>2.54</u>	<u>2.70</u>	<u>2.95</u>	<u>3.24</u>	<u>3.40</u>	<u>3.94</u>
4.5	<u>2.52</u>	<u>2.66</u>	<u>2.84</u>	<u>3.12</u>	<u>3.44</u>	<u>3.62</u>	<u>4.24</u>
5.0	<u>2.62</u>	<u>2.77</u>	<u>2.98</u>	<u>3.29</u>	<u>3.65</u>	<u>3.86</u>	<u>4.55</u>
6.0	<u>2.80</u>	<u>2.98</u>	<u>3.23</u>	<u>3.60</u>	<u>4.03</u>	<u>4.28</u>	<u>5.10</u>
7.0	<u>3.00</u>	<u>3.22</u>	<u>3.51</u>	<u>3.95</u>	<u>4.46</u>	<u>4.75</u>	<u>5.71</u>
8.0	<u>3.18</u>	<u>3.43</u>	<u>3.76</u>	<u>4.26</u>	<u>4.85</u>	<u>5.18</u>	<u>6.27</u>
9.0	<u>3.37</u>	<u>3.65</u>	<u>4.03</u>	<u>4.60</u>	<u>5.26</u>	<u>5.64</u>	<u>6.88</u>
10.0	<u>3.56</u>	<u>3.87</u>	<u>4.29</u>	<u>4.93</u>	<u>5.67</u>	<u>6.09</u>	<u>7.46</u>
11.0	<u>3.76</u>	<u>4.11</u>	<u>4.57</u>	<u>5.27</u>	<u>6.08</u>	<u>6.54</u>	<u>8.05</u>
12.0	<u>3.94</u>	<u>4.32</u>	<u>4.82</u>	<u>5.58</u>	<u>6.46</u>	<u>6.96</u>	<u>8.60</u>
13.0	<u>4.13</u>	<u>4.54</u>	<u>5.08</u>	<u>5.90</u>	<u>6.85</u>	<u>7.39</u>	<u>9.16</u>
14.0	<u>4.32</u>	<u>4.76</u>	<u>5.34</u>	<u>6.22</u>	<u>7.25</u>	<u>7.83</u>	<u>9.73</u>
15.0	<u>4.52</u>	<u>5.00</u>	<u>5.64</u>	<u>6.60</u>	<u>7.71</u>	<u>8.35</u>	<u>10.41</u>

Forwarding-and-Return-Service

If Forwarding Service is used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$3.2115 per piece and returned flats the applicable First-Class Mail price. All other pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate Bound Printed Matter Flats Nonpresorted First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

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>0.635</u>	<u>0.808</u>	<u>1.262</u>	<u>1.262</u>	<u>1.262</u>	<u>1.262</u>
Per Pound	<u>0.040</u>	<u>0.073</u>	<u>0.101</u>	<u>0.132</u>	<u>0.179</u>	<u>0.249</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>1.347</u>	<u>1.347</u>	<u>1.347</u>	<u>1.347</u>	<u>1.347</u>	<u>1.347</u>	<u>1.347</u>
Per Pound	<u>0.189</u>	<u>0.225</u>	<u>0.274</u>	<u>0.338</u>	<u>0.413</u>	<u>0.476</u>	<u>0.623</u>

Presorted

a. Destination Entry

	DDU	DSCF	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	<u>0.780</u>	<u>0.953</u>	<u>1.407</u>	<u>1.407</u>	<u>1.407</u>	<u>1.407</u>
Per Pound	<u>0.040</u>	<u>0.073</u>	<u>0.101</u>	<u>0.132</u>	<u>0.179</u>	<u>0.249</u>

*Package Services
Bound Printed Matter Parcels*

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>1.492</u>	<u>1.492</u>	<u>1.492</u>	<u>1.492</u>	<u>1.492</u>	<u>1.492</u>	<u>1.492</u>
Per Pound	<u>0.189</u>	<u>0.225</u>	<u>0.274</u>	<u>0.338</u>	<u>0.413</u>	<u>0.476</u>	<u>0.623</u>

Nonpresorted

Maximum Weight (Pounds)	Zones 1&2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zones 8&9 (\$)
1.0	<u>2.65</u>	<u>2.71</u>	<u>2.77</u>	<u>2.86</u>	<u>2.98</u>	<u>3.04</u>	<u>3.25</u>
1.5	<u>2.73</u>	<u>2.79</u>	<u>2.85</u>	<u>2.94</u>	<u>3.06</u>	<u>3.13</u>	<u>3.34</u>
2.0	<u>2.78</u>	<u>2.86</u>	<u>2.94</u>	<u>3.06</u>	<u>3.22</u>	<u>3.30</u>	<u>3.59</u>
2.5	<u>2.90</u>	<u>3.00</u>	<u>3.10</u>	<u>3.25</u>	<u>3.46</u>	<u>3.56</u>	<u>3.92</u>
3.0	<u>3.03</u>	<u>3.15</u>	<u>3.27</u>	<u>3.45</u>	<u>3.70</u>	<u>3.82</u>	<u>4.26</u>
3.5	<u>3.17</u>	<u>3.31</u>	<u>3.45</u>	<u>3.67</u>	<u>3.96</u>	<u>4.10</u>	<u>4.62</u>
4.0	<u>3.29</u>	<u>3.45</u>	<u>3.61</u>	<u>3.86</u>	<u>4.19</u>	<u>4.35</u>	<u>4.95</u>
4.5	<u>3.41</u>	<u>3.59</u>	<u>3.77</u>	<u>4.05</u>	<u>4.42</u>	<u>4.60</u>	<u>5.27</u>
5.0	<u>3.54</u>	<u>3.75</u>	<u>3.96</u>	<u>4.27</u>	<u>4.68</u>	<u>4.89</u>	<u>5.63</u>
6.0	<u>3.79</u>	<u>4.04</u>	<u>4.29</u>	<u>4.67</u>	<u>5.17</u>	<u>5.42</u>	<u>6.30</u>
7.0	<u>4.05</u>	<u>4.34</u>	<u>4.63</u>	<u>5.07</u>	<u>5.67</u>	<u>5.96</u>	<u>6.99</u>
8.0	<u>4.30</u>	<u>4.63</u>	<u>4.96</u>	<u>5.47</u>	<u>6.15</u>	<u>6.48</u>	<u>7.65</u>
9.0	<u>4.55</u>	<u>4.93</u>	<u>5.31</u>	<u>5.89</u>	<u>6.65</u>	<u>7.03</u>	<u>8.36</u>
10.0	<u>4.80</u>	<u>5.22</u>	<u>5.64</u>	<u>6.28</u>	<u>7.12</u>	<u>7.54</u>	<u>9.01</u>
11.0	<u>5.07</u>	<u>5.54</u>	<u>6.01</u>	<u>6.71</u>	<u>7.65</u>	<u>8.12</u>	<u>9.75</u>
12.0	<u>5.31</u>	<u>5.82</u>	<u>6.33</u>	<u>7.09</u>	<u>8.11</u>	<u>8.62</u>	<u>10.40</u>
13.0	<u>5.56</u>	<u>6.11</u>	<u>6.66</u>	<u>7.48</u>	<u>8.58</u>	<u>9.13</u>	<u>11.05</u>
14.0	<u>5.83</u>	<u>6.43</u>	<u>7.03</u>	<u>7.92</u>	<u>9.10</u>	<u>9.70</u>	<u>11.78</u>
15.0	<u>6.08</u>	<u>6.72</u>	<u>7.36</u>	<u>8.31</u>	<u>9.59</u>	<u>10.23</u>	<u>12.46</u>

Pickup On Demand Service

Add \$232.00 for each Pickup On Demand stop.

1425 Media Mail/Library Mail

1425.2 Size and Weight Limitations

Notes

1. An overweight item charge of \$100 applies to pieces found in the postal network that exceed the 70-pound maximum weight limitation. Such items are nonmailable and will not be delivered. As described in the Domestic Mail Manual, this charge is payable before release of the item, unless the item is picked up at the same facility where it was entered.

*Package Services
Media Mail/Library Mail*

1425.6 Prices

Media Mail

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
1	<u>1.97</u>	<u>2.60</u>	<u>2.75</u>
2	<u>2.49</u>	<u>3.12</u>	<u>3.27</u>
3	<u>3.01</u>	<u>3.64</u>	<u>3.79</u>
4	<u>3.53</u>	<u>4.16</u>	<u>4.31</u>
5	<u>4.05</u>	<u>4.68</u>	<u>4.83</u>
6	<u>4.57</u>	<u>5.20</u>	<u>5.35</u>
7	<u>5.09</u>	<u>5.72</u>	<u>5.87</u>
8	<u>5.61</u>	<u>6.24</u>	<u>6.39</u>
9	<u>6.13</u>	<u>6.76</u>	<u>6.91</u>
10	<u>6.65</u>	<u>7.28</u>	<u>7.43</u>
11	<u>7.17</u>	<u>7.80</u>	<u>7.95</u>
12	<u>7.69</u>	<u>8.32</u>	<u>8.47</u>
13	<u>8.21</u>	<u>8.84</u>	<u>8.99</u>
14	<u>8.73</u>	<u>9.36</u>	<u>9.51</u>
15	<u>9.25</u>	<u>9.88</u>	<u>10.03</u>
16	<u>9.77</u>	<u>10.40</u>	<u>10.55</u>
17	<u>10.29</u>	<u>10.92</u>	<u>11.07</u>
18	<u>10.81</u>	<u>11.44</u>	<u>11.59</u>
19	<u>11.33</u>	<u>11.96</u>	<u>12.11</u>
20	<u>11.85</u>	<u>12.48</u>	<u>12.63</u>
21	<u>12.37</u>	<u>13.00</u>	<u>13.15</u>
22	<u>12.89</u>	<u>13.52</u>	<u>13.67</u>
23	<u>13.41</u>	<u>14.04</u>	<u>14.19</u>
24	<u>13.93</u>	<u>14.56</u>	<u>14.71</u>
25	<u>14.45</u>	<u>15.08</u>	<u>15.23</u>

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

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
26	<u>14.97</u>	<u>15.60</u>	<u>15.75</u>
27	<u>15.49</u>	<u>16.12</u>	<u>16.27</u>
28	<u>16.01</u>	<u>16.64</u>	<u>16.79</u>
29	<u>16.53</u>	<u>17.16</u>	<u>17.31</u>
30	<u>17.05</u>	<u>17.68</u>	<u>17.83</u>
31	<u>17.57</u>	<u>18.20</u>	<u>18.35</u>
32	<u>18.09</u>	<u>18.72</u>	<u>18.87</u>
33	<u>18.61</u>	<u>19.24</u>	<u>19.39</u>
34	<u>19.13</u>	<u>19.76</u>	<u>19.91</u>
35	<u>19.65</u>	<u>20.28</u>	<u>20.43</u>
36	<u>20.17</u>	<u>20.80</u>	<u>20.95</u>
37	<u>20.69</u>	<u>21.32</u>	<u>21.47</u>
38	<u>21.21</u>	<u>21.84</u>	<u>21.99</u>
39	<u>21.73</u>	<u>22.36</u>	<u>22.51</u>
40	<u>22.25</u>	<u>22.88</u>	<u>23.03</u>
41	<u>22.77</u>	<u>23.40</u>	<u>23.55</u>
42	<u>23.29</u>	<u>23.92</u>	<u>24.07</u>
43	<u>23.81</u>	<u>24.44</u>	<u>24.59</u>
44	<u>24.33</u>	<u>24.96</u>	<u>25.11</u>
45	<u>24.85</u>	<u>25.48</u>	<u>25.63</u>
46	<u>25.37</u>	<u>26.00</u>	<u>26.15</u>
47	<u>25.89</u>	<u>26.52</u>	<u>26.67</u>
48	<u>26.41</u>	<u>27.04</u>	<u>27.19</u>
49	<u>26.93</u>	<u>27.56</u>	<u>27.71</u>
50	<u>27.45</u>	<u>28.08</u>	<u>28.23</u>

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

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
51	<u>27.97</u>	<u>28.60</u>	<u>28.75</u>
52	<u>28.49</u>	<u>29.12</u>	<u>29.27</u>
53	<u>29.01</u>	<u>29.64</u>	<u>29.79</u>
54	<u>29.53</u>	<u>30.16</u>	<u>30.31</u>
55	<u>30.05</u>	<u>30.68</u>	<u>30.83</u>
56	<u>30.57</u>	<u>31.20</u>	<u>31.35</u>
57	<u>31.09</u>	<u>31.72</u>	<u>31.87</u>
58	<u>31.61</u>	<u>32.24</u>	<u>32.39</u>
59	<u>32.13</u>	<u>32.76</u>	<u>32.91</u>
60	<u>32.65</u>	<u>33.28</u>	<u>33.43</u>
61	<u>33.17</u>	<u>33.80</u>	<u>33.95</u>
62	<u>33.69</u>	<u>34.32</u>	<u>34.47</u>
63	<u>34.21</u>	<u>34.84</u>	<u>34.99</u>
64	<u>34.73</u>	<u>35.36</u>	<u>35.51</u>
65	<u>35.25</u>	<u>35.88</u>	<u>36.03</u>
66	<u>35.77</u>	<u>36.40</u>	<u>36.55</u>
67	<u>36.29</u>	<u>36.92</u>	<u>37.07</u>
68	<u>36.81</u>	<u>37.44</u>	<u>37.59</u>
69	<u>37.33</u>	<u>37.96</u>	<u>38.11</u>
70	<u>37.85</u>	<u>38.48</u>	<u>38.63</u>

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

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
1	<u>1.87</u>	<u>2.47</u>	<u>2.61</u>
2	<u>2.36</u>	<u>2.96</u>	<u>3.10</u>
3	<u>2.85</u>	<u>3.45</u>	<u>3.59</u>
4	<u>3.34</u>	<u>3.94</u>	<u>4.08</u>
5	<u>3.83</u>	<u>4.43</u>	<u>4.57</u>
6	<u>4.32</u>	<u>4.92</u>	<u>5.06</u>
7	<u>4.81</u>	<u>5.41</u>	<u>5.55</u>
8	<u>5.30</u>	<u>5.90</u>	<u>6.04</u>
9	<u>5.79</u>	<u>6.39</u>	<u>6.53</u>
10	<u>6.28</u>	<u>6.88</u>	<u>7.02</u>
11	<u>6.77</u>	<u>7.37</u>	<u>7.51</u>
12	<u>7.26</u>	<u>7.86</u>	<u>8.00</u>
13	<u>7.75</u>	<u>8.35</u>	<u>8.49</u>
14	<u>8.24</u>	<u>8.84</u>	<u>8.98</u>
15	<u>8.73</u>	<u>9.33</u>	<u>9.47</u>
16	<u>9.22</u>	<u>9.82</u>	<u>9.96</u>
17	<u>9.71</u>	<u>10.31</u>	<u>10.45</u>
18	<u>10.20</u>	<u>10.80</u>	<u>10.94</u>
19	<u>10.69</u>	<u>11.29</u>	<u>11.43</u>
20	<u>11.18</u>	<u>11.78</u>	<u>11.92</u>
21	<u>11.67</u>	<u>12.27</u>	<u>12.41</u>
22	<u>12.16</u>	<u>12.76</u>	<u>12.90</u>
23	<u>12.65</u>	<u>13.25</u>	<u>13.39</u>
24	<u>13.14</u>	<u>13.74</u>	<u>13.88</u>
25	<u>13.63</u>	<u>14.23</u>	<u>14.37</u>

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

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
26	<u>14.12</u>	<u>14.72</u>	<u>14.86</u>
27	<u>14.61</u>	<u>15.21</u>	<u>15.35</u>
28	<u>15.10</u>	<u>15.70</u>	<u>15.84</u>
29	<u>15.59</u>	<u>16.19</u>	<u>16.33</u>
30	<u>16.08</u>	<u>16.68</u>	<u>16.82</u>
31	<u>16.57</u>	<u>17.17</u>	<u>17.31</u>
32	<u>17.06</u>	<u>17.66</u>	<u>17.80</u>
33	<u>17.55</u>	<u>18.15</u>	<u>18.29</u>
34	<u>18.04</u>	<u>18.64</u>	<u>18.78</u>
35	<u>18.53</u>	<u>19.13</u>	<u>19.27</u>
36	<u>19.02</u>	<u>19.62</u>	<u>19.76</u>
37	<u>19.51</u>	<u>20.11</u>	<u>20.25</u>
38	<u>20.00</u>	<u>20.60</u>	<u>20.74</u>
39	<u>20.49</u>	<u>21.09</u>	<u>21.23</u>
40	<u>20.98</u>	<u>21.58</u>	<u>21.72</u>
41	<u>21.47</u>	<u>22.07</u>	<u>22.21</u>
42	<u>21.96</u>	<u>22.56</u>	<u>22.70</u>
43	<u>22.45</u>	<u>23.05</u>	<u>23.19</u>
44	<u>22.94</u>	<u>23.54</u>	<u>23.68</u>
45	<u>23.43</u>	<u>24.03</u>	<u>24.17</u>
46	<u>23.92</u>	<u>24.52</u>	<u>24.66</u>
47	<u>24.41</u>	<u>25.01</u>	<u>25.15</u>
48	<u>24.90</u>	<u>25.50</u>	<u>25.64</u>
49	<u>25.39</u>	<u>25.99</u>	<u>26.13</u>
50	<u>25.88</u>	<u>26.48</u>	<u>26.62</u>

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

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
51	<u>26.37</u>	<u>26.97</u>	<u>27.11</u>
52	<u>26.86</u>	<u>27.46</u>	<u>27.60</u>
53	<u>27.35</u>	<u>27.95</u>	<u>28.09</u>
54	<u>27.84</u>	<u>28.44</u>	<u>28.58</u>
55	<u>28.33</u>	<u>28.93</u>	<u>29.07</u>
56	<u>28.82</u>	<u>29.42</u>	<u>29.56</u>
57	<u>29.31</u>	<u>29.91</u>	<u>30.05</u>
58	<u>29.80</u>	<u>30.40</u>	<u>30.54</u>
59	<u>30.29</u>	<u>30.89</u>	<u>31.03</u>
60	<u>30.78</u>	<u>31.38</u>	<u>31.52</u>
61	<u>31.27</u>	<u>31.87</u>	<u>32.01</u>
62	<u>31.76</u>	<u>32.36</u>	<u>32.50</u>
63	<u>32.25</u>	<u>32.85</u>	<u>32.99</u>
64	<u>32.74</u>	<u>33.34</u>	<u>33.48</u>
65	<u>33.23</u>	<u>33.83</u>	<u>33.97</u>
66	<u>33.72</u>	<u>34.32</u>	<u>34.46</u>
67	<u>34.21</u>	<u>34.81</u>	<u>34.95</u>
68	<u>34.70</u>	<u>35.30</u>	<u>35.44</u>
69	<u>35.19</u>	<u>35.79</u>	<u>35.93</u>
70	<u>35.68</u>	<u>36.28</u>	<u>36.42</u>

Pickup On Demand Service

Add \$232.00 for each Pickup On Demand stop.

*Overweight Item Charge*Add \$100.00 for each piece found in the postal network that exceeds the 70-pound maximum weight limitation. Such items are nonmailable and will not be delivered. As described in the Domestic Mail Manual, this

*Package Services
Media Mail/Library Mail*

charge is payable before release of the item, unless the item is picked up at the same facility where it was entered.

1500 Special Services

1505 Ancillary Services

1505.1 Address Correction Service

1505.1.1 Description

c. Address Correction Service is mandatory for Periodicals mail, except for pieces using an alternative addressing format.

1505.1.2 Prices

	(\$)
Manual correction, each	
First-Class Mail <u>or First-Class Package Service</u> piece, on-piece correction only	0.00
Other	<u>0.61</u>
Electronic correction, each	
First-Class Mail <u>or First-Class Package Service</u> piece	0.13
Other	0.31
Automated correction (Letters Only)	
First-Class Mail piece	
First two notices, for a given address change, each	0.07
Additional notices, for a given address change, each	0.14
USPS Marketing Mail piece	
First two notices, for a given address change, each	0.10
Additional notices, for a given address change, each	0.27
Full-service correction, each	0.00

1505.2 Applications and Mailing Permits

1505.2.2 Prices

	(\$)
First-Class Mail Presort Mailing Fee (per year)	<u>235.00</u>
USPS Marketing Mail Mailing Fee (per year)	<u>235.00</u>
Periodicals Application Fees (one-time only for each)	
A. Original Entry	<u>725.00</u>
B. Re-entry	<u>85.00</u>
C. Registration for News Agents	<u>85.00</u>
Bound Printed Matter: Destination Entry Mailing Fee (per year) ¹	<u>235.00</u>
Application to Use Permit Imprint (one-time only)	<u>235.00</u>

1505.3 Business Reply Mail

1505.3.1 Description

- a. Business Reply Mail service allows a permit holder or its representative to distribute postcards, envelopes, cartons and labels that can be used to send First-Class Mail, First-Class Package Service, or Priority Mail pieces to an address chosen by the distributor without prepayment of postage.

1505.3.2 Prices

	(\$)
Permit (All categories)	<u>235.00¹</u>
Regular (no account maintenance fee)	
Per-piece charge	<u>0.830</u>
Regular (with account maintenance fee)	
Account maintenance (per year)	<u>710.00</u>
Per-piece charge	<u>0.091</u>
Qualified Business Reply Mail, low-volume	
Account maintenance (per year)	<u>710.00</u>
Per-piece charge	<u>0.070</u>
Qualified Business Reply Mail, high-volume	
Account maintenance (per year)	<u>710.00</u>
Quarterly	<u>2,405.00</u>
Per-piece charge	<u>0.014</u>
Bulk Weight Averaged (Non-letters only)	
Account maintenance (per year)	<u>710.00</u>
Per-piece charge	<u>0.019</u>
Monthly maintenance	<u>1,175.00</u>

1505.4 Bulk Parcel Return Service

1505.4.2 Prices

	(\$)
Per-piece charge	<u>3.30</u>

1505.5 Certified Mail

1505.5.2 Prices

(Per piece)	(\$)
Certified Mail	<u>3.50</u>
Certified Mail with Restricted Delivery and/or Adult Signature	<u>8.80</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>1.45</u>
Three or more pieces individually listed on Form 3665-Firm or USPS approved customer provided manifest (per piece listed)	<u>0.41</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>1.45</u>

Quantity of Pieces

	(\$)
Up to 1,000 identical-weight pieces (one Form 3606 for total number)	<u>8.55</u>
Each additional 1,000 identical-weight pieces or fraction thereof	<u>1.07</u>
Each additional copy of the original Form 3606	<u>1.45</u>

*Special Services
Ancillary Services*

1505.7 Collect on Delivery

1505.7.2 Prices

(\$)	(\$)	(\$)
Amount to be collected, or insurance coverage desired, whichever is higher:		
7.75	to	50.00
		<u>7.75</u>
9.60	to	100.00
		<u>9.60</u>
11.55	to	200.00
		<u>11.55</u>
13.50	to	300.00
		<u>13.50</u>
15.45	to	400.00
		<u>15.45</u>
17.40	to	500.00
		<u>17.40</u>
19.35	to	600.00
		<u>19.35</u>
21.30	to	700.00
		<u>21.30</u>
23.25	to	800.00
		<u>23.25</u>
25.20	to	900.00
		<u>25.20</u>
27.15	to	1,000.00
		<u>27.15</u>
Additional Fees for Optional Features:		
COD Restricted Delivery		<u>5.20</u>

1505.8 USPS Tracking

1505.8.1 Description

- b. USPS Tracking service is automatically included with the purchase of items sent via ~~First-Class Mail Parcels~~, Package Services, Priority Mail, Parcel Select, USPS Retail Ground, and First-Class Package Service.

1505.8.2 Prices

	(\$)
First-Class Package Service	
Electronic	0.00
USPS Marketing Mail Parcels	
Electronic	<u>0.40</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	<u>2.20</u>
50.01	to	100.00	<u>2.80</u>
100.01	to	200.00	<u>3.50</u>
200.01	to	300.00	<u>4.60</u>
300.01	to	400.00	<u>5.80</u>
400.01	to	500.00	<u>6.95</u>
500.01	to	600.00	<u>9.35</u>
600.01	to	5,000.00	<u>9.35</u> plus <u>1.35</u> for each 100.00 or fraction thereof over 600.00
Additional Fee for Optional Feature			
Insurance Restricted Delivery			<u>5.20</u>

1505.11 Parcel Airlift (PAL)

1505.11.2 Prices

	(\$)
For pieces weighing:	
Not more than 2 pounds	0.80
Over 2 but not more than 3 pounds	<u>1.45</u>
Over 3 but not more than 4 pounds	<u>1.95</u>
Over 4 but not more than 30 pounds	<u>2.60</u>

1505.12 Registered Mail

1505.12.1 Description

- a. Registered Mail service provides added protection to First-Class Mail, First-Class Package Service, and Priority Mail pieces, and provides indemnity in case of loss, damage, or missing contents. The amount of indemnity depends upon the actual value of the article at the time of mailing, up to a maximum of \$50,000.00. Articles with a declared value of more than \$50,000.00 can be registered, but compensation for loss, damage, or missing contents is limited to \$50,000.00.

1505.12.2 Prices

	(\$)		(\$)	(\$)
Declared Value:				
	0.00			<u>12.40</u>
	0.01	To	100.00	<u>12.95</u>
	100.01	To	500.00	<u>14.95</u>
	500.01	To	1,000.00	<u>16.60</u>
	1,000.01	To	2,000.00	<u>18.25</u>
	2,000.01	To	3,000.00	<u>19.90</u>
	3,000.01	To	4,000.00	<u>21.55</u>
	4,000.01	To	5,000.00	<u>23.20</u>
	5,000.01	To	15,000,000.00	<u>23.20</u> plus <u>1.65</u> for each 1000.00 or fraction thereof over 5,000.00
	Greater than		15,000,000.00	<u>24,764.95</u> plus amount determined by the Postal Service based on weight, space, and value
Additional Fees for Optional Features:				
	Registered Mail Restricted Delivery			<u>5.20</u>
	Registered COD			<u>5.85</u>

1505.13 Return Receipt

1505.13.2 Prices

	(\$)
Original signature (hardcopy)	<u>2.80</u>
Copy of signature (electronic)	<u>1.60</u>

*Special Services
Ancillary Services*

1505.14 Return Receipt for Merchandise

1505.14.2 Prices

	(\$)
Per Piece (Requested at time of mailing)	<u>4.30</u>

1505.16 Shipper-Paid Forwarding/Return

1505.16.1 Description

- a. Shipper-Paid Forwarding/Return service enables mailers to have undeliverable-as-addressed parcels, initially mailed as USPS Marketing Mail (Commercial and Nonprofit) parcels, Package Services, Parcel Select, or USPS Retail Ground, to be forwarded at applicable First-Class Mail Package Service or Priority Mail prices for up to one year from the date that the addressee filed a change-of-address order.
- b. If Shipper-Paid Forwarding/Return service is elected for a parcel that is returned, the permit holder will pay the applicable First-Class Mail Package Service or Priority Mail price, or the Bulk Parcel Return Service price, if that service was elected.

1505.16.2 Prices

	(\$)
Account Maintenance Fee (per year)	<u>710.00</u>

*Special Services
Ancillary Services*

1505.17 Signature Confirmation

1505.17.2 Prices

	(\$)
Electronic	<u>2.60</u>
Retail	<u>3.05</u>
Additional Fee for Optional Feature:	
Signature Confirmation Restricted Delivery	<u>5.20</u>

1505.18 Special Handling

1505.18.2 Prices

	(\$)
Fragile	<u>10.95</u>

1505.19 Stamped Envelopes

1505.19.2 Prices

	(\$)
Plain stamped envelopes	
Basic, size 6-3/4, each	<u>0.14</u>
Basic, size 6-3/4, 500	<u>17.95</u>
Basic, over size 6-3/4, each	<u>0.14</u>
Basic, over size 6-3/4, 500	<u>20.45</u>
Personalized stamped envelopes	
Basic, size 6-3/4, 50	<u>5.90</u>
Basic, size 6-3/4, 500	<u>27.65</u>
Basic, over size 6-3/4, 50	<u>5.90</u>
Basic, over size 6-3/4, 500	<u>31.35</u>
Additional Charges for premium options, per 50 envelopes	
Pressure-sensitive sealing	5.35
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	15.95
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>5.45</u>
2 boxes	<u>6.75</u>
3 boxes	<u>7.95</u>
4 boxes	<u>9.05</u>
5 boxes	<u>11.10</u>
6 boxes	<u>11.95</u>
7 boxes	<u>13.20</u>
8 boxes	<u>14.55</u>
9 or more boxes	<u>16.45</u>
Shipping—Boxes of 500	
1 box	<u>9.95</u>
2 or more boxes	<u>16.45</u>

*Special Services
International Ancillary Services***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>1.45</u>
Three or more pieces individually listed in a firm mailing book or an approved customer provided manifest (per piece)	<u>0.41</u>
Each additional copy of original certificate of mailing or firm mailing bills (each copy)	<u>1.45</u>

Multiple Piece Prices

	(\$)
Up to 1,000 identical-weight pieces (one certificate for total number)	<u>8.55</u>
Each additional 1,000 identical-weight pieces or fraction thereof	<u>1.07</u>
Duplicate copy	<u>1.45</u>

*Special Services
International Ancillary Services*

1510.2 International Registered Mail

1510.2.2 Prices

Outbound International Registered Mail Prices

	(\$)
Per Piece	<u>16.00</u>

*Special Services
International Ancillary Services*

1510.3 International Return Receipt

1510.3.2 Prices

Outbound International Return Receipt Prices

	(\$)
Per Piece	<u>4.10</u>

*Special Services
International Ancillary Services*

1510.4 Customs Clearance and Delivery Fee

1510.4.2 Prices

	(\$)
Per Dutiable Item	<u>6.40</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)	<u>0.45</u>
Insertion of blanks	0.00
AEC II Service	
1-100 records resolved, minimum fee	<u>33.00</u>
Additional records resolved, per record	<u>0.330</u>
AIS (Address Information System) Viewer (per year, per site)	
City State Delivery Type Retrieval Annual Subscription	<u>75.00*</u>
County Name Retrieval Annual Subscription	<u>75.00*</u>
Delivery Statistic Retrieval Annual Subscription	100.00*
ZIP + 4 Retrieval Annual Subscription	<u>75.00*</u>
CRIS Route (per year)	
Per state (annual subscription)	<u>50.00*</u>
All States (annual subscription)	<u>975.00*</u>
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	<u>0.45</u>
Change-of-Address Customer Notification Letter Reprint	50.00
City State (per year)	
All States (annual subscription)	405.00
CDS (per address, per year)	<u>0.011</u>
Minimum (per year)	55.00
Correction of Address Lists	
Per submitted address	<u>0.45</u>
Minimum charge per list (30 items)	<u>13.50</u>
Delivery Statistics (per year)	
All States (annual subscription)	405.00*
DMM Labeling Lists	63.00
DPV System (per year) ³	11,500.00
DSF ² Service (per year) ⁴	114,000.00
Each additional location per year	57,000.00
Each additional platform per location per year	57,000.00
eLOT Service (per year)	
Per state (annual subscription)	<u>50.00*</u>
All States (annual subscription)	<u>975.00*</u>

	(\$)
Five-Digit ZIP (per year)	
All States (annual subscription)	575.00*
LACSLink5	
Interface Developer (first year)	1,150.00 ⁶
Interface Developer (each one-year extension)	360.00 ⁶
Interface Distributor (per year)	1,350.00 ⁷
Data Distributor (per year)	360.00
End User (per year)	360.00 ⁸
MASS Certification	
MASS Manufacturers (MLOCR)	
Cycle Testing: (for next cycle) November – June	500.00 ⁹
Cycle Testing: July	1000.00 ⁹
Cycle Testing: (for current cycle) After July 31 st	1500.00 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>6,200.00</u>
Interface Developer (per each one year extension)	<u>1,225.00</u>
Interface Distributor (per year)	<u>30,600.00</u>
Full Service Provider (per year)	<u>211,000.00</u>
Full Service Provider Each Additional Site (per year)	<u>104,000.00</u>
Limited Service Provider (per year)	<u>18,200.00</u>
Limited Service Provider (per each one year extension)	
One Site only	<u>18,200.00</u>
Each additional site	<u>9,100.00</u>
ANKLink Service Option (per year)	
First Site	<u>4,250.00</u>
Each Additional Site	<u>1,950.00</u>
End User/MPE (first year)	<u>9,100.00</u>
End User/MPE (each renewal year)	
One site (each site for MPE)	<u>9,100.00</u>
Each additional site (End User only)	<u>4,250.00</u>
ANK ^{Link} Service Option (per year)	<u>935.00</u>
NCOA ^{Link} Test, Audit (each)	<u>1,225.00</u>
Official National Zone Charts (per year)	
Matrix	60.00
RDI Service (per year) ¹	<u>370.00</u>
Z4 Change (per year)	
All States	<u>3,500.00*</u>
ZIP + 4 Service (per year)	
Per state (annual subscription)	<u>50.00*</u>
All States (annual subscription)	<u>975.00</u>

*Special Services
Address Management Services*

	(\$)
ZIP Code Sortation of Address Lists Per 1,000 addresses, or fraction	<u>145.00</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>815.00</u>
Group 2	<u>755.00</u>
Group 3	<u>695.00</u>
Group 4	<u>655.00</u>
Group 5	<u>620.00</u>
Group 6	<u>575.00</u>
Group 7	<u>540.00</u>
Call Number Reservation (Annual ¹)	<u>54.00</u>

*Special Services
Credit Card Authentication*

1525 Credit Card Authentication

1525.2 Prices

	(\$)
Per credit card authentication	<u>1.05</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>1.45</u>
Envelope	<u>1.95</u>

*Special Services
Money Orders*

1545 Money Orders

1545.2 Prices

	(\$)		(\$)	(\$)
Domestic	0.01	to	500.00	<u>1.25</u>
Domestic	500.01	to	1,000.00	<u>1.70</u>
APO/FPO/DPO	0.01	to	1,000.00	<u>0.45</u>
Inquiry, including a copy of paid money order				<u>6.15</u>

*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	<u>57.00</u>	<u>45.00</u>	<u>38.00</u>	<u>32.00</u>	<u>28.00</u>	<u>23.00</u>	<u>20.00</u>	0.00
2	84.00	69.00	56.00	46.00	<u>38.00</u>	<u>32.00</u>	<u>27.00</u>	0.00
3	145.00	117.00	97.00	75.00	<u>60.00</u>	<u>47.00</u>	<u>41.00</u>	0.00
4	265.00	220.00	178.00	137.00	104.00	76.00	60.00	0.00
5	<u>416.00</u>	<u>344.00</u>	<u>281.00</u>	<u>236.00</u>	<u>168.00</u>	<u>133.00</u>	<u>106.00</u>	0.00

Box Size	3-Month Fees (Groups based on Post Office location) (\$)						
	1	2	3	4	5	6	7
1	<u>34.00</u>	<u>27.00</u>	<u>23.00</u>	<u>19.00</u>	<u>16.00</u>	<u>14.00</u>	<u>12.00</u>
2	<u>50.00</u>	<u>41.00</u>	<u>34.00</u>	<u>28.00</u>	<u>23.00</u>	<u>19.00</u>	<u>16.00</u>
3	<u>87.00</u>	<u>70.00</u>	<u>58.00</u>	<u>45.00</u>	<u>36.00</u>	<u>28.00</u>	<u>25.00</u>
4	<u>159.00</u>	<u>132.00</u>	<u>107.00</u>	<u>82.00</u>	<u>62.00</u>	<u>46.00</u>	<u>36.00</u>
5	<u>249.00</u>	<u>205.00</u>	<u>168.00</u>	<u>141.00</u>	<u>100.00</u>	<u>79.00</u>	<u>63.00</u>

*Special Services
Customized Postage*

1555 Customized Postage

1555.2 Prices

	(\$)
Annual Participation Fee (up to two printing facilities)	<u>340,000.00</u>
Additional Printing Sites (3-50 sites, each site)	<u>57,000.00</u>
Over 50 Printing Sites (each site)	<u>5,700.00</u>

*Special Services
Stamp Fulfillment Services*

1560 Stamp Fulfillment Services

1560.2 Prices

Orders mailed to domestic United States destinations	(\$)
Orders up to \$50.00	<u>1.30</u> ¹ ; add <u>2.25</u> ² for custom orders
Orders over \$50.00	<u>1.80</u> ¹ ; add <u>2.25</u> ² for custom orders
Orders mailed to destinations outside of domestic United States	(\$)
Orders up to \$50.00	<u>6.55</u> ¹ ; add <u>2.25</u> ² for custom orders
Orders over \$50.00	<u>7.05</u> ¹ ; add <u>2.25</u> ² for custom orders

APPENDIX A

LIST OF CHAIRMAN'S INFORMATION REQUESTS AND RESPONSES OF THE UNITED STATES POSTAL SERVICE

Chairman's Information Requests

Chairman's Information Request No. 1, October 17, 2018 (CHIR No. 1)
Chairman's Information Request No. 2, October 18, 2018 (CHIR No. 2)
Chairman's Information Request No. 3, October 19, 2018 (CHIR No. 3)
Chairman's Information Request No. 4, October 22, 2018 (CHIR No. 4)
Chairman's Information Request No. 5, October 24, 2018 (CHIR No. 5)
Chairman's Information Request No. 6, October 25, 2018 (CHIR No. 6)
Chairman's Information Request No. 7, October 29, 2018 (CHIR No. 7)
Chairman's Information Request No. 8, November 1, 2018 (CHIR No. 8)

Responses to Chairman's Information Requests

Responses of the United States Postal Service to Questions 1-14 of Chairman's Information Request No. 1, October 23, 2018 (Responses to CHIR No. 1)

Responses of the United States Postal Service to Questions 1-8 of Chairman's Information Request No. 2, October 24, 2018 (Responses to CHIR No. 2)

Response of the United States Postal Service to Chairman's Information Request No.3, October 25, 2018 (Response to CHIR No. 3)

Response of the United States Postal Service to Chairman's Information Request No.4, October 26, 2018 (Response to CHIR No. 4)

Response of the United States Postal Service to Question 2 of Chairman's Information Request No. 6, October 26, 2018 (October 26 Response to CHIR No. 6)

Response of the United States Postal Service to Chairman's Information Request No. 5, October 29, 2018 (Response to CHIR No. 5).

Response of the United States Postal Service to Questions 1, 3, and 4 of Chairman's Information Request No. 6, October 31, 2018 (October 31 Response to CHIR No. 6).

Response of the United States Postal Service to Chairman's Information Request No. 7, November 1, 2018 (November 1 Response to CHIR No. 7).

Updated Response of the United States Postal Service to Question 1 of Chairman's Information Request No. 7, November 5, 2018 (November 5 Response to CHIR No. 7).

Response of the United States Postal Service to Questions 1 and 2 of Chairman's Information Request No. 8, November 5, 2018 (Public Response to CHIR No.8).

Response of the United States Postal Service to Chairman's Information Request No. 8, Question 3, with Materials Filed Under Seal, November 5, 2018 (Non-public Response to CHIR No.8).

APPENDIX B**LIST OF COMMENTERS AND COMMENTS**

Commenter	Citation	Citation Short Form
Ray Ardis	Comments Received from Ray Ardis, October 11, 2018.	Ardis Comments
Lisa Borden	Comments Received from Lisa Borden, October 12, 2018.	Borden Comments
Douglas F. Carlson	Douglas F. Carlson Comments in Opposition to a 55-Cent Price for One-Ounce, Machinable, Stamped, First-Class Letters [Erratum #2], October 31, 2018. ¹	Carlson Comments
James Castle	Comments Received from James Castle, October 12, 2018.	Castle Comments
Michael Cohen	Comments Received from Michael Cohen, October 16, 2018.	Cohen Comments
Helene Derkevics	Comments Received from Helene Derkevics, October 11, 2018.	Derkevics Comments
H. Dolloff	Comments Received from H. Dolloff, October 30, 2018.	Dolloff Comments
H. Dolloff	Additional Comments Received from H. Dolloff, November 7, 2018.	Additional Dolloff Comments
Greeting Card Association (GCA)	Comments of the Greeting Card Association, October 30, 2018.	GCA Comments
Landis Refining Co., Inc. (Landis Refining) ²	Comments Received from Vanessa Parsons, Landis Refining Co., Inc., October 26, 2018.	Initial Landis Refining Comments
Landis Refining Co., Inc. (Landis Refining)	Comments Received from Janice Cornell Landis, Landis Refining Co., Inc., October 30, 2018.	Supplemental Landis Refining Comments
Jacqueline McGinness	Comments Received from Jacqueline McGinness, October 16, 2018.	McGinness Comments
Michigan Lifers Association, Inc.	Comments Received from Michigan Lifers Association, Inc., October 22, 2018.	MLA Comments

¹ The substance of the remarks were timely filed; this is the final version of the remarks correcting typographical errors. Douglas F. Carlson Second Notice of Erratum in Comments, October 31, 2018; see *also* Douglas F. Carlson Notice of Erratum in Comments, October 30, 2018; Douglas F. Carlson Comments in Opposition to a 55-Cent Price for One-Ounce, Machinable, Stamped, First-Class Letters [Erratum], October 30, 2018; Douglas F. Carlson Comments in Opposition to a 55-Cent Price for One-Ounce, Machinable, Stamped, First-Class Letters, October 26, 2018.

² Two sets of comments submitted on behalf of Landis Refining, written by two different employees, were received.

Commenter	Citation	Citation Short Form
Lewis Moore	Comments Received from Lewis Moore, October 12, 2018.	Moore Comments
James P. Morey	Comments Received from James P. Morey, October 12, 2018.	Morey Comments
MPA—The Association of Magazine Media (MPA)	MPA—The Association of Magazine Media (MPA), October 30, 2018.	MPA Comments
National Association of Presort Mailers (NAPM)	Comments of the National Association of Presort Mailers, October 30, 2018.	NAPM Comments
Newtech Business Systems Inc. (NBSI)	Comments Received from Newtech Business Systems Inc., October 30, 2018.	NBSI Comments
National Newspaper Association (NNA)	Comments of National Newspaper Association on Proposed Periodicals Rates, Mandatory Address Changes and Pricing of Flats Trays, October 30, 2018.	NNA Comments
National Postal Policy Council (NPPC)	Comments of the National Postal Policy Council, October 30, 2018.	NPPC Comments
Pitney Bowes Inc. (Pitney Bowes)	Comments of Pitney Bowes Inc., October 30, 2018.	Pitney Bowes Comments
Association for Postal Commerce (PostCom)	Comments of the Association for Postal Commerce, October 30, 2018.	PostCom Comments
Public Representative	Public Representative Comments, October 30, 2018.	PR Comments
Thomas Riccardi	Comments Received from Thomas Riccardi, October 18, 2018.	Riccardi Comments
Candy Riley	Comments Received from Candy Riley, October 19, 2018.	Riley Comments
Amy Sandridge	Comments Received from Amy Sandridge, October 12, 2018. ³	Sandridge Comments
Charlene Schaaf	Comments Received from Charlene Schaaf, October 11, 2018.	Schaaf Comments
Ida Simmons	Comments Received from Ida Simmons, October 16, 2018.	Simmons Comments
Raymond Spada	Comments Received from Raymond Spada, October 12, 2018.	Spada Comments
Don Spears	Comments Received from Don Spears, October 18, 2018.	Spears Comments
Valpak Direct Marketing Systems, Inc. and the Valpak Franchise Association, Inc. (Valpak)	Valpak Direct Marketing Systems, Inc. and the Valpak Franchise Association, Inc. Comments on The United States Postal Service Notice of Market-	Valpak Comments

³ The text of these comments is reproduced in a courtesy copy of a letter received by the Commission on October 22, 2018. Letter from Amy Sandridge to the President of the United States, Donald Trump, October 22, 2018.

Commenter	Citation	Citation Short Form
	Dominant Price Adjustment, October 30, 2018.	
William Wanserski	Comments Received from William Wanserski, October 24, 2018.	Wanserski Comments
Cathy Wilson	Comments Received from Cathy Wilson, October 12, 2018.	Wilson Comments
Jeff Zybura	Comments Received from Jeff Zybura, October 18, 2018.	Zybura Comments