

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

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

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OFFICE OF THE SECRETARY

REQUEST OF THE UNITED STATES POSTAL SERVICE
FOR A RECOMMENDED DECISION ON CHANGES IN
RATES OF POSTAGE AND FEES FOR POSTAL SERVICES

UNITED STATES POSTAL SERVICE

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Pursuant to chapter 36 of title 39, United States Code, the United States Postal Service has determined that changes in rates of postage and fees for postal services would be in the public interest and in accordance with the policies of that title. Accordingly, the Postal Service requests the Postal Rate Commission to make and submit to the Governors of the Postal Service a recommended decision on changes in rates of postage and fees for postal services.

In accordance with the Commission's rules of practice and procedure, the Postal Service submits herewith information and data which explain the nature and scope, significance, and impact of the proposed rate and fee changes.

Without rate and fee changes, the Postal Service would incur a substantial revenue deficiency in the proposed test year, in contravention of 39 U.S.C. § 3621.

The rate and fee changes shown on the series of schedules in Attachment A are suggested to the Commission as a basis for providing sufficient revenues¹ in the test year to cover the projected revenue deficiency. "After rates" financial results are shown in the following table.

FINANCIAL RESULTS WITH
PROPOSED RATE AND FEE CHANGES
TEST YEAR 1998
(\$000)

<u>Present Rates</u>	<u>Test Year</u>
Total Revenues	\$59,403,483
Less: Total Revenue Requirement	\$61,845,600
Total Revenue Deficiency	(\$2,442,117)
<u>Proposed Rates</u>	
Total Increase in Revenue	\$2,242,407
Total Decrease in Costs (Revenue Requirement)	(\$241,659)
Decrease in Revenue Deficiency	\$2,484,066
Total Revenue Surplus	\$41,949

In accordance with the Commission's rules of practice and procedure, the Postal Service with this Request files the prepared direct evidence on which it proposes to rely, which consists of testimony and exhibits of 40 witnesses (42 testimonies). The testimony and exhibits have been marked for identification as shown on Attachment F. Following the practice established in prior proceedings, each witness's proposed testimony has been given a number, which is shown on the prepared evidence in the upper right hand corner of the

¹Together with income from other sources not within the Commission's jurisdiction under

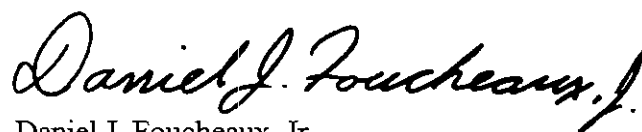
cover page. Further data submitted for informational purposes or in response to sections of the rules of practice are included in other attachments.

Included in this filing is a Request for a Recommended Decision on certain changes in the Domestic Mail Classification Schedule. As a consequence, the data and information submitted herewith respond to Rule 64 of the Commission's rules of practice and procedure.

WHEREFORE, the Postal Service Requests that the Commission recommend a decision in accordance with this Request.

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ATTACHMENTS

PROPOSED CHANGES TO DOMESTIC MAIL CLASSIFICATION SCHEDULE	A
REQUESTED CHANGES IN RATES AND FEES AND PHASING SCHEDULES	B
SEPCIFICATION OF THE RULES, REGULATIONS, AND PRACTICES THAT ESTABLISH STANDARDS OF SERVICE AND CONDITIONS OF MAILABILITY	C
CERTIFICATION	D
AUDITED FINANCIAL STATEMENTS	E
LIST OF TESTIMONY AND EXHIBITS	F
COMPLIANCE STATEMENT	G

REQUESTED CHANGES IN THE DOMESTIC MAIL CLASSIFICATION SCHEDULE

In this Request, the Postal Service asks the Commission to recommend certain changes in the Domestic Mail Classification Schedule (DMCS). The changes requested herein alter the DMCS as amended from time-to-time, most recently by the Decision of the Governors on the Recommended Decision of the Postal Rate Commission on Special Services Fees and Classifications, Docket No. MC96-3, (Special Services Decision) as implemented by Resolution 97-7 of the Board of Governors, and the Decision of the Governors on the Recommended Decision of the Postal Rate Commission on the Experimental Nonletter-Size Business Reply Mail Categories and Fees, Docket No. MC97-1 (BRM Decision), as implemented by Resolution 97-8 of the Board of Governors. The current DMCS (which is published in part at 39 CFR Part 3001, subpart C, appendix A, in part as Attachment A to the Special Services Decision (62 Fed. Reg. 26,099), in part as Attachment A to the BRM Decision (62 Fed. Reg. 25,756), and in part as Attachment B to the Decision of the Governors of the United States Postal Service on the Recommended Decision of the Postal Rate Commission on Nonprofit Standard Mail, Nonprofit Enhanced Carrier Route Standard Mail, Nonprofit Periodicals, and Within County Periodicals, Docket No. MC96-2 (61 Fed. Reg. 42,464)), is incorporated by reference in this Request.

Except as otherwise noted, proposed additions to text of the classification schedules are underlined, and proposed deletions are stricken. Classification schedules for

special services, which are currently numbered as schedules SS—1-6, SS—8-16, and SS—18-20, are renumbered as indicated in the table below. Existing section numbers for the special service schedules do not appear as overstricken text in this attachment; however, edits to the remaining text of the renumbered sections appear as they are printed in the existing special service schedules, and edits to the remaining text are stricken or underlined, as appropriate.

**SPECIAL SERVICES
DMCS CROSS-REFERENCE TABLE
EXISTING TO PROPOSED**

SERVICE	EXISTING DMCS SECTION	PROPOSED DMCS SECTION
Address Correction Service	SS-1	911
Business Reply Mail	SS-2	931
Caller Service	SS-3	921
Certificate of Mailing	SS-4	947
Certified Mail	SS-5	941
Collect on Delivery Service	SS-6	944
Domestic Postal Money Orders	SS-8	971
Insured Mail	SS-9	943
Post Office Box Service	SS-10	921
Mailing List Services	SS-11	912
On-Site Meter Setting	SS-12	933
Parcel Airlift (PAL)	SS-13	951
Registered Mail	SS-14	942
Restricted Delivery	SS-15	946
Return Receipts	SS-16	945
Special Handling	SS-18	952
Stamped Envelopes	SS-19	961
Stamped Cards	SS-19A	962
Merchandise Return	SS-20	932

The changes in the DMCS requested by the Postal Service are as follows:

AMEND THE DOMESTIC MAIL CLASSIFICATION SCHEDULE AS FOLLOWS:

EXPEDITED MAIL CLASSIFICATION SCHEDULE

110 DEFINITION

Expedited Mail is mail matter entered as Express Mail ~~in accordance with~~ under the provisions of this Schedule. Any matter eligible for mailing may, at the option of the mailer, be mailed as Express Mail. Insurance is either included in Express Mail postage or is available for an additional charge, depending on the value and nature of the item sent by Express Mail.

120 DESCRIPTION OF SERVICES

121 Same Day Airport Service

Same Day Airport service is available between designated airport mail facilities.

122 Custom Designed Service

122.1 **General.** Custom Designed service is available between designated postal facilities or other designated locations for mailable matter tendered ~~in accordance with~~ under a service agreement between the Postal Service and the mailer. Service under a service agreement shall be offered in a manner consistent with 39 U.S.C. 403(c).

122.2 **Service Agreement.** A service agreement shall set forth the following:

- a. The scheduled place for each shipment tendered for service to each specific destination;
-

- b. Scheduled place for claim, or delivery, at destination for each scheduled shipment;
 - c. Scheduled time of day for tender at origin and for claim or delivery at destination.
- 122.3 **Pickup and Delivery.** Pickup at the mailer's premises, and/or delivery at an address other than the destination postal facility is provided under terms and conditions as ~~prescribed~~ specified by the Postal Service.
- 122.4 **Commencement of Service Agreement.** Service provided pursuant to a service agreement shall commence not more than 10 days after the signed service agreement is tendered to the Postal Service.
- 122.5 **Termination of Service Agreement**
- 122.51 **Termination by Postal Service.** Express Mail service provided pursuant to a service agreement may be terminated by the Postal Service upon 10 days prior written notice to the mailer if:
 - a. Service cannot be provided for reasons beyond the control of the Postal Service or because of changes in Postal Service facilities or operations, or
 - b. The mailer fails to adhere to the terms of the service agreement or this schedule.
- 122.52 **Termination by Mailers.** The mailer may terminate a service agreement, for any reason, by notice to the Postal Service.
- 123 **Next Day Service and Second Day Service**
- 123.1 **Availability of Services.** Next Day and Second Day Services are available at designated retail postal facilities to designated destination facilities or locations for items tendered by the time or times ~~prescribed~~ specified by the Postal Service. Next Day Service is available for overnight delivery. Second Day Service is available for second day delivery.

123.2 **Pickup Service.** Pickup service is available for Next Day and Second Day Services under terms and conditions as ~~prescribed~~ specified by the Postal Service. Service shall be offered in a manner consistent with 39 U.S.C. 403(c).

130 **PHYSICAL LIMITATIONS**

Express Mail may not exceed 70 pounds or 108 inches in length and girth combined.

140 **POSTAGE AND PREPARATION**

Except as provided in Rate Schedules 121, 122 and 123, postage on Express Mail is charged on each piece. For shipments tendered in Express Mail pouches under a service agreement, each pouch is a piece.

150 **DEPOSIT AND DELIVERY**

151 **Deposit**

Express Mail must be deposited at places designated by the Postal Service.

152 **Receipt**

A receipt showing the time and date of mailing will be provided to the mailer upon acceptance of Express Mail by the Postal Service. This receipt serves as evidence of mailing.

153 **Service**

Express Mail service provides a high speed, high reliability service. Same Day Airport Express Mail will be dispatched on the next available transportation to the destination airport mail facility. Custom Designed Express Mail will be available for claim or delivery as specified in the service agreement.

154 **Forwarding and Return**

When Express Mail is returned, or forwarded, as ~~prescribed~~ specified by the Postal Service, there will be no additional charge.

160 **ANCILLARY SERVICES**

The following services may be obtained in conjunction with mail sent under this classification schedule upon payment of applicable fees:

Service	Schedule
a. Address correction	<u>911</u> SS-1
b. Return receipts	<u>945</u> SS-16
c. COD	<u>944</u> SS-6
d. Express Mail Insurance	<u>943</u> SS-9

170 **RATES AND FEES**

The rates for Express Mail are set forth in the following rate schedules:

	Schedule
a. Same Day Airport	121
b. Custom Designed	122
c. Next Day Post Office-to-Post Office	123
d. Second Day Post Office-to-Post Office	123
e. Next Day Post Office-to-Addressee	123
f. Second Day Post Office-to-Addressee	123

180 **REFUNDS**

181 **Procedure**

Claims for refunds of postage must be filed within the period of time and under terms and conditions ~~prescribed~~ specified by the Postal Service.

182 **Availability**

182.1 **Same Day Airport.** The Postal Service will refund the postage for Same Day Airport Express Mail not available for claim by the time specified, unless the delay is caused by:

- a. Strikes or work stoppage;
- b. Delay or cancellation of flights; or
- c. Governmental action beyond the control of Postal Service or air carriers.

182.2 **Custom Designed.** Except where a service agreement provides for claim, or delivery, of Custom Designed Express Mail more than 24 hours after scheduled tender at point of origin, the Postal Service will refund postage for such mail not available for claim, or not delivered, within 24 hours of mailing, unless the item was delayed by strike or work stoppage.

182.3 **Next Day.** Unless the item was delayed by strike or work stoppage, the Postal Service will refund postage for Next Day Express Mail not available for claim or not delivered:

- a. By 10:00 a.m., or earlier time(s) ~~prescribed~~ specified by the Postal Service, of the next delivery day in the case of Post Office-to-Post Office service;
- b. By 3:00 p.m., or earlier time(s) ~~prescribed~~ specified by the Postal Service, of the next delivery day in the case of Post Office-to-Addressee service.

182.4 **Second Day.** Unless the item was delayed by strike or work stoppage, the Postal Service will refund postage for Second Day Express Mail not available for claim or not delivered:

- a. By 10:00 a.m., or earlier time(s) ~~prescribed~~ specified by the Postal Service, of the second delivery day in the case of Post Office-to-Post Office service;
- b. By 3:00 p.m., or earlier time(s) ~~prescribed~~ specified by the Postal Service, of the second delivery day in the case of Post Office-to-Addressee service.

190 **Hazardous Medical Materials And Other Mailable Hazardous Materials Surcharges.** Express Mail containing hazardous medical materials or other mailable hazardous materials, as defined by the Postal Service, must meet the preparation requirements of the Postal Service and is subject to one or both surcharges.

FIRST-CLASS MAIL CLASSIFICATION SCHEDULE

210 DEFINITION

Any matter eligible for mailing may, at the option of the mailer, be mailed as First-Class Mail. The following must be mailed as First-Class Mail, unless mailed as Express Mail or exempt under title 39, United States Code, or except as authorized under sections 344.12, 344.23 and 443:

- a. Mail sealed against postal inspection as set forth in section 5000;
- b. Matter wholly or partially in handwriting or typewriting except as specifically permitted by sections 312, 313, 323, 344.22, and 446;
- c. Matter having the character of actual and personal correspondence except as specifically permitted by sections 312, 313, 323, 344.22, and 446; and
- d. Bills and statements of account.

220 DESCRIPTION OF SUBCLASSES

221 Letters and Sealed Parcels Subclass

221.1 **General.** The Letters and Sealed Parcels subclass consists of First-Class Mail weighing 11 ounces or less that is not mailed under section 222 or 223.

221.2 **Regular Rate Categories.** The regular rate categories consist of Letters and Sealed Parcels subclass mail not mailed under section 221.3.

221.21 **~~Single-Piece~~ Single-Piece Rate Category.** The single-piece rate category applies to regular rate Letters and Sealed Parcels subclass mail not mailed under section 221.22, 221.23, or 221.24.

221.22 **Presort Rate Category.** The Presort rate category applies to Letters and Sealed Parcels subclass mail that:

- a. Is prepared in a mailing of at least 500 pieces;
- b. Is presorted, marked, and presented as ~~prescribed~~ specified by the Postal Service; and
- c. Meets the addressing and other preparation requirements ~~prescribed~~ specified by the Postal Service.

221.23 **Prepaid Reply Mail Rate Category.** The Prepaid Reply Mail category applies to Letters and Sealed Parcels subclass mail that:

- a. Is provided to senders with postage-prepaid by the recipient, a Prepaid Reply Mail permit holder, for return by mail to the recipient;
- b. Bears the recipient's preprinted machine-readable return address, a barcode representing not more than 11 digits (not including "correction" digits), a Facing Identification Mark, and other markings specified and approved by the Postal Service; and
- c. Meets the letter machinability and other preparation requirements specified by the Postal Service.

221.24 **Qualified Business Reply Mail Rate Category.** The Qualified Business Reply Mail category applies to Letters and Sealed Parcels subclass mail that:

- a. Is provided to senders by the recipient, an advance deposit account Business Reply Mail permit holder, for return by mail to the recipient;
- b. Bears the recipient's preprinted machine-readable return address, a barcode representing not more than 11 digits (not including "correction" digits), a Facing Identification Mark, and other markings specified and approved by the Postal Service; and

- c. Meets the letter machinability and other preparation requirements specified by the Postal Service.

221.25 **Nonstandard Size Surcharge.** Regular rate category Letters and Sealed Parcels subclass mail is subject to a surcharge if it is nonstandard size mail, as defined in section 232.

~~221.25 — **Presort Discount for Pieces Weighing More Than Two Ounces.** Presort rate category Letters and Sealed Parcels subclass mail is eligible for an additional presort discount on each piece weighing more than two ounces.~~

221.3 Automation Rate Categories — Letters and Flats

221.31 General. The automation rate categories consist of Letters and Sealed Parcels subclass mail weighing 11 ounces or less that:

- a. Is prepared in a mailing of at least 500 pieces;
- b. Is presorted, marked, and presented as specified by the Postal Service;
- c. Bears a barcode representing not more than 11 digits (not including "correction" digits) as ~~prescribed~~ specified by the Postal Service; and
- d. Meets the machinability, addressing, barcoding, and other preparation requirements ~~prescribed~~ specified by the Postal Service.

221.32 Basic Rate Category. The basic rate category applies to letter-size automation rate category mail not mailed under section 221.33, 221.34, or 221.35.

221.33 Three-Digit Rate Category. The three-digit rate category applies to letter-size automation rate category mail presorted to single or multiple three-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.

221.34 Five-Digit Rate Category. The five-digit rate category applies to letter-size automation rate category mail presorted to single or multiple five-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.

- 221.35 **Carrier Route Rate Category.** The carrier route rate category applies to letter-size automation rate category mail presorted to carrier routes. It is available only for those carrier routes ~~prescribed~~ specified by the Postal Service.
- 221.36 **Basic Flats Rate Category.** The basic flats rate category applies to flat-size automation rate category mail not mailed under section 221.37.
- 221.37 **Three- and Five-Digit Flats Rate Category.** The three- and five-digit flats rate category applies to flat-size automation rate category mail presorted to single or multiple three- and five-digit ZIP Code destinations as specified by the Postal Service.
- 221.38 **Nonstandard Size Surcharge.** Flat-size automation rate category pieces are subject to a surcharge if they are nonstandard size mail, as defined in section 232.
- ~~221.39 **Presort Discount for Pieces Weighing More Than Two Ounces.** Presorted automation rate category mail is eligible for an additional presort discount on each piece weighing more than two ounces.~~
- 221.4 **Automation Rate Category — Parcels**
- 221.41 **Prebarcoded Parcel Rate Category.** The prebarcoded parcel rate category applies to Letters and Sealed Parcels subclass nonpresorted mail that:
- a. Is prepared in a mailing of at least 50 pieces;
 - b. Bears a barcode as ~~prescribed~~ specified by the Postal Service;
 - c. Is marked and presented as ~~prescribed~~ specified by the Postal Service; and
 - d. Meets the machinability, addressing, barcoding, and other preparation requirements ~~prescribed~~ specified by the Postal Service.

This provision is applicable only to mailings entered for processing at no more than six facilities designated by the Postal Service. This provision expires April 28, 1998.

221.5 Hazardous Medical Materials and Other Mailable Hazardous Materials Surcharges. Letters and Sealed Parcels subclass mail containing hazardous medical materials or other mailable hazardous materials, as defined by the Postal Service, must meet the preparation requirements of the Postal Service and is subject to one or both surcharges.

222 ~~Stamped Cards and Post Cards~~ Cards Subclass

222.1 Definition

222.11 ~~Stamped Card.~~ A Stamped Card is a card with postage imprinted or impressed on it and supplied by the Postal Service for the transmission of messages.

222.121 ~~Post Card~~ Cards. The Cards subclass consists of Stamped Cards, defined in classification schedule 962, and postcards. A ~~post-card~~ postcard is a privately printed mailing card for the transmission of messages. To be eligible to be mailed as a First-Class ~~post-card~~ postcard, a card must be of uniform thickness and must not exceed any of the following dimensions:

- a. 6 inches in length;
- b. 4¼ inches in width;
- c. 0.016 inch in thickness.

222.132 Double Cards. Double Stamped Cards or ~~post-cards~~ postcards may be mailed as Stamped Cards or ~~post-cards~~ postcards. A ~~double Stamped Cards~~ Double Stamped Cards are defined in classification schedule 962. ~~or post-card~~ A double postcard consists of two attached cards, one of which may be detached by the receiver and returned by mail as a single ~~Stamped Card or postcard~~ postcard.

222.2 Restriction. A mailpiece with any of the following characteristics is not mailable as a Stamped Card or ~~post-card~~ postcard unless it is prepared as ~~prescribed~~ specified by the Postal Service:

- a. Numbers or letters unrelated to postal purposes appearing in the address portion of the card;
- b. Punched holes;
- c. Vertical tearing guide;
- d. An address portion which is smaller than the remainder of the card.

222.3 Regular Rate Categories

222.31 Single-Piece Rate Category. The single-piece rate category applies to regular rate ~~Stamped Cards and Post Cards~~ subclass mail not mailed under section 222.32-, 222.33, or 222.34.

222.32 Presort Rate Category. The presort rate category applies to ~~Stamped Cards and Post Cards~~ subclass mail that:

- a. Is prepared in a mailing of at least 500 pieces;
- b. Is presorted, marked, and presented as ~~prescribed~~ specified by the Postal Service; and
- c. Meets the addressing and other preparation requirements ~~prescribed~~ specified by the Postal Service.

222.33 Prepaid Reply Mail Rate Category. The Prepaid Reply Mail category applies to Cards subclass mail that:

- a. Is provided to senders with postage-prepaid by the recipient, a Prepaid Reply Mail permit holder, for return by mail to the recipient;
- b. Bears the recipient's preprinted machine-readable return address, a barcode representing not more than 11 digits (not including "correction" digits), a Facing Identification Mark, and other markings specified and approved by the Postal Service; and

- c. Meets the card machinability and other preparation requirements specified by the Postal Service.

222.34 **Qualified Business Reply Mail Rate Category.** The Qualified Business Reply Mail category applies to Cards subclass mail that:

- a. Is provided to senders by the recipient, an advance deposit account Business Reply Mail permit holder, for return by mail to the recipient;
- b. Bears the recipient's preprinted machine-readable return address, a barcode representing not more than 11 digits (not including "correction" digits), a Facing Identification Mark, and other markings specified and approved by the Postal Service; and
- c. Meets the card machinability and other preparation requirements specified by the Postal Service.

222.4 Automation Rate Categories

222.41 **General.** The automation rate categories consist of ~~Stamped Cards and Post Cards~~ subclass mail that:

- a. Is prepared in a mailing of at least 500 pieces;
- b. Is presorted, marked, and presented as specified by the Postal Service;
- c. Bears a barcode representing not more than 11 digits (not including "correction" digits) as ~~prescribed~~ specified by the Postal Service; and
- d. Meets the machinability, addressing, barcoding, and other preparation requirements ~~prescribed~~ specified by the Postal Service.

222.42 **Basic Rate Category.** The basic rate category applies to automation rate category cards not mailed under section 222.43, 222.44, or 222.45.

- 222.43 **Three-Digit Rate Category.** The three-digit rate category applies to automation rate category cards presorted to single or multiple three-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.
- 222.44 **Five-Digit Rate Category.** The five-digit rate category applies to automation rate category cards presorted to single or multiple five-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.
- 222.45 **Carrier Route Rate Category.** The carrier route rate category applies to automation rate category cards presorted to carrier routes. It is available only for those carrier routes ~~prescribed~~ specified by the Postal Service.
- 223 **Priority Mail**
- 223.1 **General.** The Priority Mail subclass consists of:
- a. First-Class Mail weighing more than 11 ounces; and
 - b. Any mailable matter which, at the option of the mailer, is mailed for expeditious mailing and transportation.
- 223.2 **Single-Piece Priority Mail Rate Category.** The single-piece Priority Mail ~~priority mail~~ rate category applies to Priority Mail subclass mail not mailed under section 223.34.
- 223.3 ~~**Presorted Priority Mail Rate Category.** The presorted priority mail Priority Mail rate category applies to Priority Mail subclass mail that:~~
- ~~a. Is prepared in a mailing of at least 300 pieces;~~
 - ~~b. Is presorted, marked, and presented as prescribed by the Postal Service; and~~
 - ~~c. Meets the machinability, addressing, and other preparation requirements prescribed by the Postal Service. [reserved]~~
- 223.4 **Prebarcoded Priority Mail Parcel Rate Category.** The prebarcoded Priority Mail Parcel rate category applies to Priority Mail subclass ~~nonpresorted mail~~ that:
- a. Is prepared in a mailing of at least 50 pieces;

- b. Bears a barcode as ~~prescribed~~ specified by the Postal Service;
- c. Is marked and presented as ~~prescribed~~ specified by the Postal Service; and
- d. Meets the machinability, addressing, barcoding, and other preparation requirements ~~prescribed~~ specified by the Postal Service.

This provision is applicable only to mailings entered for processing at no more than six facilities designated by the Postal Service. This provision expires April 28, 1998.

223.5 **Flat Rate Envelope.** Priority Mail subclass mail sent in a "flat rate" envelope provided by the Postal Service is charged the two-pound rate.

223.6 **Pickup Service.** Pickup service is available for Priority Mail subclass mail under terms and conditions ~~prescribed~~ specified by the Postal Service.

223.7 **Bulky Parcels.** Priority Mail subclass mail weighing less than 15 pounds, and measuring over 84 inches in length and girth combined, is charged a minimum rate equal to that for a 15-pound parcel for the zone to which the piece is addressed.

223.8 **Hazardous Medical Materials and Other Mailable Hazardous Materials Surcharges.** Priority Mail containing hazardous medical materials or other mailable hazardous materials, as defined by the Postal Service, must meet the preparation requirements of the Postal Service and is subject to one or both surcharges.

230 **PHYSICAL LIMITATIONS**

231 **Size and Weight**

First-Class Mail may not exceed 70 pounds or 108 inches in length and girth combined. Additional size and weight limitations apply to individual First-Class Mail subclasses.

232 **Nonstandard Size Mail**

Letters and Sealed Parcels subclass mail weighing one ounce or less is nonstandard size if:

- a. Its aspect ratio does not fall between 1 to 1.3 and 1 to 2.5 inclusive; or
- b. It exceeds any of the following dimensions:
 - i. 11.5 inches in length;
 - ii. 6.125 inches in width; or
 - iii. 0.25 inch in thickness.

240 **POSTAGE AND PREPARATION**

Postage on First-Class Mail must be paid as set forth in section 3000. Postage is computed separately on each piece of mail. Pieces not within the same postage rate increment may be mailed at other than a single-piece rate as part of the same mailing only when specific methods approved by the Postal Service for ~~ascertaining~~ determining and verifying postage are followed. All mail mailed at other than a single-piece rate must have postage paid in a manner not requiring cancellation.

250 **DEPOSIT AND DELIVERY**

251 **Deposit**

First-Class Mail must be deposited at places and times designated by the Postal Service.

252 **Service**

First-Class Mail receives expeditious handling and transportation, except that when First-Class Mail is attached to or enclosed with mail of another class, the service of that class applies.

253 **Forwarding and Return**

First-Class Mail that is undeliverable-as-addressed is forwarded or returned to the sender without additional charge.

260 **ANCILLARY SERVICES**

First-Class Mail, except as otherwise noted, will receive the following additional services upon payment of the fees prescribed in the corresponding schedule:

Service	Schedule
a. Address correction	<u>911</u> SS-1
b. Business reply mail	<u>931</u> SS-2
c. Certificates of mailing	<u>947</u> SS-4
d. Certified mail	<u>941</u> SS-5
e. COD	<u>944</u> SS-6
f. Insured mail	<u>943</u> SS-9
g. Registered mail	<u>942</u> SS-14
h. Return receipt (limited to merchandise sent by Priority Mail)	<u>945</u> SS-16
i. Merchandise return	<u>932</u> SS-20
j. <u>Delivery Confirmation (limited to Priority Mail)</u>	<u>948</u>

270 **RATES AND FEES**

271 The rates ~~and fees~~ for First-Class Mail are set forth in the following schedules:

	Schedule
a. Letters and Sealed Parcels	221
b. Stamped Cards and Post Cards	222
c. Priority Mail	223
d. Fees	SS 19A and 1000

272 **Keys and Identification Devices.** Keys, identification cards, identification tags, or similar identification devices that:

- (a) weigh no more than 2 pounds;
- (b) are mailed without cover; and
- (c) bear, contain, or have securely attached the name and address information, as specified by the Postal Service, of a person, organization, or concern, with instructions to return to the address and a statement guaranteeing the payment of postage due on delivery;

are subject to the following rates and fees:

- (a) the applicable single-piece rates in schedules 221 or 223;
- (b) the fee set forth in fee schedule 931 for payment of postage due charges if an active business reply mail advance deposit account is not used, and
- (c) the nonstandard surcharge, if applicable, under section 232.

280 **AUTHORIZATIONS AND LICENSES**

The fee set forth in ~~Rate~~ Schedule 1000 must be paid once each year at each office of mailing by any person who mails other than single-piece First-Class Mail or courtesy envelope mail. Payment of the fee allows the mailer to mail at any First-Class rate.

STANDARD MAIL CLASSIFICATION SCHEDULE

310 DEFINITION

311 General

Any mailable matter may be mailed as Standard Mail except:

- a. Matter required to be mailed as First-Class Mail;
- b. Copies of a publication that is entered as Periodicals class mail, except copies sent by a printer to a publisher, and except copies that would have traveled at the former second-class transient rate. (The transient rate applied to individual copies of second-class mail (currently Periodicals class mail) forwarded and mailed by the public, as well as to certain sample copies mailed by publishers.)

312 Printed Matter

Printed matter, including printed letters which according to internal evidence are being sent in identical terms to several persons, but which do not have the character of actual or personal correspondence, may be mailed as Standard Mail. Printed matter does not lose its character as Standard Mail when the date and name of the addressee and of the sender are written thereon. For the purposes of the Standard Mail Classification Schedule, "printed" does not include reproduction by handwriting or typewriting.

313 Written Additions

Standard Mail may have the following written additions placed on the wrapper, on a tag or label attached to the outside of the parcel, or inside the parcel, either loose or attached to the article:

- a. Marks, numbers, name, or letters descriptive of contents;
- b. "Please Do Not Open Until Christmas," or words of similar import;

- c. Instructions and directions for the use of an article in the package;
- d. Manuscript dedication or inscription not in the nature of personal correspondence;
- e. Marks to call attention to any word or passage in text;
- f. Corrections of typographical errors in printed matter;
- g. Manuscripts accompanying related proof sheets, and corrections in proof sheets to include: corrections of typographical and other errors, alterations of text, insertion of new text, marginal instructions to the printer, and rewrites of parts if necessary for correction;
- h. Handstamped imprints, except when the added matter is itself personal or converts the original matter to a personal communication;
- i. An invoice.

320 **DESCRIPTION OF SUBCLASSES**

321 **Subclasses Limited to Mail Weighing Less than 16 Ounces**

~~321.1 **Single Piece Subclass**~~

~~321.11 **Definition.** The Single Piece subclass consists of Standard Mail weighing less than 16 ounces that is not mailed under sections 321.2, 321.3, 321.4, 321.5 or 323.~~

~~321.12 **Basic Rate Category.** The basic rate category applies to Single Piece subclass mail not mailed under section 321.13.~~

~~321.13 **Keys and Identification Devices Rate Category.** The keys and identification devices rate category applies to keys, identification cards, identification tags, or similar identification devices mailed without cover, and which bear, contain, or have securely attached the name and complete address of a person,~~

~~organization, or concern, with instructions to return to such address and a statement guaranteeing the payment of postage due on delivery.~~

~~321.14 **Nonstandard Size Surcharge.** Single Piece subclass mail, other than that mailed under section 321.13, is subject to a surcharge if it is nonstandard size mail, as defined in section 333.~~

321.2 **Regular Subclass**

321.21 **General.** The Regular subclass consists of Standard Mail weighing less than 16 ounces that is not mailed under sections ~~321.1~~, 321.3, 321.4, 321.5 or 323.

321.22 **Presort Rate Categories**

321.221 **General.** The presort rate categories apply to Regular subclass mail that:

- a. Is prepared in a mailing of at least 200 addressed pieces or 50 pounds of addressed pieces;
- b. Is presorted, marked, and presented as ~~prescribed~~ specified by the Postal Service; and
- c. Meets the machinability, addressing, and other preparation requirements ~~prescribed~~ specified by the Postal Service.

321.222 *Basic Rate Categories.* The basic rate categories apply to presort rate category mail not mailed under section 321.223.

321.223 *Three- and Five-Digit Rate Categories.* The three- and five-digit rate categories apply to presort rate category mail presorted to single or multiple three- and five-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.

321.23 **Automation Rate Categories**

321.231 **General.** The automation rate categories apply to Regular subclass mail that:

- a. Is prepared in a mailing of at least 200 addressed pieces or 50 pounds of addressed pieces;
- b. Is presorted, marked, and presented as ~~prescribed~~ specified by the Postal Service;
- c. Bears a barcode representing not more than 11 digits (not including “correction” digits) as ~~prescribed~~ specified by the Postal Service;
- d. Meets the machinability, addressing, barcoding, and other preparation requirements ~~prescribed~~ specified by the Postal Service.

321.232 *Basic Barcoded Rate Category.* The basic barcoded rate category applies to letter-size automation rate category mail not mailed under section 321.233 or 321.234.

321.233 *Three-Digit Barcoded Rate Category.* The three-digit barcoded rate category applies to letter-size automation rate category mail presorted to single or multiple three-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.

321.234 *Five-Digit Barcoded Rate Category.* The five-digit barcoded rate category applies to letter-size automation rate category mail presorted to single or multiple five-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.

321.235 **Basic Barcoded Flats Rate Category.** The basic barcoded flats rate category applies to flat-size automation rate category mail not mailed under section 321.236.

321.236 *Three- and Five-Digit Barcoded Flats Rate Category.* The three- and five-digit barcoded flats rate category applies to flat-size automation rate category mail presorted to single or multiple three- and five-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.

321.24 **Destination Entry Discount.** The destination entry discounts apply to Regular subclass mail prepared as ~~prescribed~~ specified by the Postal Service and addressed for delivery within the service area of the BMC (or auxiliary service

facility), or sectional center facility (SCF), at which it is entered, as defined by the Postal Service.

321.25 Residual Shape Surcharge. Regular subclass mail is subject to a surcharge if it is prepared as a parcel or if it is not letter or flat shaped.

321.26 Hazardous Medical Materials and Other Mailable Hazardous Materials Surcharges. Regular subclass mail containing hazardous medical materials or other mailable hazardous materials, as defined by the Postal Service, must meet the preparation requirements of the Postal Service and is subject to one or both surcharges.

321.3 Enhanced Carrier Route Subclass

321.31 Definition. The Enhanced Carrier Route subclass consists of Standard Mail weighing less than 16 ounces that is not mailed under section ~~321.1~~, 321.2, 321.4, 321.5 or 323, and that:

- a. Is prepared in a mailing of at least 200 addressed pieces or 50 pounds of addressed pieces;
- b. Is prepared, marked, and presented as ~~prescribed~~ specified by the Postal Service;
- c. Is presorted to carrier routes as ~~prescribed~~ specified by the Postal Service;
- d. Is sequenced as ~~prescribed~~ specified by the Postal Service; and
- e. Meets the machinability, addressing, and other preparation requirements ~~prescribed~~ specified by the Postal Service.

321.32 Basic Rate Category. The basic rate category applies to Enhanced Carrier Route subclass mail not mailed under section 321.33, 321.34 or 321.35.

321.33 Basic Pre-Barcoded Rate Category. The basic pre-barcoded rate category applies to letter-size Enhanced Carrier Route subclass mail which bears a barcode representing not more than 11 digits (not including "correction" digits), as specified ~~prescribed~~ by the Postal Service, and which meets the

machinability, addressing, and barcoding specifications and other preparation requirements ~~prescribed~~ specified by the Postal Service.

- 321.34 **High Density Rate Category.** The high density rate category applies to Enhanced Carrier Route subclass mail presented in walk-sequence order and meeting the high density requirements ~~prescribed~~ specified by the Postal Service.
- 321.35 **Saturation Rate Category.** The saturation rate category applies to Enhanced Carrier Route subclass mail presented in walk-sequence order and meeting the saturation requirements ~~prescribed~~ specified by the Postal Service.
- 321.36 **Destination Entry Discounts.** Destination entry discounts apply to Enhanced Carrier Route subclass mail prepared as ~~prescribed~~ specified by the Postal Service and addressed for delivery within the service area of the BMC (or auxiliary service facility), sectional center facility (SCF), or destination delivery unit (DDU) at which it is entered, as defined by the Postal Service.
- 321.37 **Residual Shape Surcharge.** Enhanced Carrier Route subclass mail is subject to a surcharge if it is prepared as a parcel or if it is not letter or flat shaped.
- 321.38 **Hazardous Medical Materials and Other Mailable Hazardous Materials Surcharges.** Enhanced Carrier Route subclass mail containing hazardous medical materials or other mailable hazardous materials, as defined by the Postal Service, must meet the preparation requirements of the Postal Service and is subject to one or both surcharges
- 321.4 **Nonprofit Subclass**
- 321.41 **General.** The Nonprofit subclass consists of Standard Mail weighing less than 16 ounces that is not mailed under section ~~321.1~~, 321.2, 321.3, 321.5 or 323, and that is mailed by authorized nonprofit organizations or associations of the following types:
- a. Religious, as defined in section 1009,
 - b. Educational, as defined in section 1009,

- c. Scientific, as defined in section 1009,
- d. Philanthropic, as defined in section 1009,
- e. Agricultural, as defined in section 1009,
- f. Labor, as defined in section 1009,
- g. Veterans', as defined in section 1009,
- h. Fraternal, as defined in section 1009,
- i. Qualified political committees,
- j. State or local voting registration officials when making a mailing required or authorized by the National Voter Registration Act of 1993.

321.411 **Qualified Political Committees.** The term "qualified political committee" means a national or State committee of a political party, the Republican and Democratic Senatorial Campaign Committees, the Democratic National Congressional Committee, and the National Republican Congressional Committee:

- a. The term "national committee" means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level; and
- b. The term "State committee" means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level.

321.412 *Limitation on Authorization.* An organization authorized to mail at the nonprofit Standard rates for qualified nonprofit organizations may mail only its own matter at these rates. An organization may not delegate or lend the use of its permit to mail at ~~special~~ Nonprofit Standard rates to any other person, organization or association.

321.42 Presort Rate Categories

321.421 General. The presort rate categories apply to Nonprofit subclass mail that:

- a. Is prepared in a mailing of at least 200 addressed pieces or 50 pounds of addressed pieces;
- b. Is presorted, marked, and presented as ~~prescribed~~ specified by the Postal Service; and
- c. Meets the machinability, addressing, and other preparation requirements ~~prescribed~~ specified by the Postal Service.

321.422 Basic Rate Categories. The basic rate categories apply to presort rate category mail not mailed under section 321.423.

321.423 Three- and Five-Digit Rate Categories. The three- and five-digit rate categories apply to presort rate category mail presorted to single or multiple three- and five-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.

321.43 Automation Rate Categories

321.431 General. The automation rate categories apply to Nonprofit subclass mail that:

- a. Is prepared in a mailing of at least 200 addressed pieces or 50 pounds of addressed pieces;
- b. Is presorted, marked, and presented as ~~prescribed~~ specified by the Postal Service;
- c. Bears a barcode representing not more than 11 digits (not including “correction” digits) as ~~prescribed~~ specified by the Postal Service;
- d. Meets the machinability, addressing, barcoding, and other preparation requirements ~~prescribed~~ specified by the Postal Service.

- 321.432 *Basic Barcoded Rate Category.* The basic barcoded rate category applies to letter-size automation rate category mail not mailed under section 321.433 or 321.434.
- 321.433 *Three-Digit Barcoded Rate Category.* The three-digit barcoded rate category applies to letter-size automation rate category mail presorted to single or multiple three-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.
- 321.434 *Five-Digit Barcoded Rate Category.* The five-digit barcoded rate category applies to letter-size automation rate category mail presorted to single or multiple five-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.
- 321.435 *Basic Barcoded Flats Rate Category.* The basic barcoded flats rate category applies to flat-size automation rate category mail not mailed under section 321.436.
- 321.436 *Three- and Five-Digit Barcoded Flats Rate Category.* The three- and five-digit barcoded flats rate category applies to flat-size automation rate category mail presorted to single or multiple three- and five-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.
- 321.44 *Destination Entry Discounts.* Destination entry discounts apply to Nonprofit subclass mail prepared as ~~prescribed~~ specified by the Postal Service and addressed for delivery within the service area of the BMC (or auxiliary service facility) or sectional center facility (SCF) at which it is entered, as defined by the Postal Service.
- 321.45 **Residual Shape Surcharge.** Nonprofit subclass mail is subject to a surcharge if it is prepared as a parcel or if it is not letter or flat shaped.
- 321.46 **Hazardous Medical Materials and Other Mailable Hazardous Materials Surcharges.** Nonprofit subclass mail containing hazardous medical materials or other mailable hazardous materials, as defined by the Postal Service, must meet the preparation requirements of the Postal Service and is subject to one or both surcharges.

321.5 Nonprofit Enhanced Carrier Route Subclass

321.51 Definition. The Nonprofit Enhanced Carrier Route subclass consists of Standard Mail weighing less than 16 ounces that is not mailed under section ~~321.1~~, 321.2, 321.3, 321.4 or 323, that is mailed by authorized nonprofit organizations or associations (as defined in section 321.41) under the terms and limitations stated in section 321.412, and that:

- a. Is prepared in a mailing of at least 200 addressed pieces or 50 pounds of addressed pieces;
- b. Is prepared, marked, and presented as ~~prescribed~~ specified by the Postal Service;
- c. Is presorted to carrier routes as ~~prescribed~~ specified by the Postal Service;
- d. Is sequenced as ~~prescribed~~ specified by the Postal Service; and
- e. Meets the machinability, addressing, and other preparation requirements ~~prescribed~~ specified by the Postal Service.

321.52 Basic Rate Category. The basic rate category applies to Nonprofit Enhanced Carrier Route subclass mail not mailed under section 321.53, 321.54 or 321.55.

321.53 Basic Pre-Barcoded Rate Category. The basic pre-barcoded rate category applies to letter-size Nonprofit Enhanced Carrier Route subclass mail which bears a barcode representing not more than 11 digits (not including "correction" digits), as ~~prescribed~~ specified by the Postal Service, and which meets the machinability, addressing, and barcoding specifications and other preparation requirements ~~prescribed~~ specified by the Postal Service.

321.54 High Density Rate Category. The high density rate category applies to Nonprofit Enhanced Carrier Route subclass mail presented in walk-sequence order and meeting the high density requirements ~~prescribed~~ specified by the Postal Service.

- 321.55 **Saturation Rate Category.** The saturation rate category applies to Nonprofit Enhanced Carrier Route subclass mail presented in walk-sequence order and meeting the saturation requirements ~~prescribed~~ specified by the Postal Service.
- 321.56 **Destination Entry Discounts.** Destination entry discounts apply to Nonprofit Enhanced Carrier Route subclass mail prepared as ~~prescribed~~ specified by the Postal Service and addressed for delivery within the service area of the BMC (or auxiliary service facility), sectional center facility (SCF), or destination delivery unit (DDU) at which it is entered, as defined by the Postal Service.
- 321.57 **Residual Shape Surcharge.** Nonprofit Enhanced Carrier Route subclass mail is subject to a surcharge if it is prepared as a parcel or if it is not letter or flat shaped.
- 321.57 **Hazardous Medical Materials and Other Mailable Hazardous Materials Surcharges.** Nonprofit Enhanced Carrier Route subclass mail containing hazardous medical materials or other mailable hazardous materials, as defined by the Postal Service, must meet the preparation requirements of the Postal Service and is subject to one or both surcharges.
- 322 **Subclasses Limited to Mail Weighing 16 Ounces or More**
- 322.1 **Parcel Post Subclass**
- 322.11 **Definition.** The Parcel Post subclass consists of Standard Mail weighing 16 ounces or more that is not mailed under sections 322.2, 322.3, 323.1, or 323.2.
- ~~322.12 **Basic Rate Category.** The basic rate category applies to all Parcel Post subclass mail not mailed under sections 322.13 or 322.14.~~
- 322.12 **Description of Rate Categories**
- 322.121 *Inter-BMC Rate Category.* Inter-BMC Parcel Post rates apply to all Parcel Post not mailed under sections 322.122, 322.123, 322.124, or 322.125.
- 322.122 *Intra-BMC Rate Category.* Intra-BMC rates apply to Parcel Post mail originating and destinating within a designated BMC or auxiliary service facility service area, Alaska, Hawaii or Puerto Rico.

322.123 *Destination Bulk Mail Center (DBMC) Rate Category.* DBMC rates apply to Parcel Post mail prepared as specified by the Postal Service in a mailing of at least 50 pieces entered at a designated destination BMC, auxiliary service facility, or other equivalent facility, as specified by the Postal Service.

322.124 *Destination Sectional Center Facility (DSCF) Rate Category.* DSCF rates apply to Parcel Post mail prepared as specified by the Postal Service in a mailing of at least 50 pieces sorted to five digit destination ZIP Codes as specified by the Postal Service and entered at a designated destination processing and distribution center or facility, or other equivalent facility, as specified by the Postal Service.

322.125 *Destination Delivery Unit (DDU) Rate Category.* DDU rates apply to Parcel Post mail prepared as specified by the Postal Service in a mailing of at least 50 pieces, and entered at a designated destination delivery unit, or other equivalent facility, as specified by the Postal Service.

322.13 [Reserved]

400.0202 Bulk

~~Bulk parcel post mail is fourth class parcel post mail consisting of properly prepared and separated single mailings of at least 300 pieces or 2000 pounds. Pieces weighing less than 15 pounds and measuring over 84 inches in length and girth combined are not mailable as bulk parcel post. Provision for mailing nonidentical pieces is set forth in section 400.046.~~

~~322.14 **Destination BMC Rate Category.** Parcel Post subclass mail is eligible for destination BMC rates if it is included in a mailing of at least 50 pieces deposited at the destination BMC, auxiliary service facility, or other equivalent facility, as prescribed by the Postal Service.~~

322.14 **Bulk Mail Center (BMC) Presort Discounts**

322.141 *BMC Presort Discount.* The BMC presort discount applies to Inter-BMC Parcel Post mail that is prepared as specified by the Postal Service in a mailing

of 50 or more pieces, entered at a facility authorized by the Postal Service, and sorted to destination BMCs, as specified by the Postal Service.

322.142 *Origin Bulk Mail Center (OBMC) Discount.* The Origin BMC Parcel Post discount applies to Inter-BMC Parcel Post mail that is prepared as specified by the Postal Service in a mailing of at least 50 pieces, entered at the origin BMC, and sorted to destination BMCs, as specified by the Postal Service.

~~322.15 **Intra BMC Discount.** Basic rate category Parcel Post subclass mail is eligible for the intra BMC discount if it originates and destines within the same BMC or auxiliary service facility service area, Alaska, Hawaii or Puerto Rico.~~

322.15 **Barcoded Discount.** The barcoded discount applies to Inter-BMC, Intra-BMC, and DBMC Parcel Post mail that is entered at designated facilities, bears a barcode specified by the Postal Service, is prepared as specified by the Postal Service in a mailing of at least 50 pieces, and meets all other preparation and machinability requirements of the Postal Service.

322.16 **Oversize Parcel Post**

322.161 *Excessive Length and Girth.* Parcel Post pieces exceeding 108 inches in length and girth combined, but not greater than 130 inches in length and girth combined, are mailable, provided that such pieces constitute no more than 10 percent of the total number of Parcel Post pieces mailed as a part of a single mailing. If mailable, such pieces are subject to the applicable rates for the 70 pound weight increment.

322.162 *Balloon Rate.* Parcel Post pieces exceeding 84 inches in length and girth combined and weighing less than 15 pounds are subject to a rate equal to that for a 15 pound parcel for the zone to which the parcel is addressed.

322.167 **Nonmachinable Surcharge.** ~~Basic rate category Parcel Post subclass mail~~ Inter-BMC Parcel Post that does not meet machinability criteria ~~prescribed~~ specified by the Postal Service is subject to a nonmachinable surcharge.

322.178 **Pickup Service.** Pickup service is available for Parcel Post ~~subclass~~ mail under terms and conditions ~~prescribed~~ specified by the Postal Service.

322.19 Hazardous Medical Materials and Other Mailable Hazardous Materials Surcharges. Parcel Post mail containing hazardous medical materials or other mailable hazardous materials, as defined by the Postal Service, must meet the preparation requirements of the Postal Service and is subject to one or both surcharges.

322.2 Bulk Parcel Post

322.21 Bulk parcel post mail is Parcel Post mail consisting of properly prepared and separated single mailings of at least 300 pieces or 2000 pounds. Pieces weighing less than 15 pounds and measuring over 84 inches in length and girth combined or pieces measuring over 108 inches in length and girth combined are not mailable as bulk parcel post.

322.22 Barcoded Discount. The barcoded discount applies to Bulk Parcel Post mail that is entered at designated facilities, bears a barcode specified by the Postal Service, is prepared as specified by the Postal Service, and meets all other preparation and machinability requirements of the Postal Service.

322.23 Hazardous Medical Materials and Other Mailable Hazardous Materials Surcharges. Bulk Parcel Post mail containing hazardous medical materials or other mailable hazardous materials, as defined by the Postal Service, must meet the preparation requirements of the Postal Service and is subject to one or both surcharges.

322.3 Bound Printed Matter Subclass

322.31 Definition. The Bound Printed Matter subclass consists of Standard Mail weighing at least 16 ounces, but not more than ~~40~~ 15 pounds, which:

- a. Consists of advertising, promotional, directory, or editorial material, or any combination thereof;
- b. Is securely bound by permanent fastenings including, but not limited to, staples, spiral bindings, glue, and stitching; loose leaf binders and similar fastenings are not considered permanent;

- c. Consists of sheets of which at least 90 percent are imprinted with letters, characters, figures or images or any combination of these, by any process other than handwriting or typewriting;
 - d. Does not have the nature of personal correspondence;
 - e. Is not stationery, such as pads of blank printed forms.
- 322.32 **Single-Piece Rate Category.** The single-piece rate category applies to Bound Printed Matter subclass mail which is not mailed under section 322.33 or 322.34.
- 322.33 **Bulk Rate Category.** The bulk rate category applies to Bound Printed Matter subclass mail prepared in a mailing of at least 300 pieces, prepared and presorted as ~~prescribed~~ specified by the Postal Service.
- 322.34 **Carrier Route Presort Rate Category.** The carrier route rate category applies to Bound Printed Matter subclass mail prepared in a mailing of at least 300 pieces of carrier route presorted mail, prepared and presorted as specified ~~prescribed~~ by the Postal Service.
- 322.35 **Barcoded Discount.** The barcoded discount applies to Single-Piece and Bulk Rate Bound Printed Matter that is entered at designated facilities, bears a barcode specified by the Postal Service, is prepared as specified by the Postal Service in a mailing of at least 50 pieces, and meets all other preparation and machinability requirements of the Postal Service.
- 323 **Subclasses With No 16-Ounce Limitation**
- 323.1 **Special Subclass**
- 323.11 **Definition.** The Special subclass consists of Standard Mail of the following types:
- a. Books, including books issued to supplement other books, of at least eight printed pages, consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for notations, and containing no advertising matter other than incidental announcements of books. Not

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more than three of the announcements may contain as part of their format a single order form, which may also serve as a postcard ~~post-card~~. The order forms permitted in this subsection are in addition to and not in lieu of order forms which may be enclosed by virtue of any other provision;

- b. 16 millimeter or narrower width films which must be positive prints in final form for viewing, and catalogs of such films, of 24 pages or more, at least 22 of which are printed, except when sent to or from commercial theaters;
- c. Printed music, whether in bound form or in sheet form;
- d. Printed objective test materials and accessories thereto used by or in behalf of educational institutions in the testing of ability, aptitude, achievement, interests and other mental and personal qualities with or without answers, test scores or identifying information recorded thereon in writing or by mark;
- e. Sound recordings, including incidental announcements of recordings and guides or scripts prepared solely for use with such recordings. Not more than three of the announcements permitted in this subsection may contain as part of their format a single order form, which may also serve as a postcard ~~post-card~~. The order forms permitted in this subsection are in addition to and not in lieu of order forms which may be enclosed by virtue of any other provision;
- f. Playscripts and manuscripts for books, periodicals and music;
- g. Printed educational reference charts, permanently processed for preservation;
- h. Printed educational reference charts, including but not limited to
 - i. Mathematical tables,
 - ii. Botanical tables,
 - iii. Zoological tables, and

- iv. Maps produced primarily for educational reference purposes;
 - i. Looseleaf pages and binders therefor, consisting of medical information for distribution to doctors, hospitals, medical schools, and medical students; and
 - j. Computer-readable media containing prerecorded information and guides or scripts prepared solely for use with such media.
- 323.12 **Single-Piece Rate Category.** The single-piece rate category applies to Special subclass mail not mailed under section 323.13 or 323.14.
- 323.13 **Level A Presort Rate Category.** The Level A presort rate category applies to mailings of at least 500 pieces of Special subclass mail, prepared and presorted to five-digit destination ZIP Codes as ~~prescribed~~ specified by the Postal Service.
- 323.14 **Level B Presort Rate Category.** The Level B presort rate category applies to mailing of at least 500 pieces of Special subclass mail, prepared and presorted to destination Bulk Mail Centers as ~~prescribed~~ specified by the Postal Service.
- 323.15 **Barcoded Discount.** The barcoded discount applies to Single-Piece and Level B Presort Special subclass mail that is entered at designated facilities, bears a barcode specified by the Postal Service, is prepared as specified by the Postal Service in a mailing of at least 50 pieces, and meets all other preparation and machinability requirements of the Postal Service.
- 323.2 **Library Subclass**
- 323.21 **Definition.**
- 323.211 *General.* The Library subclass consists of Standard Mail of the following types, separated or presorted as ~~prescribed~~ specified by the Postal Service:
- a. Matter designated in subsection 323.213, loaned or exchanged (including cooperative processing by libraries) between:
 - i. Schools or colleges, or universities;

- ii. Public libraries, museums and herbaria, nonprofit religious, educational, scientific, philanthropic, agricultural, labor, veterans' or fraternal organizations or associations, or between such organizations and their members, readers or borrowers.
 - b. Matter designated in subsection 323.214, mailed to or from schools, colleges, universities, public libraries, museums and herbaria and to or from nonprofit religious, educational, scientific, philanthropic, agricultural, labor, veterans' or fraternal organizations or associations; or
 - c. Matter designated in subsection 323.215, mailed from a publisher or a distributor to a school, college, university or public library.
- 323.212 *Definition of Nonprofit Organizations and Associations.* Nonprofit organizations or associations are defined in section 1009.
- 323.213 *Library subclass mail under section 323.211a.* Matter eligible for mailing as Library subclass mail under section 323.211a consists of:
- a. Books consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for notations and containing no advertising other than incidental announcements of books;
 - b. Printed music, whether in bound form or in sheet form;
 - c. Bound volumes of academic theses in typewritten or other duplicated form;
 - d. Periodicals, whether bound or unbound;
 - e. Sound recordings;
 - f. Other library materials in printed, duplicated or photographic form or in the form of unpublished manuscripts; and
 - g. Museum materials, specimens, collections, teaching aids, printed matter and interpretative materials intended to inform and to further the educational work and interest of museums and herbaria.

323.214 *Library subclass mail under section 323.211b.* Matter eligible for mailing as Library subclass mail under section 323.211b consists of:

- a. 16-millimeter or narrower width films; filmstrips; transparencies; slides; microfilms; all of which must be positive prints in final form for viewing;
- b. Sound recordings;
- c. Museum materials, specimens, collections, teaching aids, printed matter, and interpretative materials intended to inform and to further the educational work and interests of museums and herbaria;
- d. Scientific or mathematical kits, instruments or other devices;
- e. Catalogs of the materials in section 323.214 a through d and guides or scripts prepared solely for use with such materials.

323.215 *Library subclass mail under section 323.211c.* Matter eligible for mailing as Library subclass mail under section 323.211c consists of books, including books to supplement other books, consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for notations, and containing no advertising matter other than incidental announcements of books.

323.22 **Basic Rate Category.** The basic rate category applies to all Library subclass mail.

323.23 **Barcoded Discount.** The barcoded discount applies to Library subclass mail that is entered at designated facilities, bears a barcode specified by the Postal Service, is prepared as specified by the Postal Service in a mailing of at least 50 pieces, and meets all other preparation and machinability requirements of the Postal Service.

323.24 **Hazardous Medical Materials and Other Mailable Hazardous Materials Surcharges.** Library subclass mail containing hazardous medical materials or other mailable hazardous materials, as defined by the Postal Service, must meet

the preparation requirements of the Postal Service and is subject to one or both surcharges.

330 **PHYSICAL LIMITATIONS**

331 **Size**

Except as provided in 322.161, Standard Mail may not exceed 108 inches in length and girth combined. Additional size limitations apply to individual Standard Mail subclasses. The maximum size for mail presorted to carrier route in the Enhanced Carrier Route and Nonprofit Enhanced Carrier Route subclasses is 14 inches in length, 11.75 inches in width, and 0.75 inch in thickness. For merchandise samples mailed with detached address cards, the carrier route maximum dimensions apply to the detached address cards and not to the samples.

332 **Weight**

Standard Mail may not weigh more than 70 pounds. Additional weight limitations apply to individual Standard Mail subclasses.

333 **Nonstandard Size Mail**

Single-Piece subclass mail weighing one ounce or less is nonstandard size if:

- a. Its aspect ratio does not fall between 1 to 1.3 and 1 to 2.5 inclusive; or
- b. It exceeds any of the following dimensions:
 - i. 11.5 inches in length;
 - ii. 6.125 inches in width; or
 - iii. 0.25 inch in thickness.

340 **POSTAGE AND PREPARATION**

341 **Postage**

Postage must be paid as set forth in section 3000. When the postage computed at a ~~Single Piece~~, Regular, Enhanced Carrier Route, Nonprofit or Nonprofit Enhanced Carrier Route Standard rate is higher than the rate prescribed in any of the Standard subclasses listed in 322 or 323 for which the piece also qualifies (or would qualify, except for weight), the piece is eligible for the applicable lower rate. All mail mailed at a bulk or presort rate must have postage paid in a manner not requiring cancellation.

342 **Preparation**

All pieces in a Standard mailing must be separately addressed. All pieces in a Standard mailing must be identified as ~~prescribed~~ specified by the Postal Service, and must contain the ZIP Code of the addressee when ~~prescribed~~ specified by the Postal Service. All Standard mailings must be prepared and presented as specified ~~prescribed~~ by the Postal Service. Two or more Standard mailings may be commingled and mailed only when specific methods approved by the Postal Service for ~~ascertaining~~ determining and verifying postage are followed.

343 **Non-Identical Pieces**

Pieces not identical in size and weight may be mailed at a bulk or presort rate as part of the same mailing only when specific methods approved by the Postal Service for ~~ascertaining~~ determining and verifying postage are followed.

344 **Attachments and Enclosures**

344.1 **~~Single Piece~~, Regular, Enhanced Carrier Route, Nonprofit and Nonprofit Enhanced Carrier Route Subclasses (section 321)**

344.11 **General.** First-Class Mail may be attached to or enclosed in Standard books, catalogs, and merchandise entered under section 321. The piece must be marked as ~~prescribed~~ specified by the Postal Service. Except as provided in section 344.12, additional postage must be paid for the attachment or enclosure

as if it had been mailed separately. Otherwise, the entire combined piece is subject to the First-Class rate for which it qualifies.

- 344.12 **Incidental First-Class Attachments and Enclosures.** First-Class Mail, as defined in section 210 b through d, may be attached to or enclosed with Standard merchandise entered under section 321, including books but excluding merchandise samples, with postage paid on the combined piece at the applicable Standard rate, if the attachment or enclosure is incidental to the piece to which it is attached or with which it is enclosed.
- 344.2 **Parcel Post, Bound Printed Matter, Special, and Library Subclasses (sections 322 and 323)**
- 344.21 **General.** First-Class Mail or Standard Mail from any of the subclasses listed in section 321 (~~Single Piece~~, Regular, Enhanced Carrier Route, Nonprofit or Nonprofit Enhanced Carrier Route) may be attached to or enclosed in Standard Mail mailed under sections 322 and 323. The piece must be marked as ~~prescribed~~ specified by the Postal Service. Except as provided in sections 344.22 and 344.23, additional postage must be paid for the attachment or enclosure as if it had been mailed separately. Otherwise, the entire combined piece is subject to the First-Class or section 321 Standard rate for which it qualifies (unless the rate applicable to the host piece is higher), or, if a combined piece with a section 321 Standard Mail attachment or enclosure weighs 16 ounces or more, the piece is subject to the Parcel Post rate for which it qualifies.
- 344.22 **Specifically Authorized Attachments and Enclosures.** Standard Mail mailed under sections 322 and 323 may contain enclosures and attachments as ~~prescribed~~ specified by the Postal Service and as described in section 323.11 a and e, with postage paid on the combined piece at the Standard rate applicable to the host piece.
- 344.23 **Incidental First-Class Attachments and Enclosures.** First-Class Mail that meets one or more of the definitions in section 210 b through d, may be attached to or enclosed with Standard Mail mailed under section 322 or 323, with postage paid on the combined piece at the Standard rate applicable to the host piece, if the attachment or enclosure is incidental to the piece to which it is attached or with which it is enclosed.

350 **DEPOSIT AND DELIVERY**

351 **Deposit**

Standard Mail must be deposited at places and times designated by the Postal Service.

352 **Service**

Standard Mail may receive deferred service.

353 **Forwarding and Return**

353.1 **~~Single Piece~~, Regular, Enhanced Carrier Route, Nonprofit and Nonprofit Enhanced Carrier Route Subclasses (section 321)**

Undeliverable-as-addressed Standard Mail mailed under section 321 will be returned on request of the mailer, or forwarded and returned on request of the mailer. Undeliverable-as-addressed combined First-Class and Standard pieces will be returned as ~~prescribed~~ specified by the Postal Service. The applicable First-Class Mail ~~Single Piece Standard~~ rate is charged for each piece receiving return only service. Charges for forwarding-and-return service are assessed only on those pieces which cannot be forwarded and are returned. The charge for those returned pieces is the appropriate First-Class Mail ~~Single Piece Standard~~ rate for the piece plus that rate multiplied by a factor equal to the number of section 321 Standard pieces nationwide that are successfully forwarded for every one piece that cannot be forwarded and must be returned.

353.2 **Parcel Post, Bound Printed Matter, Special, and Library Subclasses (sections 322 and 323)**

Undeliverable-as-addressed Standard Mail mailed under sections 322 and 323 will be forwarded on request of the addressee, returned on request of the mailer, or forwarded and returned on request of the mailer. Pieces which combine Standard Mail from one of the subclasses described in 322 and 323 with First-Class Mail or Standard Mail from one of the subclasses described in 321 will be forwarded if undeliverable-as-addressed, and returned if

undeliverable, as specified ~~prescribed~~ by the Postal Service. When Standard Mail mailed under sections 322 and 323 is forwarded or returned from one post office to another, additional charges will be based on the applicable ~~appropriate~~ Single Piece ~~Single Piece~~ Standard Mail rate under 322 or 323.

360 **ANCILLARY SERVICES**

361 **All Subclasses**

All Standard Mail will receive the following services upon payment of the appropriate fees:

Service	Schedule
a. Address correction	<u>911</u> SS-1
b. Certificates of mailing indicating that a specified number of pieces have been mailed	<u>947</u> SS-4

Certificates of mailing are not available for Regular, Enhanced Carrier Route, Nonprofit and Nonprofit Enhanced Carrier Route subclass mail when postage is paid with ~~by~~ permit imprint.

362 ~~Single Piece~~, Parcel Post, Bound Printed Matter, Special, and Library
Subclasses

~~Single Piece~~, Parcel Post, Bound Printed Matter, Special, and Library subclass mail will receive the following additional services upon payment of the appropriate fees:

Service	Schedule
a. Certificates of mailing	<u>947</u> SS-4
b. COD	<u>944</u> SS-6
c. Insured mail	<u>943</u> SS-9
d. Special handling	<u>952</u> SS-18
e. Return receipt (merchandise only)	<u>945</u> SS-16
f. Merchandise return	<u>932</u> SS-20

g. Delivery Confirmation

948

Insurance, special handling, and COD services may not be used selectively for individual pieces in a multi-piece ~~Parcel Post subclass~~ Standard Mail mailing unless specific methods approved by the Postal Service for ~~ascertaining~~ determining and verifying postage are followed.

370 **RATES AND FEES**

The rates and fees for Standard Mail are set forth as follows:

	Schedule
a. Single Piece subclass	321.1
b. <u>a.</u> Regular subclass	321.2
c. <u>b.</u> Enhanced Carrier Route subclass	321.3
d. <u>c.</u> Nonprofit subclass	321.4
e. <u>d.</u> Nonprofit Enhanced Carrier Route subclass	321.5
f. <u>e.</u> Parcel Post subclass	
Basic <u>Inter-BMC</u>	322.1A
<u>Intra-BMC</u>	322.1B
Destination BMC	322.1B <u>C</u>
<u>Destination SCF</u>	322.1D
<u>Destination Delivery Unit</u>	322.1E
g. <u>f.</u> Bound Printed Matter subclass	
Single-Piece	322.3A
Bulk and Carrier Route	322.3B
h. <u>g.</u> Special subclass	323.1
i. <u>h.</u> Library subclass	323.2
j. <u>i.</u> Fees	1000

380 **AUTHORIZATIONS AND LICENSES**

381 **Regular, Enhanced Carrier Route, Nonprofit and Nonprofit Enhanced Carrier Route Subclasses**

A mailing fee as set forth in ~~Rate~~ Schedule 1000 must be paid once each year by mailers of Regular, Enhanced Carrier Route, Nonprofit and Nonprofit Enhanced Carrier Route subclass mail.

382 **Special Subclass**

A presort mailing fee as set forth in ~~Rate~~ Schedule 1000 must be paid once each year at each office of mailing by or for any person who mails presorted Special subclass mail. Any person who engages a business concern or other individuals to mail presorted Special subclass mail must pay the fee.

383 **Parcel Post Subclass**

A mailing fee as set forth in ~~Rate~~ Schedule 1000 must be paid once each year by mailers of Destination BMC, Destination SCF or Destination Delivery Unit rate category mail in the Parcel Post subclass.

PERIODICALS CLASSIFICATION SCHEDULE

410 DEFINITION

411 General Requirements

411.1 **Definition.** A publication may qualify for mailing under the Periodicals Classification Schedule if it meets all of the requirements in sections 411.2 through 411.5 and the requirements for one of the qualification categories in sections 412 through 415. Eligibility for specific Periodicals rates is prescribed in section 420.

411.2 **Periodicals.** Periodicals class mail is mailable matter consisting of newspapers and other periodical publications. The term "periodical publications" includes, but is not limited to:

- a. Any catalog or other course listing including mail announcements of legal texts which are part of post-bar admission education issued by any institution of higher education or by a nonprofit organization engaged in continuing legal education.
- b. Any looseleaf page or report (including any index, instruction for filing, table, or sectional identifier which is an integral part of such report) which is designed as part of a looseleaf reporting service concerning developments in the law or public policy.

411.3 Issuance

411.31 **Regular Issuance.** Periodicals class mail must be regularly issued at stated intervals at least four times a year, bear a date of issue, and be numbered consecutively.

411.32 **Separate Publication.** For purposes of determining Periodicals rate eligibility, an "issue" of a newspaper or other periodical shall be deemed to be a separate publication when the following conditions exist:

- a. The issue is published at a regular frequency more often than once a month either on (1) the same day as another regular issue of the same publication; or (2) on a day different from regular issues of the same publication, and
- b. More than 10 percent of the total number of copies of the issue is distributed on a regular basis to recipients who do not subscribe to it or request it, and
- c. The number of copies of the issue distributed to nonsubscribers or nonrequesters is more than twice the number of copies of any other issue distributed to nonsubscribers or nonrequesters on that same day, or, if no other issue that day, any other issue distributed during the same period. "During the same period" shall be defined as the periods of time ensuing between the distribution of each of the issues whose eligibility is being examined. Such separate publications must independently meet the qualifications for Periodicals eligibility.

411.4 **Office of Publication.** Periodicals class mail must have a known office of publication. A known office of publication is a public office where business of the publication is transacted during the usual business hours. The office must be maintained where the publication is authorized original entry.

411.5 **Printed Sheets.** Periodicals class mail must be formed of printed sheets. It may not be reproduced by stencil, mimeograph, or hectograph processes, or reproduced in imitation of typewriting. Reproduction by any other printing process is permissible. Any style of type may be used.

412 **General Publications**

412.1 **Definition.** To qualify as a General Publication, Periodicals class mail must meet the requirements in section 411 and in sections 412.2 through 412.4.

412.2 **Dissemination of Information.** A General Publication must be originated and published for the purpose of disseminating information of a public character, or devoted to literature, the sciences, art, or some special industry.

412.3 **Paid Circulation**

- 412.31 **Total Distribution.** A General Publication must be designed primarily for paid circulation. At least 50 percent or more of the copies of the publication must be distributed to persons who have paid above a nominal rate.
- 412.32 **List of Subscribers.** A General Publication must be distributed to a legitimate list of persons who have subscribed by paying or promising to pay at a rate above nominal for copies to be received during a stated time. Copies mailed to persons who are not on a legitimate list of subscribers are nonsubscriber copies.
- 412.33 **Nominal Rates.** As used in section 412.31, nominal rate means:
- a. A token subscription price that is so low that it cannot be considered a material consideration;
 - b. A reduction to the subscriber, under a premium offer or any other arrangements, of more than 50 percent of the amount charged at the basic annual rate for a subscriber to receive one copy of each issue published during the subscription period. The value of a premium is considered to be its actual cost to the publishers, the recognized retail value, or the represented value, whichever is highest.
- 412.34 **Nonsubscriber Copies**
- 412.341 *Up to Ten Percent.* Nonsubscriber copies, including sample and complimentary copies, mailed at any time during the calendar year up to and including 10 percent of the total number of copies mailed to subscribers during the calendar year are mailable at the rates that apply to subscriber copies provided that the nonsubscriber copies would have been eligible for those rates if mailed to subscribers.
- 412.342 *Over Ten Percent.* Nonsubscriber copies, including sample and complimentary copies, mailed at any time during the calendar year, in excess of 10 percent of the total number of copies mailed to subscribers during the calendar year which are presorted and commingled with subscriber copies are charged the applicable rates for Regular Periodicals. The 10 percent limitation for a publication is based on the total number of all copies of that publication mailed to subscribers during the calendar year.

412.35 **Advertiser's Proof Copies.** One complete copy of each issue of a General Publication may be mailed to each advertiser in that issue as an advertiser's proof copy at the rates that apply to subscriber copies, whether the advertiser's proof copy is mailed to the advertiser directly or, instead, to an advertising representative or agent of the publication. These copies count as subscriber copies.

412.36 **Expired Subscriptions.** For six months after a subscription has expired, copies of a General Publication may be mailed to a former subscriber at the rates that apply to copies mailed to subscribers, if the publisher has attempted during that six months to obtain payment, or a promise to pay, for renewal. These copies do not count as subscriber copies.

412.4 **Advertising Purposes**

A General Publication may not be designed primarily for advertising purposes. A publication is "designed primarily for advertising purposes" if it:

- a. Has advertising in excess of 75 percent in more than one-half of its issues during any 12-month period;
- b. Is owned or controlled by individuals or business concerns and conducted as an auxiliary to and essentially for the advancement of the main business or calling of those who own or control it;
- c. Consists principally of advertising and editorial write-ups of the advertisers;
- d. Consists principally of advertising and has only a token list of subscribers, the circulation being mainly free;
- e. Has only a token list of subscribers and prints advertisements free for advertisers who pay for copies to be sent to a list of persons furnished by the advertisers; or
- f. Is published under a license from individuals or institutions and features other businesses of the licensor.

413 Requester Publications

413.1 Definition. A publication which is circulated free or mainly free may qualify for Periodicals class as a Requester Publication if it meets the requirements in sections 411, and 413.2 through 413.4.

413.2 Minimum Pages. It must contain at least 24 pages.

413.3 Advertising Purposes

413.31 Advertising Percentage. It must devote at least 25 percent of its pages to nonadvertising and not more than 75 percent to advertisements.

413.32 Ownership and Control. It must not be owned or controlled by one or more individuals or business concerns and conducted as an auxiliary to and essentially for the advancement of the main business or calling of those who own or control it.

413.4 Circulated to Requesters

413.41 List of Requesters. It must have a legitimate list of persons who request the publication, and 50 percent or more of the copies of the publication must be distributed to persons making such requests. Subscription copies paid for or promised to be paid for, including those at or below a nominal rate may be included in the determination of whether the 50 percent request requirement is met. Persons will not be deemed to have requested the publication if their request is induced by a premium offer or by receipt of material consideration, provided that mere receipt of the publication is not material consideration.

413.42 Nonrequester Copies

413.421 Up to Ten Percent. Nonrequester copies, including sample and complimentary copies, mailed at any time during the calendar year up to and including 10 percent of the total number of copies mailed to requesters during the calendar year are mailable at the rates that apply to requester copies provided that the nonrequester copies would have been eligible for those rates if mailed to requesters.

413.422 *Over Ten Percent.* Nonrequester copies, including sample and complimentary copies, mailed at any time during the calendar year, in excess of 10 percent of the total number of copies mailed to requesters during the calendar year which are presorted and commingled with requester copies are charged the applicable rates for Regular Periodicals. The 10 percent limitation for a publication is based on the total number of all copies of that publication mailed to requesters during the calendar year.

413.43 **Advertiser's Proof Copies.** One complete copy of each issue of a Requester Publication may be mailed to each advertiser in that issue as an advertiser's proof copy at the rates that apply to requester copies, whether the advertiser's proof copy is mailed to the advertiser directly or, instead, to an advertising representative or agent of the publication. These copies count as requester copies.

414 **Publications of Institutions and Societies**

414.1 **Publisher's Own Advertising.** Except as provided in section 414.2, a publication which meets the requirements of sections 411 and 412.4, and which contains no advertising other than that of the publisher, qualifies for Periodicals class as a publication of an institution or society if it is:

- a. Published by a regularly incorporated institution of learning;
- b. Published by a regularly established state institution of learning supported in whole or in part by public taxation;
- c. A bulletin issued by a state board of health or a state industrial development agency;
- d. A bulletin issued by a state conservation or fish and game agency or department;
- e. A bulletin issued by a state board or department of public charities and corrections;
- f. Published by a public or nonprofit private elementary or secondary institution of learning or its administrative or governing body;

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- g. Program announcements or guides published by an educational radio or television agency of a state or political subdivision thereof, or by a nonprofit educational radio or television station;
- h. Published by or under the auspices of a benevolent or fraternal society or order organized under the lodge system and having a bona fide membership of not less than 1,000 persons;
- i. Published by or under the auspices of a trade(s) union;
- j. Published by a strictly professional, literary, historical, or scientific society;
or,
- k. Published by a church or church organization.

414.2 **General Advertising.** A publication published by an institution or society identified in sections 414.1 h through k, may contain advertising of other persons, institutions, or concerns, if the following additional conditions are met:

- a. The publication is originated and published to further the objectives and purposes of the society;
- b. Circulation is limited to:
 - i. Copies mailed to members who pay either as a part of their dues or assessment or otherwise, not less than 50 percent of the regular subscription price;
 - ii. Other actual subscribers; and
 - iii. Exchange copies.
- c. The circulation of nonsubscriber copies, including sample and complimentary copies, does not exceed 10 percent of the total number of copies referred to in 414.2b.

415 Publications of State Departments of Agriculture

A publication which is issued by a state department of agriculture and which meets the requirements of sections 411 qualifies for Periodicals class as a publication of a state department of agriculture if it contains no advertising and is published for the purpose of furthering the objects of the department.

416 Foreign Publications

Foreign newspapers and other periodicals of the same general character as domestic publications entered as Periodicals class mail may be accepted on application of the publishers thereof or their agents, for transmission through the mail at the same rates as if published in the United States. This section does not authorize the transmission through the mail of a publication which violates a copyright granted by the United States.

420 DESCRIPTION OF SUBCLASSES

421 Regular Subclass

421.1 Definition. The Regular subclass consists of Periodicals class mail that is not mailed under section 423 and that:

- a. Is presorted, marked, and presented as specified ~~prescribed~~ by the Postal Service; and
- b. Meets machinability, addressing, and other preparation requirements ~~prescribed~~ specified by the Postal Service.

421.2 Regular Pound Rates

An unzoned pound rate applies to the nonadvertising portion of Regular subclass mail. A zoned pound rate applies to the advertising portion and may be reduced by applicable destination entry discounts. The pound rate postage is the sum of the nonadvertising portion charge and the advertising portion charge.

421.3 **Regular Piece Rates**

421.31 **Basic Rate Category.** The basic rate category applies to all Regular subclass mail not mailed under section 421.32, ~~or 421.33, or 421.34.~~

421.32 **~~Three-Digit City and Five-Digit Rate Category.~~** The three digit rate category applies rates for this category apply to Regular subclass mail presorted to ~~three digit cities and five digit~~ single or multiple three-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.

421.33 **Five-Digit Rate Category.** The five-digit rate category applies to Regular subclass mail presorted to single or multiple five-digit ZIP Code destinations as specified by the Postal Service.

421.34 **Carrier Route Rate Category.** The carrier route rate category applies to Regular subclass mail presorted to carrier routes as ~~prescribed~~ specified by the Postal Service.

421.4 **Regular Subclass Discounts**

421.41 **Barcoded Letter Discounts.** Barcoded letter discounts apply to letter size Regular subclass mail mailed under sections 421.31, ~~and 421.32, and 421.33~~ which bears a barcode representing not more than 11 digits (not including "correction" digits) as ~~prescribed~~ specified by the Postal Service, and which meets the machinability, addressing, and barcoding specifications and other preparation requirements ~~prescribed~~ specified by the Postal Service.

421.42 **Barcoded Flats Discounts.** Barcoded flats discounts apply to flat size Regular subclass mail mailed under sections 421.31 ~~and 421.32, and 421.33~~ which bear a barcode representing not more than 11 digits (not including "correction" digits) as ~~prescribed~~ specified by the Postal Service, and meet the flats machinability, addressing, and barcoding specifications and other preparation requirements specified ~~prescribed~~ by the Postal Service.

421.43 **High Density Discount.** The high density discount applies to Regular subclass mail mailed under section ~~421.33~~ 421.34, presented in walk-sequence order, and meeting the high density and preparation requirements specified ~~prescribed~~ by the Postal Service.

- 421.44 **Saturation Discount.** The saturation discount applies to Regular subclass mail mailed under section ~~421.33~~ 421.34, presented in walk-sequence order, and meeting the saturation and preparation requirements specified ~~prescribed~~ by the Postal Service.
- 421.45 **Destination Entry Discounts.** Destination entry discounts apply to Regular subclass mail which is destined for delivery within the service area of the destination sectional center facility (SCF) or the destination delivery unit (DDU) in which it is entered, as defined by the Postal Service. The DDU discount only applies to Carrier Route rate category mail.
- 421.46 **Nonadvertising Discount.** The nonadvertising discount applies to all Regular subclass mail and is determined by multiplying the proportion of nonadvertising content by the discount factor set forth in Rate Schedule 421 and subtracting that amount from the applicable piece rate.
- 422 **[Reserved]**
- 423 **Preferred Rate Periodicals**
- 423.1 **Definition.** Periodicals class mail, other than publications qualifying as Requester Publications, may qualify for Preferred Rate Periodicals rates if it meets the applicable requirements for those rates in sections 423.2 through 423.5.
- 423.2 **Within County Subclass**
- 423.21 **Definition.** Within County mail consists of Preferred Rate Periodicals class mail mailed in, and addressed for delivery within, the county where published and originally entered, from either the office of original entry or additional entry. In addition, a Within County publication must meet one of the following conditions:
- a. The total paid circulation of the issue is less than 10,000 copies; or

- b. The number of paid copies of the issue distributed within the county of publication is at least one more than one-half ~~of~~ the total paid circulation of such issue.

423.22 **Entry in an Incorporated City.** For the purpose of determining eligibility for Within County mail, when a publication has original entry at an independent incorporated city which is situated entirely within a county or which is contiguous to one or more counties in the same state, such incorporated city shall be considered to be within the county with which it is principally contiguous. Where more than one county is involved, the publisher will select the principal county.

423.3 **Nonprofit Subclass**

Nonprofit mail is Preferred Rate Periodicals class mail entered by authorized nonprofit organizations or associations of the following types:

- a. Religious, as defined in section 1009,
- b. Educational, as defined in section 1009,
- c. Scientific, as defined in section 1009,
- d. Philanthropic, as defined in section 1009,
- e. Agricultural, as defined in section 1009,
- f. Labor, as defined in section 1009,
- g. Veterans', as defined in section 1009,
- h. Fraternal, as defined in section 1009, and
- i. Associations of rural electric cooperatives,
- j. One publication, which contains no advertising (except advertising of the publisher) published by the official highway or development agency of a state,

- k. Program announcements or guides published by an educational radio or television agency of a state or political subdivision thereof or by a nonprofit educational radio or television station.
- l. One conservation publication published by an agency of a state which is responsible for management and conservation of the fish or wildlife resources of such state.

423.4 Classroom Subclass

Classroom mail is Preferred Rate Periodicals class mail which consists of religious, educational, or scientific publications designed specifically for use in school classrooms or religious instruction classes.

423.5 Science of Agriculture

Science of Agriculture mail consists of Preferred Rate Periodicals class mail devoted to the science of agriculture if the total number of copies of the publication furnished during any 12-month period to subscribers residing in rural areas amounts to at least 70 percent of the total number of copies distributed by any means for any purpose.

423.6 Preferred Rate Pound Rates

For Preferred Rate Periodicals entered under sections 423.3, 423.4 and 423.5, an unzoned pound rate applies to the nonadvertising portion. A zoned pound rate applies to the advertising portion and may be reduced by applicable destination entry discounts. The pound rate postage is the sum of the nonadvertising portion charge and the advertising portion charge. For Preferred Rate Periodicals entered under section 423.2, one pound rate applies to the pieces presorted to carrier route to be delivered within the delivery area of the originating post office, and another pound rate applies to all other pieces.

423.7 Preferred Rate Piece Rates

423.71 Basic Rate Category. The basic rate category applies to all Preferred Rate Periodicals not mailed under section 423.72, ~~or 423.73,~~ or 423.74.

- 423.72 **~~Three-digit City and Five-Digit Rate Category.~~** The ~~three-digit rate category~~ applies rates for this category apply to Preferred Rate Periodicals entered under sections 423.2, 423.3, 423.4, or 423.5 that are presorted to single or multiple three-digit cities and five-digit ZIP eCode destinations as ~~prescribed~~ specified by the Postal Service.
- 423.73 **Five-Digit Rate Category.** The five-digit rate category applies to Preferred Rate Periodicals entered under sections 423.2, 423.3, 423.4, or 423.5 that are presorted to single or multiple five-digit ZIP Code destinations as specified by the Postal Service.
- 423.74 **Carrier Route Rate Category.** The carrier route rate category applies to Preferred Rate Periodicals presorted to carrier routes as ~~prescribed~~ specified by the Postal Service.
- 423.8 **Preferred Rate Discounts**
- 423.81 **Barcoded Letter Discounts.** Barcoded letter discounts apply to letter size Preferred Rate Periodicals mailed under sections 423.71, ~~and 423.72, and 423.73~~ which bear a barcode representing not more than 11 digits (not including “correction” digits) as ~~prescribed~~ specified by the Postal Service, and which meet the machinability, addressing, and barcoding specifications and other preparation requirements ~~prescribed~~ specified by the Postal Service.
- 423.82 **Barcoded Flats Discounts.** Barcoded flats discounts apply to flat size Preferred Rate Periodicals mailed under sections 423.71, ~~and 423.72, and 423.73~~ which bear a barcode representing not more than 11 digits (not including “correction” digits) as ~~prescribed~~ specified by the Postal Service, and meet the flats machinability, addressing, and barcoding specifications and other preparation requirements ~~prescribed~~ specified by the Postal Service.
- 423.83 **High Density Discount.** The high density discount applies to Preferred Rate Periodicals mailed under section ~~423.73~~ 423.74, presented in walk-sequence order, and meeting the high density and preparation requirements ~~prescribed~~ specified by the Postal Service.

- 423.84 **Saturation Discount.** The saturation discount applies to Preferred Rate Periodicals mailed under section ~~423.73~~ 423.74, presented in walk-sequence order, and meeting the saturation and preparation requirements ~~prescribed~~ specified by the Postal Service.
- 423.85 **Destination Entry Discounts.** Destination entry discounts apply to Preferred Rate Periodicals which are destined for delivery within the service area of the destination sectional center facility (SCF) or the destination delivery unit (DDU) in which they are entered, as defined by the Postal Service. the DDU discount only applies to Carrier Route rate category mail; the SCF discount is not available for mail entered under section 423.2.
- 423.86 **Nonadvertising Discount.** The nonadvertising discount applies to Preferred Rate Periodicals entered under sections 423.3, 423.4, 423.5 and is determined by multiplying the proportion of nonadvertising content by the discount factor set forth in Rate Schedules 421, 423.3 or 423.4 and subtracting that amount from the applicable piece rate.

430 **PHYSICAL LIMITATIONS**

There are no maximum size or weight limits for Periodicals class mail.

440 **POSTAGE AND PREPARATION**

441 **Postage.** Postage must be paid on Periodicals class mail as set forth in section 3000.

442 **Presortation.** Periodicals class mail must be presorted ~~in accordance with~~ under regulations ~~prescribed~~ specified by the Postal Service.

443 **Attachments and Enclosures**

443.1 **General.** First-Class Mail or Standard Mail from any of the subclasses listed in section 321 (~~Single Piece~~, Regular, Enhanced Carrier Route or Nonprofit) may be attached to or enclosed with Periodicals class mail. The piece must be marked as ~~prescribed~~ specified by the Postal Service. Except as provided in section 443.2, additional postage must be paid for the attachment or enclosure as if it had been mailed separately. Otherwise, the entire combined piece is

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subject to the appropriate First-Class or section 321 Standard Mail rate for which it qualifies (unless the rate applicable to the host piece is higher), or, if a combined piece with a section 321 Standard Mail attachment or enclosure weighs 16 ounces or more, the piece is subject to the Parcel Post rate for which it qualifies.

443.2 **Incidental First-Class Mail Attachments and Enclosures.** First-Class Mail that meets one or more of the definitions in sections 210 b through d may be attached to or enclosed with Periodicals class mail, with postage paid on the combined piece at the applicable Periodicals rate, if the attachment or enclosure is incidental to the piece to which it is attached or with which it is enclosed.

444 **Identification**

Periodicals class mail must be identified as required by the Postal Service. Nonsubscriber and nonrequester copies, including sample and complimentary copies, must be identified as required by the Postal Service.

445 **Filing of Information**

Information relating to Periodicals class mail must be filed with the Postal Service ~~in accordance with~~ under 39 U.S.C. 3685.

446 **Enclosures and Supplements**

Periodicals class mail may contain enclosures and supplements as ~~prescribed~~ specified by the Postal Service. An enclosure or supplement may not contain writing, printing or sign thereof or therein, in addition to the original print, except as authorized by the Postal Service, or as authorized under section 443.2.

450 **DEPOSIT AND DELIVERY**

451 **Deposit**

Periodicals class mail must be deposited at places and times designated by the Postal Service.

452 **Service**

Periodicals class mail is given expeditious handling insofar as is practicable.

453 **Forwarding and Return**

Undeliverable-as-addressed Periodicals class mail will be forwarded or returned to the mailer, as ~~prescribed~~ specified by the Postal Service. Undeliverable-as-addressed combined First-Class and Periodicals class mail pieces will be forwarded or returned, as ~~prescribed~~ specified by the Postal Service. Additional charges when Periodicals class mail is returned will be based on the applicable ~~Standard~~ First-Class Mail rate.

470 **RATES AND FEES**

The rates and fees for Periodicals class mail are set forth as follows:

	Schedule
a. Regular	421
b. Within County	423.2
c. Nonprofit	423.3
d. Classroom	423.4
e. Science of Agriculture	421
f. Fees	1000

480 **AUTHORIZATIONS AND LICENSES**

481 **Entry Authorizations**

Prior to mailing at Periodicals rates, a publication must be authorized for entry as Periodicals class mail by the Postal Service. Each authorized publication will be granted one original entry authorization at the post office where the office of publication is maintained. An authorization for the establishment of an account to enter a publication at an additional entry office may be granted by the Postal Service upon application by the publisher. An application for re-entry must be made whenever the publisher proposes to change the publication's title, frequency of issue or office of original entry.

482 Preferred Rate Authorization

Prior to mailing at Nonprofit, Classroom, and Science of Agriculture rates, a publication must obtain an additional Postal Service entry authorization to mail at those rates.

483 Mailing by Publishers and News Agents

Periodicals class mail may be mailed only by publishers or registered news agents. A news agent is a person or concern engaged in selling two or more Periodicals publications published by more than one publisher. News agents must register at all post offices at which they mail Periodicals class mail.

484 Fees

Fees for original entry, additional entry, re-entry, and registration of a news agent are set forth in Rate Schedule 1000.

**RENUMBER AND AMEND SPECIAL SERVICE
CLASSIFICATION SCHEDULES
SS—1-6, SS—8-16, AND SS—18-20
AS FOLLOWS:**

SPECIAL SERVICES

910 ADDRESSING

911 ADDRESS CORRECTION SERVICE

911.1 Definition

911.11 Address correction service is a service which provides the mailer with a method of obtaining the correct address, if available to the Postal Service, of the addressee or the reason for nondelivery.

911.2 Description of Service

911.21 Address correction service is available to mailers of postage prepaid mail of all classes. Periodicals class mail will receive address correction service.

911.22 Address correction service is not available for items addressed for delivery by military personnel at any military installation.

911.23 Address correction provides the following service to the mailer:

a. If the correct address is known to the Postal Service, the mailer is notified of both the old and the correct address.

b. If the item mailed cannot be delivered, the mailer will be notified of the reason for nondelivery.

911.3 Requirements of the Mailer

911.31 Mail, other than Periodicals class mail, sent under this classification schedule must bear a request for address correction service.

911.4 **Fees**

911.41 There is no charge for address correction service when the correction is provided incidental to the return of the ~~mail piece~~ mailpiece to the sender.

911.42 A fee, as set forth in ~~Rate Fee Schedule SS-1~~ 911, is charged for all other forms of address correction service.

912 **MAILING LIST SERVICES**

912.1 **Definition**

912.11 Mailing list services include:

- a. Correction of mailing lists;
- b. ~~Change of address~~ Change-of-address information for election boards and registration commissions;
- c. ZIP coding of mailing lists; and
- d. Arrangement of address cards in the sequence of delivery.

912.12 Correction of mailing list service provides current information concerning name and address mailing lists or correct information concerning occupant mailing lists.

912.13 ZIP coding of mailing lists service is a service identifying ZIP eCode addresses in areas served by multi-ZIP coded postal facilities.

912.2 **Description of Service**

912.21 Correction of mailing list service is available only to the following owners of name and address or occupant mailing lists:

- a. Members of Congress
- b. Federal agencies
- c. State government departments
- d. Municipalities
- e. Religious organizations

- f. Fraternal organizations
- g. Recognized charitable organizations
- h. Concerns or persons who solicit business by mail

921.22 The following corrections will be made to name and address lists:

- a. Names to which mail cannot be delivered or forwarded will be deleted;
- b. Incorrect house, rural, or post office box numbers will be corrected;
- c. When permanent forwarding orders are on file for customers who have moved, new addresses including ZIP eCodes will be furnished;
- d. New names will not be added to the list.

912.23 The following corrections will be made to occupant lists:

- a. Numbers representing incorrect or non-existent street addresses will be deleted;
- b. Business or rural route addresses will be distinguished if known;
- c. Corrected cards or sheets will be grouped by route;
- d. Street address numbers will not be added or changed.

912.24 Corrected lists will be returned to customers at no additional charge.

912.25 Residential change-of-address information is available only to election boards or registration commissions for obtaining, if known to the Postal Service, the current address of an addressee.

912.26 ZIP coding or mailing list service provides that addresses will be sorted to the finest possible ZIP eCode sortation.

912.27 Gummed labels, wrappers, envelopes, ~~or Stamped Cards, or post cards~~ postcards indicative of one-time use will not be accepted as mailing lists.

912.28 Sequencing of address cards service provides for the removal of incorrect addresses, notation of missing addresses and addition of missing addresses.

912.3 **Requirements of Customer**

912.31 A customer desiring correction of a mailing list or arrangement of address cards in sequence of carrier delivery must submit the list or cards as ~~prescribed~~ specified by regulation the Postal Service.

912.4 **Fees**

912.41 The fees for mailing list services are set forth in ~~Rate Fee Schedules 912 SS-11a, SS-11b, SS-11c and SS-11d.~~

920 **DELIVERY ALTERNATIVES**

921 **POST OFFICE BOX AND CALLER SERVICE**

921.1 **Caller Service**

921.11 **Definition**

921.111 Caller service is a service which permits a customer to obtain mail addressed to the customer's box number through a call window or loading dock.

921.12 **Description of Service**

921.121 Caller service uses post office box numbers as the address medium but does not actually use a post office box.

921.122 Caller service is not available at certain postal facilities.

921.123 Caller service is provided to customers on the basis of mail volume received and number of post office boxes used at any one facility.

921.124 A customer may reserve a caller number.

921.125 Caller service cannot be used when the sole purpose is, by subsequently filing ~~change-of-address~~ change-of-address orders, to have mail forwarded or transferred to another address by the Postal Service free of charge.

921.13 **Fees**

921.131 Fees for caller service are set forth in ~~Rate Fee~~ Schedule 921. ~~SS-10~~.

922.2 **Post Office Box Service**

922.21 **Definition**

922.211 Post office box service is a service which provides the customer with a private, locked receptacle for the receipt of mail during the hours when the lobby of a postal facility is open.

922.22 **Description of Service**

922.221 The Postal Service may limit the number of post office boxes occupied by any one customer.

922.222 A post office ~~box holder~~ boxholder may ask the Postal Service to deliver to the post office box all mail properly addressed to the holder. If the post office box is located at the post office indicated on the piece, it will be transferred without additional charge, ~~in accordance with~~ under existing regulations.

922.223 Post office box service cannot be used when the sole purpose is, by subsequently filing ~~change-of-address~~ change-of-address orders, to have mail forwarded or transferred to another address by the Postal Service free of charge.

922.23 **Fees**

922.231 Fees for post office box service are set forth in ~~Rate Fee~~ Schedule 922. ~~SS-10~~.

922.232 In postal facilities primarily serving academic institutions or the students of such institutions, fees for post office boxes are:

Period of box use	Fee
95 days or less	½ semi-annual fee
96 to 140 days	¾ semi-annual fee
141 to 190 days	Full semi-annual fee
191 to 230 days	1¼ semi-annual fee
231 to 270 days	1½ semi-annual fee
271 days to full year	Full annual fee

922.233 No refunds will be made for post office box fees paid under section 922.32.
~~10.031~~. For purposes of this classification schedule ~~SS-10~~, the full annual fee is twice the amount of the semi-annual fee.

930 **PAYMENT ALTERNATIVES**

931 **BUSINESS REPLY MAIL**

931.1 **Definitions**

931.11 Business reply mail is a service whereby business reply cards, envelopes, cartons and labels may be distributed by or for a business reply distributor for use by mailers for sending First-Class Mail without prepayment of postage to an address chosen by the distributor. A distributor is the holder of a business reply license.

931.12 A business reply mail piece is nonletter-size for purposes of Classification Schedule 931-SS-2 if it meets addressing and other preparation requirements, but does not meet the machinability requirements ~~prescribed~~ specified by the Postal Service for mechanized or automated letter sortation.

This provision expires June 7, 1999.

931.2 **Description of Service**

931.21 The distributor guarantees payment on delivery of postage and fees for all returned business reply mail. Any distributor of business reply cards, envelopes, cartons and labels under any one license for return to several addresses guarantees to pay postage and fees on any returns refused by any such addressee.

931.3 **Requirements of the Mailer**

931.31 Business reply cards, envelopes, cartons and labels must be preaddressed and bear business reply markings.

931.32 Handwriting, typewriting or handstamping are not acceptable methods of preaddressing or marking business reply cards, envelopes, cartons, or labels.

931.4 **Fees**

931.41 The fees for business reply mail are set forth in ~~Rate Fee~~ Schedule 931 SS-2.

931.42 To qualify as an active business reply mail advance deposit trust account, the account must be used solely for business reply mail and contain sufficient postage and fees due for returned business reply mail.

931.43 An accounting fee as set forth in ~~Rate Fee~~ Schedule 931 SS-2 must be paid each year for each advance deposit business reply account at each facility where the mail is to be returned.

931.5 **Experimental Reverse Manifest Fees**

931.51 A set-up/qualification fee as set forth in ~~Rate Fee~~ Schedule 931 SS-2 must be paid by each business reply mail advance deposit trust account holder at each destination postal facility at which it applies to receive nonletter-size business reply mail for which the postage and fees will be accounted for through a reverse manifest method approved by the Postal Service for ~~ascertaining~~ determining and verifying postage.

A distributor must pay this fee for each business reply mail advance deposit trust account for which participation in the nonletter-size business reply mail experiment is requested.

This provision expires June 7, 1999.

931.52 A nonletter-size reverse manifest monthly fee as set forth in ~~Rate Fee~~ Schedule 931 SS-2 must be paid each month during which the distributor's reverse manifest account is active.

This fee applies to the (no more than) 10 advance deposit account holders which are selected by the Postal Service to participate in the reverse manifest nonletter-size business reply mail experiment and which utilize reverse manifest accounting methods approved by the Postal Service for ~~ascertaining~~ determining and verifying postage and fees.

This provision expires June 7, 1999.

931.6 **Experimental Weight Averaging Fees**

931.61 A set-up/qualification fee as set forth in ~~Rate Fee~~ Schedule 931 SS-2 must be paid by each business reply mail advance deposit trust account holder at each destination postal facility at which it applies to receive nonletter-size business reply mail for which the postage and fees will be accounted for through a weight averaging method approved by the Postal Service for ~~ascertaining~~ determining and verifying postage.

A distributor must pay this fee for each business reply mail advance deposit trust account for which participation in the nonletter-size business reply mail experiment is requested.

This provision expires June 7, 1999.

931.62 A nonletter-size weight averaging monthly fee as set forth in ~~Rate Fee~~ Schedule 931 SS-2 must be paid each month during which the distributor's weight averaging account is active.

This fee applies to the (no more than) 10 advance deposit account holders which are selected by the Postal Service to participate in the weight averaging nonletter-size business reply mail experiment.

This provision expires June 7, 1999.

931.7 **Authorizations and Licenses**

- 931.71 In order to distribute business reply cards, envelopes, cartons or labels, the distributor must obtain a license or licenses from the Postal Service and pay the appropriate fee as set forth in ~~Rate Fee~~ Schedule 931 SS-2.
- 931.72 Except as provided in section 931.73 2-0502, the license to distribute business reply cards, envelopes, cartons, or labels must be obtained at each office from which the mail is offered for delivery.
- 931.73 If the business reply mail is to be distributed from a central office to be returned to branches or dealers in other cities, one license obtained from the post office where the central office is located may be used to cover all business reply mail.
- 931.74 The license to mail business reply mail may be canceled for failure to pay business reply postage and fees when due, and for distributing business reply cards or envelopes ~~which~~ that do not conform to prescribed form, style or size.
- 931.75 Authorization to pay experimental nonletter-size business reply mail fees as set forth in ~~Rate Fee~~ Schedule 931 SS-2 may be canceled for failure of a business reply mail advance deposit trust account holder to meet the standards ~~prescribed~~ specified by the Postal Service for the applicable reverse manifest or weight averaging accounting method.

This provision expires June 7, 1999.

932 **MERCHANDISE RETURN SERVICE**

932.1 **Definition**

- 932.11 Merchandise return service provides a method whereby a shipper may authorize its customers to return a parcel with the postage paid by the shipper. A shipper is the holder of a merchandise return permit.

932.2 **Description of Service**

932.21 Merchandise return service is available to all shippers who obtain the necessary permit and who guarantee payment of postage and fees for all returned parcels.

932.22 Merchandise return service is available for the return of any parcel under the following classification schedules.

- a. First-Class Mail
- b. Standard Mail

932.3 **Requirements of the Mailer**

932.31 Merchandise return labels must be prepared at the shipper's expense to specifications set forth by the Postal Service.

932.32 The shipper must furnish its customer with an appropriate merchandise return label.

932.4 **Other Services**

932.41 The following services may be purchased in conjunction with Merchandise Return Service:

**Classification
Schedule**

- | | |
|---------------------------|-----------------------------|
| a. Certificate of mailing | <u>947</u> SS-4 |
| b. Insured mail | <u>943</u> SS-9 |
| c. Registered mail | <u>942</u> SS-14 |
| d. Special handling | <u>952</u> SS-18 |

932.42 Only the shipper may purchase insurance service for the merchandise return parcel by indicating the amount of insurance on the merchandise return label before providing it to the customer. The customer who returns a parcel to the shipper under merchandise return service may not purchase insurance.

932.5 **Fees**

932.51 The fee for the merchandise return service is set forth in ~~Rate~~ Fee Schedule 932. ~~SS-20~~. This fee is paid by the shipper.

932.6 **Authorizations and Licenses**

932.61 A permit fee as set forth in ~~Rate~~ Schedule 1000 must be paid once each calendar year by shippers utilizing merchandise return service.

932.62 The merchandise return permit may be canceled for failure to maintain sufficient funds in a trust account to cover postage and fees on returned parcels or for distributing merchandise return labels that do not conform to Postal Service specifications.

933 **ON-SITE METER SETTING**

933.1 **Definition**

933.11 On-site meter setting or examination service is a service whereby the Postal Service will service a postage meter at the mailer's or meter manufacturer's premises.

933.2 **Description of Service**

933.21 On-site meter setting or examination service is available on a scheduled basis, and meter setting may be ~~done~~ performed on an emergency basis for those customers enrolled in the scheduled on-site meter setting or examination program.

933.3 **Fees**

933.31 The fees for on-site meter setting or examination service are set forth in ~~Rate~~ Fee Schedule 933-~~SS~~-12.

934 **PREPAID REPLY MAIL**

934.1 **Definition**

934.11 Prepaid reply mail is a service whereby letter-size reply cards and envelopes

may be distributed by or for a prepaid reply mail distributor for use by mailers for sending First-Class Mail reply letters or cards on which postage is prepaid by the distributor. A distributor is the holder of a prepaid reply mail license.

934.2 Description of Service

When paying postage on outgoing mail pieces which contain reply cards and letters to be returned by mail under the terms of this section, the distributor simultaneously pays postage on reply cards and letters anticipated in response to those outgoing pieces.

934.3 Requirements of the Mailer

934.31 Prepaid reply cards and envelopes must be preaddressed and bear prepaid reply mail markings.

934.32 Handwriting, typewriting, or other handstamping are not acceptable methods of preaddressing or marking prepaid reply cards and envelopes.

934.4 Fees

934.41 To qualify as an active prepaid reply mail account, the account must be used solely for prepaid reply mail and contain a balance sufficient to cover postage for returned prepaid reply mail.

934.42 A monthly accounting fee as set forth in Fee Schedule 934 must be paid each month for each prepaid reply mail account at each facility where the mail is returned.

934.5 Authorizations and Licenses

934.51 In order to distribute prepaid reply mail cards and envelopes, the distributor must obtain a license or licenses from the Postal Service and pay an annual permit fee as set forth in Fee Schedule 934.

934.52 Except as provided in section 934.53, the license to distribute prepaid reply mail cards and envelopes must be obtained at each office from which the mail is offered for delivery.

934.53 If the prepaid reply mail is to be distributed from a central office to be returned to branches or dealers in other cities, one license obtained from the post office where the central office is located may be used to cover all prepaid reply mail.

934.54 The license to mail prepaid reply mail may be canceled for failure to pay prepaid reply mail postage and monthly fees when due, and for distributing business reply cards and envelopes which do not conform to prescribed form, style, size, or thickness.

940 **ACCOUNTABILITY & RECEIPTS**

941 **CERTIFIED MAIL**

941.1 **Definition**

941.11 Certified mail service is a service that provides a mailing receipt to the sender and a record of delivery at the office of delivery~~address~~.

941.2 **Description of Service**

941.21 Certified mail service is provided for matter mailed as First-Class Mail.

941.22 If requested by the mailer, the time of acceptances by the Postal Service will be indicated on the receipt.

941.23 A record of delivery is retained at the office of delivery for a specified period of time.

941.24 If the initial attempt to delivery mail is not successful, a notice of ~~arrival~~ attempted delivery is left at the mailing address.

941.25 A receipt of mailing may be obtained only if the article is mailed at a post office, branch or station, or given to a rural carrier.

941.26 Additional copies of the original mailing receipt may be obtained by the mailer.

941.3 **Deposit of Mail**

941.31 Certified mail must be deposited in a manner specified by the Postal Service.

941.4 **Other Services**

941.41 The following services may be obtained in conjunction with mail sent under this classification schedule upon payment of the applicable fees:

	Classification Schedule
a. Restricted delivery	<u>946</u> SS-15
b. Return receipt	<u>945</u> SS-16

941.5 **Fees**

941.51 The fees for certified mail service are set forth in ~~Rate~~ Fee Schedule 941, ~~SS-5~~.

942 **REGISTERED MAIL**

942.1 **Definition**

942.11 Registered mail is a service ~~that -which~~ provides added protection to mail sent under ~~this~~ Domestic Mail Classification Schedule and indemnity in case of loss or damage.

942.2 **Description of Service**

942.21 Registered mail service is available to mailers of prepaid mail sent as First-Class Mail except that registered mail must meet the minimum requirements for length and width regardless of thickness.

942.22 Registered mail service provides insurance up to a maximum of \$25,000, depending upon the actual value at the time of mailing, except that insurance is not available for articles of no value. ~~optional for articles valued \$100 or less.~~

942.23 There is no limit on the value of articles sent under this classification schedule.

942.24 Registered mail service is not available for:

- a. All delivery points because of the high security required for registered mail; in addition, not all delivery points will be available for registry and liability is limited in some geographic areas;
- b. Mail of any class sent in combination with First-Class Mail;
- c. Two or more articles tied or fastened together, unless the envelopes are enclosed in the same envelope or container.

942.25 The following services are provided as part of registered mail service at no additional cost to the mailer:

- a. A receipt;
- b. A record of delivery, retained by the Postal Service for a specified period of time;
- c. A notice of arrival will be left at the mailing address if the initial delivery attempt is unsuccessful;
- d. When registered mail is undeliverable-as-addressed and cannot be forwarded, a notice of nondelivery is provided.

942.26 A claim for complete loss of insured articles may be filed by the mailer only. A claim for damage or for partial loss of insured articles may be filed by either the mailer or addressee.

942.27 Indemnity claims for registered mail ~~on which insurance is provided, or for articles valued \$100 or less on which optional insurance has been elected,~~ must be filed within a ~~specified~~ period of time, specified by the Postal Service, from the date the article was mailed.

~~942.28 No indemnity is paid on any matter registered free.~~

942.3 **Deposit of Mail**

942.31 Registered mail must be deposited in a manner specified by the Postal Service.

942.4 **Service**

942.41 Registered mail is provided maximum security.

942.5 Forwarding and Return

942.51 Registered mail is forwarded and returned without additional registry charge.

942.6 Other Services

942.61 The following services may be obtained in conjunction with mail sent under this classification schedule upon payment of applicable fees:

	Classification Schedule
a. Collect on delivery	<u>944</u> SS-6
b. Restricted delivery	<u>946</u> SS-15
c. Return receipt	<u>945</u> SS-16
d. Merchandise return (shippers only)	<u>932</u> SS-20

942.7 Fees

942.71 The fees for registered mail are set forth in ~~Rate Fee~~ Schedule 942. ~~SS-14~~.

943 INSURANCE

943.1 Express Mail Insurance

943.11 Definition

943.111 Express Mail Insurance is a service that provides the mailer with indemnity for loss of, rifling of, or damage to items sent by Express Mail.

943.12 Description of Service

943.121 Express Mail Insurance is available only for Express Mail.

943.122 Insurance coverage is provided, for no additional charge, up to \$500 per piece for document reconstruction, up to \$5,000 per occurrence regardless of the number of claimants. Insurance coverage is also provided, for no additional charge, up to \$500 per piece for merchandise. Insurance coverage for merchandise valued at more than \$500 is available for an additional fee, as set

forth in ~~Rate Fee~~ Schedule 943-~~SS-9~~. The maximum liability for merchandise is \$5,000 per piece. For negotiable items, currency, or bullion, the maximum liability is \$15.

943.123 Indemnity claims for Express Mail must be filed within a specified period of time from the date the article was mailed.

943.124 Indemnity will be paid under terms and conditions ~~prescribed~~ specified by the Postal Service.

943.125 Among other limitations ~~prescribed~~ specified by the Postal Service, indemnity will not be paid by the Postal Service for loss, damage or rifling:

- a. Of nonmailable matter;
- b. Due to improper packaging;
- c. Due to seizure by any agency of government; or,
- d. Due to war, insurrection or civil disturbances.

943.13 **Fees**

943.131 The fees for Express Mail Insurance service are set forth in ~~Rate Fee~~ Schedule 943.SS-9.

943.2 **General Insurance**

943.21 **Retail Insurance**

943.211 ~~General~~ Retail Insurance is a service that provides the mailer with indemnity for loss of, rifling of, or damage to mailed items.

943.212 The maximum liability of the Postal Service ~~under this part~~ for Retail Insurance is \$5000.

943.213 ~~General~~ Retail Insurance is available for mail sent under the following classification schedules:

- a. First-Class Mail, if containing matter ~~which~~ that may be mailed as Standard Mail

b. ~~Single Piece~~, Parcel Post, Bound Printed Matter, Special, and Library
Standard Mail

943.214 ~~This service~~ Retail Insurance is not available for matter offered for sale, addressed to prospective purchasers who have not ordered or authorized their sending. If such matter is received in the mail, payment will not be made for loss, rifling, or damage.

943.215 For Retail Insurance, the ~~The~~ mailer is issued a receipt for each item mailed. For items insured for more than \$50, a receipt of delivery is obtained by the Postal Service.

943.216 For items insured for more than \$50, a notice of arrival is left at the mailing address when the first attempt at delivery is unsuccessful.

943.217 Retail insurance provides indemnity for the actual value of the article at the time of mailing.

943.22 **Bulk Insurance**

943.221 Bulk insurance service is available for mail entered in bulk at designated facilities and in a manner specified by the Postal Service and sent under the following classification schedules:

- a. First-Class Mail, if containing matter that may be mailed as Standard Mail,
- b. Parcel Post, Bound Printed Matter, Special, and Library subclass mail

943.222 Bulk insurance bears endorsements and identifiers specified by the Postal Service. Bulk insurance mailers must meet the documentation requirements of the Postal Service.

943.223 Bulk insurance provides indemnity for the lesser of (1) the actual value of the article at the time of mailing, or (2) the wholesale cost of the contents to the sender.

943.23 **Claims**

943.231 For Retail Insurance, a ~~A~~ claim for complete loss may be filed by the mailer only, and a ~~A~~ claim for damage or for partial loss may be filed by either the mailer or addressee. For bulk insurance, all claims must be filed by the mailer.

943.232 A claim for damage or loss on a parcel sent merchandise return under classification schedule 932 (SS-20) may only be filed by the purchaser of the insurance.

943.233 Indemnity claims must be filed within a specified period of time from the date the article was mailed.

~~943.234 Additional copies of the original mailing receipt may be obtained by the mailer, upon payment of the applicable fee set forth in Rate Schedule SS-9.~~

943.24 **Deposit of Mail**

943.241 Retail and Bulk Insured Mail ~~insured under this part~~ must be deposited ~~in a manner~~ as specified by the Postal Service.

943.25 **Forwarding and Return**

943.251 By insuring an item, the mailer guarantees forwarding and return postage unless instructions on the piece mailed indicate that it not be forwarded or returned.

943.252 Mail undeliverable as addressed sent under this part will be returned to the sender as specified by the sender or by the Postal Service.

943.26 **Other Services**

943.261 The following services, if applicable to the subclass of mail, may be obtained in conjunction with mail sent under this part upon payment of the applicable fees:

**Classification
Schedule**

a. Parcel Airlift

951 ~~SS-13~~

- b. Restricted delivery (for items insured for more than \$50) 946 ~~SS-15~~
- c. Return receipt (for items insured for more than \$50) 945 ~~SS-16~~
- d. Special handling 952 ~~SS-18~~
- e. Merchandise return (shippers only) 932 ~~SS-20~~

943.27 **Fees**

943.271 The fees for ~~General~~ Insurance are set forth in ~~Rate Fee~~ Schedule 943. ~~SS-9~~.

944 **COLLECT ON DELIVERY**

944.1 **Definition**

944.11 Collect on Delivery (COD) service is a service ~~which that~~ allows a mailer to mail an article for which ~~he has not been paid full or partial payment has not yet been received~~ and have the price, the cost of postage and fees, and anticipated or past due charges collected by the Postal Service from the addressee when the article is delivered.

944.2 **Description of Service**

944.21 COD service is available for collection of \$600 or less upon the delivery of postage prepaid mail sent under the following classification schedules:

- a. Express Mail
- b. First-Class Mail
- c. ~~Single Piece~~, Parcel Post,
 Bound Printed Matter, Special, and
 Library Standard Mail

944.22 Service under this schedule is not available for:

- a. Collection agency purposes;
- b. Return of merchandise about which some dissatisfaction has arisen, unless the new addressee has consented in advance to such return;

- c. Sending only bills or statements of indebtedness, even though the sender may establish that the addressee has agreed to collection in this manner; however, when the legitimate COD shipment consisting of merchandise or bill of lading, is being mailed, the balance due on a past or anticipated transaction may be included in the charges on a COD article, provided the addressee has consented in advance to such action;
- d. Parcels containing moving-picture films mailed by exhibitors to moving-picture manufacturers, distributors, or exchanges;
- e. Goods that ~~which~~ have not been ordered by the addressee.

944.23 COD service provides the mailer with insurance against loss, rifling and damage to the article as well as failure to receive the amount collected from the addressee. This provision insures only the receipt of the instrument issued to the mailer after payment of COD charges, and is not to be construed to make the Postal Service liable upon any such instrument other than a Postal Service money order.

944.24 A receipt is issued to the mailer for each piece of COD mail. Additional copies of the original mailing receipt may be obtained by the mailer.

944.25 Delivery of COD mail will be made in a manner specified by the Postal Service. If a delivery to the mailing address is not attempted or if a delivery attempt is unsuccessful, a notice of arrival will be left at the mailing address.

944.26 The mailer may receive a notice of nondelivery if the piece mailed is endorsed appropriately.

944.27 The mailer may designate a new addressee or alter the COD charges by submitting the appropriate form and by paying the appropriate fee as set forth in ~~Rate Fee~~ Schedule 944, SS-6.

944.28 A claim for complete loss may be filed by the mailer only. A claim for damage or for partial loss may be filed by either the mailer or addressee.

944.29 COD indemnity claims must be filed within a specified period of time from the date the article was mailed.

944.3 **Requirements of the Mailer**

944.31 COD mail must be identified as COD mail.

944.4 **Deposit of Mail**

944.41 COD mail must be deposited in a manner specified by the Postal Service.

944.5 **Forwarding and Return**

944.51 A mailer of COD mail guarantees to pay any return postage, unless otherwise specified on the piece mailed.

944.52 For COD mail sent as Standard Mail, postage at the applicable rate will be charged to the addressee:

- a. When an addressee, entitled to delivery to the mailing address under Postal Service regulations, requests delivery of COD mail ~~which~~ that was refused when first offered for delivery;
- b. For each delivery attempt, to an addressee entitled to delivery to the mailing address under Postal Service regulations, after the second such attempt.

944.6 **Other Services**

944.61 The following services, if applicable to the subclass of mail, may be obtained in conjunction with mail sent under this classification schedule upon payment of the applicable fee:

Classification Schedule

- | | |
|--|-----------------------------|
| a. Registered mail, if sent as First-Class | <u>942</u> SS-14 |
| b. Restricted delivery | <u>946</u> SS-15 |
| c. Special handling | <u>952</u> SS-18 |

944.7 **Fees**

944.71 Fees for COD service are set forth in ~~Rate~~ Fee Schedule 944 ~~SS-6~~.

945 **RETURN RECEIPT**

945.1 **Definition**

945.11 Return receipt service is a service ~~that~~ ~~which~~ provides evidence to the mailer that an article has been received at the delivery address.

945.2 **Description of Service**

945.21 Return receipt service is available for mail sent under the following classification schedules:

	Classification Schedule
a. Certified mail	<u>941</u> SS-5
b. COD mail	<u>944</u> SS-6
c. Insured mail (if insured for more than \$50)	<u>943</u> SS-9
d. Registered mail	<u>942</u> SS-14
e. <u>Delivery Confirmation</u>	<u>948</u>
e. <u>f.</u> Express Mail	
f. <u>g.</u> Priority Mail (merchandise only)	
g. <u>h.</u> Standard Mail (limited to merchandise sent by Single Piece , Parcel Post, Bound Printed Matter, Special, and Library Subclasses)	

945.22 Return receipt service is available at the time of mailing or, when purchased in conjunction with certified mail, COD, insured mail (if for more than \$50), registered mail, or Express Mail, after mailing.

945.23 Mailers requesting return receipt service at the time of mailing will be provided, as appropriate, the signature of the addressee or addressee's agent, the date delivered, and the address of delivery, if different from the address on the mailpiece.

945.24 Mailers requesting return receipt service after mailing will be provided the date of delivery and the name of the person who signed for the article.

945.25 If the mailer does not receive a return receipt within a specified period of time from the date of mailing, the mailer may request a duplicate return receipt. No fee is charged for a duplicate return receipt.

945.3 **Fees**

945.31 The fees for return receipt service are set forth in ~~Rate Fee~~ Schedule ~~945-SS-16~~.

946 **RESTRICTED DELIVERY**

946.1 **Definition**

946.11 Restricted delivery service is a service that provides a means by which a mailer may direct that delivery will be made only to the addressee or to someone authorized by the addressee to receive such mail.

946.2 **Description of Service**

946.21 This service is available for mail sent under the following classification schedules:

**Classification
Schedule**

- | | |
|---|-----------------------------|
| a. Certified Mail | <u>941</u> SS-5 |
| b. COD Mail | <u>944</u> SS-6 |
| c. Insured Mail (if insured for more than \$50) | <u>943</u> SS-9 |
| d. Registered Mail | <u>942</u> SS-14 |

946.22 Restricted delivery is available to the mailer at the time of mailing or after mailing.

946.23 Restricted delivery service is available only to natural persons specified by name.

946.24 A record of delivery will be retained by the Postal Service for a specified period of time.

946.25 Failure to provide restricted delivery service when requested after mailing, due to prior delivery, is not grounds for refund of the fee or communications charges.

946.3 **Fees**

946.31 The fees for restricted delivery service are set forth in ~~Rate~~ Fee Schedule 946 ~~SS-15~~.

947 **CERTIFICATE OF MAILING**

947.1 **Definition**

947.11 Certificate of mailing service is a service ~~which~~ that furnishes evidence of mailing.

947.2 **Description of Service**

947.21 Certificate of mailing service is available to mailers of matter sent under the classification schedule to any class of mail.

947.22 A receipt is not obtained upon delivery of the mail to the addressee. No record of mailing is maintained at the post office.

947.23 Additional copies of certificates of mailing may be obtained by the mailer.

947.3 **Other Services**

947.31 The following services, if applicable to the subclass of mail, may be obtained in conjunction with mail sent under this classification schedule upon payment of the applicable fees:

- a. Parcel airlift
- b. Special handling

Classification
Schedule

951 ~~SS-13~~

952 ~~SS-18~~

947.4 **Fees**

947.41 The fees for certificate of mailing service are set forth in ~~Rate~~ Fee Schedule 947 SS-4.

948 **DELIVERY CONFIRMATION**

948.1 **Definition**

948.11 Delivery confirmation service provides confirmation to the mailer that an article was delivered or that a delivery attempt was made.

948.2 **Description of Service**

948.21 Delivery confirmation service is available for Priority Mail, Parcel Post, Bound Printed Matter, Special Standard Mail, and Library Mail.

948.22 Delivery confirmation service may be requested at the time of mailing only.

948.23 Mail for which delivery confirmation service is requested must meet any preparation requirements established by the Postal Service, and bear a barcode specified by the Postal Service.

948.24 Matter for which delivery confirmation service is requested must be deposited in a manner specified by the Postal Service.

948.3 **Fees**

948.31 Delivery confirmation service is subject to the fees set forth in Fee Schedule 948.

950 **PARCEL HANDLING**

951 **PARCEL AIRLIFT (PAL)**

951.1 **Definition**

951.11 Parcel airlift service is a service that provides for air transportation of parcels on a space available basis to or from military post offices outside the contiguous 48 states.

951.2 **Description of Service**

951.21 Parcel airlift service is available for mail sent under the following classification schedule:

Standard Mail

951.3 **Physical Limitations**

951.31 The minimum physical limitations established for the mail sent under the classification schedule for which postage is paid apply to parcel airlift mail. In no instance may the parcel exceed 30 pounds in weight, or 60 inches in length and girth combined.

951.4 **Requirements of the Mailer**

951.41 Mail sent under this schedule must be endorsed as ~~prescribed~~ specified by regulation the Postal Service.

951.5 **Deposit of Mail**

951.51 PAL mail must be deposited in a manner specified by the Postal Service

951.6 **Forwarding and Return**

951.61 PAL mail sent for delivery outside the contiguous 48 states is forwarded as set forth in section 2030 of the General Definitions, Terms and Conditions. PAL mail sent for delivery within the contiguous 48 states is forwarded or returned as set forth in section 353 as appropriate.

951.7 **Other Services**

951.71 The following services, if applicable to the subclass of mail, may be obtained in conjunction with mail sent under this classification schedule upon payment of the applicable fees:

	Classification Schedule
a. Certificate of mailing	<u>947</u> SS-4
b. Insured mail	<u>943</u> SS-9
c. Restricted delivery (if insured for more than \$50)	<u>946</u> SS-15
d. Return receipt (if insured for more than \$50)	<u>945</u> SS-16
e. Special handling	<u>952</u> SS-18

951.8 **Fees**

951.81 The fees for parcel airlift service are set forth in ~~Rate Fee~~ Schedule 951~~SS-13~~.

952 **SPECIAL HANDLING**

952.1 **Definition**

952.11 Special handling service is a service that provides preferential handling to the extent practicable during dispatch and transportation.

952.2 **Description of Service**

952.21 Special handling service is available for mail sent under the following classification schedules:

- a. First-Class Mail
- b. ~~Single Piece~~, Parcel Post,
Bound Printed Matter,
Special, and Library Standard Mail

952.22 Special handling service is mandatory for matter ~~which~~ that requires special attention in handling, transportation and delivery.

952.3 **Requirements of the Mailer**

952.31 Mail sent under this schedule must be identified as ~~prescribed~~ specified by the Postal Service~~regulation~~.

952.4 **Deposit of Mail**

952.41 Mail sent under this schedule must be deposited in a manner ~~prescribed~~ specified by the Postal Service.

952.5 **Forwarding and Return**

952.51 If undeliverable as addressed, special handling mail that is forwarded to the addressee is given special handling without requiring payment of an additional handling fee. However, additional postage at the applicable Standard Mail rate is collected on delivery.

952.6 **Other Services**

952.61 The following services, if applicable to the subclass of mail, may be obtained in conjunction with mail sent under this classification schedule upon payment of the applicable fees:

**Classification
Schedule**

- | | |
|---------------------------------------|-----------------------------|
| a. COD mail | <u>944</u> SS-6 |
| b. Insured mail | <u>943</u> SS-9 |
| c. Parcel airlift | <u>951</u> SS-13 |
| d. Merchandise return (shippers only) | <u>932</u> SS-20 |

952.7 **Fees**

952.71 The fees for special handling service are set forth in ~~Rate Fee~~ Fee Schedule 952-SS-18.

960 **STAMPED PAPER**

961 **STAMPED ENVELOPES**

961.1 **Definition**

961.11 Plain stamped envelopes and printed stamped envelopes are envelopes with postage thereon offered for sale by the Postal Service.

961.2 **Description of Service**

961.21 Stamped envelopes are available for:

- a. First-Class Mail within the first rate increment.
- b. Standard Mail mailed at a minimum ~~per piece~~ per piece rate as ~~prescribed~~ specified by the Postal Service.

961.22 Printed stamped envelopes may be obtained by special request.

961.3 **Fees**

961.31 The fees for stamped envelopes are set forth in ~~Rate~~ Fee Schedule ~~961SS-19~~.

962 **STAMPED CARDS**

962.1 **Definition**

962.11 **Stamped Cards.** Stamped Cards are cards with postage imprinted or impressed on them and supplied by the Postal Service for the transmission of messages.

962.12 **Double Stamped Cards.** Double Stamped Cards consist of two attached cards, one of which may be detached by the receiver and returned by mail as a single Stamped Card.

962.2 **Description of Service.** Stamped Cards are available for First-Class Mail.

962.3 **Fees.** The fees for Stamped Cards are set forth in ~~Rate~~ Fee Schedule 962
~~SS-19A.~~

970 **POSTAL MONEY ORDERS**

971 **DOMESTIC POSTAL MONEY ORDERS**

971.1 **Definition**

971.11 Money order service is a service that provides the customer with an instrument for payment of a specified sum of money.

971.2 **Description of Service**

971.21 The maximum value for which a domestic postal money order may be purchased is \$700. Other restrictions on the number or dollar value of postal money order sales, or both, may be imposed ~~in accordance with~~ under regulations ~~prescribed~~ specified by law or the Postal Service.

971.22 A receipt of purchase is provided at no additional cost.

971.23 The Postal Service will replace money orders that are spoiled or incorrectly prepared, regardless of who caused the error, without charge if replaced on the date originally issued.

971.24 If a replacement money order is issued after the date of original issue because the original was spoiled or incorrectly prepared, the applicable money order fee may be collected from the customer.

971.25 Inquiries and/or claims may be filed by the purchaser, payee, or endorsee.

971.3 **Fees**

971.31 The fees for domestic postal money orders are set forth in ~~Rate~~ Fee Schedule 971 ~~SS-8.~~

AMEND THE DOMESTIC MAIL CLASSIFICATION SCHEDULE AS FOLLOWS:

GENERAL DEFINITIONS, TERMS AND CONDITIONS

1000 GENERAL DEFINITIONS

As used in this Domestic Mail Classification Schedule, the following terms have the meanings set forth below.

1001 Advertising

Advertising includes all material for the publication of which a valuable consideration is paid, accepted, or promised, that calls attention to something for the purpose of getting people to buy it, sell it, seek it, or support it. If an advertising rate is charged for the publication of reading matter or other material, such material shall be deemed to be advertising. Articles, items, and notices in the form of reading matter inserted in accordance with a custom or understanding that textual matter is to be inserted for the advertiser or his products in the publication in which a display advertisement appears are deemed to be advertising. If a publisher advertises his own services or publications, or any other business of the publisher, whether in the form of display advertising or editorial or reading matter, this is deemed to be advertising.

1002 Aspect Ratio

Aspect ratio is the ratio of width to length.

1003 Bills and Statements of Account

1003.1 A bill is a request for payment of a definite sum of money claimed to be owing by the addressee either to the sender or to a third party. The mere assertion of an indebtedness in a definite sum combined with a demand for payment is sufficient to make the message a bill.

- 1003.2 A statement of account is the assertion of the existence of a debt in a definite amount but which does not necessarily contain a request or a demand for payment. The amount may be immediately due or may become due after a certain time or upon demand or billing at a later date.
- 1003.3 A bill or statement of account must present the particulars of an indebtedness with sufficient definiteness to inform the debtor of the amount ~~he~~ that is required to pay ~~to acquit himself~~ for acquittal of the debt. However, neither a bill nor a statement of account need state the precise amount if it contains sufficient information to enable the debtor to determine the exact amount of the claim asserted.
- 1003.4 A bill or statement of account is not the less a bill or statement of account merely because the amount claimed is not in fact owing or may not be legally collectible.
- 1004 **Girth**
- Girth is the measurement around a piece of mail at its thickest part.
- 1005 **Invoice**
- An invoice is a writing showing the nature, quantity, and cost or price of items shipped or sent to a purchaser or consignor.
- 1006 **Permit Imprints**
- Permit imprints are printed indicia indicating postage has been paid by the sender under the permit number shown.
- 1007 **Preferred Rates**
- Preferred rates are the reduced rates established pursuant to 39 U.S.C. 3626.
- 1008 **ZIP Code**
- The ZIP Code is a numeric code that facilitates the sortation, routing, and delivery of mail.

1009 **Nonprofit Organizations and Associations**

Nonprofit organizations or associations are organizations or associations not organized for profit, none of the net income of which benefits any private stockholder or individual, and which meet the qualifications set forth below for each type of organization or association. The standard of primary purpose applies to each type of organization or association, except veterans' and fraternal. The standard of primary purpose requires that each type of organization or association be both organized and operated for the primary purpose. The following are the types of organizations or associations ~~which~~ that may qualify as authorized nonprofit organizations or associations.

- a. Religious. A nonprofit organization whose primary purpose is one of the following:
 - i. To conduct religious worship;
 - ii. To support the religious activities of nonprofit organizations whose primary purpose is to conduct religious worship;
 - iii. To perform instruction in, to disseminate information about, or otherwise to further the teaching of particular religious faiths or tenets.
- b. Educational. A nonprofit organization whose primary purpose is one of the following:
 - i. The instruction or training of the individual for the purpose of improving or developing his capabilities;
 - ii. The instruction of the public on subjects beneficial to the community.

An organization may be educational even though it advocates a particular position or viewpoint so long as it presents a sufficiently full and fair exposition of the pertinent facts to permit an individual or the public to form an independent opinion or conclusion. On the other hand, an organization is not

educational if its principal function is the mere presentation of unsupported opinion.

- c. Scientific. A nonprofit organization whose primary purpose is one of the following:
 - i. To conduct research in the applied, pure or natural sciences;
 - ii. To disseminate systematized technical information dealing with applied, pure or natural sciences.
- d. Philanthropic. A nonprofit organization primarily organized and operated for purposes beneficial to the public. Philanthropic organizations include, but are not limited to, organizations ~~that which~~ are organized for:
 - i. Relief of the poor and distressed or of the underprivileged;
 - ii. Advancement of religion;
 - iii. Advancement of education or science;
 - iv. Erection or maintenance of public buildings, monuments, or works;
 - v. Lessening of the burdens of government;
 - vi. Promotion of social welfare by organizations designed to accomplish any of the above purposes or:
 - (A) To lessen neighborhood tensions;
 - (B) To eliminate prejudice and discrimination;
 - (C) To defend human and civil rights secured by law; or
 - (D) To combat community deterioration and juvenile delinquency.
- e. Agricultural. A nonprofit organization whose primary purpose is the betterment of the conditions of those engaged in agriculture pursuits, the improvement of the grade of their products, and the development of a higher degree of efficiency in agriculture. The organization may advance agricultural interests through educational activities; the holding of

agricultural fairs; the collection and dissemination of information concerning cultivation of the soil and its fruits or the harvesting of marine resources; the rearing, feeding, and management of livestock, poultry, and bees, or other activities relating to agricultural interests. The term agricultural nonprofit organization also includes any nonprofit organization whose primary purpose is the collection and dissemination of information or materials relating to agricultural pursuits.

- f. Labor. A nonprofit organization whose primary purpose is the betterment of the conditions of workers. Labor organizations include, but are not limited to, organizations in which employees or workmen participate, whose primary purpose is to deal with employers concerning grievances, labor disputes, wages, hours of employment and working conditions.
- g. Veterans'. A nonprofit organization of veterans of the armed services of the United States, or an auxiliary unit or society of, or a trust or foundation for, any such post or organization.
- h. Fraternal. A nonprofit organization ~~which~~ that meets all of the following criteria:
 - i. Has as its primary purpose the fostering of brotherhood and mutual benefits among its members;
 - ii. Is organized under a lodge or chapter system with a representative form of government;
 - iii. Follows a ritualistic format; and
 - iv. Is comprised of members who are elected to membership by vote of the members.

2000 **DELIVERY OF MAIL**

2010 **Delivery Services**

The Postal Service provides the following modes of delivery:

- a. Caller service. The fees for caller service are set forth in ~~Rate Fee~~ Rate Fee Schedule ~~921 SS-10~~.
- b. Carrier delivery service.
- c. General delivery.
- d. Post office box service. The fees for post office box service are set forth in ~~Rate Fee~~ Rate Fee Schedule ~~922 SS-10~~.

2020 **Conditions of Delivery**

- 2021 **General.** Except as provided in section 2022, mail will be delivered as addressed unless the Postal Service is instructed otherwise by the addressee in writing.
- 2022 **Refusal of Delivery.** The addressee may control delivery of his mail. The addressee may refuse to accept a piece of mail that does not require a delivery receipt at the time it is offered for delivery or after delivery by returning it unopened to the Postal Service. For mail that requires a delivery receipt, the addressee or his representative may read and copy the name of the sender of registered, insured, certified, COD, return receipt, and Express Mail prior to accepting delivery. Upon signing the delivery receipt the piece may not be returned to the Postal Service without the applicable postage and fees affixed.
- 2023 **Receipt.** If a signed receipt is required, mail will be delivered to the addressee (or competent member of his family), to persons who customarily receive his mail or to one authorized in writing to receive the addressee's mail.
- 2024 **Jointly Addressed Mail.** Mail addressed to several persons may be delivered to any one of them. When two or more persons make conflicting orders for delivery for the same mail, the mail shall be delivered as determined by the Postal Service.
- 2025 **Commercial Mail Receiving Agents.** Mail may be delivered to a commercial mail receiving agency on behalf of another person. In consideration of delivery

of mail to the commercial agent, the addressee and the agent are considered to agree that:

- a. No ~~change-of-address~~ change-of-address order will be filed with the post office when the agency relationship is terminated;
- b. When remailed by the commercial agency, the mail is subject to payment of new postage.

2026 **Mail Addressed To Organizations.** Mail addressed to governmental units, private organizations, corporations, unincorporated firms or partnerships, persons at institutions (including but not limited to hospitals and prisons), or persons in the military is delivered as addressed or to an authorized agent.

2027 **Held Mail.** Mail will be held for a specified period of time at the office of delivery~~address~~ upon request of the addressee, unless the mail:

- a. Has contrary retention instructions;
- b. Is perishable; or
- c. Is registered, COD, insured, return receipt, certified, or Express Mail for which the normal retention period expires before the end of the specified holding period.

2030 **Forwarding and Return**

2031 **Forwarding.** Forwarding is the transfer of undeliverable-as-addressed mail to an address other than the one originally placed on the ~~mail piece~~mailpiece. All post offices will honor ~~change-of-address~~ change-of-address orders for a period of time specified by the Postal Service.

2032 **Return.** Return is the delivery of undeliverable-as-addressed mail to the sender.

2033 **Applicable Provisions.** The provisions of sections 150, 250, 350 and 450 apply to forwarding and return.

2034 **Forwarding for Postal Service Adjustments.** When mail is forwarded due to Postal Service adjustments (such as, but not limited to, the discontinuance of the post office of original address, establishment of rural carrier service, conversion to city delivery service from rural, readjustment of delivery districts, or renumbering of houses and renaming of streets), it is forwarded without charge for a period of time specified by the Postal Service.

3000 **POSTAGE AND PREPARATION**

3010 **Packaging**

Mail must be packaged so that:

- a. The contents will be protected against deterioration or degradation;
- b. The contents will not be likely to damage other mail, Postal Service employees or property, or to become loose in transit;
- c. The package surface must be able to retain postage indicia and address markings;
- d. It is marked by the mailer with a material ~~which~~ that is ~~not~~ neither readily water soluble nor ~~which can be~~ easily rubbed off or smeared, and the marking will be sharp and clear.

3020 **Envelopes**

Paper used in the preparation of envelopes may not be of a brilliant color. Envelopes must be prepared with paper strong enough to withstand normal handling.

3030 **Payment of Postage and Fees**

Postage must be fully prepaid on all mail at the time of mailing, except as authorized by law or this Schedule. Except as authorized by law or this Schedule, mail deposited without prepayment of sufficient postage shall be delivered to the addressee subject to payment of deficient postage, returned to

the sender, or otherwise disposed of as ~~prescribed~~ specified by the Postal Service. Mail deposited without any postage affixed will be returned to the sender without any attempt at delivery.

3040 Methods for Paying Postage and Fees

Postage for all mail may be prepaid ~~by~~ with postage meter indicia, adhesive stamps, or permit imprint, unless otherwise limited or ~~prescribed~~ specified by the Postal Service. The following methods of paying postage and fees require prior authorization from the Postal Service:

- a. Permit imprint,
- b. Postage meter,
- c. Precanceled stamps, precanceled envelopes, and mailer's precanceled postmarks.

3050 Authorization Fees

Fees for authorization to use a permit imprint are set forth in ~~Rate~~ Schedule 1000. No fee is charged for authorization to use a postage meter. Fees for setting postage meters are set forth in ~~Rate~~ Fee Schedule 933~~SS-12~~. No fee is charged for authorization to use precanceled stamps, precanceled envelopes or mailer's precanceled postmark.

3060 Special Service Fees

Fees for special services may be prepaid in any manner appropriate for the class of mail indicated or as otherwise ~~prescribed~~ specified by the Postal Service.

3070 Marking of Unpaid Mail

Matter authorized for mailing without prepayment of postage must bear markings identifying the class of mail service. Matter so marked will be billed at the applicable rate of postage set forth in this Schedule. Matter not so marked will be billed at the applicable First-Class rate of postage.

3080 Refund of Postage

When postage and special service fees have been paid on mail for which no service is rendered for the postage or fees paid, or collected in excess of the lawful rate, a refund may be made. There shall be no refund for registered, COD, general insurance, and Express Mail Insurance fees when the article is ~~later~~ withdrawn by the mailer after acceptance. In cases involving returned articles improperly accepted because of excess size or weight, a refund may be made.

3090 Calculation of Postage

When a rate schedule contains per piece and per pound rates, the postage shall be the sum of the charges produced by those rates. When a rate schedule contains a ~~minimum-per-piece~~ per piece rate and a pound rate, the postage shall be the greater of the two. When the computation of postage yields a fraction of a cent in the charge, the next higher whole cent must be paid.

4000 POSTAL ZONES

4010 Geographic Units of Area

In the determination of postal zones, the earth is considered to be divided into units of area thirty minutes square, identical with a quarter of the area formed by the intersecting parallels of latitude and meridians of longitude. The distance between these units of area is the basis of the postal zones.

4020 Measurement of Zone Distances

The distance upon which zones are based shall be measured from the center of the unit of area containing the dispatching sectional center facility or multi-ZIP coded post office not serviced by a sectional center facility. A post office of mailing and a post office of delivery shall have the same zone relationship as their respective sectional center facilities or multi-ZIP coded post offices, but this shall not cause two post offices to be regarded as within the same local zone.

4030 **Definition of Zones**

- 4031 **Local Zone.** The local zone applies to mail mailed at any post office for delivery at that office; at any city letter carrier office or at any point within its delivery limits for delivery by carriers from that office; at any office from which a rural route starts for delivery on the same route; and on a rural route for delivery at the office from which the route starts or on any rural route starting from that office.
- 4032 **First Zone.** The first zone includes all territory within the quadrangle of entry in conjunction with every contiguous quadrangle, representing an area having a mean radial distance of approximately 50 miles from the center of a given unit of area. The first zone also applies to mail between two post offices in the same sectional center.
- 4033 **Second Zone.** The second zone includes all units of area outside the first zone lying in whole or in part within a radius of approximately 150 miles from the center of a given unit of area.
- 4034 **Third Zone.** The third zone includes all units of area outside the second zone lying in whole or in part within a radius of approximately 300 miles from the center of a given unit of area.
- 4035 **Fourth Zone.** The fourth zone includes all units of area outside the third zone lying in whole or in part within a radius approximately 600 miles from the center of a given unit of area.
- 4036 **Fifth Zone.** The fifth zone includes all units of area outside the fourth zone lying in whole or in part within a radius of approximately 1,000 miles from the center of a given unit of area.
- 4037 **Sixth Zone.** The sixth zone includes all units of area outside the fifth zone lying in whole or in part within a radius of approximately 1,400 miles from the center of a given unit of area.
- 4038 **Seventh Zone.** The seventh zone includes all units of area outside the sixth zone lying in whole or in part within a radius of approximately 1,800 miles from the center of a given unit of area.

4039 **Eighth Zone.** The eighth zone includes all units of area outside the seventh zone.

4040 **Zoned Rates**

Except as provided in section 4050, rates according to zone apply for zone-rated mail sent between Postal Service facilities including ~~a~~Armed
~~f~~Forces post offices, wherever located.

4050 **APO/FPO Mail**

4051 **General.** Except as provided in section 4052, the rates of postage for zone-rated mail transported between the United States, or the possessions or territories of the United States, on the one hand, and Army, Air Force and Fleet Post Offices on the other, or among the latter, shall be the applicable zone rates for mail between the place of mailing or delivery and the city of the postmaster serving the Army, Air Force or Fleet Post Office concerned.

4052 **Transit Mail.** The rates of postage for zone-rated mail ~~which~~ that is mailed at or addressed to an Armed Forces~~armed forces~~ post office and ~~which~~ is transported directly to or from Armed Forces ~~armed forces~~ post offices at the expense of the Department of Defense, without transiting any of the 48 contiguous states (including the District of Columbia), shall be the applicable local zone rate; provided, however, that if the distance from the place of mailing to the embarkation point or the distance from the point of debarkation to the place of delivery is greater than the local zone for such mail, postage shall be assessed on the basis of the distance from the place of mailing to the embarkation point or the distance from the point of debarkation to the place of delivery of such mail, as the case may be. The word "transiting" does not include enroute transfers at coastal gateway cities which are necessary to transport military mail directly between military post offices.

5000 PRIVACY OF MAIL

5010 First-Class and Express Mail

Matter mailed as First-Class Mail or Express Mail shall be treated as mail which is sealed against postal inspection and shall not be opened except as authorized by law.

5020 All Other Mail

Matter not paid at First-Class Mail or Express Mail rates must be wrapped or secured in the manner ~~prescribed~~ specified by the Postal Service so that the contents may be examined. Mailing of sealed items as other than First-Class Mail or Express Mail is considered consent by the sender to the postal inspection of the contents.

6000 MAILABLE MATTER

6010 General

Mailable matter is any matter which:

- a. Is not mailed in contravention of 39 U.S.C. Chapter 30, or of 17 U.S.C. 109;
- b. While in the custody of the Postal Service is not likely to become damaged itself, to damage other pieces of mail, to cause injury to Postal Service employees or to damage Postal Service property; and
- c. Is not mailed contrary to any special conditions or limitations placed on transportation or movement of certain articles, when imposed under law by the U.S. Department of the Treasury; U.S. Department of Agriculture; U.S. Department of Commerce; U.S. Department of Health and Human Services, U.S. Department of Transportation; and any other Federal department or agency having legal jurisdiction.

6020 **Minimum Size Standards**

The following minimum size standards apply to all mailable matter:

- a. All items must be at least 0.007 inches thick, and
- b. all items, other than keys and identification devices, which are 0.25 inch thick or less must be
 - i. rectangular in shape,
 - ii. at least 3.5 inches in width, and
 - iii. at least 5 inches in length.

6030 **Maximum Size and Weight Standards**

Where applicable, the maximum size and weight standards for each class or subclass of mail are set forth in sections 130, 230, 322.16, 330 ~~and~~ 430. Additional limitations may be applicable to specific subclasses, and rate and discount categories as provided in the eligibility provisions for each subclass or category.

REQUESTED CHANGES IN RATES AND FEES AND PHASING SCHEDULES

In conjunction with the requested changes in the Domestic Mail Classification Schedule (DMCS) set forth in Attachment A, the Postal Service also is requesting that the Commission recommend corresponding changes to the attendant rate and fee schedules.

Rate and fee schedules were last amended in part by the Decision of the Governors on the Further Recommended Decision of the Postal Rate Commission on Classroom Mail, Docket No. MC96-2 (Classroom Decision), as implemented by Resolution 97-9 of the Board of Governors; the Decision of the Governors on the Recommended Decision of the Postal Rate Commission on Special Services Fees and Classifications, Docket No. MC96-3 (Special Services Decision), as implemented by Resolution 97-7 of the Board of Governors; and the Decision of the Governors on the Recommended Decision of the Postal Rate Commission on the Experimental Nonletter-Size Business Reply Mail Categories and Fees, Docket No. MC97-1 (BRM Decision), as implemented by resolution 97-8 of the Board of Governors. The current rate and fee schedules (which are published in part at 39 CFR Part 3001, subpart C, appendix A, and in part as the Attachment to the Classroom Decision (62 Fed. Reg. 33,142), in part as Attachment B to the Special Services Decision (62 Fed. Reg. 26,099), in part as Attachment B to the BRM Decision (26 Fed. Reg. 25,756), and in part as Attachment B to the Decision of the Governors of the United States Postal Service on the Recommended Decision of the Postal Rate Commission on Nonprofit Standard Mail, Nonprofit Enhanced Carrier Route Standard Mail, Nonprofit Periodicals, and Within

County Periodicals, Docket No. MC96-2 (61 Fed. Reg. 42,464)), are incorporated by reference in this Request.

The schedules in this attachment present both proposed and current rates and fees. In general, for existing schedules, proposed additions to text in the schedules or notes are underlined; proposed deletions are stricken. New or renamed categories within existing schedules are underlined. Rate or fee categories that are either renamed or proposed for elimination are either stricken or are assigned the acronym "NA" in the proposed rate or fee column. Special service schedules are renumbered according to the numbering system presented in Attachment A.

The proposed rate and fee schedules in this attachment contain both the proposed and the current rate levels for the preferred rate categories. The current levels are those approved by the Governors in Docket No. R94-1 for Library Rate, and in Docket No. MC96-2 for all other preferred subclasses. The proposed rates in this attachment are the "full" Step 6 rates pursuant 39 U.S.C. § 3626. Section 3626 establishes a six-year phasing period, at the end of which the markups for preferred subclasses will be set at one-half the markups for the corresponding commercial subclasses. The test year in this proceeding is FY 98, during which the markups for preferred subclasses are to be set at $5/12^{th}$ s the markups for the corresponding commercial subclasses. The phasing schedules provided on pages 67-74 of this attachment show the proposed rates at levels 5 and 6 and are provided for informational purposes only.

The requested changes in the rate and fee schedules are as follows:

EXPRESS MAIL
SCHEDULES 121, 122 AND 123

Weight Not Exceeding (Pounds)	PROPOSED RATES				CURRENT RATES			
	Schedule 121 Same Day Airport	Schedule 122 Customed Designed	Schedule 123 Post Office to Post Office	Schedule 123 Post Office to Addressee	Schedule 121 Same Day Airport	Schedule 122 Customed Designed	Schedule 123 Post Office to Post Office	Schedule 12 Post Office to Addressee
0.5	\$9.25	\$9.50	\$10.50	\$11.25	\$9.00	\$9.45	\$10.25	\$10.75
1	10.75	13.50	12.25	14.95	10.50	14.00	12.05	15.00
2	11.25	13.75	12.25	14.95	10.50	14.00	12.05	15.00
3	12.25	15.50	14.00	18.00	11.95	16.15	14.20	17.25
4	13.25	17.35	15.75	20.25	13.05	18.30	16.35	19.40
5	14.25	19.75	17.75	22.00	14.15	20.45	18.50	21.55
6	15.50	22.75	21.00	24.75	15.30	24.30	22.35	25.40
7	16.50	24.25	22.50	27.00	16.40	25.40	23.45	26.45
8	17.75	25.75	23.50	27.75	17.55	26.50	24.55	27.60
9	19.00	27.25	24.50	28.50	18.70	27.60	25.65	28.65
10	20.25	28.75	25.75	30.00	19.75	28.75	26.80	29.80
11	21.50	29.50	26.75	30.75	20.90	29.80	27.85	30.90
12	22.75	30.25	27.75	31.50	22.05	30.95	29.00	32.00
13	24.00	31.00	29.00	32.25	23.15	32.00	30.10	33.10
14	25.25	31.75	31.00	33.50	24.30	33.15	31.20	34.25
15	26.50	32.50	32.00	34.25	25.40	34.25	32.30	35.30
16	27.75	34.00	33.10	35.50	26.50	35.35	33.45	36.45
17	29.00	34.50	34.55	37.00	27.65	36.50	34.55	37.60
18	30.25	36.00	36.00	38.50	28.80	37.60	35.65	38.65
19	31.50	37.50	37.45	40.00	29.90	38.70	36.75	39.80
20	32.75	38.50	38.25	40.75	31.00	39.80	37.85	40.90
21	34.00	40.50	40.00	42.00	32.15	40.95	39.00	42.00
22	35.25	41.00	41.00	43.00	33.25	42.00	40.05	43.10
23	36.50	43.00	42.00	44.25	34.40	43.15	41.20	44.25
24	37.75	44.00	43.00	45.70	35.55	44.25	42.30	45.30
25	39.00	45.00	44.00	47.20	36.60	45.35	43.40	46.45
26	40.25	46.50	45.20	48.65	37.75	46.45	44.50	47.50
27	41.50	47.50	46.65	50.10	38.75	47.55	45.65	48.65
28	42.75	48.50	48.10	51.55	39.70	48.65	46.70	49.75
29	44.00	50.00	49.55	53.00	40.65	49.80	47.85	50.85
30	45.25	50.80	51.00	54.50	41.60	50.90	49.00	52.00
31	46.50	52.25	52.50	55.95	42.50	52.00	50.05	53.10
32	47.60	53.70	53.95	57.40	43.45	53.15	51.20	54.20
33	48.70	55.15	55.40	58.85	44.40	54.20	52.25	55.30
34	49.80	56.65	56.85	60.30	45.30	55.35	53.40	56.45
35	50.90	58.10	58.30	61.75	46.30	56.45	54.50	57.50

EXPRESS MAIL (continued)
SCHEDULES 121, 122 AND 123

Weight Not Exceeding (Pounds)	PROPOSED RATES				CURRENT RATES			
	Schedule 121 Same Day Airport	Schedule 122 Customized Designed	Schedule 123 Post Office to Post Office	Schedule 123 Post Office to Addressee	Schedule 121 Same Day Airport	Schedule 122 Customized Designed	Schedule 123 Post Office to Post Office	Schedule 123 Post Office to Addressee
36	52.00	59.55	59.80	63.25	47.20	57.55	55.60	58.65
37	53.10	61.00	61.25	64.70	48.10	58.65	56.70	59.70
38	54.20	62.45	62.70	66.15	49.10	59.80	57.85	60.85
39	55.30	63.95	64.15	67.60	50.00	60.85	58.90	61.95
40	56.40	65.40	65.60	67.70	50.90	62.00	60.05	63.05
41	57.50	66.85	66.50	69.15	51.90	63.05	61.15	64.15
42	58.60	68.30	67.20	70.60	52.80	64.20	62.25	65.30
43	59.70	69.75	68.60	72.00	53.75	65.35	63.40	66.40
44	60.80	71.20	70.05	73.45	54.70	66.40	64.50	67.50
45	61.90	72.70	71.45	74.85	55.60	67.55	65.60	68.65
46	63.00	74.15	72.90	76.25	56.55	68.65	66.70	69.70
47	64.10	75.60	73.50	76.55	57.50	69.75	67.80	70.85
48	65.15	77.05	74.60	77.95	58.45	70.85	68.90	71.95
49	66.15	78.50	76.00	79.35	59.35	72.00	70.05	73.05
50	67.15	79.95	77.40	80.75	60.30	73.05	71.10	74.15
51	68.15	80.25	78.80	82.15	61.25	74.20	72.25	75.30
52	69.15	81.70	80.20	83.55	62.15	75.30	73.35	76.35
53	70.15	83.10	81.65	85.00	63.15	76.40	74.45	77.50
54	71.15	84.55	83.05	86.40	64.05	77.55	75.60	78.60
55	72.15	85.95	84.45	87.80	65.00	78.60	76.70	79.70
56	73.15	87.45	85.85	89.20	65.95	79.75	77.80	80.85
57	74.15	88.85	87.25	90.60	66.85	80.85	78.90	81.90
58	75.15	90.30	88.65	92.05	67.80	81.95	80.05	83.05
59	76.15	91.75	90.10	93.45	68.75	83.15	81.20	84.25
60	77.15	93.15	91.50	94.85	69.65	84.45	82.50	85.55
61	78.15	94.60	92.90	96.25	70.65	85.85	83.90	86.95
62	79.15	96.05	94.30	97.65	71.55	87.15	85.20	88.25
63	80.15	97.50	95.70	99.05	72.45	88.45	86.50	89.55
64	81.15	98.90	97.15	100.50	73.45	89.85	87.90	90.95
65	82.15	100.35	98.55	101.90	74.35	91.15	89.20	92.25
66	83.15	101.80	99.95	103.30	75.30	92.55	90.60	93.65
67	84.15	103.20	101.35	104.70	76.25	93.85	91.90	94.95
68	85.15	104.70	102.75	106.10	77.15	95.25	93.30	96.35
69	86.15	106.10	104.15	107.50	78.10	96.55	94.60	97.65
70	87.15	107.55	105.60	108.95	79.05	97.85	95.90	98.95

NOTES

1. The applicable 2-pound rate is charged for matter sent in a "flat rate" envelope provided by the Postal Service.
2. Add ~~\$4.95~~ \$8.25 for each pickup stop.
3. Add ~~\$4.95~~ \$8.25 for each Custom Designed delivery stop.
4. Add \$0.50 per piece for hazardous medical materials and \$1.00 per piece for other mailable hazardous materials.

**FIRST-CLASS MAIL
RATE SCHEDULE 221**
LETTERS and SEALED PARCELS ^{12/}

	Proposed Rate (cents)	Current Rate (cents)
LETTERS & SEALED PARCELS		
Regular		
Single Piece: First Ounce	33.0	32.0
Presort ¹	31.0	29.5
Pre-barcoded Parcels (experimental) ¹¹	29.0	28.0
<u>Prepaid Reply Mail</u>	30.0	NA
<u>Qualified Business Reply Mail</u>	30.0	NA
Additional Ounce ²	23.0	23.0
Nonstandard Surcharge		
Single Piece	16.0	11.0
Presort	11.0	5.0
Automation - Presort¹		
Letters ³		
Basic Presort ⁴	27.5	26.1
3-Digit Presort ⁵	26.5	25.4
5-Digit Presort ⁶	24.9	23.8
Carrier Route Presort ⁷	24.6	23.0
Flats ⁸		
Basic Presort ⁹	30.0	29.0
3/5-Digit Presort ¹⁰	28.0	27.0
Additional Ounce ²	23.0	23.0
Nonstandard Surcharge	11.0	5.0

SCHEDULE 221 NOTES

- ¹ A mailing fee of ~~\$85.00~~ \$100.00 must be paid once each year at each office of mailing by any person who mails other than Single Piece First-Class Mail. Payment of the fee allows the mailer to mail at any First-Class rate. ~~For presorted mailings weighing more than 2 ounces, subtract 4.6 cents per piece.~~
- ² Rate applies through 11 ounces. Heavier pieces are subject to Priority Mail rates.
- ³ Rates apply to bulk-entered mailings of at least 500 letter-size pieces, which must be delivery point barcoded and meet other preparation requirements ~~prescribed~~ specified by the Postal Service.
- ⁴ Rate applies to letter-size Automation-Presort category mail not mailed at 3-Digit, 5-Digit, or Carrier Route rates.
- ⁵ Rate applies to letter-size Automation-Presort category mail presorted to single or multiple three-digit ZIP Code destinations ~~as prescribed~~ specified by the Postal Service.
- ⁶ Rate applies to letter-size Automation-Presort category mail presorted to single or multiple five-digit ZIP Code destinations ~~as prescribed~~ specified by the Postal Service.
- ⁷ Rate applies to letter-size Automation-Presort category mail presorted to carrier routes specified by the Postal Service.
- ⁸ Rates apply to bulk-entered mailings of at least 500 flat-size pieces, each of which must be delivery-point barcoded or bear a ZIP+4 barcode, and must meet other preparation requirements specified ~~prescribed~~ by the the Postal Service.
- ⁹ Rate applies to flat-size Automation-Presort category mail not mailed at the 3/5-Digit rate.
- ¹⁰ Rate applies to flat-size Automation-Presort category mail presorted to single or multiple three- and five-digit ZIP Code destinations as specified by the Postal Service.
- ¹¹ Nonpresorted pre-barcoded parcels must be properly prepared and submitted in mailings of at least 50 pieces. This experimental discount is in effect until April 28, 1998.
- ¹² Add \$0.50 per piece for hazardous medical materials and \$1.00 per piece for other mailable hazardous materials.

**FIRST-CLASS MAIL
RATE SCHEDULE 222**
~~Stamped Cards and Post-Cards~~

	Proposed Rate (cents)	Current Rate (cents)
CARDS		
Regular		
Single Piece	21.0	20.0
Presort ¹	19.0	18.0
<u>Prepaid Reply Mail</u>	18.0	NA
<u>Qualified Business Reply Mail</u>	18.0	NA
Automation-Presort^{1, 2}		
Basic Presort ³	17.6	16.6
3-Digit Presort ⁴	17.0	15.9
5-Digit Presort ⁵	15.9	14.3
Carrier Route Presort ⁶	15.6	14.0

SCHEDULE 222 NOTES

¹ A mailing fee of ~~\$85.00~~ \$100.00 must be paid once each year at each office of mailing by any person who mails other than Single Piece First-Class Mail. Payment of the fee allows the mailer to mail at any First-Class rate.

² Rates apply to bulk-entered mailings of at least 500 pieces, which must be barcoded and meet other preparation requirements ~~prescribed~~ specified by the Postal Service.

³ Rate applies to Automation-Presort category mail not mailed at 3-Digit, 5-Digit, or Carrier Route rates.

⁴ Rate applies to Automation-Presort category mail presorted to single or multiple three-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.

⁵ Rate applies to Automation-Presort category mail presorted to single or multiple five-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.

⁶ Rate applies to Automation-Presort category mail presorted to carrier routes specified by the Postal Service.

Docket No. R97-1
Proposed Rates and Fees

Attachment B at page

9

FIRST-CLASS MAIL
PRIORITY MAIL SUBCLASS
SCHEDULE 223

		Priority Mail Proposed Rates					
Weight Not Exceeding (Pounds)		L,1,2&3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
1	3.20	3.20	3.20	3.20	3.20	3.20	3.20
2	3.20	3.20	3.20	3.20	3.20	3.20	3.20
3	4.40	4.40	4.40	4.40	4.40	4.40	4.40
4	5.50	5.50	5.50	5.50	5.50	5.50	5.50
5	6.60	6.60	6.60	6.60	6.60	6.60	6.60
6	6.75	6.90	7.75	7.80	8.25	8.75	
7	7.05	7.60	8.60	9.10	9.85	11.15	
8	7.35	8.30	9.45	10.05	10.85	12.40	
9	7.65	9.00	10.25	11.00	11.90	13.65	
10	8.10	9.75	11.10	11.90	12.80	14.85	
11	8.55	10.45	11.90	12.85	13.85	16.10	
12	9.00	11.15	12.75	13.80	14.85	17.35	
13	9.45	11.85	13.60	14.70	15.90	18.60	
14	9.90	12.60	14.40	15.65	16.90	19.85	
15	10.35	13.30	15.25	16.60	17.95	21.05	
16	10.80	14.00	15.50	17.50	18.95	22.30	
17	11.25	14.75	16.30	18.45	20.00	23.55	
18	11.70	15.45	17.10	19.40	21.00	24.80	
19	12.15	16.15	17.90	20.30	22.05	26.05	
20	12.55	16.85	18.70	21.25	23.05	27.25	
21	12.95	17.60	19.55	22.20	24.10	28.50	
22	13.35	18.30	19.50	23.10	25.10	29.75	
23	13.75	19.00	20.25	24.05	26.15	31.00	
24	14.15	19.75	21.05	25.00	27.15	32.25	
25	14.55	20.45	21.80	25.90	28.20	33.45	
26	14.95	21.15	22.55	26.85	29.20	34.70	
27	15.35	21.85	23.35	27.80	30.25	35.95	
28	15.75	22.60	24.10	28.70	31.25	37.20	
29	16.15	23.30	24.90	29.65	32.30	38.45	
30	16.40	24.00	25.65	30.60	33.30	39.65	
31	16.85	24.75	26.40	31.55	34.35	40.90	
32	17.30	25.45	27.20	32.45	35.35	42.15	
33	17.75	26.15	27.95	33.40	36.40	43.40	
34	18.25	26.85	28.70	34.35	37.40	44.65	
35	18.70	27.60	29.50	35.25	38.40	45.85	

FIRST-CLASS MAIL
PRIORITY MAIL SUBCLASS
SCHEDULE 223

		Priority Mail Current Rates					
Weight not Exceeding (Pounds)		L,1,2&3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
1	3.00	3.00	3.00	3.00	3.00	3.00	3.00
2	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3	4.00	4.00	4.00	4.00	4.00	4.00	4.00
4	5.00	5.00	5.00	5.00	5.00	5.00	5.00
5	6.00	6.00	6.00	6.00	6.00	6.00	6.00
6	6.35	6.90	7.10	7.20	7.80	8.00	
7	6.65	7.50	8.10	8.40	9.20	9.80	
8	6.95	8.00	9.00	9.50	10.40	11.60	
9	7.40	8.60	9.80	10.60	11.30	13.00	
10	7.80	9.30	10.55	11.40	12.15	14.05	
11	8.25	9.90	11.35	12.20	13.00	15.10	
12	8.70	10.55	12.10	13.00	13.90	16.15	
13	9.10	11.20	12.80	13.80	14.75	17.20	
14	9.55	11.85	13.60	14.55	15.60	18.25	
15	10.00	12.45	14.35	15.35	16.50	19.30	
16	10.40	13.15	15.05	16.15	17.35	20.35	
17	10.85	13.75	15.80	16.95	18.20	21.40	
18	11.30	14.35	16.50	17.75	19.05	22.45	
19	11.70	15.05	17.25	18.55	19.95	23.50	
20	12.15	15.65	17.95	19.30	20.80	24.55	
21	12.60	16.35	18.70	20.10	21.65	25.60	
22	13.00	16.95	19.40	20.90	22.55	26.65	
23	13.45	17.55	20.15	21.70	23.40	27.70	
24	13.85	18.25	20.85	22.50	24.25	28.75	
25	14.30	18.85	21.60	23.25	25.15	29.85	
26	14.75	19.50	22.30	24.05	26.00	30.90	
27	15.15	20.15	23.00	24.85	26.85	31.95	
28	15.60	20.80	23.75	25.65	27.70	33.00	
29	16.05	21.40	24.45	26.45	28.60	34.05	
30	16.45	22.10	25.20	27.20	29.45	35.10	
31	16.90	22.70	25.90	28.00	30.30	36.15	
32	17.35	23.40	26.65	28.80	31.20	37.20	
33	17.75	24.00	27.35	29.60	32.05	38.25	
34	18.20	24.60	28.10	30.40	32.90	39.30	
35	18.60	25.30	28.80	31.20	33.75	40.35	

(continued)

FIRST-CLASS MAIL PRIORITY MAIL SUBCLASS SCHEDULE 223								FIRST-CLASS MAIL PRIORITY MAIL SUBCLASS SCHEDULE 223							
Priority Mail Proposed Rates								Priority Mail Current Rates							
Weight Not Exceeding (Pounds)	L, 1, 2 & 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8		Weight Not Exceeding (Pounds)	L, 1, 2 & 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	
36	19.15	28.30	30.25	36.20	39.45	47.10		36	19.05	25.90	29.55	31.95	34.65	41.40	
37	19.60	29.00	31.05	37.15	40.45	48.35		37	19.50	26.55	30.25	32.75	35.50	42.45	
38	20.05	29.75	31.80	38.05	41.50	49.60		38	19.90	27.20	31.00	33.55	36.35	43.50	
39	20.55	30.45	32.55	39.00	42.50	50.85		39	20.35	27.80	31.70	34.35	37.25	44.55	
40	21.00	31.15	33.35	39.95	43.55	52.10		40	20.80	28.45	32.40	35.15	38.10	45.60	
41	21.45	31.85	34.10	40.85	44.55	53.30		41	21.20	29.10	33.15	35.90	38.95	46.65	
42	21.90	32.60	34.85	41.80	45.60	54.55		42	21.65	29.75	33.85	36.70	39.85	47.70	
43	22.35	33.30	35.65	42.75	46.60	55.80		43	22.10	30.35	34.60	37.50	40.70	48.80	
44	22.85	34.00	36.40	43.65	47.65	57.05		44	22.50	31.05	35.30	38.30	41.55	49.85	
45	23.30	34.75	37.20	44.60	48.65	58.30		45	22.95	31.65	36.05	39.10	42.40	50.90	
46	23.75	35.45	37.95	45.55	49.70	59.50		46	23.35	32.35	36.75	39.85	43.30	51.95	
47	24.20	36.15	38.70	46.45	50.70	60.75		47	23.80	32.95	37.50	40.65	44.15	53.00	
48	24.65	36.85	39.50	47.40	51.75	62.00		48	24.25	33.55	38.20	41.45	45.00	54.05	
49	25.15	37.60	40.25	48.35	52.75	63.25		49	24.65	34.25	38.95	42.25	45.90	55.10	
50	25.60	38.30	41.00	49.25	53.80	64.50		50	25.10	34.85	39.65	43.05	46.75	56.15	
51	26.05	39.00	41.80	50.20	54.80	65.70		51	25.55	35.50	40.35	43.85	47.60	57.20	
52	26.50	39.75	42.55	51.15	55.85	66.95		52	25.95	36.15	41.10	44.60	48.50	58.25	
53	26.95	40.45	43.35	52.05	56.85	68.20		53	26.40	36.80	41.80	45.40	49.35	59.30	
54	27.45	41.15	44.10	53.00	57.90	69.45		54	26.85	37.40	42.55	46.20	50.20	60.35	
55	27.90	41.85	44.85	53.95	58.90	70.70		55	27.25	38.05	43.25	47.00	51.05	61.40	
56	28.35	42.60	45.65	54.85	59.95	71.90		56	27.70	38.70	44.00	47.80	51.95	62.45	
57	28.80	43.30	46.40	55.80	60.95	73.15		57	28.10	39.35	44.70	48.55	52.80	63.50	
58	29.25	44.00	47.15	56.75	62.00	74.40		58	28.55	40.00	45.45	49.35	53.65	64.55	
59	29.75	44.75	47.95	57.65	63.00	75.65		59	29.00	40.60	46.15	50.15	54.55	65.60	
60	30.20	45.45	48.70	58.60	64.05	76.90		60	29.40	41.30	46.90	50.95	55.40	66.65	
61	30.65	46.15	49.50	59.55	65.05	78.10		61	29.85	41.90	47.60	51.75	56.25	67.75	
62	31.10	46.85	50.25	60.45	66.10	79.35		62	30.30	42.50	48.35	52.50	57.10	68.80	
63	31.55	47.60	51.00	61.40	67.10	80.60		63	30.70	43.20	49.05	53.30	58.00	69.85	
64	32.05	48.30	51.80	62.35	68.15	81.85		64	31.15	43.80	49.75	54.10	58.85	70.90	
65	32.50	49.00	52.55	63.25	69.15	83.10		65	31.60	44.45	50.50	54.90	59.70	71.95	
66	32.95	49.75	53.30	64.20	70.20	84.30		66	32.00	45.10	51.20	55.70	60.60	73.00	
67	33.40	50.45	54.10	65.15	71.20	85.55		67	32.45	45.75	51.95	56.50	61.45	74.05	
68	33.85	51.15	54.85	66.05	72.25	86.80		68	32.90	46.35	52.65	57.25	62.30	75.10	
69	34.35	51.85	55.65	67.00	73.25	88.05		69	33.30	47.05	53.40	58.05	63.20	76.15	
70	34.80	52.60	56.40	67.95	74.30	89.30		70	33.75	47.65	54.10	58.85	64.05	77.20	

NOTES

- 1 The 2-pound rate is charged for matter sent in a "flat rate" envelope provided by the Postal Service.
- 2 Add \$4.00 \$8.25 for each pickup stop.
- 3 Pieces presented in mailings of at least 300 pieces and meeting applicable Postal Service regulations for presorted priority Mail receive the 11-cents per piece discount. Add \$0.50 per piece for hazardous medical materials and \$1.00 per piece for other mailable hazardous materials.
- 4 EXCEPTION: Parcels weighing less than 15 pounds, measuring over 84 inches in length and girth combined, are chargeable with a minimum rate equal to that for a 15-pound parcel for the zone to which addressed.
- 5 Pieces presented in mailings of at least 50 pieces and meeting applicable Postal Service regulations for pre-barcode Priority Mail parcels receive a discount of 4 cents per piece (experimental). This experimental discount is in effect until April 28, 1998.

~~STANDARD MAIL~~
~~RATE SCHEDULE 321.1~~
~~SINGLE PIECE SUBCLASS~~

	Rate¹ (cents)
Basic	
— One ounce or less	32
— Not more than two ounces	55
— Not more than three ounces	78
— Not more than four ounces	101
— Not more than five ounces	124
— Not more than six ounces	147
— Not more than seven ounces	170
— Not more than eight ounces	193
— Not more than nine ounces	216
— Not more than ten ounces	239
— Not more than eleven ounces	262
— Not more than thirteen ounces	290
— More than thirteen ounces but	295
— less than sixteen ounces	
— Nonstandard Surcharge²	11
Keys and Identification Devices	
— First 2 ounces	99
— Each additional 2 ounces	55

~~SCHEDULE 321.1 NOTES~~

¹ ~~When the postage rate computed at the single piece rate is higher than the rate prescribed in the other Standard Class parcel categories contained in rate schedules 322.1, 322.2, 322.3, or 323.1 for which the piece qualifies, the lower rate applies.~~

² ~~Applies only to pieces weighing one ounce or less.~~

RATE SCHEDULE 321.2A
REGULAR SUBCLASS
Presort Category^{1,3}

	Rate (cents)	
	Current	Proposed
Letter Size		
Piece Rate		
Basic	25.6	24.7
3/5-Digit	20.9	20.9
Destination Entry Discount per Piece		
BMC	1.3	1.5
SCF	1.8	1.8
Non-Letter Size ⁴		
Piece Rate		
Minimum per Piece ²	30.6	30.0
Basic	22.5	24.0
3/5 Digit		
Destination Entry Discount per Piece		
BMC	1.3	1.5
SCF	1.8	1.8
Pound Rate ²	67.7	65.0
Plus per Piece Rate		
Basic	16.6	16.6
3/5-Digit	8.5	10.6
Destination Entry Discount per Pound		
BMC	6.4	7.2
SCF	8.5	8.8

SCHEDULE 321.2A NOTES

¹ A fee of ~~\$85.00~~ \$100 must be paid each 12-month period for each bulk mailing permit.

² Mailer pays either the minimum piece rate or the pound rate, whichever is higher.

³ Add \$0.50 per piece for hazardous medical materials and \$1.00 per piece for other mailable hazardous materials.

⁴ Residual shape surcharge \$0.10 per piece.

STANDARD MAIL
RATE SCHEDULE 321.2B
REGULAR SUBCLASS
Automation Category^{1, 10}

Letter Size²	Rate	
	(cents)	
	Current	Proposed
Piece Rate		
Basic Letter ³	18.3	18.9
3-Digit Letter ⁴	17.5	17.8
5-Digit Letter ⁵	15.5	16.0
Destination Entry Discount per Piece		
BMC	1.3	1.5
SCF	1.8	1.8
Flat Size⁶		
Piece Rate		
Minimum per Piece ⁷ —	—	—
Basic Flat ⁸	27.7	24.3
3/5-Digit Flat ⁹	18.9	20.7
Destination Entry Discount per Piece		
BMC	1.3	1.5
SCF	1.8	1.8
Pound Rate ⁷	67.7	65.0
Plus per piece Rate		
Basic Flat ⁸	13.7	10.9
3/5-Digit Flat ⁹	4.9	7.3
Destination Entry Discount per Pound		
BMC	6.4	7.2
SCF	8.5	8.8

SCHEDULE 321.2B NOTES

- ¹ A fee of ~~\$85.00~~ \$100 must be paid once each 12-month period for each bulk mailing permit.
- ² For letter-size automation pieces meeting applicable Postal Service regulations.
- ³ Rate applies to letter-size automation mail not mailed at 3-digit, 5-digit or carrier route rates.
- ⁴ Rate applies to letter-size automation mail presorted to single or multiple three-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.
- ⁵ Rate applies to letter-size automation mail presorted to single or multiple five-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.
- ⁶ For flat-size automation mail meeting applicable Postal Service regulations.
- ⁷ Mailer pays minimum piece rate or pound rate, whichever is higher.
- ⁸ Rate applies to flat-size automation mail not mailed at 3/5-digit rate.
- ⁹ Rate applies to flat-size automation mail presorted to single or multiple three- and five-digit ZIP Code destinations as specified by the Postal Service.
- ¹⁰ Add \$0.50 per piece for hazardous medical materials and \$1.00 per piece for other mailable hazardous materials.

STANDARD MAIL
RATE SCHEDULE 321.3
ENHANCED CARRIER ROUTE SUBCLASS^{1 §}

Letter Size	Rate (cents)	
	Current	Proposed
Piece Rate		
Basic	15.0	16.4
Basic Automated Letter ²	14.6	15.7
High Density	14.2	14.3
Saturation	13.3	13.4
Destination Entry Discount per Piece		
BMC	1.3	1.5
SCF	1.8	1.8
DDU ³	2.3	2.3
Non-Letter Size ⁶		
Piece Rate		
Minimum per Piece ⁴		
Basic	15.5	16.4
High Density	14.7	15.3
Saturation	13.7	14.1
Destination Entry Discount per Piece		
BMC	1.3	1.5
SCF	1.8	1.8
DDU ³	2.3	2.3
Pound Rate ⁴	66.3	53.0
Plus per Piece Rate		
Basic	1.8	5.5
High Density	1.0	4.4
Saturation	0.0	3.2
Destination Entry Discount per Pound		
BMC	6.4	7.2
SCF	8.5	8.8
DDU ³	11.1	11.0

SCHEDULE 321.3 NOTES

- ¹ A fee of ~~\$85.00~~ \$100 must be paid each 12-month period for each bulk mailing permit.
- ² Rate applies to letter-size automation mail presorted to routes specified by the Postal Service.
- ³ Applies only to enhanced carrier route mail.
- ⁴ Mailer pays either the minimum piece rate or the pound rate, whichever is higher.
- ⁵ Add \$0.50 per piece for hazardous medical materials and \$1.00 per piece for other mailable hazardous materials.
- ⁶ Residual shape surcharge \$0.10 per piece.

**STANDARD MAIL
RATE SCHEDULE 321.4A
NONPROFIT SUBCLASS
Presort Categories^{1 3}
(Full Rates)**

Letter Size	Rate (cents)	
	Current	Proposed
Piece Rate		
Basic	13.8	16.5
3/5-Digit	12.0	14.3
Destination Entry Discount per Piece		
BMC	1.3	1.5
SCF	1.8	1.8
Non-Letter Size⁴		
Piece Rate		
Minimum per Piece ²		
Basic	20.1	23.9
3/5-Digit	14.9	17.6
Destination Entry Discount per Piece		
BMC	1.3	1.5
SCF	1.8	1.8
Pound Rate²	48.4	55.0
Plus per Piece Rate		
Basic	10.0	12.6
3/5-Digit	4.8	6.3
Destination Entry Discount per Pound		
BMC	6.2	7.2
SCF	8.8	8.8

SCHEDULE 321.4A NOTES

¹ A fee of ~~\$85.00~~ \$100.00 must be paid once each 12-month period for each bulk mailing permit.

² Mailer pays either the minimum piece rate or the pound rate, whichever is higher.

³ Add \$0.50 per piece for hazardous medical materials and \$1.00 per piece for other mailable hazardous materials.

⁴ Residual shape surcharge \$0.10 per piece.

**STANDARD MAIL
RATE SCHEDULE 321.4B
NONPROFIT SUBCLASS
Automation Categories^{1 10}
(Full Rates)**

		Rate (cents)	
Letter Size		Current	Proposed
Piece Rate			
	Basic Letter ³	10.5	12.4
	3-Digit Letter ⁴	10.1	11.2
	5-Digit Letter ⁵	8.8	9.5
Destination Entry Discount per Piece			
	BMC	1.3	1.5
	SCF	1.8	1.8
Flat Size⁶			
Piece Rate			
	Minimum per Piece ⁷		
	Basic Flat ⁸	17.7	19.0
	3/5-Digit ⁹	12.5	15.5
Destination Entry Discount per Piece			
	BMC	1.3	1.5
	SCF	1.8	1.8
Pound Rate ⁷		48.4	55.0
Plus per Piece Rate			
	Basic Flat ⁸	7.6	7.7
	3/5-Digit Flat ⁹	2.4	4.2
Destination Entry Discount per Pound			
	BMC	6.2	7.2
	SCF	8.8	8.8

SCHEDULE 321.4B NOTES

- ¹ A fee of ~~\$85.00~~ \$100 must be paid once each 12-month period for each bulk mailing permit.
- ² For letter-size automation pieces meeting applicable Postal Service regulations.
- ³ Rate applies to letter-size automation mail not mailed at 3-digit, 5-digit or carrier route rates.
- ⁴ Rate applies to letter-size automation mail presorted to single or multiple three-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.
- ⁵ Rate applies to letter-size automation mail presorted to single or multiple five-digit ZIP Code destinations as ~~prescribed~~ specified by the Postal Service.
- ⁶ For flat-size automation mail meeting applicable Postal Service regulations.
- ⁷ Mailer pays minimum piece rate or pound rate, whichever is higher.
- ⁸ Rate applies to flat-size automation mail not mailed at 3/5-digit rate.
- ⁹ Rate applies to flat-size automation mail presorted to single or multiple three- and five-digit ZIP Code destinations as specified by the Postal Service.
- ¹⁰ Add \$0.50 per piece for hazardous medical materials and \$1.00 per piece for other mailable hazardous materials.

**STANDARD MAIL
RATE SCHEDULE 321.5**
NONPROFIT ENHANCED CARRIER ROUTE SUBCLASS^{1 5}
(Full Rates)

		Rate (cents)	
Letter Size		Current	Proposed
Piece Rate			
Basic		9.9	9.6
Basic Automated Letter ²		8.5	9.2
High Density		9.3	7.8
Saturation		8.7	7.2
Destination Entry Discount per Piece			
BMC		1.3	1.5
SCF		1.8	1.8
DDU ³		2.4	2.3
Non-Letter Size ⁶			
Piece Rate			
Minimum per Piece ⁴			
Basic		10.7	9.6
High Density		10.0	8.6
Saturation		9.4	8.0
Destination Entry Discount per Piece			
BMC		1.3	1.5
SCF		1.8	1.8
DDU ³		2.4	2.3
Pound Rate ⁴		45.1	35.0
Plus per Piece Rate			
Basic		1.3	2.4
High Density		0.6	1.4
Saturation		0.0	0.8
Destination Entry Discount per Pound			
BMC		6.2	7.2
SCF		8.8	8.8
DDU ³		11.4	11.0

SCHEDULE 321.5 NOTES

¹ A fee of ~~\$85.00~~ \$100 must be paid each 12-month period for each bulk mailing permit.

² Rate applies to letter-size automation mail presorted to routes specified by the Postal Service.

³ Applies only to enhanced carrier route mail.

⁴ Mailer pays either the minimum piece rate or the pound rate, whichever is higher.

⁵ Add \$0.50 per-piece for hazardous medical materials and \$1.00 per piece for other mailable hazardous materials.

⁶ Residual shape surcharge \$0.10 per piece.

***Replace Rate Schedules 322.1A and 322.1B
with proposed Rate Schedules 322.1A, 322.1B, 322.C,
322.1D, and 322.1E***

STANDARD MAIL
RATE SCHEDULE 322.1A
PARCEL POST SUBCLASS
INTER-BMC RATES
(dollars)

Weight (Pounds)	Zones 1 & 2		Zone 3		Zone 4		Zone 5		Zone 6		Zone 7		Zone 8	
	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current
2	3.15	2.63	3.15	2.79	3.15	2.87	3.15	2.95	3.15	2.95	3.15	2.95	3.15	2.95
3	3.59	2.76	3.85	3.00	4.23	3.34	4.35	3.68	4.35	3.95	4.35	3.95	4.35	3.95
4	3.73	2.87	4.15	3.20	4.80	3.78	5.45	4.68	5.45	4.95	5.45	4.95	5.45	4.95
5	3.86	2.97	4.39	3.38	5.31	4.10	6.22	5.19	6.55	5.56	6.55	5.95	6.55	5.95
6	3.99	3.07	4.62	3.55	5.71	4.39	6.83	5.87	7.75	6.90	8.20	7.75	8.70	7.95
7	4.11	3.16	4.82	3.71	6.07	4.87	7.41	6.11	8.93	7.51	9.80	9.15	11.10	9.75
8	4.24	3.26	5.01	3.85	6.38	4.91	7.94	6.53	9.60	8.08	10.80	9.94	12.35	11.55
9	4.33	3.33	5.19	3.99	6.71	5.16	8.43	6.92	10.25	8.62	11.85	10.65	13.60	12.95
10	4.45	3.42	5.36	4.12	6.99	5.38	8.87	7.29	10.85	9.12	12.75	11.31	14.80	14.00
11	4.54	3.49	5.53	4.25	7.27	5.59	9.30	7.63	11.39	9.59	13.80	11.93	16.05	15.05
12	4.64	3.57	5.68	4.37	7.53	5.79	9.69	7.96	11.91	10.03	14.82	12.52	16.86	16.10
13	4.73	3.64	5.81	4.47	7.77	5.98	10.07	8.26	12.39	10.45	15.25	13.07	17.21	17.15
14	4.82	3.71	5.97	4.59	8.01	6.16	10.42	8.55	12.85	10.84	15.83	13.59	18.27	18.20
15	4.90	3.77	6.10	4.69	8.24	6.34	10.74	8.82	13.26	11.22	16.37	14.08	19.25	19.25
16	4.98	3.83	6.23	4.79	8.45	6.50	11.05	9.09	13.67	11.58	16.88	14.55	20.30	20.30
17	5.07	3.90	6.34	4.88	8.66	6.66	11.35	9.33	14.05	11.92	17.36	15.00	21.35	21.35
18	5.14	3.95	6.46	4.97	8.85	6.81	11.62	9.58	14.40	12.24	17.82	15.42	22.40	22.40
19	5.23	4.02	6.58	5.06	9.04	6.95	11.88	9.80	14.74	12.55	18.26	15.83	23.25	23.25
20	5.28	4.07	6.68	5.14	9.20	7.08	12.13	10.01	15.06	12.84	18.67	16.21	23.84	23.84
21	5.36	4.12	6.80	5.23	9.37	7.21	12.37	10.23	15.36	13.12	19.06	16.59	24.41	24.41
22	5.43	4.18	6.89	5.30	9.54	7.34	12.60	10.43	15.66	13.39	19.43	16.94	24.96	24.96
23	5.50	4.23	7.01	5.39	9.71	7.47	12.82	10.62	15.93	13.66	19.78	17.28	25.47	25.47
24	5.55	4.27	7.10	5.46	9.85	7.58	13.02	10.80	16.21	13.90	20.12	17.60	25.97	25.97
25	5.62	4.32	7.19	5.53	10.01	7.70	13.21	10.98	16.46	14.14	20.43	17.91	26.45	26.45
26	5.68	4.37	7.28	5.60	10.15	7.81	13.40	11.15	16.70	14.37	20.73	18.21	26.91	26.91
27	5.75	4.42	7.37	5.67	10.28	7.91	13.59	11.31	16.93	14.59	21.03	18.50	27.34	27.34
28	5.80	4.46	7.46	5.74	10.43	8.02	13.75	11.47	17.14	14.81	21.32	18.78	27.77	27.77
29	5.86	4.51	7.55	5.81	10.56	8.12	13.92	11.63	17.35	15.01	21.58	19.05	28.17	28.17
30	5.92	4.55	7.63	5.87	10.67	8.21	14.08	11.78	17.55	15.20	21.84	19.30	28.57	28.57
31	5.98	4.60	7.70	5.92	10.80	8.31	14.23	11.92	17.75	15.39	22.08	19.55	28.94	28.94
32	6.03	4.64	7.79	5.99	10.92	8.40	14.38	12.06	17.94	15.58	22.31	19.79	29.30	29.30
33	6.08	4.68	7.87	6.05	11.04	8.49	14.52	12.20	18.11	15.76	22.54	20.02	29.66	29.66
34	6.14	4.72	7.93	6.10	11.14	8.57	14.65	12.32	18.29	15.94	22.75	20.24	30.00	30.00
35	6.19	4.76	8.01	6.16	11.26	8.66	14.79	12.45	18.46	16.11	22.96	20.46	30.33	30.33
36	6.24	4.80	8.07	6.21	11.38	8.75	14.91	12.58	18.61	16.27	23.16	20.66	30.64	30.64
37	6.29	4.84	8.14	6.26	11.47	8.82	15.04	12.70	18.77	16.43	23.35	20.87	30.94	30.94
38	6.34	4.88	8.22	6.32	11.58	8.91	15.15	12.81	18.92	16.57	23.54	21.07	31.24	31.24
39	6.40	4.92	8.28	6.37	11.67	8.98	15.27	12.92	19.06	16.72	23.71	21.26	31.53	31.53
40	6.44	4.95	8.35	6.42	11.77	9.05	15.37	13.04	19.20	16.86	23.89	21.44	31.81	31.81
41	6.50	5.00	8.42	6.48	11.86	9.12	15.50	13.14	19.33	17.00	24.06	21.62	32.07	32.07
42	6.54	5.03	8.48	6.52	11.95	9.19	15.60	13.24	19.46	17.14	24.21	21.79	32.33	32.33
43	6.58	5.06	8.54	6.57	12.05	9.27	15.69	13.35	19.58	17.28	24.37	21.96	32.58	32.58
44	6.63	5.10	8.59	6.61	12.13	9.33	15.79	13.44	19.70	17.41	24.52	22.12	32.83	32.83
45	6.67	5.13	8.66	6.66	12.22	9.40	15.88	13.54	19.81	17.52	24.66	22.28	33.06	33.06
46	6.72	5.17	8.72	6.71	12.30	9.46	15.98	13.63	19.93	17.65	24.80	22.44	33.30	33.30
47	6.77	5.21	8.78	6.75	12.38	9.52	16.06	13.72	20.03	17.77	24.93	22.59	33.52	33.52
48	6.81	5.24	8.84	6.80	12.47	9.59	16.15	13.82	20.14	17.88	25.06	22.74	33.73	33.73
49	6.85	5.27	8.89	6.84	12.55	9.65	16.24	13.90	20.24	17.99	25.18	22.88	33.95	33.95

STANDARD MAIL
RATE SCHEDULE 322.1A (continued)
PARCEL POST SUBCLASS
INTER-BMC RATES
(dollars)

Weight (Pounds)	Zone 1 & 2		Zone 3		Zone 4		Zone 5		Zone 6		Zone 7		Zone 8	
	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current
50	6.89	5.30	8.94	6.88	12.61	9.70	16.31	13.99	20.35	18.10	25.31	23.02	34.15	34.15
51	6.94	5.34	9.00	6.92	12.70	9.77	16.38	14.07	20.44	18.20	25.42	23.16	34.35	34.35
52	6.98	5.37	9.06	6.97	12.77	9.82	16.47	14.15	20.53	18.31	25.54	23.29	34.54	34.54
53	7.02	5.40	9.11	7.01	12.83	9.87	16.54	14.23	20.62	18.42	25.64	23.41	34.74	34.74
54	7.06	5.43	9.17	7.05	12.91	9.93	16.61	14.31	20.71	18.51	25.76	23.54	34.92	34.92
55	7.10	5.46	9.20	7.08	12.99	9.99	16.69	14.38	20.79	18.61	25.85	23.66	35.10	35.10
56	7.15	5.50	9.27	7.13	13.05	10.04	16.75	14.45	20.86	18.70	25.96	23.79	35.27	35.27
57	7.19	5.53	9.32	7.17	13.12	10.09	16.82	14.53	20.95	18.80	26.05	23.89	35.44	35.44
58	7.23	5.58	9.36	7.20	13.18	10.14	16.88	14.60	21.04	18.89	26.14	24.01	35.60	35.60
59	7.27	5.59	9.41	7.24	13.25	10.19	16.95	14.67	21.12	18.97	26.24	24.12	35.76	35.76
60	7.31	5.62	9.46	7.28	13.33	10.25	17.01	14.74	21.19	19.07	26.32	24.22	35.92	35.92
61	7.36	5.66	9.52	7.32	13.38	10.29	17.07	14.81	21.26	19.14	26.40	24.33	36.07	36.07
62	7.40	5.69	9.56	7.35	13.44	10.34	17.12	14.87	21.34	19.23	26.49	24.44	36.22	36.22
63	7.42	5.71	9.61	7.39	13.51	10.39	17.19	14.93	21.40	19.31	26.58	24.53	36.37	36.37
64	7.46	5.74	9.65	7.42	13.57	10.44	17.24	15.00	21.46	19.39	26.66	24.64	36.50	36.50
65	7.50	5.77	9.70	7.46	13.62	10.48	17.29	15.06	21.52	19.46	26.74	24.73	36.64	36.64
66	7.55	5.81	9.75	7.50	13.68	10.52	17.34	15.13	21.59	19.55	26.81	24.82	36.77	36.77
67	7.59	5.84	9.79	7.53	13.74	10.57	17.39	15.18	21.65	19.62	26.88	24.92	36.91	36.91
68	7.62	5.88	9.83	7.56	13.81	10.62	17.45	15.24	21.71	19.68	26.96	25.00	37.04	37.04
69	7.66	5.89	9.87	7.59	13.86	10.66	17.50	15.30	21.76	19.76	27.02	25.10	37.15	37.15
70	7.70	5.92	9.93	7.64	13.92	10.71	17.55	15.35	21.83	19.83	27.08	25.18	37.28	37.28

SCHEDULE 322.1A NOTES

1. For nonmachinable Inter-BMC parcels, add: \$1.35 per piece.
2. For each pickup stop, add: \$8.25.
3. For Origin Bulk Mail Center Discount, deduct \$0.57 per piece.
4. For BMC Presort, deduct \$0.12 per piece.
5. For Barcoded Discount, deduct \$0.04 per piece.
6. See DMCS section 322.16 for oversize Parcel Post.
7. Add \$0.50 per piece for hazardous medical materials and \$1.00 per piece for other mailable hazardous materials.

RATE SCHEDULE 322.1B
PARCEL POST SUBCLASS
INTRA-BMC RATES
(dollars)

Weight (Pounds)	Local		Zones 1 & 2		Zone 3		Zone 4		Zone 5	
	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current
2	2.48	2.24	2.70	2.31	2.70	2.47	2.70	2.55	2.70	2.63
3	2.65	2.31	2.98	2.44	2.98	2.68	3.02	3.02	3.36	3.36
4	2.79	2.39	3.25	2.55	3.25	2.88	3.46	3.46	4.36	4.36
5	2.94	2.45	3.45	2.65	3.50	3.06	3.78	3.78	4.87	4.87
6	3.08	2.52	3.58	2.75	3.73	3.23	4.07	4.07	5.35	5.35
7	3.20	2.58	3.69	2.84	3.95	3.39	4.35	4.35	5.79	5.79
8	3.33	2.64	3.82	2.94	4.15	3.53	4.59	4.59	6.21	6.21
9	3.44	2.69	3.91	3.01	4.36	3.67	4.84	4.84	6.60	6.60
10	3.55	2.75	4.03	3.10	4.54	3.80	5.06	5.06	6.97	6.97
11	3.64	2.80	4.12	3.17	4.71	3.93	5.27	5.27	7.31	7.31
12	3.71	2.85	4.23	3.25	4.88	4.05	5.47	5.47	7.64	7.64
13	3.78	2.91	4.32	3.32	5.04	4.15	5.66	5.66	7.94	7.94
14	3.84	2.95	4.41	3.39	5.18	4.27	5.84	5.84	8.23	8.23
15	3.90	3.00	4.49	3.45	5.33	4.37	6.02	6.02	8.50	8.50
16	3.97	3.05	4.56	3.51	5.47	4.47	6.18	6.18	8.77	8.77
17	4.02	3.09	4.65	3.58	5.61	4.56	6.34	6.34	9.01	9.01
18	4.07	3.13	4.72	3.63	5.74	4.65	6.49	6.49	9.26	9.26
19	4.12	3.17	4.81	3.70	5.86	4.74	6.63	6.63	9.48	9.48
20	4.19	3.22	4.88	3.75	5.98	4.82	6.76	6.76	9.69	9.69
21	4.23	3.25	4.94	3.80	6.10	4.91	6.89	6.89	9.91	9.91
22	4.28	3.29	5.02	3.86	6.20	4.98	7.02	7.02	10.11	10.11
23	4.33	3.33	5.08	3.91	6.32	5.07	7.15	7.15	10.30	10.30
24	4.38	3.37	5.14	3.95	6.42	5.14	7.26	7.26	10.48	10.48
25	4.43	3.41	5.20	4.00	6.53	5.21	7.38	7.38	10.66	10.66
26	4.47	3.44	5.27	4.05	6.62	5.28	7.49	7.49	10.83	10.83
27	4.52	3.48	5.33	4.10	6.73	5.35	7.59	7.59	10.99	10.99
28	4.56	3.51	5.38	4.14	6.82	5.42	7.70	7.70	11.15	11.15
29	4.62	3.55	5.45	4.19	6.91	5.49	7.80	7.80	11.31	11.31
30	4.67	3.59	5.50	4.23	7.01	5.55	7.89	7.89	11.46	11.46
31	4.71	3.62	5.56	4.28	7.10	5.60	7.99	7.99	11.60	11.60
32	4.75	3.65	5.62	4.32	7.18	5.67	8.08	8.08	11.74	11.74
33	4.80	3.69	5.67	4.36	7.27	5.73	8.17	8.17	11.88	11.88
34	4.84	3.72	5.72	4.40	7.35	5.78	8.25	8.25	12.00	12.00
35	4.88	3.75	5.77	4.44	7.42	5.84	8.34	8.34	12.13	12.13
36	4.91	3.78	5.82	4.48	7.51	5.89	8.43	8.43	12.26	12.26
37	4.95	3.81	5.88	4.52	7.58	5.94	8.50	8.50	12.38	12.38
38	4.99	3.84	5.93	4.56	7.65	6.00	8.59	8.59	12.49	12.49
39	5.04	3.88	5.98	4.60	7.73	6.05	8.66	8.66	12.60	12.60
40	5.08	3.91	6.02	4.63	7.80	6.10	8.73	8.73	12.72	12.72
41	5.12	3.94	6.08	4.68	7.87	6.16	8.80	8.80	12.82	12.82
42	5.16	3.97	6.12	4.71	7.95	6.20	8.87	8.87	12.92	12.92
43	5.20	4.00	6.16	4.74	8.01	6.25	8.95	8.95	13.03	13.03
44	5.25	4.04	6.21	4.78	8.08	6.29	9.01	9.01	13.12	13.12
45	5.28	4.06	6.25	4.81	8.14	6.34	9.08	9.08	13.22	13.22
46	5.32	4.09	6.31	4.85	8.21	6.39	9.14	9.14	13.31	13.31
47	5.36	4.12	6.36	4.89	8.27	6.43	9.20	9.20	13.40	13.40
48	5.40	4.15	6.40	4.92	8.33	6.48	9.27	9.27	13.50	13.50
49	5.43	4.18	6.44	4.95	8.39	6.52	9.33	9.33	13.58	13.58

STANDARD MAIL
RATE SCHEDULE 322.1B (continued)
PARCEL POST SUBCLASS
INTRA-BMC RATES
(dollars)

Weight (Pounds)	Local		Zones 1 & 2		Zone 3		Zone 4		Zone 5	
	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current
50	5.47	4.21	6.47	4.98	8.46	6.56	9.38	9.38	13.67	13.67
51	5.51	4.24	6.53	5.02	8.52	6.60	9.45	9.45	13.75	13.75
52	5.54	4.26	6.57	5.05	8.57	6.65	9.50	9.50	13.83	13.83
53	5.58	4.29	6.60	5.08	8.63	6.69	9.55	9.55	13.91	13.91
54	5.62	4.32	6.64	5.11	8.69	6.73	9.61	9.61	13.99	13.99
55	5.66	4.35	6.68	5.14	8.75	6.76	9.67	9.67	14.06	14.06
56	5.69	4.38	6.73	5.18	8.80	6.81	9.72	9.72	14.13	14.13
57	5.72	4.40	6.77	5.21	8.85	6.85	9.77	9.77	14.21	14.21
58	5.76	4.43	6.81	5.24	8.91	6.88	9.82	9.82	14.28	14.28
59	5.80	4.46	6.85	5.27	8.96	6.92	9.87	9.87	14.35	14.35
60	5.82	4.48	6.89	5.30	9.01	6.96	9.93	9.93	14.42	14.42
61	5.88	4.52	6.94	5.34	9.06	7.00	9.97	9.97	14.49	14.49
62	5.90	4.54	6.98	5.37	9.11	7.03	10.02	10.02	14.55	14.55
63	5.94	4.57	7.01	5.39	9.17	7.07	10.07	10.07	14.61	14.61
64	5.97	4.59	7.05	5.42	9.22	7.10	10.12	10.12	14.68	14.68
65	6.01	4.62	7.09	5.45	9.27	7.14	10.16	10.16	14.74	14.74
66	6.03	4.64	7.14	5.49	9.31	7.18	10.20	10.20	14.81	14.81
67	6.08	4.68	7.18	5.52	9.36	7.21	10.25	10.25	14.86	14.86
68	6.11	4.70	7.20	5.54	9.41	7.24	10.30	10.30	14.92	14.92
69	6.15	4.73	7.24	5.57	9.46	7.27	10.34	10.34	14.98	14.98
70	6.18	4.75	7.28	5.60	9.50	7.32	10.39	10.39	15.03	15.03

SCHEDULE 322.1B NOTES:

1. For Barcoded Discount, deduct \$0.04 per piece.
2. See DMCS section 322.16 for oversize Parcel Post.
3. Add \$0.50 per piece for hazardous medical materials and \$1.00 per piece for other mailable hazardous materials.
4. For each pickup stop, add \$8.25

STANDARD MAIL
RATE SCHEDULE 322.1C
PARCEL POST SUBCLASS
DESTINATION BMC RATES
(dollars)

Weight (Pounds)	Zones 1 & 2		Zone 3		Zone 4		Zone 5	
	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current
2	2.01	2.10	2.26	2.25	2.70	2.30	2.70	2.33
3	2.18	2.22	2.67	2.44	3.02	2.74	3.36	3.00
4	2.34	2.33	2.99	2.62	3.46	3.15	4.36	3.94
5	2.49	2.42	3.28	2.79	3.78	3.45	4.87	4.40
6	2.63	2.51	3.56	2.95	4.07	3.71	5.35	4.83
7	2.75	2.80	3.82	3.09	4.35	3.97	5.79	5.22
8	2.88	2.69	4.06	3.22	4.59	4.19	6.21	5.60
9	3.00	2.76	4.30	3.35	4.84	4.42	6.60	5.95
10	3.11	2.84	4.52	3.47	5.06	4.62	6.97	6.29
11	3.21	2.91	4.67	3.59	5.27	4.82	7.31	6.59
12	3.32	2.98	4.81	3.70	5.47	5.00	7.64	6.89
13	3.41	3.05	4.93	3.79	5.66	5.17	7.94	7.16
14	3.50	3.11	5.08	3.91	5.84	5.34	8.23	7.42
15	3.60	3.17	5.20	4.00	6.02	5.51	8.50	7.67
16	3.68	3.23	5.32	4.09	6.18	5.65	8.77	7.91
17	3.76	3.29	5.43	4.18	6.34	5.80	9.01	8.13
18	3.85	3.34	5.54	4.26	6.49	5.94	9.26	8.35
19	3.92	3.41	5.64	4.34	6.63	6.07	9.48	8.55
20	4.00	3.45	5.75	4.42	6.76	6.19	9.69	8.74
21	4.08	3.50	5.85	4.50	6.89	6.31	9.91	8.94
22	4.15	3.56	5.94	4.57	7.02	6.43	10.11	9.12
23	4.22	3.61	6.05	4.65	7.15	6.55	10.30	9.30
24	4.30	3.64	6.14	4.72	7.26	6.65	10.48	9.46
25	4.36	3.69	6.21	4.78	7.38	6.77	10.66	9.62
26	4.42	3.74	6.31	4.85	7.49	6.87	10.83	9.78
27	4.48	3.79	6.38	4.91	7.59	6.96	10.99	9.92
28	4.55	3.83	6.47	4.98	7.70	7.06	11.15	10.07
29	4.61	3.87	6.57	5.05	7.80	7.16	11.31	10.21
30	4.66	3.91	6.63	5.10	7.89	7.24	11.46	10.35
31	4.72	3.96	6.70	5.15	7.99	7.33	11.60	10.48
32	4.78	4.00	6.79	5.22	8.08	7.42	11.74	10.61
33	4.84	4.04	6.85	5.27	8.17	7.50	11.88	10.73
34	4.89	4.08	6.92	5.32	8.25	7.58	12.00	10.84
35	4.94	4.11	6.99	5.38	8.34	7.66	12.13	10.96
36	5.00	4.15	7.05	5.42	8.43	7.75	12.26	11.08
37	5.05	4.19	7.11	5.47	8.50	7.81	12.38	11.19
38	5.10	4.23	7.19	5.53	8.59	7.90	12.49	11.29
39	5.14	4.27	7.24	5.57	8.66	7.96	12.60	11.39
40	5.19	4.30	7.31	5.62	8.73	8.03	12.72	11.50
41	5.25	4.35	7.38	5.68	8.80	8.09	12.82	11.59
42	5.29	4.38	7.44	5.72	8.87	8.16	12.92	11.68
43	5.34	4.40	7.49	5.76	8.95	8.23	13.03	11.79
44	5.38	4.44	7.54	5.80	9.01	8.29	13.12	11.87
45	5.42	4.47	7.61	5.85	9.08	8.36	13.22	11.96
46	5.47	4.51	7.67	5.90	9.14	8.41	13.31	12.04
47	5.52	4.55	7.72	5.94	9.20	8.47	13.40	12.13
48	5.56	4.58	7.77	5.98	9.27	8.53	13.50	12.22
49	5.60	4.61	7.83	6.02	9.33	8.59	13.58	12.29

STANDARD MAIL
RATE SCHEDULE 322.1C (continued)
PARCEL POST SUBCLASS
DESTINATION BMC RATES
(dollars)

Weight (Pounds)	Zones 1 & 2		Zone 3		Zone 4		Zone 5	
	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current
50	5.64	4.64	7.88	6.06	9.38	8.64	13.67	12.38
51	5.68	4.68	7.93	6.10	9.45	8.70	13.75	12.45
52	5.73	4.71	8.00	6.15	9.50	8.75	13.83	12.52
53	5.77	4.73	8.05	6.19	9.55	8.80	13.91	12.60
54	5.81	4.76	8.09	6.22	9.61	8.86	13.99	12.67
55	5.85	4.79	8.13	6.25	9.67	8.91	14.06	12.74
56	5.89	4.83	8.19	6.30	9.72	8.96	14.13	12.80
57	5.93	4.86	8.24	6.34	9.77	9.01	14.21	12.88
58	5.97	4.89	8.28	6.37	9.82	9.06	14.28	12.94
59	6.01	4.92	8.33	6.41	9.87	9.10	14.35	13.01
60	6.05	4.95	8.39	6.45	9.93	9.16	14.42	13.07
61	6.08	4.99	8.42	6.48	9.97	9.20	14.49	13.14
62	6.12	5.02	8.46	6.51	10.02	9.25	14.55	13.19
63	6.15	5.04	8.52	6.55	10.07	9.29	14.61	13.25
64	6.19	5.07	8.55	6.58	10.12	9.34	14.68	13.31
65	6.23	5.10	8.61	6.62	10.16	9.38	14.74	13.37
66	6.27	5.14	8.66	6.66	10.20	9.42	14.81	13.43
67	6.30	5.17	8.70	6.69	10.25	9.47	14.86	13.48
68	6.34	5.19	8.74	6.72	10.30	9.51	14.92	13.54
69	6.37	5.21	8.76	6.74	10.34	9.55	14.98	13.59
70	6.41	5.24	8.83	6.79	10.39	9.60	15.03	13.64

SCHEDULE 322.1C NOTES:

1. For Barcoded Discount, deduct \$0.04 per piece
2. See DMCS section 322.16 for oversize Parcel Post.
3. Add \$0.50 per piece for hazardous medical materials and \$1.00 per piece for other mailable hazardous materials.
4. A fee of \$100 must be paid each year for DBMC, DSCF, and DDU.

**STANDARD MAIL
RATE SCHEDULE 322.1D
PARCEL POST SUBCLASS
DESTINATION SCF RATES
(dollars)**

DSCF		DSCF	
Weight (Pounds)	Proposed	Weight (Pounds)	Proposed
		36	3.83
2	1.60	37	3.87
3	1.72	38	3.91
4	1.84	39	3.95
5	1.94	40	3.99
6	2.04	41	4.04
7	2.12	42	4.07
8	2.22	43	4.11
9	2.31	44	4.14
10	2.38	45	4.18
11	2.46	46	4.22
12	2.54	47	4.26
13	2.60	48	4.30
14	2.67	49	4.33
15	2.74	50	4.36
16	2.80	51	4.40
17	2.86	52	4.44
18	2.93	53	4.47
19	2.98	54	4.51
20	3.04	55	4.54
21	3.11	56	4.58
22	3.16	57	4.61
23	3.21	58	4.65
24	3.28	59	4.68
25	3.32	60	4.72
26	3.37	61	4.74
27	3.42	62	4.78
28	3.47	63	4.80
29	3.52	64	4.84
30	3.56	65	4.87
31	3.61	66	4.91
32	3.66	67	4.94
33	3.70	68	4.97
34	3.74	69	5.00
35	3.78	70	5.03

SCHEDULE 322.1D NOTES:

1. See DMCS section 322.16 for oversize Parcel Post.
2. Add \$0.50 per piece for hazardous medical materials and \$1.00 per piece for other mailable hazardous materials.
3. A fee of \$100.00 must be paid each year for DBMC, DSCF, and DDU.

**STANDARD MAIL
RATE SCHEDULE 322.1E
PARCEL POST SUBCLASS
DESTINATION DELIVERY UNIT RATES
(dollars)**

DDU		DDU	
Weight (Pounds)	Proposed	Weight (Pounds)	Proposed
		36	2.17
2	1.37	37	2.19
3	1.44	38	2.21
4	1.48	39	2.24
5	1.54	40	2.26
6	1.59	41	2.28
7	1.63	42	2.30
8	1.69	43	2.32
9	1.73	44	2.36
10	1.77	45	2.37
11	1.80	46	2.39
12	1.81	47	2.42
13	1.83	48	2.44
14	1.83	49	2.46
15	1.84	50	2.48
16	1.87	51	2.51
17	1.87	52	2.52
18	1.88	53	2.55
19	1.89	54	2.58
20	1.92	55	2.60
21	1.92	56	2.62
22	1.93	57	2.64
23	1.95	58	2.67
24	1.96	59	2.69
25	1.98	60	2.70
26	1.99	61	2.75
27	2.01	62	2.76
28	2.02	63	2.79
29	2.05	64	2.81
30	2.08	65	2.84
31	2.09	66	2.85
32	2.11	67	2.89
33	2.13	68	2.91
34	2.15	69	2.94
35	2.16	70	2.96

SCHEDULE 322.1E NOTES:

1. See DMCS section 322.16 for oversize Parcel Post.
2. Add \$0.50 per piece for hazardous medical materials and \$1.00 per piece for other mailable hazardous materials.
3. A fee of \$100.00 must be paid each year for DBMC, DSCF, and DDU.

**STANDARD MAIL
RATE SCHEDULE 322.3A
BOUND PRINTED MATTER SUBCLASS
SINGLE PIECE RATES [±]
(dollars)**

Weight not Exceeding (Pounds)	Zones															
	Local		1&2		3		4		5		6		7		8	
	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current
1.5	\$1.08	\$1.11	\$1.50	\$1.49	\$1.54	\$1.52	\$1.61	\$1.58	\$1.71	\$1.66	\$1.82	\$1.74	\$1.95	\$1.84	\$2.05	\$1.93
2	1.10	1.12	1.54	1.52	1.59	1.56	1.68	1.63	1.82	1.74	1.96	1.85	2.13	1.99	2.28	2.10
2.5	1.11	1.14	1.58	1.55	1.65	1.60	1.76	1.69	1.93	1.82	2.10	1.96	2.32	2.13	2.50	2.28
3	1.12	1.15	1.62	1.57	1.70	1.64	1.83	1.74	2.03	1.90	2.25	2.07	2.50	2.27	2.72	2.45
3.5	1.13	1.17	1.66	1.60	1.75	1.67	1.90	1.80	2.14	1.98	2.39	2.18	2.69	2.42	2.94	2.62
4	1.14	1.18	1.69	1.63	1.80	1.71	1.97	1.85	2.25	2.07	2.53	2.29	2.87	2.56	3.16	2.79
4.5	1.15	1.20	1.73	1.65	1.85	1.75	2.05	1.91	2.35	2.15	2.67	2.40	3.06	2.71	3.38	2.97
5	1.17	1.22	1.77	1.68	1.90	1.79	2.12	1.96	2.46	2.23	2.82	2.51	3.24	2.85	3.61	3.14
6	1.19	1.25	1.85	1.73	2.00	1.86	2.27	2.07	2.67	2.39	3.10	2.73	3.61	3.14	4.05	3.49
7	1.21	1.28	1.92	1.79	2.10	1.94	2.41	2.18	2.89	2.56	3.39	2.95	3.98	3.43	4.49	3.83
8	1.23	1.31	2.00	1.84	2.21	2.01	2.56	2.29	3.10	2.72	3.67	3.17	4.35	3.71	4.93	4.18
9	1.26	1.34	2.07	1.90	2.31	2.09	2.70	2.40	3.32	2.89	3.96	3.39	4.72	4.00	5.38	4.52
10	1.28	1.37	2.15	1.95	2.41	2.16	2.85	2.51	3.53	3.05	4.24	3.61	5.09	4.29	5.82	4.87
11	1.30	N.A.	2.23	N.A.	2.51	N.A.	3.00	N.A.	3.74	N.A.	4.53	N.A.	5.46	N.A.	6.26	N.A.
12	1.33	N.A.	2.30	N.A.	2.61	N.A.	3.14	N.A.	3.96	N.A.	4.81	N.A.	5.83	N.A.	6.71	N.A.
13	1.35	N.A.	2.38	N.A.	2.72	N.A.	3.29	N.A.	4.17	N.A.	5.10	N.A.	6.20	N.A.	7.15	N.A.
14	1.37	N.A.	2.45	N.A.	2.82	N.A.	3.43	N.A.	4.39	N.A.	5.38	N.A.	6.51	N.A.	7.59	N.A.
15	1.40	N.A.	2.53	N.A.	2.92	N.A.	3.58	N.A.	4.60	N.A.	5.67	N.A.	6.94	N.A.	8.04	N.A.

Per Piece Rate	1.05	1.06	1.39	1.41	1.39	1.41	1.39	1.41	1.39	1.41	1.39	1.41	1.39	1.41	1.39	1.41
Per Pound Rate	0.023	0.031	0.076	0.054	0.102	0.075	0.146	0.110	0.214	0.164	0.285	0.220	0.370	0.288	0.443	0.346

SCHEDULE 322.3A NOTES:

- [±] 1. Includes both catalogs and similar bound printed matter.
2. For barcoded discount, deduct \$0.04 per piece.

**STANDARD MAIL
RATE SCHEDULE 322.3B
BOUND PRINTED MATTER SUBCLASS
BULK AND CARRIER ROUTE PRESORT RATES 1/
(dollars)**

Zone	Per-Piece <u>3/</u>		Carrier Route 2/		Per-pound	
	Proposed	Current	Proposed	Current	Proposed	Current
Local	0.523	0.530	0.456	0.467	0.012	0.023
1&2	0.697	0.700	0.630	0.637	0.061	0.043
3	0.697	0.700	0.630	0.637	0.087	0.063
4	0.697	0.700	0.630	0.637	0.131	0.099
5	0.697	0.700	0.630	0.637	0.198	0.152
6	0.697	0.700	0.630	0.637	0.269	0.209
7	0.697	0.700	0.630	0.637	0.355	0.277
8	0.697	0.700	0.630	0.637	0.428	0.335

SCHEDULE 322.3B NOTES

- 1/ Includes both catalogs and similar bound printed matter.
- 2/ Applies to mailings of at least 300 pieces presorted to carrier route as prescribed specified by the Postal Service.
- 3/ For Barcoded Discount, deduct \$0.04 per-piece

**STANDARD MAIL
RATE SCHEDULES 323.1 & 323.2
SPECIAL AND LIBRARY RATE SUBCLASSES**

Schedule 323.1: Special

		Proposed Rates (cents)	Current Rates (cents)
First Pound	Not presorted <u>4/</u>	124	124
	LEVEL A Presort (5-digits) 1/ 2/	90	70
	LEVEL B Presort (BMC) 1/ 3/ <u>4/</u>	112	104
Each additional pound through 7 pounds		51	50
Each additional pound over 7 pounds		21	31

Schedule 323.2: Library

	Proposed Full Rates (cents)	Current Full Rates (cents)
First Pound	144	112
Each additional pound through 7 pounds	52	42
Each additional pound over 7 pounds	25	22

SCHEDULE 323.1 NOTES:

- 1/ A fee of ~~\$85.00~~ \$100.00 must be paid once each 12-month period for each permit.
- 2/ For mailings of 500 or more pieces properly prepared and presorted to five-digit destination ZIP Codes.
- 3/ For mailings of 500 or more pieces properly prepared and presorted to Bulk Mail Centers.
- 4/ For Barcoded Discount, deduct \$0.04 per-piece

SCHEDULE 323.2 NOTES:

1. Add \$0.50 per piece for hazardous medical materials and \$1.00 per piece for other mailable hazardous materials.
2. For Barcoded Discount, deduct \$0.04 per-piece.

PERIODICALS
RATE SCHEDULE 421
REGULAR SUBCLASS^{1, 2}

	Postage Rate Unit	Current Rate ³ (cents)	Proposed Rate (cents)
PER POUND:			
Nonadvertising Portion:	Pound	16.1	17.4
Advertising Portion:			
Delivery Office ⁴	Pound	16.9	15.8
SCF ⁵	Pound	19.0	18.0
1&2	Pound	21.4	20.3
3	Pound	22.4	21.6
4	Pound	25.1	25.1
5	Pound	29.2	30.5
6	Pound	33.6	36.1
7	Pound	38.8	41.6
8	Pound	43.2	47.4
Science of Agriculture			
Delivery Office	Pound	12.7	11.9
SCF	Pound	14.3	13.5
Zones 1&2	Pound	16.1	15.2
PER PIECE: Less Nonadvertising Factor⁵		5.7	5.9
Required Preparation ⁷	Piece	24.0	26.3
Presorted to 3-digit city/5-digit	Piece	20.2	N.A.
<u>Presorted to 3-digit</u>	Piece	N.A.	21.7
<u>Presorted to 5-digit</u>	Piece	N.A.	21.4
Presorted to Carrier Route	Piece	11.9	12.8
Discounts:			
Prepared to Delivery Office ⁴	Piece	2.1	2.3
Prepared to SCF ⁵	Piece	1.1	1.2
High Density ⁸	Piece	0.8	1.2
Saturation ⁹	Piece	2.4	2.6
Automation Discounts for			
Automation Compatible Mail ¹⁰			
From Required:			
Pre-barcoded letter size	Piece	4.6	8.1
Pre-barcoded flats	Piece	3.1	4.2
From 3/5 Digit:			
Pre-barcoded 3-digit letter size	Piece	2.9	N.A.
Pre-barcoded 5-digit letter size	Piece	2.9	N.A.
Pre-barcoded flats	Piece	2.7	N.A.
From 3 Digit:			
<u>Pre-barcoded letter size</u>	Piece	N.A.	5.1
<u>Pre-barcoded flats</u>	Piece	N.A.	2.9
From 5 Digit:			
<u>Pre-barcoded letter size</u>	Piece	N.A.	5.2
<u>Pre-barcoded flats</u>	Piece	N.A.	2.8

SCHEDULE 421 NOTES

- ¹ The rates in this schedule also apply to commingled nonsubscriber, non-requester, complimentary, and sample copies in excess of 10 percent allowance in regular-rate, non-profit, and classroom periodicals.
- ² Rates do not apply to otherwise regular rate mail that qualifies for the Within-County rates in Schedule 423.2.
- ³ Charges are computed by adding the appropriate per-piece charge to the sum of the nonadvertising portion and the advertising portion, as applicable.
- ⁴ Applies to carrier route (including high density and saturation) mail delivered within the delivery area of the originating post office.
- ⁵ Applies to mail delivered within the SCF area of the originating SCF office.
- ⁶ For postage calculations, multiply the proportion of nonadvertising content by this factor and subtract from the applicable piece rate.
- ⁷ ~~Mail presorted to 3-digit (other than 3-digit city), SCF, states, or mixed states.~~
- ⁷ Mail not eligible for carrier-route, 5-digit or 3-digit rates.
- ⁸ Applicable to high density mail,deducted from carrier route presort rate.
- ⁹ Applicable to saturation mail, deducted from carrier route presort rate.
- ¹⁰ For automation compatible mail meeting applicable Postal Service regulations.

**PERIODICALS
RATE SCHEDULE 423.2
WITHIN COUNTY
(Full Rates)**

	Current Rate (cents)	Proposed Rate (cents)
PER POUND:		
General	12.6	13.1
Delivery Office ¹	11.6	11.7
PER PIECE:		
Required Presort	8.2	9.0
<u>Presorted to 3-digit</u>	N.A.	8.0
<u>Presorted to 5-digit</u>	N.A.	7.7
Carrier Route Presort	4.4	4.5
PER PIECE DISCOUNTS:		
Delivery Office ²	0.3	0.4
High Density (formerly 125 piece) ³	0.5	0.5
Saturation	0.7	0.7
Automation Discounts for Automation Compatible Mail ⁴		
From Required:		
3-Digit Pre-barcoded Letter size	0.4	N.A.
5-Digit Pre-barcoded Letter size	1.7	N.A.
<u>Pre-barcoded Letter size</u>	N.A.	2.7
3/5-Digit Pre-barcoded Flats	1.5	N.A.
<u>Pre-barcoded Flat size</u>	N.A.	1.2
<u>From 3-digit:</u>		
<u>Pre-barcoded Letter size</u>	N.A.	1.9
<u>Pre-barcoded Flat size</u>	N.A.	1.4
<u>From 5-digit:</u>		
<u>Pre-barcoded Letter size</u>	N.A.	1.8
<u>Pre-barcoded Flat size</u>	N.A.	1.4

SCHEDULE 432.2 NOTES

- ¹ Applicable only to the pound charge of carrier route (including high density and saturation) presorted pieces to be delivered within the delivery area of the originating post office.
- ² Applicable only to carrier presorted pieces to be delivered within the delivery area of the originating post office.
- ³ Applicable to high density mail, deducted from carrier route presort rate.
- ⁴ For automation compatible pieces meeting applicable Postal Service regulations.

**PERIODICALS
RATE SCHEDULE 423.3**

PUBLICATIONS OF AUTHORIZED NONPROFIT ORGANIZATIONS ¹⁰ (Full Rates)

	Postage Rate Unit	Current Rate¹ (cents)	Proposed Rate¹ (cents)
PER POUND:			
Nonadvertising portion:	Pound	14.2	15.4
Advertising portion: ⁹			
Delivery Office ²	Pound	16.9	15.8
SCF ³	Pound	19.0	18.0
1&2	Pound	21.4	20.3
3	Pound	22.4	21.6
4	Pound	25.1	25.1
5	Pound	29.2	30.5
6	Pound	33.6	36.1
7	Pound	38.8	41.6
8	Pound	43.2	47.4
PER PIECE: Less Nonadvertising Factor ⁴		4.2	4.4
Required Preparation ⁵	Piece	21.9	24.4
Presorted to 3-digit city/5-digit	Piece	17.4	N.A.
<u>Presorted to 3-digit</u>	Piece	N.A.	18.5
<u>Presorted to 5-digit</u>	Piece	N.A.	18.3
Presorted to Carrier Route	Piece	10.7	11.3
Discounts:			
Prepared to Delivery Office ²	Piece	1.2	1.2
Prepared to SCF ³	Piece	0.6	0.6
High Density (formerly 125-Piece) ⁶	Piece	0.7	2.0
Saturation ⁷	Piece	2.1	3.3
Automation Discounts for Automation Compatible Mail ⁸			
From Required:			
Pre-barcoded Letter size	Piece	3.0	7.9
Pre-barcoded Flats	Piece	2.4	3.7
From 3/5 Digit:			
3-Digit Pre-barcoded Letter size	Piece	2.3	N.A.
5-Digit Pre-barcoded Letter size	Piece	2.3	N.A.
Pre-barcoded Flats	Piece	2.4	N.A.
From 3-Digit:			
<u>Pre-barcoded Letter size</u>	Piece	N.A.	2.9
<u>Pre-barcoded Flats</u>	Piece	N.A.	2.6
From 5-Digit:			
<u>Pre-barcoded Letter size</u>	Piece	N.A.	3.2
<u>Pre-barcoded Flats</u>	Piece	N.A.	2.8

SCHEDULE 423.3 NOTES

- ¹ Charges are computed by adding the appropriate per-piece charge to the sum of the nonadvertising portion and the advertising portion, as applicable.
- ² Applies to carrier route (including high density and saturation) mail delivered within the delivery area of the originating post office.
- ³ Applies to mail delivered within the SCF area of the originating SCF office.
- ⁴ For postage calculation, multiply the proportion of nonadvertising content by this factor and subtract from the applicable piece rate.
- ⁵ ~~Mail presorted to 3-digit (other than 3-digit city), SCF, states, or mixed states.~~
- ⁵ Mail not eligible for carrier-route, 5-digit or 3-digit rates.
- ⁶ Applicable to high density mail, deducted from carrier route presort rate.
- ⁷ Applicable to saturation mail, deducted from carrier route presort rate.
- ⁸ For automation compatible mail meeting applicable Postal Service regulations.
- ⁹ Not applicable to publications containing 10 percent or less advertising content.
- ¹⁰ If qualified, nonprofit publications may use Within-County rates for applicable portions of a mailing.

**PERIODICALS
RATE SCHEDULE 423.4
CLASSROOM PUBLICATIONS ¹⁰
(Full Rates)**

	Postage Rate Unit	Current Rate ¹ (cents)	Oct 5 '97 Rate ¹ (cents)	Proposed Rate ¹ (cents)
PER POUND:				
Nonadvertising Portion:	Pound	11.3	14.2	15.4
Advertising Portion: ⁹				
Delivery Office ²	Pound	18.0	16.9	15.8
SCF ³	Pound	19.1	19.0	18.0
1&2	Pound	21.2	21.4	20.3
3	Pound	22.3	22.4	21.6
4	Pound	25.0	25.1	25.1
5	Pound	29.2	29.2	30.5
6	Pound	33.5	33.6	36.1
7	Pound	38.8	38.8	41.6
8	Pound	43.2	43.2	47.4
PER PIECE: Less Nonadvertising Factor⁴		3.5	4.2	4.4
Required Preparation ⁵	Piece	17.1	21.9	24.4
Presorted to 3-digit city/5-digit	Piece	12.8	17.4	N.A.
<u>Presorted to 3-digit</u>	Piece	N.A.	N.A.	18.5
<u>Presorted to 5-digit</u>	Piece	N.A.	N.A.	18.3
Presorted to Carrier Route	Piece	9.0	10.7	11.3
Discounts:				
Prepared to Delivery Office ²	Piece	0.5	1.2	1.2
Prepared to SCF	Piece	0.3	0.6	0.6
High Density (formerly 125-Piece) ⁶	Piece	0.2	0.7	2.0
Saturation ⁷	Piece	0.7	2.1	3.3
Automation Discounts for Automation Compatible Mail ⁸				
From Required:				
ZIP+4 Letter size	Piece	0.7	N.A.	N.A.
Pre-barcode Letter size	Piece	1.7	3.0	7.9
Pre-barcode Flats	Piece	2.3	2.4	3.7
From 3/5 Digit:				
ZIP+4 Letter size		0.4	N.A.	N.A.
3-Digit Pre-barcode Letter siz	Piece	1.0	2.3	N.A.
5-Digit Pre-barcode Letter siz	Piece	1.7	2.3	N.A.
Pre-barcode Flats	Piece	1.5	2.4	N.A.
From 3 Digit:				
<u>Pre-barcode Letter size</u>	Piece	N.A.	N.A.	2.9
<u>Pre-barcode Flats</u>	Piece	N.A.	N.A.	2.6
From 5 Digit:				
<u>Pre-barcode Letter size</u>	Piece	N.A.	N.A.	3.2
<u>Pre-barcode Flats</u>	Piece	N.A.	N.A.	2.8

SCHEDULE 423.4 NOTES

- ¹ Charges are computed by adding the appropriate per-piece charge to the sum of the nonadvertising portion and the advertising portion, as applicable.
- ² Applies to carrier route (including 125-piece walk sequence and saturation) mail delivered within the delivery area of the originating post office.
- ³ Applies to mail delivered within the SCF area of the originating SCF office.
- ⁴ For postage calculation, multiply the proportion of nonadvertising content by this factor and subtract from the applicable piece rate.
- ⁶ ~~Mail presorted to 3-digit (other than 3-digit city), SCF, states, or mixed states.~~
- ⁵ Mail not eligible for carrier-route, 5-digit, or 3-digit rates.
- ⁶ For walk sequenced mail in batches of 125 pieces or more from carrier route presorted mail.
- ⁷ Applicable to saturation mail; deducted from carrier route presort rate.
- ⁸ For automation compatible mail meeting applicable Postal Service regulations.
- ⁹ Not applicable to publications containing 10 percent or less of advertising content.
- ¹⁰ If qualified, classroom publications may use Within-County rates for applicable portions of a mailing.

FEE SCHEDULE 911

ADDRESS CORRECTIONS

<i>Description</i>	<i>Fee</i>	
	<u>Proposed</u>	<u>Current</u>
Per manual correction	\$0.50	\$0.50
Per automated correction	\$0.20	\$ 0.20

FEE SCHEDULE 912

ZIP CODING OF MAILING LISTS

	Fee	
	Proposed	Current
Per thousand addresses	\$70.00	\$60.00

CORRECTION OF MAILING LISTS

	Fee	
	Proposed	Current
Per submitted address	\$0.20	\$ 0.17
Minimum charge per list corrected	\$7.00	\$5.50

**ADDRESS CHANGES FOR ELECTION BOARDS
AND REGISTRATION COMMISSIONS**

	Fee	
	Proposed	Current
Per change of address	\$0.20	\$ 0.17

**CORRECTIONS ASSOCIATED WITH ARRANGEMENT OF
ADDRESS CARDS IN CARRIER DELIVERY SEQUENCE**

	Fee	
	Proposed	Current
Per Correction	\$0.20	\$0.17

NOTE

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

FEE SCHEDULE 921
POST OFFICE BOXES AND CALLER SERVICE

I. Semi-annual Box Fees¹

Box Size²	Fee Group									
	A		B		C		D & E³		E³	
	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current
1	\$35.00	\$ 24	\$30.00	22	\$22.50	\$ 20	\$9.00	\$ 6.00	\$0	N.A.
2	52.50	37	45.00	33	32.50	29	15.00	10.00	0	N.A.
3	92.50	64	75.00	56	57.50	52	27.50	18.00	0	N.A.
4	162.50	121	145.00	109	97.50	86	40.00	26.50	0	N.A.
5	275.00	209	217.50	186	162.50	144	62.50	41.50	0	N.A.

¹ A customer ineligible for carrier delivery may obtain a post office box at ~~no charge~~ Group E fees, subject to administrative decisions regarding customer's proximity to post office.

² Box Size 1 = under 296 cubic inches; 2 = 296-499 cubic inches; 3 = 500-999 cubic inches; 4 = 1000-1999 cubic inches; 5 = 2000 cubic inches and over.

³ ~~Group E post office box customers subject to these fees are those eligible for carrier delivery.~~

II. Semi-annual Caller Service Fees

Fee Group	Fee	
	Proposed	Current
A.....	\$275	\$250
B.....	\$275	\$240
C.....	\$275	\$225
D.....	\$275	\$225

III. Annual Call Number Reservation Fee

(all applicable Fee Groups)..... \$40 \$30

FEE SCHEDULE 931
BUSINESS REPLY MAIL

	Fee ¹	
	Proposed	Current
Active business reply advance deposit account:		
Per piece:		
Pre-barcoded	NA	\$0.02
<u>Qualified</u>	\$0.06	\$0.02
Nonletter-size, using reverse manifest (experimental)	\$0.02	\$0.02
Nonletter-size, using weight averaging (experimental)	\$0.03	\$0.03
Other	\$0.08	\$0.10
Payment of postage due charges if active business reply mail advance deposit account not used:		
Per piece	\$0.30	\$0.44
Annual License and Accounting Fees:		
Accounting Fee for Advance Deposit Account	\$300	\$205
Permit fee (with or without Advance Deposit Account)	\$100	\$85
Monthly Fees for customers using a reverse manifest or weight averaging for nonletter-size business reply		
Nonletter-size, using reverse manifest (experimental)	\$1000	\$1000
Nonletter-size, using weight averaging (experimental)	\$3000	\$3000
Set-up/Qualification fee for customers using a reverse manifest or weight averaging for nonletter-size business reply		
Nonletter-size, using reverse manifest (experimental)	\$1,000	\$1,000
Nonletter-size, using weight averaging (experimental)	\$3,000	\$3,000

¹ Experimental per piece, monthly, and set-up/qualification fees are applicable only to participants selected by the Postal Service for the nonletter-size business reply mail experiment. The experimental fees expire June 7, 1999.

FEE SCHEDULE 932
MERCHANDISE RETURN

Per Transaction	Fee	
	Proposed	Current
Shipper must have an advance deposit account (see DMCS Schedule 1000)	\$ 0.30	\$ 0.30

FEE SCHEDULE 933
ON-SITE METER SETTING

		<u>Fee</u>	
		Proposed	Current
First Meter	By appointment	\$ 27.50	\$27.50
	Unscheduled request	31.00	31.00
Additional meters		4.00	3.25
Checking meter in or out of service (per meter)		8.50	7.50

FEE SCHEDULE 934
PREPAID REPLY MAIL

	<u>Fee</u>
<u>Annual Permit Fee</u>	<u>\$100</u>
<u>Monthly Accounting Fee</u>	<u>\$1,000</u>

FEE SCHEDULE 941
CERTIFIED MAIL

Description

Fee

(in addition to postage)

Service (per mailpiece)

Proposed

Current

\$1.55

\$1.35

FEE SCHEDULE 942
REGISTERED MAIL

<i>Declared Value of Article¹</i>		<i>Fees²</i> <i>(in addition to postage)</i>		<i>Handling Charge</i>
		<i>Proposed</i>	<i>Current</i>	
\$0.00 to	\$100	N/A	\$4.85 <i>(without insurance)</i>	None
<u>\$0</u>		\$7.30	N.A.	<u>None</u>
0.00 to	100	N/A	4.95 <i>(with insurance)</i>	
<u>0.01 to</u>	<u>100</u>	<u>\$7.45</u>	<u>N.A.</u>	
100.01 to	500	8.15	5.40	
500.01 to	1,000	8.85	5.85	
1,000.01 to	2,000	9.55	6.30	
2,000.01 to	3,000	10.25	6.75	
3,000.01 to	4,000	10.95	7.20	
4,000.01 to	5,000	11.65	7.65	
5,000.01 to	6,000	12.35	8.10	
6,000.01 to	7,000	13.05	8.55	
7,000.01 to	8,000	13.75	9.00	
8,000.01 to	9,000	14.45	9.45	
9,000.01 to	10,000	15.15	9.90	
10,000.01 to	11,000	15.85	10.35	
11,000.01 to	12,000	16.55	10.80	
12,000.01 to	13,000	17.25	11.25	
13,000.01 to	14,000	17.95	11.70	
14,000.01 to	15,000	18.65	12.15	
15,000.01 to	16,000	19.35	12.60	
16,000.01 to	17,000	20.05	13.05	
17,000.01 to	18,000	20.75	13.50	
18,000.01 to	19,000	21.45	13.95	
19,000.01 to	20,000	22.15	14.40	
20,000.01 to	21,000	22.85	14.85	
21,000.01 to	22,000	23.55	15.30	
22,000.01 to	23,000	24.25	15.75	
23,000.01 to	24,000	24.95	16.20	
24,000.01 to	25,000	25.65	16.65	

	<u>Proposed</u>	<u>Current</u>	<u>Proposed/Current</u>
25,000.01 to \$1 million	\$25.65	\$16.65.....	<i>plus 45 70</i> cents for each \$1,000 (or fraction thereof) over \$25,000
Over \$1 million to \$15 million.....	\$708.15	\$455.40.....	<i>plus 45 70</i> cents for each \$1,000 (or fraction thereof) over \$1 million
Over \$15 million	\$10,508.15	\$6,755.40.....	<i>plus</i> Amount determined by the Postal Service based on weight, space and value

¹ Articles with a declared value of more than \$25,000 can be registered, but compensation for loss or damage is limited to \$25,000.

² ~~Fees for articles with declared values of more than \$100 include insurance.~~

FEE SCHEDULE 943
INSURED MAIL

Part a — Express Mail Insurance

Document Reconstruction

Coverage	Fee (in addition to postage)
\$0.01 to \$500	no charge

Merchandise

<u>Declared Value Coverage</u>	Fee (in addition to postage)	
	Proposed	Current
\$ 0.01 to \$ 500	no charge	no charge
500.01 to 5000	\$1.00 for each \$100 (or fraction thereof) over \$500 in value	\$0.90 for each \$100 (or fraction thereof) over \$500 in value

Part b —General Insurance

<u>Declared Value Coverage</u>	Fee ^{1/} (in addition to postage)	
	Proposed	Current
\$ 0.01 to \$ 50	\$0.95	\$0.75
50.01 to \$ 100	1.90	1.60
100.1 to \$5000	1.90	1.60
	plus \$1.00 for each \$100 (or fraction thereof) over \$100 in <u>declared value coverage</u>	plus \$0.90 for each \$100 (or fraction thereof) in declared value

^{1/} For bulk insurance, deduct \$0.40 per piece.

FEE SCHEDULE 944
COLLECT ON DELIVERY

Fee
(in addition to postage)

Amount to be collected, or
Insurance Coverage Desired

	Proposed	Current
\$ 0.01 to \$50	\$4.00	\$3.50
50.01 to 100	\$5.00	4.50
100.01 to 200	\$6.00	5.50
200.01 to 300	\$7.00	6.50
300.01 to 400	\$8.00	7.50
400.01 to 500	\$9.00	8.50
500.01 to 600	\$10.00	9.50
Notice of nondelivery of COD	\$3.00	2.80
Alteration of COD charges or designation of new addressee	\$3.00	2.80
Registered COD	\$4.00	3.50

FEE SCHEDULE 945
RETURN RECEIPTS

<i>Description</i>	<i>Fee</i> <i>(in addition to postage)</i>	
Receipt Issued at Time of Mailing¹		
	Proposed	Current
Items other than Merchandise	\$1.45	\$1.10
Merchandise (without another special service).....	\$1.70	\$1.20
Receipt Issued after Mailing²	\$7.00	\$6.60

¹ This receipt shows the signature of the person to whom the mailpiece was delivered, the date of delivery and the delivery address, if such address is different from the address on the mailpiece.

² This receipt shows to whom the mailpiece was delivered and the date of delivery.

FEE SCHEDULE 946
RESTRICTED DELIVERY

	Fee (in addition to postage)	
	Proposed	Current
Per Piece	\$2.75	\$2.75

FEE SCHEDULE 947
CERTIFICATE OF MAILING

Fee
(in addition to postage)

Individual Pieces

	Proposed	Current
Original certificate of mailing for listed pieces of all classes of ordinary mail (per piece)	\$0.60	0.55
Three or more pieces individually listed in a firm mailing book or an approved customer provided manifest (per piece)	0.25	0.20
Each additional copy of original certificate of mailing or original mailing receipt for registered, insured, certified, and COD mail (each copy)	0.60	0.55

Bulk Pieces

Identical pieces of First-Class and Single Piece, Regular, Enhanced Carrier Route, Nonprofit, and Nonprofit Enhanced Carrier Route Standard Mail paid with ordinary stamps, precanceled stamps, or meter stamps are subject to the following fees:

Up to 1,000 pieces (one certificate for total number)	3.00	2.75
Each additional 1,000 pieces or fraction	0.40	0.35
Duplicate copy	0.60	0.55

FEE SCHEDULE 948
DELIVERY CONFIRMATION

<u>Service</u>	<u>Fee (in addition to postage)</u>
<u>Used in Conjunction with Priority Mail</u>	
<u>Electronic</u>	<u>\$0.00</u>
<u>Manual</u>	<u>\$0.35</u>
<u>Used in Conjunction with Parcel Post, Bound Printed Matter, Library, and Special Standard Mail</u>	
<u>Electronic</u>	<u>\$0.25</u>
<u>Manual</u>	<u>\$0.60</u>

FEE SCHEDULE 951
PARCEL AIR LIFT

	Fee (In addition to Parcel Post postage)	
	Proposed	Current
Up to 2 pounds	\$0.45	\$0.40
Over 2 up to 3 pounds	\$0.85	0.75
Over 3 up to 4 pounds	\$1.30	1.15
Over 4 pounds	\$1.75	1.55

FEE SCHEDULE 952
SPECIAL HANDLING

	Fee (In addition to postage)	
	Proposed	Current
Not more than 10 pounds	\$17.25	\$ 5.40
More than 10 pounds	\$ 24.00	\$ 7.50

FEE SCHEDULE 961 **STAMPED ENVELOPES**

<i>Description</i>		<i>Fee</i>	
		<i>(in addition to postage)</i>	
		Proposed	Current
Single Sale		\$ 0.07	\$ 0.06
Single Sale Hologram		\$ 0.08	\$ 0.06
<u>PLAIN BULK (500) #6-3/4 size:</u>	Regular	\$ 8.50	\$ 8.20
	Window	\$ 8.50	\$ 9.00
<u>PRINTED BULK (500) #6-3/4 size</u>	<u>Regular</u>	\$ 14.00	\$ 12.60
	<u>Window</u>	\$ 14.00	\$ 13.40
<u>BANDED (500) #6-3/4 size</u>		\$ 9.50	\$ 8.20
<u>PLAIN BULK (500) size > #6-3/4 through #10¹</u>	Regular	\$ 11.50	\$ 12.00
	Window	\$ 11.50	\$ 13.00
<u>PRINTED BULK (500) size > #6-3/4 through #10</u>	<u>Regular</u>	\$ 15.00	\$ 16.40
	<u>Window</u>	\$ 15.00	\$ 17.40
	<u>Savings Bond</u>	\$ 15.00	\$ 15.00
	<u>Hologram</u>	\$ 19.00	\$ 16.40
<u>BANDED (500) size > #6-3/4 through #10</u>		\$ 12.00	\$ 13.00
Multi-Color Printing (500) #6-3/4 size		\$ 14.00	\$ 10.50
#10 size ¹		\$ 15.00	\$ 15.00
Printing Charge per 500 Envelopes (for each type of printed envelope)			
Minimum Order (500 envelopes)		N.A.	\$ 4.40
Order for 1,000 or more envelopes		N.A.	\$ 4.40
Double Window (500) - size > #6-3/4 through #10 ¹		\$ 11.50	\$ 15.00
Household (50); size # 6-3/4	Regular	\$ 3.00	\$ 3.00
	Window	\$ 3.00	\$ 3.10
size > #6-3/4 through #10	Regular	\$ 3.25	\$ 3.20
	Window	\$ 3.25	\$ 3.30
	<u>Hologram</u>	\$ 3.50	\$ 3.20

NOTES

¹ Fee for precancelled envelopes is the same.

FEE SCHEDULE 962
STAMPED CARDS

Description

Fee
(in addition to postage)

	<i>Proposed</i>	<i>Current</i>
Stamped Card	\$0.02	\$0.00
Double Stamped Card	\$0.04	\$0.00

FEE SCHEDULE 971
MONEY ORDERS

		Fee	
		Proposed	Current
Domestic	\$ 0.01 to \$ 700	\$0.85	\$0.85
APO-FPO	\$ 0.01 to \$700	0.30	0.30
Inquiry Fee, which includes the issuance of copy of a paid money order		2.75	2.75

SCHEDULE 1000

FEES		Proposed	Current
First-Class Presorted Mailing Fee		\$100.00	\$ 85.00
Periodicals Fees			
A. Original Entry		\$305.00	\$305.00
B. Additional Entry		\$ 50.00	\$ 85.00
C. Re-entry		\$ 50.00	\$ 50.00
D. Registration for News Agents		\$ 50.00	\$ 50.00
Regular, <u>Enhanced Carrier Route, Nonprofit, and</u> Nonprofit <u>Enhanced Carrier Route</u> Standard Mail Bulk Mailing –		\$100.00	\$ 85.00
Parcel Post: Destination BMC, <u>SCF, and DDU</u>		\$100.00	\$ 85.00
Special Standard Mail Presorted Mailing Fee		\$100.00	\$ 85.00
Authorization to Use Permit Imprint		\$100.00	\$ 85.00
Merchandise Return (per facility receiving merchandise return labels)		\$100.00	\$ 85.00
Business Reply Mail Permit (see Fee Schedule 932)			\$ 85.00

PHASING SCHEDULES

SUMMARY OF PROPOSED RATES FOR PHASING SCHEDULE
STANDARD MAIL RATE SCHEDULE 321.4A
NONPROFIT SUBCLASS
Presort Categories

		Rate (cents)	
Letter Size			
		Step 5	Step 6
Piece Rate			
	Basic	16.0	16.5
	3/5-Digit	13.8	14.3
Destination Entry Discount per Piece			
	BMC	1.5	1.5
	SCF	1.8	1.8
Non-Letter Size			
Piece Rate			
	Minimum per Piece		
	Basic	23.4	23.9
	3/5-Digit	17.1	17.6
Destination Entry Discount per Piece			
	BMC	1.5	1.5
	SCF	1.8	1.8
Pound Rate		55.0	55.0
Plus per Piece Rate			
	Basic	12.1	12.6
	3/5-Digit	5.8	6.3
Destination Entry Discount per Pound			
	BMC	7.2	7.2
	SCF	8.8	8.8

**SUMMARY OF PROPOSED RATES FOR PHASING SCHEDULE
STANDARD MAIL RATE SCHEDULE 321.4B
NONPROFIT SUBCLASS
Automation Categories**

Letter Size	Rate (cents)	
	Step 5	Step 6
Piece Rate		
Basic Letter	11.9	12.4
3-Digit Letter	10.7	11.2
5-Digit Letter	9.0	9.5
Destination Entry Discount per Piece		
BMC	1.5	1.5
SCF	1.8	1.8
Flat Size		
Piece Rate		
Minimum per Piece		
Basic Flat	18.5	19.0
3/5-Digit	15.0	15.5
Destination Entry Discount per Piece		
BMC	1.5	1.5
SCF	1.8	1.8
Pound Rate	55.0	55.0
Plus per Piece Rate		
Basic Flat	7.2	7.7
3/5-Digit Flat	3.7	4.2
Destination Entry Discount per Pound		
BMC	7.2	7.2
SCF	8.8	8.8

**SUMMARY OF PROPOSED RATES FOR PHASING SCHEDULE
STANDARD MAIL RATE SCHEDULE 321.5
NONPROFIT ENHANCED CARRIER ROUTE SUBCLASS**

		Rate (cents)	
Letter Size		Step 5 ^{3/}	Step 6
Piece Rate			
	Basic	N/A	9.6
	Basic Automated Letter	8.7	9.2
	High Density	7.3	7.8
	Saturation	6.7	7.2
Destination Entry Discount per Piece			
	BMC	1.5	1.5
	SCF	1.8	1.8
	DDU	2.3	2.3
Non-Letter Size *			
Piece Rate			
	Minimum per Piece		
	Basic	N/A	9.6
	High Density	N/A	8.6
	Saturation	N/A	8.0
Destination Entry Discount per Piece			
	BMC	1.5	1.5
	SCF	1.8	1.8
	DDU	2.3	2.3
Pound Rate		35.0	35.0
	Plus per Piece Rate		
	Basic	N/A	2.4
	High Density	N/A	1.4
	Saturation	N/A	0.8
Destination Entry Discount per Pound			
	BMC	7.2	7.2
	SCF	8.8	8.8
	DDU	11.0	11.0

* It is anticipated that in order to comply with 39 U.S.C. Section 3642(d), phased rates will not be implemented for the cells marked N/A. Full rates would apply for these cells.

SUMMARY OF PROPOSED RATES FOR PHASING SCHEDULE
Schedule 323.2: Library

	Proposed Step 5 Rates (cents)	Proposed Step 6 Rates (cents)
First Pound	144	144
Each additional pound through 7 pounds	47	52
Each additional pound over 7 pounds	24	25

**SUMMARY OF PROPOSED RATES FOR PHASING SCHEDULE:
RATE SCHEDULE 423.2**

WITHIN COUNTY
(Step 5 and Step 6 Rates)

	Phase 5 Rate (cents)	Phase 6 Rate (cents)
PER POUND:		
General	13.0	13.1
Delivery Office ¹	11.7	11.7
PER PIECE:		
Required Presort	9.0	9.0
Presorted to 3-digit	7.9	8.0
Presorted to 5-digit	7.6	7.7
Carrier Route Presort	4.4	4.5
PER PIECE DISCOUNTS:		
Delivery Office ²	0.4	0.4
High Density (formerly 125 piece) ³	0.4	0.5
Saturation	0.6	0.7
Automation Discounts for Automation Compatible Mail ⁴		
From Required:		
Pre-barcoded Letter size	2.8	2.7
Pre-barcoded Flat size	1.3	1.2
From 3-digit:		
Pre-barcoded Letter size	1.9	1.9
Pre-barcoded Flat size	1.3	1.4
From 5-digit:		
Pre-barcoded Letter size	1.8	1.8
Pre-barcoded Flat size	1.4	1.4

**SUMMARY OF PROPOSED RATES FOR PHASING SCHEDULE
PERIODICALS RATE SCHEDULE 423.3**

PUBLICATIONS OF AUTHORIZED NONPROFIT ORGANIZATIONS¹⁰
(Step 5 and Step 6 Rates)

	Postage Rate Unit	Phase 5 Rate¹ (cents)	Phase 6 Rate (cents)
PER POUND:			
Nonadvertising portion:	Pound	15.3	15.4
Advertising portion: ⁹			
Delivery Office ²	Pound	15.8	15.8
SCF ³	Pound	18.0	18.0
1&2	Pound	20.3	20.3
3	Pound	21.6	21.6
4	Pound	25.1	25.1
5	Pound	30.5	30.5
6	Pound	36.1	36.1
7	Pound	41.6	41.6
8	Pound	47.4	47.4
PER PIECE: Less Nonadvertising Factor ⁴		4.4	4.4
Required Preparation ⁵	Piece	24.3	24.4
Presorted to 3-digit	Piece	18.4	18.5
Presorted to 5-digit	Piece	18.2	18.3
Presorted to Carrier Route	Piece	11.2	11.3
Discounts:			
Prepared to Delivery Office ²	Piece	1.2	1.2
Prepared to SCF	Piece	0.6	0.6
High Density (formerly 125-Piece) ⁶	Piece	2.0	2.0
Saturation ⁷	Piece	3.3	3.3
Automation Discounts for Automation Compatible Mail ⁸			
From Required:			
Pre-barcode Letter size	Piece	7.9	7.9
Pre-barcode Flats	Piece	3.7	3.7
From 3-Digit:			
Pre-barcode Letter size	Piece	2.9	2.9
Pre-barcode Flats	Piece	2.6	2.6
From 5-Digit:			
Pre-barcode Letter size	Piece	3.2	3.2
Pre-barcode Flats	Piece	2.8	2.8

SUMMARY OF PROPOSED RATES FOR PHASING SCHEDULE
PERIODICALS RATE SCHEDULE 423.4
CLASSROOM PUBLICATIONS¹⁰
(Step 5 and Step 6 Rates)

	Postage Rate Unit	Phase 5 Rate¹ (cents)	Phase 6 Rate (cents)
PER POUND:			
Nonadvertising Portion:	Pound	15.3	15.4
Advertising Portion: ⁹			
Delivery Office ²	Pound	15.8	15.8
SCF ³	Pound	18.0	18.0
1&2	Pound	20.3	20.3
3	Pound	21.6	21.6
4	Pound	25.1	25.1
5	Pound	30.5	30.5
6	Pound	36.1	36.1
7	Pound	41.6	41.6
8	Pound	47.4	47.4
PER PIECE: Less Nonadvertising Factor⁴		4.4	4.4
Required Preparation ⁵	Piece	24.3	24.4
Presorted to 3-digit	Piece	18.4	18.5
Presorted to 5-digit	Piece	18.2	18.3
Presorted to Carrier Route	Piece	11.2	11.3
Discounts:			
Prepared to Delivery Office ²	Piece	1.2	1.2
Prepared to SCF	Piece	0.6	0.6
High Density (formerly 125-Piece) ⁶	Piece	2.0	2.0
Saturation ⁷	Piece	3.3	3.3
Automation Discounts for Automation Compatible Mail ⁸			
From Required:			
Pre-barcode Letter size	Piece	7.9	7.9
Pre-barcode Flats	Piece	3.7	3.7
From 3 Digit:			
Pre-barcode Letter size	Piece	2.9	2.9
Pre-barcode Flats	Piece	2.6	2.6
From 5 Digit:			
Pre-barcode Letter size	Piece	3.2	3.2
Pre-barcode Flats	Piece	2.8	2.8

ATTACHMENT C

SPECIFICATION OF THE RULES, REGULATIONS, AND PRACTICES THAT ESTABLISH STANDARDS OF SERVICE AND CONDITIONS OF MAILABILITY

In accordance with the Commission's rules of practice and procedure, 39 C.F.R. § 3001.54(b)(2) (1996), the Postal Service designates the contents of the Domestic Mail Manual (DMM) as specifying those rules, regulations, and practices that establish conditions of mailability and standards of service. The following sets forth the table of contents of the DMM. Compliance with this rule by the Postal Service is not an admission that any of the specified rules, regulations, and practices, or any other contents of the DMM or other postal manuals, are subject to the jurisdiction of the Postal Rate Commission, and the Postal Service expressly reserves the right to contest any assertion of such Commission jurisdiction.



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- A040 Alternative Addressing Formats
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A800 Addressing for Automation

A900 Customer Support

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 - C031 Written, Printed, and Graphic Matter Generally
 - C032 Sexually Oriented Advertisements
 - C033 Pandering Advertisements
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C200 Periodicals

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C800 Automation-Compatible Mail

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- S070 Mixed Classes

S500 Special Services for Express Mail

S900 Special Postal Services

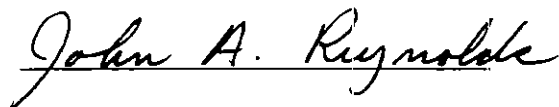
- S910 Security and Accountability
 - S911 Registered Mail
 - S912 Certified Mail
 - S913 Insured Mail
 - S914 Certificate of Mailing
 - S915 Return Receipt
 - S916 Restricted Delivery
 - S917 Return Receipt for Merchandise
- S920 Convenience
 - S921 Collect on Delivery (COD) Mail
 - S922 Business Reply Mail (BRM)
 - S923 Merchandise Return Service
- S930 Handling

ATTACHMENT D

CERTIFICATION

I, John A. Reynolds, Manager, Product Finance, Finance Department, United States Postal Service, am familiar with the attached Request of the United States Postal Service for a Recommended Decision on Changes in Rates of Postage and Fees for Postal Service, together with the accompanying direct testimony and exhibits.

Pursuant to Rule 54(p) of the Postal Rate Commission's Rules of Practice and Procedure, 39 C.F.R. § 3001.54(p) (1996), I hereby certify that I have read the Request, that the cost statements and supporting data submitted as part of the Request, as well as the accompanying workpapers, which purport to reflect the books of the Postal Service, accurately set forth the results shown by such books, and that, to the best of my knowledge, information, and belief, every statement contained in the Request is proper.

A handwritten signature in cursive script that reads "John A. Reynolds". The signature is written in dark ink and is positioned above the printed name.

John A. Reynolds

ATTACHMENT E

Financial Statements

United States Postal Service

*Years ended September 30, 1996 and 1995
with Report of Independent Auditors*

United States Postal Service

Financial Statements

Years ended September 30, 1996 and 1995

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Report of Independent Auditors

Board of Governors
United States Postal Service

We have audited the accompanying balance sheets of the United States Postal Service as of September 30, 1996 and 1995, and the related statements of operations and changes in net capital deficiency and cash flows for each of the three years in the period ended September 30, 1996. These financial statements are the responsibility of the United States Postal Service's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United States Postal Service at September 30, 1996 and 1995, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 1996, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 8, 1996, on our consideration of the United States Postal Service's internal control structure and a report dated November 8, 1996, on its compliance with applicable laws and regulations.

Ernst & Young LLP

November 8, 1996

United States Postal Service

Balance Sheets

	September 30,	
	1996	1995
	<i>(dollars in millions)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 309.8	\$ 1,516.8
Receivables:		
Foreign countries	547.2	684.2
U.S. Government	109.5	88.1
Consignment	38.1	38.1
Other	115.8	147.0
	810.6	957.4
Less allowances	83.3	79.0
Total receivables, net	727.3	878.4
Supplies, advances and prepayments	410.0	379.3
Total current assets	1,447.1	2,774.5
Other assets, principally revenue forgone appropriations receivable <i>(Note 5)</i>	354.2	317.5
Property and equipment, at cost:		
Buildings	12,923.3	11,917.2
Equipment	9,738.2	8,798.1
Land	2,107.0	1,997.1
Leasehold improvements	695.4	618.8
	25,463.9	23,331.2
Less allowances for depreciation and amortization	9,157.7	8,078.0
	16,306.2	15,253.2
Construction in progress	1,551.7	1,616.3
Total property and equipment, net	17,857.9	16,869.5
Deferred retirement costs <i>(Note 4)</i>	31,944.3	28,959.7
	\$51,603.5	\$48,921.2

See accompanying notes.

	September 30,	
	1996	1995
	<i>(dollars in millions)</i>	
Liabilities and net capital deficiency		
Current liabilities:		
Compensation and benefits	\$ 4,742.7	\$ 5,198.9
Estimated prepaid postage	1,723.4	1,697.4
Payables and accrued expenses:		
Foreign countries	720.5	958.9
U.S. Government	225.9	314.5
Other	877.7	740.9
Total payables and accrued expenses	1,824.1	2,014.3
Prepaid box rentals, permit and metered mail	1,592.3	1,430.5
Outstanding postal money orders	680.6	697.3
Current portion of debt	2,009.5	260.9
Total current liabilities	12,572.6	11,299.3
Long-term debt, less current portion <i>(Note 6)</i>	3,909.2	7,018.6
Other liabilities:		
Amounts payable for retirement benefits <i>(Note 4)</i>	30,459.4	27,612.9
Workers' compensation costs <i>(Note 1)</i>	4,890.0	4,685.3
Retroactive assessments payable to the		
U.S. Government <i>(Note 2)</i>	330.8	598.2
Employees' accumulated leave	1,621.9	1,555.1
Other	443.1	342.8
	37,745.2	34,794.3
Commitments and contingencies <i>(Notes 7 and 8)</i>		
Net capital deficiency		
Capital contributions of the U.S. Government	3,034.4	3,034.1
Deficit since reorganization	(5,657.9)	(7,225.1)
Total net capital deficiency	(2,623.5)	(4,191.0)
	\$51,603.5	\$48,921.2

See accompanying notes.

United States Postal Service

Statements of Operations

	Years ended September 30,		
	1996	1995	1994
	<i>(dollars in millions)</i>		
Operating revenue <i>(Note 5)</i>	\$56,402.0	\$54,293.5	\$49,383.4
Operating expenses:			
Compensation and benefits <i>(Notes 1, 3, and 4)</i>	42,675.5	41,931.3	39,608.8
Other	10,437.0	8,798.9	8,846.4
Total operating expenses	53,112.5	50,730.2	48,455.2
Income from operations	3,289.5	3,563.3	928.2
Interest and investment income	141.7	215.9	193.4
Interest expense on deferred retirement liabilities <i>(Note 4)</i>	(1,448.7)	(1,363.5)	(1,336.4)
Interest expense on borrowings	(368.0)	(566.4)	(601.5)
Imputed interest on OBRA 1990 and OBRA 1993 retroactive assessments for employee benefits <i>(Note 2)</i>	(47.3)	(79.0)	(97.3)
Net income (loss)	\$ 1,567.2	\$ 1,770.3	\$ (913.6)

See accompanying notes.

United States Postal Service
Statements of Changes in Net Capital Deficiency

Years Ended September 30, 1996, 1995 and 1994

	Capital Contributions of U.S. Government	Deficit Since Reorganization	Total Net Capital Deficiency
	<i>(dollars in millions)</i>		
Balance, September 30, 1993	\$3,034.1	\$ (8,081.8)	\$ (5,047.7)
Net Loss	-	(913.6)	(913.6)
Capital Equipment Transfers to the U.S. Government	(0.2)	-	(0.2)
Balance, September 30, 1994	3,033.9	(8,995.4)	(5,961.5)
Net Income	-	1,770.3	1,770.3
Capital Equipment Transfers from the U.S. Government	0.2	-	0.2
Balance, September 30, 1995	3,034.1	(7,225.1)	(4,191.0)
Net Income	-	1,567.2	1,567.2
Capital Equipment Transfers from the U.S. Government	0.3	-	0.3
Balance, September 30, 1996	<u>\$3,034.4</u>	<u>\$ (5,657.9)</u>	<u>\$ (2,623.5)</u>

See accompanying notes.

United States Postal Service

Statements of Cash Flows

	Years ended September 30,		
	1996	1995	1994
	<i>(dollars in millions)</i>		
Cash flows from operating activities:			
Net income (loss)	\$1,567.2	\$ 1,770.3	\$ (913.6)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	1,332.5	1,141.4	991.9
(Gain) loss on sales of investments, net	-	(2.0)	0.1
Loss on disposals of property and equipment, net	14.5	8.3	23.6
Increase in other assets, principally revenue forgone, appropriations receivable	(36.7)	(51.5)	(63.5)
Decrease in accrued restructuring costs	-	(26.2)	(92.4)
Increase (decrease) in workers' compensation costs	205.2	359.1	(173.8)
Decrease in retroactive assessments payable to the U.S. Government	(299.7)	(626.1)	(374.7)
Increase in employees' accumulated leave	66.8	41.5	115.5
Increase in other liabilities	100.3	110.9	70.9
Changes in current assets and liabilities:			
Decrease (increase) in receivables, net	151.1	2.7	(15.7)
(Increase) decrease in supplies, advances and prepayments	(30.7)	(18.5)	8.9
(Decrease) increase in compensation and benefits	(562.4)	976.1	163.6
Increase in estimated prepaid postage	26.0	130.0	38.0
(Decrease) increase in payables and accrued expenses	(190.2)	(211.4)	633.4
Increase in prepaid box rentals, permit and metered mail	161.8	110.5	114.5
(Decrease) increase in outstanding postal money orders	(16.7)	(134.2)	133.3
Net cash provided by operating activities	2,489.0	3,580.9	660.0
Cash flows from investing activities:			
Purchase of U.S. Government securities, available-for-sale	(799.1)	(6,349.7)	(10,450.0)
Proceeds from sale of U.S. Government securities, available-for-sale	800.0	6,368.1	12,219.2
Purchase of property and equipment	(2,339.6)	(1,807.7)	(1,726.5)
Proceeds from sale of property and equipment	3.6	12.7	4.9
Net cash (used in) provided by investing activities	(2,335.1)	(1,776.6)	47.6
Cash flows from financing activities:			
Issuance of debt	1,500.0	1,300.4	300.0
Payments on debt	(2,860.9)	(3,008.4)	(1,060.7)
Net cash used in financing activities	(1,360.9)	(1,708.0)	(760.7)
Net (decrease) increase in cash and cash equivalents	(1,207.0)	96.3	(53.1)
Cash and cash equivalents at beginning of year	1,516.8	1,420.5	1,473.6
Cash and cash equivalents at end of year	\$ 309.8	\$ 1,516.8	\$ 1,420.5

See accompanying notes.

United States Postal Service
Notes to Financial Statements

September 30, 1996 and 1995

1. Postal Operations and Accounting Policies

Nature of Operations

The United States Postal Service (Postal Service) provides mail service to the public, offering a variety of classes of mail services without discrimination among its many customers. This means that within each class of mail our price does not vary by customer for the levels of service we provide. This fulfills our legal mandate to offer universal services at a fair price. Our primary lines of business are First Class, Standard A (formerly Third Class), and Priority mail. The principal markets for these services are the communications, distribution and delivery, advertising, and retail markets. As in the past, we continue to conduct our significant operations in 1994 to 1996 primarily in the domestic market, with our International operations representing less than 3 percent of our total revenue.

Our labor force is primarily represented by the American Postal Workers Union, National Association of Letter Carriers, National Postal Mail Handlers Union, and National Rural Letter Carriers Association. Almost 90 percent of our career employees are covered by collective bargaining agreements. No agreement expires in 1997.

Postal Reorganization

The Postal Service commenced operations on July 1, 1971, in accordance with the provisions of the Postal Reorganization Act. The equity that the U.S. Government held in the former Post Office Department became the initial capital of the Postal Service. The Postal Service valued the assets of the former Post Office Department at original cost less accumulated depreciation. The U.S. Government remained responsible for all the liabilities attributable to operations of the former Post Office Department.

Basis of Accounting and Use of Estimates

The Postal Service maintains its accounting records and prepares its financial statements on the accrual basis of accounting. This basis conforms with generally accepted accounting principles. Following these principles, we made estimates and assumptions that affect the amounts we report in the financial statements and footnotes. Actual results may differ from our estimates.

United States Postal Service
Notes to Financial Statements (continued)

1. Postal Operations and Accounting Policies (continued)

Cash Equivalents

Cash equivalents are securities which mature within 90 days or less of the date we buy them.

Current Values of Financial Instruments

We determine the current value of our investments in non-marketable U.S. Government securities based on the current value of equivalent marketable U.S. Government securities. We determine the current value of our debt on what we estimate it would cost us to pay off the debt if we used the current yield on equivalent U.S. Treasury debt.

Supplies, Advances and Prepayments

Supplies, advances and prepayments are primarily composed of our inventories of supplies, motor vehicle parts, repairable parts for mail processing equipment, and advances to employees for annual leave. We value our inventories at the lower of average cost or current market price. Total inventories amounted to \$211.1 million at the end of year 1996 and \$194.1 million at the end of year 1995.

Property and Equipment

We record property and equipment at what it cost us to acquire the assets, including the interest we pay on the money we borrow to pay for the construction of major capital additions. This interest amounted to \$28.5 million in 1996, \$47.2 million in 1995, and \$77.7 million in 1994. We depreciate buildings and equipment over their estimated useful lives using the straight-line method. We amortize leasehold improvements over the period of the lease or the useful life of the improvement, whichever time is shorter.

Estimated Prepaid Postage

This is the amount of cash we estimate that we collected by the end of the year for services that we will perform in the following year.

Compensation and Benefits Payable

This is the salaries and benefits we owe to current and retired employees, including the amounts employees have earned but have not yet been paid, current workers' compensation, unemployment costs, health benefits, and the current portion of the amounts payable for retirement benefits.

United States Postal Service

Notes to Financial Statements (continued)

1. Postal Operations and Accounting Policies (continued)

Deferred Retirement Benefits

This is the present value of our estimated legal obligation to the Civil Service Retirement and Disability Fund for the amount of retirement benefits estimated as payable in the future for our current employees' retirement and our present retirees and their survivors. The present value of our benefits payable for our current employees increases when management increases basic pay. We amortize and pay this portion of the liability over 30 years at 5 percent interest. The present value of our benefits payable also increases when Cost of Living Adjustments (COLAs) are granted to our retirees or their survivors. We amortize and pay this portion of the liability over 15 years at 5 percent interest. We capitalize as deferred retirement costs the amounts due and payable in future years. We amortize and pay these costs over periods of 30 and 15 years. We account for our participation in the U.S. Government sponsored retirement plans as participation in multi-employer plan arrangements. Therefore, we expense the costs of our retiree benefits when we incur them.

Post-Retirement Health Benefits

Retiree health benefits costs are our obligation to pay a portion of the health insurance premiums of those retirees and their survivors who participate in the Federal Employees Health Benefits Program (FEHBP). We account for our participation in FEHBP as participation in a multi-employer plan arrangement. Therefore, we expense the costs of our retirees' health benefits as we incur them.

Workers' Compensation Costs

We are self-insured for workers' compensation costs, under a program administered by the Department of Labor (DOL). We record these costs, which include the employee's medical expenses and payment for continuation of wages, as an operating expense. At the end of the year, our liability represents our estimated present value of the total amounts we expect to pay for outstanding claims. We base our estimate of the total costs of a claim upon the severity of the injury, the age of the injured employee, the assumed life expectancy of the employee, the trend of our experience with such an injury, and other factors. In our calculation of present value, we use a net discount rate of 0.1 percent for medical expenses and 3.0 percent for compensation claims.

United States Postal Service
Notes to Financial Statements (continued)

1. Postal Operations and Accounting Policies (continued)

Workers' Compensation Costs (continued)

In 1996, we changed one of the assumptions we use to estimate our workers' compensation liability. As part of our calculation, we use the trends in our claims for the current year and the claims from previous years to estimate the length of time an employee will receive workers' compensation. Beginning in 1996, we place greater emphasis on our experience with prior years' claims to estimate this liability. As a result, we have an increase in expense of \$112.9 million in 1996.

At the end of 1996, we estimate our total liability for future workers' compensation costs at \$5,423.8 million. At the end of 1995, this liability was \$5,218.6 million. In 1996, we recorded \$736.5 million in workers' compensation expense, compared to the \$877.3 million we recorded in 1995 and the \$326.8 million we recorded in 1994.

Research and Development Costs

We record research and development costs as expenses when we incur them. These costs were \$55.5 million in 1996, \$51.9 million in 1995, and \$50.4 million in 1994.

Reclassifications

We have reclassified certain previously reported financial statement amounts in order to conform to this year's presentation.

2. Retroactive Assessments for Employee Benefits

Omnibus Budget Reconciliation Act of 1990

The Omnibus Budget Reconciliation Act of 1990 (OBRA 1990) requires us to pay our portion of our retirees' cost of living adjustments (COLAs) (Note 4) and health benefits (Note 3). This Act also retroactively assessed us \$2.14 billion as our portion of our retirees' health benefits and cost of living adjustments that the U.S. Government had paid from July 1, 1971 through September 30, 1986. We paid this assessment over a five-year period with the last installment in 1995. We expensed \$33.7 million in 1995 and \$54.4 million in 1994 as interest related to OBRA 1990 retroactive assessments.

United States Postal Service

Notes to Financial Statements (continued)

2. Retroactive Assessments for Employee Benefits (continued)

Omnibus Budget Reconciliation Act of 1993

Under the Omnibus Budget Reconciliation Act of 1993, we must pay 5 percent interest on the \$2.14 billion retroactive assessment from the Omnibus Budget Reconciliation Act of 1990. We are to pay this interest in three equal annual installments totaling \$1.041 billion. We made the first payment in 1996.

The amounts we must pay under this Act, on a present value basis, are as follows (dollars in millions):

Year	Health Benefits	COLAs	Total
1996	\$ 116.0	\$ 231.0	\$ 347.0
1997	116.0	231.0	347.0
1998	116.0	231.0	347.0
			<hr/> 1,041.0
Less amount representing imputed interest at 5 percent			184.0
Retroactive interest assessment expensed in 1993			<hr/> 857.0
Less: Portion paid in 1996			347.0
Portion to be paid in 1997 classified as a current liability			314.7
Add: amount of imputed interest expensed through 1996 (\$43.2 million in 1994; \$45.0 million in 1995; and \$47.3 million in 1996)			<hr/> 135.5
Retroactive interest assessment classified as a noncurrent liability			<hr/> <hr/> \$ 330.8

3. Post-Retirement Health Benefit Programs

Employees of the Postal Service who participate in the Federal Employees Health Benefits Program (FEHBP) for at least the five years immediately before their retirement may participate in the FEHBP Program during their retirement. Under the FEHBP, we pay a portion of the health insurance premiums of participating retirees and their survivors. This Program is administered by the Office of Personnel Management.

The Omnibus Budget Reconciliation Act of 1990 requires us to pay the employer's share of health insurance premiums for all employees, and their survivors, who participate in the FEHBP and who retire on or after July 1, 1971. However, we do not include the costs attributable to Federal civilian service before that date. Our FEHBP costs amounted to \$496.8 million in 1996, \$513.3 million in 1995, and \$519.0 million in 1994. We include these costs in our compensation and benefits expense.

United States Postal Service
Notes to Financial Statements (continued)

4. Retirement Programs

With certain exceptions, employees participate in one of the following three retirement programs based upon the starting date of their employment with the Postal Service. Employees may also participate in the Thrift Savings Plan, which is a defined contribution retirement savings and investment plan. Postal Service employees are authorized to participate in the Thrift Savings Plan by the Federal Employees Retirement System Act of 1986. The Plan is administered by the Federal Retirement Thrift Investment Board.

Civil Service Retirement and Disability (CSRS) Fund

Under the Postal Reorganization Act, officers and career employees are covered by the Civil Service Retirement and Disability Fund, which provides a basic annuity and Medicare coverage. This Fund covers substantially all employees hired prior to January 1, 1984. We and the participating employee each contribute 7 percent of the employee's basic pay to this Fund. We and the employee also contribute to Medicare at the rate prescribed by law. We do not match contributions to the Thrift Savings Plan for employees who participate in this Fund.

Dual Civil Service Retirement and Disability (Dual CSRS)/Social Security System

Employees with prior U.S. Government service who were hired between January 1, 1984 and January 1, 1987 are covered by the Dual Civil Service Retirement and Disability Fund/Social Security System. We contribute 7 percent of the employee's basic pay to the Civil Service Retirement and Disability Fund. The employee contributes 0.8 percent of basic pay. We and the employee also contribute to Social Security and Medicare at the rates prescribed by law. We do not match contributions to the Thrift Savings Plan for employees who participate in the Dual System.

Federal Employees Retirement System (FERS)

Effective January 1, 1987, employees hired since January 1, 1984, except for those covered by the Dual System, are covered by the Federal Employees Retirement System Act of 1986. In addition, employees hired before January 1, 1984 could choose during certain periods in 1987 and 1988 to participate in the FERS. This System consists of Social Security, a basic annuity plan, and a thrift savings plan.

We contributed to the basic annuity plan 11.4 percent of each employee's basic pay in 1996 and 1995, and 12.9 percent in 1994. Employees contributed 0.8 percent of their basic pay in these years. We and the employee also contribute to Social Security and

United States Postal Service
Notes to Financial Statements (continued)

4. Retirement Programs (continued)

Federal Employees Retirement System (FERS) (continued)

Medicare at the rates prescribed by law. In addition, we are required to contribute to the Thrift Savings Plan a minimum of 1 percent per year of the basic pay of employees covered by this System. We also match a voluntary employee contribution up to 3 percent of the employee's basic pay, and 50 percent of a contribution between 3 percent and 5 percent of basic pay.

The number of employees enrolled in each of the retirement plans at the end of 1996, 1995 and 1994 is as follows:

	<u>1996</u>	<u>1995</u>	<u>1994</u>
CSRS	328,270	340,309	350,811
Dual CSRS/Social Security	14,320	14,634	14,658
FERS	417,948	398,048	362,339

Deferred Retirement Costs

Deferred retirement costs consist of the following deferred liabilities (dollars in millions):

	<u>1996</u>	<u>1995</u>
CSRS basic pay increases	\$26,637.1	\$24,097.0
CSRS retirees' and survivors' cost of living adjustments	5,307.2	4,862.7
	<u>\$31,944.3</u>	<u>\$28,959.7</u>

Deferred Retirement Liability - Civil Service Retirement and Disability Fund

When we raise our employees' current basic pay, we are liable for the additional deferred retirement liability. The liability results from the increase in our employees' retirement benefits which are based on this pay increase. The Office of Personnel Management determines the estimated increase in our deferred liability. We amortize and pay this amount in 30 equal annual installments, which includes interest computed at a rate of 5 percent per year. We make the first payment at the end of the year in which employees receive their pay increase.

The increase in our deferred liability for retirement benefits under this Fund was \$3,696.7 million in 1996, \$2,200.4 million in 1995, and \$930.6 million in 1994.

United States Postal Service

Notes to Financial Statements (continued)

4. Retirement Programs (continued)

Deferred Retirement Liability - Retirees' and their Survivors' Cost of Living Adjustments (COLAs)

Congress determines the COLAs granted to our retirees. Under the Omnibus Budget Reconciliation Act of 1990, we are liable for our share of the cost of living adjustments granted to those retirees, and their survivors, retiring on or after July 1, 1971. We are not responsible for any costs due to Federal civilian service before that date.

Each year the Office of Personnel Management determines the estimated increase in our liability under this law for the current year. We amortize and pay each year's amount in 15 equal annual installments, which include interest computed at a rate of 5 percent per year.

The increase in our deferred liability for our retirees' cost of living adjustments was \$951.2 million in 1996, \$971.5 million in 1995, and \$868.7 million in 1994.

Future Minimum Payments

We estimate the future minimum payments we have to make in order to fund Civil Service Retirement and Disability Fund benefits and retirees' cost of living adjustments as of September 30, 1996, are as follows (dollars in millions):

<u>Year</u>	<u>Amount</u>
1997	\$ 3,083.0
1998	3,052.4
1999	3,046.7
2000	3,027.3
2001	3,019.9
After 2001	<u>34,899.4</u>
	\$50,128.7
Less the portion classified as a current liability	1,484.9
Less amount representing interest	<u>18,184.4</u>
	<u>\$30,459.4</u>

United States Postal Service
Notes to Financial Statements (continued)

4. Retirement Programs (continued)

Expense Components

Listed below are the components of our total retirement expenses that are included in our compensation and benefits expense for 1996, 1995, and 1994 (dollars in millions):

	1996	1995	1994
CSRS	\$ 877.1	\$ 842.9	\$ 830.4
FERS	1,472.9	1,270.0	1,230.0
FERS - Thrift Savings Plan	489.2	400.1	339.8
Dual CSRS/Social Security	36.3	34.4	33.5
Social Security	1,082.4	1,008.2	949.7
Amortization of deferred liabilities:			
CSRS	1,156.6	988.3	855.5
Annuitant COLAs	506.7	470.6	424.2
	<u>\$5,621.2</u>	<u>\$5,014.5</u>	<u>\$4,663.1</u>

5. Revenue Forgone

Our operating revenue includes accruals for revenue forgone. Revenue is forgone when Congress mandates that we provide free or reduced mail rates for certain mailers. The difference between the price Congress has mandated and the price we would have charged the mailer determines the amount of forgone revenue. Congress appropriates money to reimburse us for only a portion of the revenue forgone that we have incurred in past years. In our operating revenue, we have included as revenue the amounts appropriated by Congress for revenue forgone of \$93.1 million for 1996, \$117.3 million for 1995, and \$131.4 million for 1994.

Under the Revenue Forgone Reform Act of 1993, Congress is required to reimburse us \$29 million annually through 2035 (42 years). This reimbursement is for two purposes: services we performed in 1991, 1992 and 1993 and for which we have not yet been paid; and for shortfalls in the reimbursement for the costs we incurred or will incur for processing and delivering certain non-profit mail from 1994 through 1998. If Congress doesn't pay us for the services we have already provided, we can by law make up that lost income by adjusting our rates on all mailers through the postal rate-making process.

United States Postal Service
Notes to Financial Statements (continued)

5. Revenue Forgone (continued)

The Revenue Forgone Act of 1993 authorized a total of \$1.218 billion in payments. We calculate the present value of these future reimbursements at 7 percent interest to be approximately \$390 million. At the end of 1996, we have recognized cumulative revenues of approximately \$352.6 million related to these unpaid amounts. This amount is a receivable as of September 30, 1996. We recorded receivables as of year-end of \$317.5 million in 1995. We recognized revenue of \$37 million in 1996, and \$54 million in 1995, and \$69 million in 1994.

Although Congress paid its debt to us in 1994, 1995, and 1996, it approved paying us only \$23.6 million of the \$29 million they owe us for 1997, due to budget constraints. We believe that in compliance with the law and the 1996 Congressional Conference Report, Congress will reimburse us the difference in the future.

6. Debt and Related Interest Costs

Under the Postal Reorganization Act, as amended by Public Law 101-227, we can issue debt obligations. However, we are limited to net annual increases of \$2 billion in our debt for capital improvements and to \$1 billion for operating expenses. Our total debt can not exceed \$15 billion.

Debt is due as follows:

<u>Year</u>	<u>Amount</u>
1997	\$2,009.5
1998	683.7
1999	84.9
2000	85.2
2001	51.0
After 2001	3,004.4

We paid in cash \$472.5 million in interest in 1996, \$576.1 million in 1995 and \$684.6 million in 1994.

The current estimated value of debt is \$6,078.2 million in 1996 and \$7,588.6 million in 1995.

United States Postal Service

Notes to Financial Statements (continued)

6. Debt and Related Interest Costs (continued)

Our debt consists of the following (dollars in millions):

Interest Rate %	Terms	September 30, 1996	1995
Notes payable to the Federal Financing Bank (FFB):			
8.075	Payable \$32 million each year to May 31, 2000	\$ 128.0	\$ 160.0
7.800	Payable \$15 million each year to May 31, 2001	75.0	90.0
7.591	Payable \$50 million each year to June 1, 1997 and \$22.5 million due on June 1, 1998	72.5	122.5
8.474	Payable \$30 million each year to June 1, 1998	60.0	90.0
8.908	Payable \$35.4 million each year to June 1, 1998	70.8	106.2
9.074	Payable \$60 million each year to June 1, 1998	120.0	180.0
9.081	Payable \$36 million each year to May 31, 1996; \$12 million due June 2, 1997	12.0	48.0
8.768*	Payable \$24 million on June 2, 1997; payments of \$36 million each year on June 1, 1998-1999; and payments of \$36 million each year thereafter through May 31, 2001	168.0	168.0
7.786	Payable on September 30, 1998	450.0	450.0
7.230	Payable on September 30, 1997 (retired \$950 million in year 1995; original maturity was \$800 million payable on October 2, 1995, and \$400 million on September 30, 1997)	250.0	250.0
6.307**	Payable on October 31, 1997; callable November 30, 1995	-	1,500.0
7.367	Payable on August 15, 2002; callable November 30, 1997	1,500.0	1,500.0
7.615	Payable on November 30, 2007; callable November 30, 1997	1,000.0	1,000.0
Variable***	Payable on November 15, 2024; callable November 15, 1995	-	1,100.0
6.274	Payable on May 16, 2005	500.0	500.0
Variable****	Payable on November 15, 2025; callable November 15, 1996	500.0	-
5.395*****	Overnight revolving credit facility; final maturity date January 15, 1997	300.0	-
5.163*****	Short-term revolving credit facility; final maturity date January 15, 1998	700.0	-
		<u>5,906.3</u>	<u>7,264.7</u>
Mortgage Notes Payable:			
5.25 to 9.75	Maturing from years 1997 through 2039, secured by land, buildings and equipment with a carrying amount of \$38.5 million (aggregate annual installments approximate \$1.1 million)	12.4	14.8
		<u>5,918.7</u>	<u>7,279.5</u>
Less current portion of debt		<u>2,009.5</u>	<u>260.9</u>
		<u>\$3,909.2</u>	<u>\$7,018.6</u>

* Weighted average interest rate.

** Retired December 21, 1995.

*** Variable rate of 5.722 percent as of September 30, 1995; \$800 million retired February 15, 1996;
\$300 million retired May 15, 1996.

**** Variable rate of 5.163 percent as of September 30, 1996.

***** No unused lines of credit as of September 30, 1996. No fees were involved.

United States Postal Service
Notes to Financial Statements (continued)

7. Commitments

At September 30, 1996, we estimate the cost to complete approved Postal Service capital projects in progress is approximately \$2.840 billion.

Our total rental expense for the years ended September 30 is summarized as follows (dollars in millions):

	1996	1995	1994
Noncancellable real estate leases including related taxes	\$615.9	\$580.5	\$555.0
Facilities leased from General Services Administration subject to 120-day notice of cancellation	36.0	34.6	38.0
Equipment and other short-term rentals	152.6	150.0	148.2
	<u>\$804.5</u>	<u>\$765.1</u>	<u>\$741.2</u>

At September 30, 1996, our future minimum rental fees for all noncancellable leases are as follows (dollars in millions):

Year	Operating	Capital
1997	\$ 489.6	\$ 20.1
1998	409.5	20.1
1999	332.1	20.1
2000	250.2	20.1
2001	164.2	20.1
After 2001	643.6	118.6
Future minimum lease payments	<u>\$ 2,289.2</u>	<u>\$ 219.1</u>
Less: Interest at 6.5%		62.4
Total capital lease obligations		<u>\$ 156.7</u>
Less: Short-term portion of capital lease obligations		10.1
Long-term portion of capital lease obligations		<u>\$ 146.6</u>

United States Postal Service
Notes to Financial Statements (continued)

7. Commitments (continued)

Most of these leases contain renewal options for periods ranging from 3 to 20 years. Certain noncancellable real estate leases give us the option to purchase the facilities at prices specified in the leases.

Capital leases included in buildings were \$156.7 million in 1996 and \$124.0 million in 1995. Total accumulated amortization is \$27.5 million in 1996 and \$16.5 million in 1995. Amortization expense for assets recorded under capital leases is included in depreciation expense.

8. Contingent Liabilities

Each quarter we review litigation pending against us. As a result of this review, we classify and adjust our contingencies for claims which we think it is probable that we will lose and for which we can reasonably estimate the amount of the unfavorable outcome. These claims cover labor, equal employment opportunity, environmental issues, traffic accidents, injuries on postal properties, personal claims and property damages, and suits and claims arising from postal contracts. We also recognize the settlement of claims and lawsuits and revisions of other estimates.

As reported in last year's annual report, the Merit Systems Protection Board ruled in July 1993 that the restructuring started in 1992 constituted a reduction-in-force as defined by the Code of Federal Regulations. As a result, we conducted a compliance reduction-in-force according to applicable procedures. Our estimated liability as of September 30, 1996 is based on the number of open appeals at the end of the year, either before the Board or pending before the U.S. Court of Appeals for the Federal Circuit. We have reduced this liability from prior years. Our General Counsel has actively litigated and resolved the majority of the outstanding appeals.

As a part of our continuing evaluation of estimates required in the preparation of our financial statements, we recorded approximately \$120 million in increased liabilities in 1996, and reduced liabilities by approximately \$360 million in 1995. We recognized settlement of claims and law suits and revised other estimates in our changes in contingent liabilities.

Management and General Counsel believe that we have made adequate provision for the amounts which may become due under the suits, claims, and proceedings we have discussed here.

ATTACHMENT F

INDEX OF TESTIMONIES/DOCKET NO. R97-1

WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
Mr. Pafford	USPS-T-1	None		None	Anne Reynolds (202) 268-2970
Ms. Nieto	USPS-T-2	None		None	Anne Reynolds (202) 268-2970
Mr. Harahush	USPS-T-3	None		None	Anne Reynolds (202) 268-2970
Mr. Moden	USPS-T-4	None		None	Scott Reiter (202) 268-2999
Mr. Alexandrovich	USPS-T-5	Cost Segments and Components, Base Year 1996	USPS-5A	Workpapers-A through C	Susan Duchek (202) 268 2990
		Final Adjustments, Base Year 1996	USPS-5B		
		Coast Revenue Analysis, Base Year 1996	USPS-5C		
Dr. Tolley	USPS-T-6	Quarterly and Government Year Volume Forecasts	USPS-6A	Workpaper-1-2	Eric Koetting (202) 268-2992
Mr. Thress	USPS-T-7	None		Workpapers-1-3	Eric Koetting (202)268-2992

		EXHIBITS			
-WITNESS	TESTIMONY	TITLE	NUMBER	WORKPAPERS	ATTORNEY
Mr. Musgrave	USPS-T-8	None		Yes	Susan Duchek (202) 268-2900
Mr. Tayman	USPS-T-9	Statements of Revenue and Expense FY 1996-Test Year After Rates	USPS-9A	Yes	Scott Reiter (202) 268-2999
		Rollforward Source of Change Summaries FY 1996 Through the Test Year After Rates	USPS-9B		
		Mail Volume, FY 1996 Through the Test Year After Rates	USPS-9C		
		Mail and Special Services Revenue, FY 1996 Through the Test Year After Rates	USPS-9D		
		Appropriation Revenue, FY 1996 Through the Test Year	USPS-9E		
		Cash Flow Forecast, FY 1997 Through the Test Year After Rates	USPS-9F		
		Interest Income, FY 1997 Through the Test Year After Rates	USPS-9G		
		Revenue Requirement, Summary Analysis of Income and Expenses	USPS-9H		
		Comparative Statements of Revenue and Expense, Test Year vs. Actual (Docket R94-1)	USPS-9I		

WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
		Computation of Weighted Average Percentage Revenue and Cost Variances	USPS-9J		
		Omnibus Budget Reconciliation Act (OBRA) Costs	USPS-9K		
		Summary of Net Income (Loss) & Equity	USPS-9L		
		Summary of Changes in Accrued Costs by Source	USPS-9M		
		Net Income (Los) GAP From Equity Restoration Target	USPS-9N		
		Summary of Unit Labor Costs for Major Employee Groups	USPS-9O		
		Summary of Changes in Workyears by Source	USPS-9P		
		Analysis of Changes in Personnel Costs	USPS-9Q		
Mr. Macdonald	USPS-T-10	Workers' Compensation Discount Rate Analysis Summary Table of Results of Estimated Discount Rates Derived from DRI Data 1987-1996	USPS-10A	None	Scott Reiter (202) 268-2999

		EXHIBITS			
-WITNESS	TESTIMONY	TITLE	NUMBER	WORKPAPERS	ATTORNEY
		Workers' Compensation Medical Discount Rate Analysis Trend Projection	USPS-10B		
		Workers' Compensation Medical Discount Rate Analysis Cycle Projection	USPS-10C		
		Workers' Compensation Discount Rate Analysis Trend Projection	USPS-10D		
		Workers' Compensation Discount Rate Analysis Cycle Projection	USPS-10E		
		Workers' Compensation Medical Discount Rate Analysis Historical Trends: 1977-1996	USPS-10F		
		Workers' Compensation Discount Rate Analysis (Historical Trends) FY 1996	USPS-10G		
Mr. Panzar	USPS-T-11	None		None	Richard Cooper (202) 268-2993 Eric Koetting (202) 268-2992
Mr. Degen	USPS-T-12	None		None	Eric Koetting (202) 268-2993 Susan Duchek (202) 268-2990

WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
Dr. Bradley	USPS-13	Transportation Management Instruction	USPS-13A	WP-1 through 7	Susan Duchek (202) 268-2990
		Calculation of Variabilities for Split Cost Accounts	USPS-13B	Note: WP-1 through 7 not refiled at this time. See WP-1 through 7 submitted with USPS-T-4 in Docket No. MC97-2	
Dr. Bradley	USPS-14	MODS Operation Numbers	USPS-14A	WP-1 through 5	Susan Duchek (202) 268-2990
		Calculating the System Volume Variability for MODS Offices	USPS-14B		
Mr. Patelunas	USPS-T-15	Rollforward Factors	USPS-15A	WP-A through G	Susan Duchek (202) 268-2990
		Cost Segments and Components, FY 1997	USPS-15B		
		Final Adjustments, FY 1997	USPS-15C		
		Cost and Revenue Analysis, FY 1997	USPS-15D		
		Cost Segments and Components, TY 1998	USPS-15E		
		Final Adjustments, TY 1998 at Current Rates	USPS-15F		
		Cost and Revenue Analysis, TY 1998 at Current Rates	USPS-15G		

WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
		Cost Segments and Components, TY 1998 at Proposed Rates	USPS-15H		
		Final Adjustments, TY1998 at Proposed Rates	USPS-15I		
		Cost and Revenue Analysis, 1998 at Proposed Rates	USPS-15J		
Mr. Hatfield	USPS-T-16	Summary of Parcel Post Unit Transportation Costs by Zone	USPS-16A	None	Anne Reynolds (202) 268-2970
		Summary of Code Weight Relationship Results	USPS-16B	None	
Mr. Baron	USPS-T-17	None		None	Richard Cooper (202) 268-2993
Mr. Hume	USPS-T-18	Reclassified Unit Costs: First Class Mail	USPS-18A	Workpapers-1-3	Michael Tidwell (202) 268-2998 Richard Cooper (202) 268-2993
		Reclassified Unit Costs: Standard Mail	USPS-18B		
		Reclassified Unit Costs: Nonprofit Mail	USPS-18C		

		EXHIBITS			
-WITNESS	TESTIMONY	TITLE	NUMBER	WORKPAPERS	ATTORNEY
Mr. Nelson	USPS-T-19	Spreadsheet Refinements	USPS-19A	Yes	Richard Cooper (202) 268-2993
		Data Collection and Analysis Procedures	USPS-19B		
		Econometric Analyses	UCPS-19C		
		Express Mail Rate Category Cost Differentials	USPS-19D		
		Cost Basis for Pickup Fees	USPS-19E		
Mr. Wade	USPS-T-20	None		Yes	Eric Koetting (202) 268-2992
Mr. Brehm	USPS-T-21	Economies of Scale in Postage Sales	USPS-21A	None	David Rubin (202) 268-2986
		Transaction Time Study Regression Results	USPS-21B		
Mr. Treworgy	USPS-T-22	None		None	Kenneth Hollies (202) 268-3083

WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
Mr. Miller	USPS-T-23	Outgoing Primary RBCS Mail Flow Model Inputs RBCS System Leakage Handwritten Reply Mail and Prebarcoded Reply Mail Cost Models	USPS-23A USPS-23B USPS-23C USPS-23D	None	Michael Todwell (202) 268-2998
Dr. Lion	USPS-T-24	None		None	Kenneth Hollies (202) 268-3083
Mr. Hatfield	USPS-T-25	First-Class Mail Processing Cost Summary	USPS-25A	None	Michael Tidwell (202) 268-2998
Mr. Secker	USPS-T-26	First-Class Flats Periodicals Regular Rate Flats Periodicals Nonprofit Flats Standard Mail (A) Regular Rate Flats Standard Mail (A) Nonprofit Flats Periodicals Regular Rate Flats, Constant Mail Entry	USPS-26A USPS-26B USPS-26C USPS-26D USPS-26E USPS-26F	None	Kenneth Hollies (202) 268-3083

		EXHIBITS			
WITNESS	TESTIMONY	TITLE	NUMBER	WORKPAPERS	ATTORNEY
		Periodicals Nonprofit Flats, Constant Mail Entry	USPS-26G		
		Standard Mail (A) Regular Rate Flats, Constant Mail Entry	USPS-26H		
		Standard Mail (A) Nonprofit Flats Constant Mail Entry	USPS-26I		
		Presort Composition	USPS-26J		
Dr. Schenk	USPS-T-27	Flow Chart-Advance Deposit BRM	USPS-27A	Yes	Michael Tidwell (202) 268-2998
		Flow Chart-Non-Advance Deposit BRM	USPS-27B		David Rubin (202) 268-2986
		Determination of Attributable Cost of BRMS- Qualified BRM	USPS-27C		
		Determination of Attributable Cost of Non-BRMS Advance Deposit BRM	USPS-27D		
		Determination of Attributable Cost of Non- Advance Deposit BRM	USPS-27E		
		Cost of Oversight and Maintenance of BRM Advance Deposit Accounts	USPS-27F		

		EXHIBITS			
WITNESS	TESTIMONY	TITLE	NUMBER	WORKPAPERS	ATTORNEY
		Cost of BRM Pick-up Postage Due Unit	USPS-27G		
		Collection Cost for Non-Advance Deposit BRM-Carrier	USPS-27H		
		Collection Cost for Non-Advance Deposit BRM-Box Section	USPS-27I		
Mr. Crum	USPS-T-28	Window Service and Platform Costs	USPS-28A	None	Michael Tidwell (202) 268-2998 David Rubin (202) 268-2986
		Volume and Parcel Post Pieces Entered Upstream of a BMC/ASF	USPS-28B		
		Outgoing Mail Processing Costs at Non-BMC Facilities Avoided by DBMC Parcel Post	USPS-28C		
		BMC Presort Parcel Post Cost Savings	USPS-28D		
		Costs Avoided by Depositing Inter-BMC Parcels at the Origin BMC with Presort to the Destination BMC	USPS-28E		
		Destination BMC Mail Processing Costs Avoided by Parcel Post Deposited at Destination SCFs or Delivery Units	USPS-28F		
		Avoided Mail Processing Costs of DSCF Parcel Post at SCFs and Delivery Units	USPS-28G		

WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
Mr. Daniel	USPS-T-29	Mail Processing Costs Avoided by Carrier Route Presorted Bound Printed Matter	USPS-28H		
		Revenue, Pieces, and Weight (RPW) Volume Summary-Government Fiscal Year 1996	USPS-28I		
		BMC Presorted Parcel Post Cost Per Piece	USPS-28J		
		Summary of Standard (A) Regular Letter Mail Processing	USPS-29A	None	Anthony Alverno (202) 268-2997
		Summary of Standard (A) Nonprofit Letter Mail Processing Costs	USPS-29B		
		Summary of First-Class and Standard (A) Mail Unit Cost Estimates	USPS-29C		
		Summary of Standard (A) Test Year Regular and Nonprofit FCR Mail Processing Unit Costs and Dropship Normalization	USPS-29D		
		Summary of Selected Parcel Post Mail Processing Costs	USPS-29E		
		Summary of Special Standard Mail Processing Costs	USPS-29F		

-WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
Dr. O'Hara	USPS-T-30	Test Year Before Rates Financial Summary	USPS-30A	Yes	Michael Tidwell (202) 268-2998
		Test Year After Rates Financial Summary	USPS-30B		
		Special Services Cost Coverages	USPS-30C		
		Proposed Increases-Mail Classes	USPS-30D		
		Proposed Increases-Special Services	USPS-30E		
		Test Year After Rates Cost Adjustments	USPS-30F		
		Test Year After Rates Volume Adjustments	USPS-30G		
Mr. Bernstein	USPS-T-31	None		None	Eric Koetting (202) 268-2992 Richard Cooper (202) 268-2993
Mr. Fronk	USPS-T-32	First-Class Mail Rate Proposal	USPS-32A	WP-I-III	Michael Tidwell (202) 268-2998
		First-Class Mail Test Year Financial Results	USPS-32B		

		EXHIBITS			
		TITLE	NUMBER	WORKPAPERS	ATTORNEY
Mr. Sharkey	USPS-T-33	Express Mail Revenues Test Year	USPS-33A	None	Richard Cooper (202) 268-2993
		Express Mail 1996 and Test Year Volumes by Service	USPS-33B		
		Express Mail FY 1996 Volume and Calculated Revenue	USPS-33C		
		Express Mail Test Year Before Rates Volume, Calculated Revenue and Postage Pounds	USPS-33D		
		Express Mail Test Year After Rates Volume, Calculated Revenue and Postage Pounds	USPS-33E		
		Express Mail Distribution of Transportation Costs Test Year Before Rates	USPS-33F		
		Express Mail Postage Pounds by Service, Test Year Before Rates	USPS-33G		
		Express Mail Test Year Per-Piece Costs	USPS-33H		
		Express Mail Distribution of TYBR Purchased Transportation Costs to Distance-Related & None-Distance Related Costs Using 1996 Breakdown of Costs	USPS-33I		

-WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
		Development of Pickup and Delivery Fee	USPS-33J		
		Priority Mail FY 1996 Volume and Calculated Revenue	USPS-33K		
		Priority Mail Test Year Before Rates Volume, Calculated Revenue and Postage Pounds	USPS-33L		
		Priority Mail Test Year After Rates Volume, Calculated Revenue and Postage Pounds	USPS-33M		
		Priority Mail Test Year Before Rates Non-Transportation Cost Development	USPS-33N		
		Priority Mail Test Year Before Rates Distribution of Transportation Cost to Zone	USPS-33O		
		Priority Mail Test Year Before Rates Development of Transportation Distribution keys to Zone	USPS-33P		
		Priority Mail Test Year Before Rates Distance and Non-Distance Related Costs	USPS-33Q		
		Priority Mail Delivery Confirmation Revenue, Volume and Cost Adjustments	USPS-33R		
		Express Mail Rate Design Comparison Table	USPS-33S		
		Priority Mail Rate Design Comparison Table	USPS-33T		

-WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
Mr. Taufique	USPS-T-34	None		WP-RR A - N WP-WC A - J	David Rubin (202) 268-2986
Mr. Kaneer	USPS-T-35	None		WP-A-O	Anthony Alverno (202) 268-2997
Mr. Moeller	USPS-T-36	None		WP-1-3	Anthony Alverno (202) 268-2997
Ms. Mayes	USPS-T-37	None		WP-I-II	Scott Reiter (202) 268-2999
Mr. Adra	USPS-T-38	Library Rate	USPS-38A	Yes	Scott Reiter (202) 268-2999
Ms. Needham	USPS-T-39	None		wp-1-17	David Rubin (202) 268-2986
Mr. Plunkett	USPS-T-40	None		WP-1-13	David Rubin (202) 268-2986

		EXHIBITS			
-WITNESS	TESTIMONY	TITLE	NUMBER	WORKPAPERS	ATTORNEY
Mr. Takis	USPS-T-41	Overview of Incremental Cost Development	USPS-41A	WP-1	Richard Cooper (202) 268-2993 Eric Koetting (202)268-2990
		Results of Incremental Cost Analysis (Subclasses)	USPS-41B		
		Results of Incremental Cost Analysis (Groups)	USPS-41C		
Mr. Currie	USPS-T-42	None		None	Kenneth Hollies (202) 268-3083

ATTACHMENT G

COMPLIANCE STATEMENT

As with prior rate filings, the Postal Service is submitting a detailed guide to the manner in which it has complied with the basic standards set out in the Commission's rules of practice and procedure. The statement is contained in this attachment, which is organized by each pertinent provision of Rules 54 and 64. Where information required is not included in direct testimony or exhibits of the Postal Service witnesses, it is contained in this or other attachments of the Request, or has been incorporated by reference in the testimony, exhibits, Request, or attachments, and made available to the Commission.

RULE: 54(a)(1)

REQUIREMENT: This rule requires a description of any changes proposed by the Postal Service in the attribution procedures applied by the Commission in the most recent general rate proceeding in which its recommended rates or fees were adopted. If a request proposes to change the cost attribution principles applied by the Commission in the most recent general rate proceeding in which its recommended rates were adopted, the Postal Service's request shall include an alternate cost presentation satisfying Rule 54(h) that shows what the effect on the Postal Service's request would be if it did not propose changes in attribution principles. If the required information is set forth in the Postal Service's prepared direct evidence, it shall be deemed to be part of the formal request without statement.

The testimony and workpapers of Mr. Alexandrovich reflect the costing principles applied by the Postal Service to the base year in this case. Estimates for the Test Year applying these costs are described in the testimony and workpapers of Mr. Patelunas. Alternate cost presentations are found in Library Reference H-196, which constitutes the Postal Service's first attempt to comply with this new requirement. For further information, please see Notice of United States Postal Service Concerning Provision of Information Pursuant to Rule 54(a)(1). Other information pertaining to the Postal Service's distributions of costs can be found in the testimonies and workpapers of Dr. Bradley, Mr. Degen, Mr. Hatfield, Mr. Baron, Mr. Hume, Mr. Nelson, Dr. Wade, Mr. Brehm, and Dr. O'Hara.

RULE: 54(b) (1), (2), (4)

REQUIREMENTS: These Rules require the submission of the schedule of the existing effective rates of postage and fees for all postal service and those rates and fees as proposed to be changed or adjusted. The schedule must

- specify the full rates and, where applicable, the phased rates under section 3626 of title 39 U.S.C., and any proposed adjustment to such phased rates under section 3627 of title 39 U.S.C., indicated by the circumstances known at the time of the filing;
- be presented in summary fashion and tariff-like form ("E.g., there shall be a specification of those rules, regulations and practices which established conditions of mailability and standards of service.");
- address such functions as mail pickup and delivery, process, and "other similar functions;"
- be accompanied by identification of all non postal services.

Attachment A to this Request specifies the present and proposed full rates of postage and fees for postal services, and the fees for special services.

Attachment B presents proposed phasing schedules..

Attachment C incorporates by references the rules, regulations, and practices that establish conditions of mailability and standards of service. As noted, the Postal Service's response to Rule 54 (b) (2) should not be construed to admit that the Commission's jurisdiction extends to any of the specified rules, regulations, or practices.

Nonpostal services are discussed later in this statement.

RULE: 54(b)(3)

REQUIREMENT: This Rule requires that the rate and fee schedules required by Rule 54(b)(1) "contain a statement identifying the degree of economic substitutability between the various classes and subclasses, e.g., a description of cross-elasticity of demand as between various classes of mail."

This requirement is satisfied basically by the testimonies of Dr. Tolley, Dr. Musgrave and Mr. Thress. The nature of substitutability is also discussed in the testimony of Dr. O'Hara and in the rate design testimonies of Mr. Fronk;, Mr. Sharkey, Mr. Taufique;, Mr. Moeller, Mr. Mayes, Mr. Adra, Ms. Needham, and Mr. Plunkett.

RULE: 54(c)

REQUIREMENT: This rule requires "an identification of the characteristics of the mailer and recipient, and a description of the contents of items mailed within the various classes and subclasses of mail and service."

The subject matter of this requirement is addressed in the testimonies of Dr. Tolley, Dr. Musgrave, Dr. O'Hara', Mr. Fronk, Mr. Sharkey, Mr. Taufique, Mr. Kaneer, Mr. Moeller, Ms. Mayes, Mr. Adra, Ms. Needham, Mr. Plunkett, and Mr. Currie.

RULE: 54(d)

REQUIREMENT: This Rule requires "an identification of the physical attributes of the items mailed by class and subclass, including shape, weight, and distance."

The two attached tables from the Origin-Destination Information System for FY 1996 present originating and destinating average daily volumes (pieces) by class and type of mail. Data pertaining to weight and distance are summarized in the testimonies, exhibits and workpapers of Mr. Alexandrovich and Mr. Patelunas. Further information describing the various classes and subclasses of mail and special services is contained in the rate and fee design testimonies of Mr. Fronk, Mr. Sharkey, Mr. Taufique, Mr. Kaneer, Mr. Moeller, Ms. Mayes, Mr. Adra, Ms. Needham, Mr. Plunkett, and Mr. Currie.

REPORT HSA360P1

ORIGIN-DESTINATION INFORMATION SYSTEM

ORIGIN-DESTINATION VOLUME SUMMARY REPORT

DESTINATING AVERAGE DAILY VOLUME (PIECES) BY CLASS AND TYPE OF MAIL

PQ ALL PFY 1986

ALL DESTINATION

CLASS OF MAIL	TYPE OF MAIL						TOTAL
	LETTERS	CARDS	IPPS	FLATS	PARCELS	CATALOGS	
FIRST	290831215	17119068	1857133	18528553			327936969
SECOND	2576081	13373	189209	28258052	85290		31102005
PRIORITY	10829	2899	455708	1197156	1593600		3259991
PARCEL POST	3		189	23597	925883		949652
OTHER FOURTH	6		384178	339441	1346861		2070408
THIRD	115146459	5491060	2910318	70172148			201719985
TOTAL	400364393	22626400	5596715	126519946	3931633		567039087

REPORT HSAJG001

ORIGIN-DESTINATION INFORMATION SYSTEM

ORIGIN-DESTINATION VOLUME SUMMARY REPORT

ORIGINATING AVERAGE DAILY VOLUME (PIECES) BY CLASS AND TYPE OF MAIL

		PQ ALL		PFV 1990			
ALL ORIGIN							
				TYPE OF MAIL			
CLASS OF MAIL	LETTERS	CARDS	IPPS	FLATS	PARCELS	CATALOGS	TOTAL
FIRST	290831215	17119068	1657133	18520553			327936969
SECOND	2576081	13373	189209	28258052	65290		31102005
PRIORITY	10629	2899	455708	1197156	1593600		3259991
PARCEL POST	3		169	23597	925883		949652
OTHER FOURTH	6		304178	339441	1346881		2070486
THIRD	115146459	5491060	2910318	78172148			201719905
TOTAL	408364393	22826400	5596715	126519948	3931633		567039007

RULE: 54(e)

REQUIREMENT: To the extent such information is not included within material supplied under Rule 54(b)(2), this Rule requires "a summary statement describing special service arrangements provided to, or requested or required of, mailers by the Postal Service which bear upon the cost of service or the value of the mail service to both the sender and the recipient, e.g., services relating to mailer preparations in excess of requirements specified by the [Domestic Mail Manual], pick-up and delivery, expedited or deferred processing, and other similar activities performed."

Domestic Mail Manual provisions are incorporated by reference in Attachment C. To the extent they might exist, other arrangements and circumstances having a bearing on the cost and value of mail service would be reflected in the testimony and workpapers of Mr. Alexandrovich, Mr. Patelunas, and Dr. O'Hara, and may be mentioned in the testimonies and workpapers of witnesses listed in Attachment F for pertinent mail categories.

RULE: 54(f)(1)

REQUIREMENT: This rule requires the Request to present "the total actual accrued costs during the most recent fiscal year for which they are reasonably available."

Mr. Tayman's testimony and exhibits present total actual accrued costs for FY 1996.

RULE: 54(f)(2) (Basic Submissions)

REQUIREMENT: This rule requires:

- for the year in which the filing is made (FY 1997), estimates of the total actual accrued costs of the Postal Service, assuming the prefiling (existing) rates and fees;
- for the year in which the filing is made (FY 1997), estimates of the total actual accrued costs of the Postal Service, assuming the proposed rates and fees;
- for a year which forms the basis for the proposed rates and fees, beginning not more than 24 months after the filing date of the Request (FY 1998), estimates of the total actual accrued costs of the Postal Service, assuming the prefiling (existing) rates and fees;
- for a year which forms the basis for the proposed rates and fees (FY 1998), estimates of the total actual accrued costs of the Postal Service, assuming the proposed rates and fees.

Mr. Patelunas's testimony presents FY 1997 estimated total actual accrued costs assuming prefiling rates and fees ("Before-Rates"). Mr. Patelunas's testimony also presents estimated total actual accrued costs for FY 1998, the year which forms the basis for the Postal Service's proposals, assuming prefiling ("Test Year Before Rates") and proposed ("Test Year After Rates") rates and fees.

RULE: 54(f)(2) (Methods and Procedures)

REQUIREMENT: For the estimated total accrued costs specified in this provision, the rule requires an explanation of the methods and procedures used for the cost projections, including

- an explanation of the projection of total volumes;
- an explanation of the effect of the projected volume levels on estimated total costs;
- specification of the cost savings which will be realized from gains and improvements in total productivity, indicating such factors as operational and technological advances and innovations;
- identification of abnormal costs which are expected to be incurred in the test year.

The testimonies of Dr. Tolley and Dr. Musgrave explain the methods and procedures by which volumes were estimated. Mr. Patelunas's testimony addresses the effect of projected volume levels on estimated costs. Mr. Tayman's testimony specifies the cost savings resulting from cost reduction programs, which are incorporated in Mr. Patelunas's roll-forward projections. The presence or absence of abnormal costs is addressed in Mr. Tayman's testimony.

RULE: 54(f)(3)(i) and (ii) (Operating Costs)

REQUIREMENT: For the basic cost submissions required in Rule 54(f)(1) and (2), this rule requires a statement and explanation of

- operating costs in detail as to their accounting and functional classifications;
- the cost amounts for depreciation on capital facilities and equipment, debt service, contingencies, and extraordinary or nonrecurring expenses.

These financial data are presented in the testimony and workpapers of Mr. Tayman.

RULE: 54(f)(3)(iii) (Cost Assignment and Distribution)

REQUIREMENT: For the basic cost submissions required in Rule 54(f)(1) and (2), this rule requires, assignment and distribution of costs to each of the functions comprising "the mail process." This presentation shall include

- an itemization of costs by the major accounts as reflected by the Service's books of accounts for all cost segments;
- an itemization of costs by functions such as collection, acceptance, general overheads, etc.;
- an assignment and distribution of the costs by account, together with related mail volumes, for each function;
- an assignment and distribution of the costs by account, together with related mail volumes, to "such subfunctions within each category for which information is available or can be developed;
- an explanation of the method by which the costs by accounts are assigned and distributed to functions.

For the development of base year cost estimates, Mr. Alexandrovich's testimony and exhibits provide the itemization, allocation, and distribution of costs for all cost segments, and by function. The costs of particular cost segments are also addressed in the testimonies of Mr. Degen, Dr. Bradley, Mr. Hatfield, Mr. Nelson, Mr. Brehm, Mr. Hume, Dr. Wade, and Mr. Baron. Data pertaining to "related mail volumes" associated with subfunctions are not produced by Postal Service data systems.

RULE: 54(g)

REQUIREMENT: This rule requires historical costs for "each fiscal year since the last filing pursuant to this section" to be submitted "in a form as nearly consistent as possible with the filing under [Rule 54(f)], together with explanations of any departures from such form and the effect of such departures."

Actual accrued costs for FY 1994, FY 1995 and FY 1996 are presented in the Cost and Revenue Analysis (CRA) Reports on file with the Commission. FY 1996 costs are also presented in Library References H-2 and H-3. Actual accrued costs for FY 1996 are presented in the testimonies and exhibits of Mr. Tayman and Mr. Alexandrovich.

RULE: 54(h)(1)

REQUIREMENT: This rule requires the separation of actual and estimated total costs, for the fiscal years specified in Rule 54(f), as between postal services (including international mail) and nonpostal services. "The presentation shall show the methodology for separating postal costs as between postal services and nonpostal services, and shall be in sufficient detail to allow a determination that no nonpostal costs have been assigned or allocated to postal services."

International mail costs are separated in Mr. Alexandrovich's and Mr. Patelunas' exhibits.

Costs and revenues for several services which could be considered nonpostal¹ -- such as insurance, C.O.D., and money orders -- are contained in Mr. Alexandrovich's and Mr. Patelunas' exhibits. Identifiable costs reported for some nonpostal services were \$16.9 million in FY 1996. Reimbursements associated with provision of these and other nonpostal services totaled \$24.1 million in FY 1996. The difference of \$7.2 million reduced the institutional costs borne by other postal services by that amount in FY 1996.

The \$ 16.9 million of costs includes labor costs for handling food stamps and passport applications, and selling migratory bird stamps. It also includes \$95 thousand for paper stock for migratory bird stamps. Costs of providing the remaining nonpostal services are not available. Experience with measurement of expenses for nonpostal services currently identified in cost sampling suggests that, for most other nonpostal services, costs may be so low as to be insignificant.

¹The word "nonpostal" is used here in a generic rather than jurisdictional sense. Some special services (such as money orders) have nonpostal aspects.

RULE: 54(h)(2) and (3) (Separation of costs by functions)

REQUIREMENT: For the actual and estimated total costs presented for the years specified in Rule 54(f), these rules require the costs to be separated as follows:

- those direct costs which can be attributed to each class of mail or type of mail service;
- those indirect costs which can be attributed to each class of mail or type of mail service;
- any other costs of the Service which can be reasonably assigned to each class of mail or type of mail service;
- any other costs of the Postal Service which cannot be attributed or reasonably assigned.

The methodology used to derive these costs is required to be set forth in detail.

Mr. Alexandrovich's testimony, exhibits, and workpapers provide the information required by this rule for FY 1996.² See also the testimonies of Dr. O'hara, Dr. Panzar, and Mr. Takis. Mr. Pateulnas's testimony, exhibits, and workpapers provide information for FY 1997 and the test year.

²The Postal Service interprets this rule in accordance with National Association of Greeting Card Publishers v. United States Postal Service, 462 U.S. 810 (1982).

Costs for the nonpostal services for which reported costs are not currently available are believed to be small -- well within the \$7.2 million by which the Postal Service has reduced institutional costs from reimbursements for such services.

The following table identifies services which could be termed nonpostal and their cost elements:

IDENTIFICATION OF NONPOSTAL SERVICES
AND THEIR COST ELEMENTS:

<u>SERVICE</u>	<u>COST ELEMENTS</u>
Insurance	See Mr. Alexandrovich's and Mr. Patelunass' Exhibits.
COD	See Mr. Alexandrovich's and Mr. Patelunass' Exhibits
Money Orders	See Mr. Alexandrovich's and Mr. Patelunass' Exhibits
Sale of Philatelic Products	Window service clerk costs; possibly postal service penalty mail costs and certain supply costs.
Sale of Food Stamps	Window service clerk costs
Sale of Passports	Window service clerk and city carrier costs; possibly some postal service penalty mail costs.
Sale of Migratory Bird, Hunting and Conservation Stamps	Window service clerk costs; costs of printing stamps.
Sale of Miscellaneous Products (e.g., jiffy bags)	Window service clerk costs; possibly some postal service penalty mail costs.
Photo Copy Service	None.
Vending Stands and Vending Machines	None.
Post Office Assistance to Civil Service Commission	Window service clerk costs
Draft Registration	Window service clerk costs.

RULE: 54(h)(4), (12)

REQUIREMENT: This rule applies to the costs identified in Rule 54(h)(2). It requires that these costs be separately attributed to mail classes, subclasses, and special services. It also requires identification of the methodology used in attribution and an analysis of the effect of costs on the following:

- volume;
- peaking patterns;
- priority of handling;
- mailer preparations;
- quality of service;
- the physical nature of the item mailed;
- expected gains in total productivity, indicating such factors as operational and technological advances and innovations;
- any other factor affecting costs.

The data relevant to the analyses of the effect on costs of these factors must also be provided.

The methodologies employed by the Postal Service to develop direct and indirect costs are addressed in the testimonies and exhibits of Mr. Alexandrovich, Mr. Patelunas, Mr. Degen, Dr. Bradley, Mr. Hatfield, Mr. Baron, Mr. Hume, Mr. Nelson, Dr. Wade, Mr. Brehm, Mr. Treworgy, Dr. Lion, Dr. Schenk, and Mr. Miller. See also the tetimony of Dr. O'Hara. The effect of volume on costs is also indicated by these testimonies.

Factors identified in this rule in addition to volume which influence cost incurrence and which are recognized in the methods of cost analysis employed by the Postal Service include the following:

- peaking patterns;
- priority of handling;
- mailer preparations;
- quality of service;
- the physical nature of the item mailed;
- cost reduction programs.

These factors are associated with Postal Service cost attributions in the following ways:

1. The cost consequences of peaking patterns in mail processing and other relevant cost segments are reflected in the testimonies of Mr. Alexandrovich, Mr. Patelunas, Mr. Degen, and Dr. Bradley.
2. Mail entitled to priority handling often requires manual culling or other selection methods to separate it from the general mailstream. Such selection methods consume time, and the associated labor costs are charged to the affected categories. Also, to the extent priority handling involves a commitment to supply premium cost transportation, such costs are attributed to the mail so transported.
3. Mailer preparation enables the Postal Service to avoid the incurrence of certain costs in the mail processing and transportation functions. The results obtained by the In-Office Cost System (IOCS) and the Transportation Cost System (TRACS), by sampling the types of

mail handled at various stages in these functions, reflect differences in costs resulting from mailer preparation. Other estimates of cost differences resulting from mailer preparation are provided in the testimonies of Mr. Hatfield, Mr. Seckar, Mr. Crum, Mr. Miller and, Ms. Daniel.

4. The cost consequences of quality of service are not isolated and quantified separately. They are, nevertheless, included to some extent in the level of costs. For example, the higher costs of air transportation are allocated to the classes and subclasses that benefit from that mode of transportation. Certain other features associated with quality of service, such as freedom from inspection, have no effect on the allocation of costs.
5. The physical nature of the item mailed affects the time consumed in processing mail, the space occupied in transportation, and the facility with which carriers can sort and deliver pieces of mail. The cost consequences of physical characteristics are not isolated and quantified separately in the allocation process, except insofar as particular characteristics are largely associated with particular categories of mail, e.g., cards. These cost consequences are, however, reflected in cost distributions. For instance, incidence of

time is affected by weight-density factors, and transportation costs are influenced by weight and cube.

6. The testimony of Mr. Tayman indicates the role of cost reduction programs, including programs designed to improve productive relationships, in development of the Postal Service's overall revenue requirement. The results of these programs are carried forward in estimates of costs for the test year and attributed to the classes and subclasses of mail in a manner indicated in Mr. Patelunas's testimony.

RULE: 54(h)(5) - (h)(10) ("Roll-Forward" model)

REQUIREMENT: These provisions generally specify particular items which must be included in the presentation of the process by which base year costs are rolled-forward to test-year costs, such as listings of the forecasting factors, piggyback factors, interim period workpapers, and an overall summary cost table. Rules 54(h)(6) and (7) require an explanation of the attributable cost final adjustments and the "other services" adjustments.

The items required by this rule are found in the testimony, exhibits, and workpapers of witness Patelunas.

RULE: 54(h)(11) (Nonattributed costs)

REQUIREMENT: This rule applies to costs that are identified as "nonattributed or unassigned" pursuant to Rule 54(h)(2). It requires an explanation as to why such costs cannot be attributed or assigned. It further requires the identification, to the extent possible, of all such costs which benefit more than one class of mail or type of service (but not all classes or types), together with the mail classes or types of services so benefitted.

Ultimately, all postal costs are either attributed or assigned. The following table however, identifies institutional costs which benefit more than one, but not all, classes or types of service, in accordance with the following standard: given the permissible shape, weight, method of postage payment, and other characteristics of a type of mail, would pieces of that type of mail likely appear in the operations encompassed by the cost element? If yes, the mail is "benefitted."

As a practical matter, nearly all classes and services benefit to some degree from the various institutional costs. In the strict sense, therefore, there are few truly restricted institutional costs in the postal system. For example, Periodicals and Standard Mail (A) Regular mail are not listed as benefitting from clerk window service activities. Yet these classes are handled by window service clerks at smaller offices. At larger offices, window service clerks may be responsible for accepting fees and trust fund payments relating to Periodicals and Standard (A) Regular mail. Window service activities also include the sale of precanceled stamps, setting of postage meters for use on Standard (A) Regular mail, and general delivery service for all types of mail. Consequently, the fact that a class is not listed as benefitting from a particular cost does not mean that the class is not handled at all in activities for which the particular cost is incurred.

Conversely, the fact that a class is listed as benefitting from a particular cost activity does not mean that a substantial portion of the class benefits, but only that given the characteristics of that class, some pieces of that class will of necessity require handlings contained within that cost component.

INSTITUTIONAL COSTS THAT BENEFIT MORE THAN
ONE TYPE OF MAIL BUT NOT ALL TYPES

<u>Type of Cost</u>	<u>Types Primarily Benefitted</u>
Segments 2 and 3: Clerks-Window Service plus related supervision, primarily the institutional portion of stamps, cards and meters	First-Class Mail, Priority mail, Standard (A) single piece, zone-rated parcels, non-presorted Standard (B) Special rate, library rate, and Express Mail.
Segments 6 and 7: City carriers-institutional portion of collection plus related supervision	First-Class Mail, Priority mail, Standard (A) single piece, Standard (B) zone-rated parcels, non-presorted Standard (B) special, library rate, and Express Mail.
City carriers-institutional portion of parcel delivery plus related supervision	Standard (B) Mail, free mail for the blind and handicapped Priority and Express Mail.

RULE: 54(i)

REQUIREMENT: This rule requires a statement of the criteria employed by the Postal Service in construction of the proposed rate schedule. The statement must include:

- the identification of the relationship between the revenues derived from the rates and fees for a particular class and subclass of mail or service and the costs attributed and assigned to that class or subclass of service;
- the identification of the procedures and methods used to apportion (to postal services) that part of the total revenue requirement, which is in excess of costs attributed;
- such other studies, information and data relevant to the criteria established by section 3622 of title 39, U.S.C., with appropriate explanations as will assist the Commission in determining whether or not the proposed rates or fees are in accordance with such criteria.

The testimonies and workpapers of Dr. O'Hara, Mr. Fronk, Mr. Sharkey, Mr. Taufique, Mr. Kaneer, Mr. Moeller, Ms. Mayes, Mr. Adra, Ms. Needham, Dr. Panzar, Mr. Bernstein, Mr. Currie and Mr. Plunket respond to this rule.

RULE: 54(j)(1), (2), (3), and (4)

REQUIREMENT: These rules require specification of revenues for certain fiscal years, including the test year. Revenues must be submitted for

- FY 1996, assuming prefiling (existing) rates and fees;
- FY 1997, assuming prefiling (existing) rates and fees;
- FY 1997, assuming proposed rates and fees;
- test year, assuming prefiling (existing) rates and fees;
- test year, assuming proposed rates and fees.

The actual and estimated revenues for these years must be shown in total and separately for each class and subclass of mail and postal service and for all other sources from which the Postal Service collects revenues.

Each revenue presentation must be supported by identification of the methods and procedures employed.

Revenues for FY 1996 are provided by Mr. Alexandrovich. Revenues for FY 1997 and the test year are provided by Mr. Patelunas and can be found in Dr. O'Hara's workpapers. These revenue estimates relate to volume and revenues per piece which are presented in the testimonies of Mr. Fronk, Mr. Sharkey, Mr. Taufique, Mr. Kaneer, Mr. Moeller, Ms. Mayes, Mr. Adra, Ms. Needham, and Mr. Plunkett.

FY 1997 revenues at suggested rates and fees are not provided.

RULE: 54(j)(5) (volume estimates)

REQUIREMENT: This rule requires that the Postal Service present for each class and subclass of mail and special service

- for each postal quarter beginning with the first quarter of the most recent complete fiscal year and ending one year beyond the last quarter of the test year, actual or estimated mail volumes at the prefiled (existing) rates and fees;
- for each postal quarter beginning with the quarter in which the rates are assumed to become effective and ending one year beyond the last quarter of the test year, the estimated volume of mail assuming the effectiveness of the proposed rates.

Volumes for FY 1996 are presented in Mr. Alexandrovich's exhibits. Other requested volumes are presented in Dr. Tolley's and Dr. Musgrave's testimonies.

RULE: 54(j)(5), (6), (7) (Demand study -- methodology and documentation)

REQUIREMENT: These rules require that the volume estimates provided pursuant to Rule 54(j)(5) must be derived from an econometric demand study relating postal volumes to their economic and noneconomic determinants, including postal rates, discounts and fees, personal income, business conditions, competitive and complementary postal services, competitive and complementary nonpostal activities, population, trend, seasonal patterns and other factors. The study must be furnished with the request, and any departure from the assumptions and specifications in the demand study made in estimating volumes of any class or subclass of mail must be explained.

For volume and revenue estimates, and subject to Rule 54(a)(2), the Postal Service must provide:

- a detailed explanation of the methodology employed to forecast volumes for each class and subclass of mail and postal service. Representative derivations of these forecasts from the econometric demand study must be presented in detail for two major mail classes, showing each intermediate value or factor employed. For remaining classes and subclasses of mail, such derivations may be summarized, except where their derivations depart from the representative methods presented;
- a detailed explanation of the methodology employed to forecast changes in revenues for each class and subclass of mail and postal service resulting from changes in rates and fees;
- a computer implementation of the methodology employed to forecast volumes and revenues for each class and subclass of mail and postal service. The computer implementation must comply with Rule 31(k)(3), and must be able to compute forecasts of volumes and revenues compatible with those specified in Rules 54(j)(2), (3), and (5) for
 - o any set of rates and fees within a reasonable range of the prefiled (existing) and the proposed rates,
 - o any date of implementation within the range spanned by the assumed date of implementation and the start of the test year,

- o alternative forecasts of the economic determinants of postal volumes, other than postal rates and fees, and
- o alternative values of any parameters with assigned values that are based upon unverifiable judgments.

Subject to Rule 54(a)(2), the Postal Service must make available at the offices of the Commission, in a form that can be read directly by a standard digital computer, the following:

- all of the input files and programs needed to replicate the required econometric demand study;
- any input files and programs employed to derive a price index for any class or subclass of mail or postal service from postal rates, discounts, and fees;
- any input files and programs used to prepare data for use in the required econometric demand study.

The material required by this rule is provided in the testimonies and workpapers of Dr. Tolley, Dr. Musgrave, and Mr. Thress, and related library references.

RULE: 54(k)

REQUIREMENT: This rule covers basic financial statement information. It requires the submission, for FY 1995 and FY 1996 (the two fiscal years immediately preceding the year in which the request is filed), the Balance Sheet, the Statement of Income and Expense, basic statistical information, and the Statement of Income and Expense by budget category. The request must include data with respect to the following:

- Balance Sheet and a supporting schedule for each item appearing thereon;
- Statement of Income and Expense and a supporting schedule for each item appearing thereon;
- as appropriate, statistical data with respect to revenue, pieces (by physical attributes, showing separately amounts of mail identified as stamped, metered, and imprinted, or other), weight, distance, postal employees (number, total payroll, productivity, etc.), postal space, post offices (numbers, classes, etc.), and any other pertinent factors which have been utilized in the development of the proposed rate schedule;
- Statement of Income and Expense by cost segment.

A reconciliation of the budgetary information with actual accrued costs must be provided for the most recent fiscal year.

If the fiscal information for FY 1996 (the immediately preceding fiscal year) is not fully available, a preliminary or pro forma submittal must be made, and upon final completion an updated report must be filed.

The data called for by this rule are presented primarily in Mr. Tayman's exhibits, which include a Balance Sheet and related schedule.

Other data for revenue, pieces, weight, and distance are shown in exhibits to Mr. Alexandrovich's testimony. Information concerning postal employees (number, total payroll, productivity) is included in Mr. Tayman's and Mr. MacDonald's workpapers.

Dr. O'Hara's testimony and workpapers furnish other "statistical data" referred to by this rule.

RULE: 54(1)(1)

REQUIREMENT: This rule requires a statement (which can be in workpaper form) indicating for each class and subclass of mail and postal service the relevant billing determinants (e.g., the volume of mail related to each rate element in determining revenues) separately for the current rates and the proposed rates. Proposed changes in rate design and the related adjustments should be explained in detail.

The information required by this rule is found generally in Dr. O'Hara's workpapers. In some instances, the testimonies and workpapers of other witnesses provide support for the billing determinants used by Dr. O'Hara.

RULE: 54(1)(2)

REQUIREMENT: This rule requires, subject to subsection (a)(2), the base year volume of third-class bulk mail by ounce increment for each shape (letter-size, flat, irregular parcels, and parcels), submitted separately for regular and preferred, by presort level.

See Library Reference H-186.

RULE: 54(m)

REQUIREMENT: This rule requires a statement, which can be in workpaper form, presenting detailed calculations of continuing appropriations according to 39 U.S.C. § 2401(c) and phasing appropriations under 39 U.S.C. § 3626 and any proposed adjustment to such phased rates under 39 U.S.C. § 3627 indicated by circumstances known at the time of the filing. Calculation of all the phased rates for the entire applicable phasing period should be explained in detail.

The workpapers of Mr. Moeller, Mr. Adra, Mr. Taufique, and Mr. Kaneer reflect preferred rate calculations, and incorporate issues related to phasing of rates. See also Attachment B.

RULE: 54(n)

REQUIREMENT: This rule requires identification of any performance goals which have been established for the classes and subclasses of mail. The Request must identify the achieved levels of service for those classes and subclasses of mail and mail services for which performance goals have been set.

The currently effective service standards for mail are shown below.

UNITED STATES POSTAL SERVICE Service Commitments

(ZIP Coded mail only)

Mail Class	Over-night	2nd Day	3rd Day	4th Day	5th Day	6th Day	7th Day	8th Day	9th Day	10th Day	Notes
Express Mail											Directories available at your local post offices.
Priority Mail											Primarily a two-day product.
First-Class Mail											11 ounces or less.
Second Class											Surface preferential
Fourth Class											See local BMC Manager for Parcel Post Commitments.
Third Class											Mail entered at the Destination P&DC has a 2 & 3 day commitment.

Achieved levels of performance are shown in the Origin-Destination Information System

(ODIS) -- Quarterly Statistics Report, prepared by the Postal Service.

RULE: 54(o)

REQUIREMENT: This rule requires seven sets of workpapers to be filed with the Request.

The required workpapers are supplied with the testimonies of the Postal Service's witnesses.

RULE: 54(p)

REQUIREMENT: This rule requires one or more certifications stating that the cost statements and supporting data submitted as part of the formal request, as well as the accompanying workpapers, which purport to reflect the books of the Postal Service, accurately set forth the results shown by such books. The required certification must be signed by one or more representatives of the Postal Service authorized to make such certification.

The required certification is submitted as Attachment D to this Request.

RULE: 54(q)

REQUIREMENT: This rule requires an opinion from an independent public accountant to the extent and as required by 39 U.S.C. § 2008(e).

An opinion by the independent accounting firm of Ernst & Young covering Fiscal Years 1995 and 1996 is submitted as Attachment E.

Rule: 64(b)

REQUIREMENT: This rule requires for every classification change proposed

- a statement of the present and proposed classification schedule provisions;
- a specification of the rules, regulations, and practices which establish the conditions of mailability and the standards of service;
- a statement identifying the degree of economic substitutability between the various classes and subclasses;
- an identification of nonpostal services.

1. Present and Proposed Classification Schedule Provisions

The affected present and proposed provisions of the DMCS, in context, with new provisions underlined and old provisions bracketed, are contained in Attachment A.

2. Rules, Regulations and Practices

The practices of the Postal Service regarding those classes and subclasses of mail, and special service, for which classification schedule changes are proposed, are addressed in the testimonies of Mr. Fronk, Mr. Taufique, Mr. Kaneer, Mr. Moeller, Mr. Sharkey, Ms. Needham, Ms Mayes, Mr. Adra, Mr. Currie, and Mr. Plunkett. A specification of the rules, regulations, and practices which establish conditions of mailability and the standards of service is found in Attachment C. The Postal Service will promulgate rules and regulations consistent with the proposed classification schedule changes pursuant to its statutory authority. See 39 U.S.C. § 402(2).

3. Degree of Economic Substitutability and Identification of Nonpostal Services

The degree of substitutability is addressed and discussed in the testimonies of Dr. O'Hara, Mr. Adra, Ms. Mayes, Ms. Needham, Mr. Sharkey, Mr. Moeller, Mr. Plunkett, Dr. Tolley, Mr. Bernstein, Mr. Thress, and Dr. Musgrave.

Nonpostal services are identified in the discussion of Rule 54, which is incorporated here by reference.

Rule: 64(c)

REQUIREMENT: This rule requires information on mail characteristics concerning the nature of the items and the methods of mailing, characteristics of the mailer, recipient, and contents of items mailed, physical attributes of the mail, and applicable special service arrangements.

A discussion of the mailers and recipients of mail, the contents of mail, and methods of mailing is contained in the testimonies of Dr. O'Hara, Mr. Fronk, Mr. Taufique, Mr. Kaneer, Mr. Moeller, Ms. Mayes, Mr. Adra, Mr. Sharkey, Ms. Needham, Mr. Plunkett, and Mr. Currie. Physical attributes of mail are addressed in the response to Rule 54(1), incorporated here by reference. Special service arrangements are addressed in sections of this statement responding to Rule 54(b)(2) and Rule 54(e), incorporated here by reference.

Rule: 64(d), (e)

REQUIREMENT: This rule requires that effects of the changes on cost assignments, total cost assignments, total costs and total revenues be provided, on a before and after rates basis.

The testimonies of Dr. O'Hara, Mr. Fronk, Mr. Taufique, Mr. Kaneer, Mr.

Moeller, Ms. Mayes, Mr. Adra, Mr. Sharkey, Ms. Needham, and Mr. Plunkett, and Mr.

Patelunes address the costs and revenues of the Postal Service on before and after change bases.

Rule: 64(f)

REQUIREMENT: This rule requires a complete statement of the reasons and bases for the proposed changes.

The testimonies of Dr. O'Hara, Mr. Fronk, Mr. Taufique, Mr. Kaneer, Mr. Moeller, Ms. Mayes, Mr. Adra, Ms. Needham, Mr. Currie, and Mr. Plunkett provide reasons for the proposed changes.

Rule: 64(h)

REQUIREMENT: This rule provides that the requirements of Rule 54 apply in certain cases involving classification changes having rates, fee, or total cost change implications.

The Rule 54 compliance statements, which include the response to this requirement, are incorporated here by reference.

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

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RECEIVED
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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

REQUEST OF THE UNITED STATES POSTAL SERVICE
FOR A RECOMMENDED DECISION ON CHANGES IN
RATES OF POSTAGE AND FEES FOR POSTAL SERVICES

UNITED STATES POSTAL SERVICE

By:

Daniel J. Foucheaux, Jr.
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Documents relating to this request may be served upon Mr. Foucheaux at the above address.