

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

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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January 12, 2000
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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 2001
(\$000)

<u>Present Rates</u>	<u>Test Year</u>
Total Revenues	\$66,328,401
Less: Total Revenue Requirement	\$70,015,977
Total Revenue Deficiency	(\$3,687,576)
<u>Proposed Rates</u>	
Total Increase in Revenue	\$2,788,419
Total Decrease in Costs (Revenue Requirement)	(\$877,320)
Decrease in Revenue Deficiency	(\$3,665,739)
Total Revenue Surplus (Deficiency)	(\$21,837)

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 41 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

¹Together with income from other sources not within the Commission's jurisdiction under title 39, United States Code.


the prepared evidence in the upper right hand corner of the 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 current DMCS is published at 39 CFR Part 3001, subpart C, appendix A,¹ as amended by the following attachments to Decisions of the Governors of the United States Postal Service:

- Decision of the Governors of the USPS on the Recommended Decision of the Postal Rate Commission on Renewal of Experimental Classification and Fees for Weight-Averaged Nonletter-Size Business Reply Mail, Docket No. MC99-1 (May 26, 1999);²
- Decision of the Governors of the USPS on the Recommended Decision of the Postal Rate Commission on Establishment of Permanent Classification and Fees for Weight-Averaged Nonletter-Size Business Reply Mail, Docket No. MC99-2 (November 1, 1999);³
- Decision of the Governors of the USPS on the Recommended Decision of the Postal Rate Commission on Periodicals Classification Change, Docket No. MC99-3 (July 12, 1999);
- Decision of the Governors of the USPS on the Recommended Decision of the Postal Rate Commission on Bulk Parcel Return Service Minor Classification Change, Docket No. MC99-4 (August 30, 1999); and
- Decision of the Governors of the USPS on the Recommended Decision of the Postal Rate Commission on the Market Test of Mailing Online Service, Docket No.

¹ Part 3001, subpt. C, app. A in the 1999 edition of Title 39 of the CFR is current through PRC Order No. 1225, 64 Fed. Reg. 4493 (January 28, 1999).

² Some of these changes are to be affected by the DMCS changes to be implemented on February 6, 2000 pursuant to Resolution No. 99-12 of the Board of Governors. As explained in footnote 3, the changes to be made pursuant to Docket No. MC99-2 are treated as current provisions of the DMCS for purposes of this Attachment to the Request.

³ Since the changes to the DMCS in this decision are scheduled to take effect on February 6, 2000, they are treated as if they were currently implemented for purposes of this Attachment to the Request.

MC98-1 (October 16, 1998).⁴

Due to the extensive changes in organization and content, the text of the entire DMCS is published in this Attachment. Except as otherwise noted, proposed additions to text are underlined, and proposed deletions appear in brackets.

In this Request, the Postal Service proposes to renumber sections 322 and 323 as 521 through 524. To illustrate substantive changes in these sections and preserve the organization of the proposals in this Request, existing provisions in sections 322 and 323 have been moved between sections 484 and 910. This reorganization, however, necessitates that certain provisions in sections 310 and 330 to 380 be reprinted before and after sections 521 and 524. Some provisions in sections in 310, 330 - 380, 510, and 530 - 580 are printed twice in order to show how the proposed reorganization of the DMCS affects current provisions that apply collectively to subclasses in 321, 322, and 323.

⁴ By letter dated October 26, 1999, to the Secretary of the Postal Rate Commission, the Postal Service advised the Commission of the termination of Mailing Online Service, and identified the affected DMCS sections. The pending Request of the Postal Service for Mailing Online Experiment, Docket No. MC2000-2, proposes that these sections be modified in order to accommodate the proposal in that proceeding. For this reason, the provisions are included in this attachment without the changes as proposed in Docket No. MC2000-2.

**AMEND THE DOMESTIC MAIL CLASSIFICATION SCHEDULE BY
INSERTING UNDERLINED TEXT AND DELETING BRACKETED TEXT
AS FOLLOWS:**

**EXPEDITED MAIL
CLASSIFICATION SCHEDULE**

110 DEFINITION

Expedited Mail is mail matter entered as Express Mail 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 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 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 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 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 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	911
b.	Return receipts	945
c.	COD	944
d.	Express Mail Insurance	943

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 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) 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) 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) 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) specified by the Postal Service, of the second delivery day in the case of Post Office-to-Addressee service.

**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, 520, 544.2, [323, 344.22,] and 446;
- c. Matter having the character of actual and personal correspondence except as specifically permitted by sections 312, 313, 520, 544.2, [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 13 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 Rate Category. The single-piece rate category applies to regular rate Letters and Sealed Parcels subclass mail not mailed under section 221.22, 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 specified by the Postal Service; and
- c. Meets the addressing and other preparation requirements specified by the Postal Service.

221.23 [RESERVED]

221.24 Qualified Business Reply Mail Rate Category. The qualified business reply mail rate 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 **[RESERVED]**

221.26 **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.

221.27 **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 13 ounces or less that:

- a. Is prepared in a mailing of at least 500 pieces, or is provided for entry as mail using Mailing Online service, pursuant to schedule 981;
- 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 specified by the Postal Service; and
- d. Meets the machinability, addressing, barcoding, and other preparation requirements specified by the Postal Service.

221.32 **Letter Categories**

221.321 **Basic Rate Category.** The basic rate category applies to letter-size automation rate category mail not mailed under section 221.322[3], 221.323[4], or 221.324[5].

221.322[3] **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 specified by the Postal Service.

221.323[4] **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 specified by the Postal Service.

221.324[5] *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 specified by the Postal Service.

221.33[6] **Flat Categories**

221.331 *Basic Flats Rate Category.* The basic flats rate category applies to flat-size automation rate category mail not mailed under section 221.332[7] or 221.333.

221.332[7] *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.

221.333 *Five-Digit Flats Rate Category.* The five-digit flats rate category applies to flat-size automation rate category mail presorted to single or multiple five-digit ZIP Code destinations as specified by the Postal Service.

221.334[8] *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.

221.34[9] **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.

222 **Cards Subclass**

222.1 **Definition**

222.11 **Cards.** The Cards subclass consists of Stamped Cards, defined in section 962.1[1], and postcards. A postcard is a privately printed mailing card for the transmission of messages. To be eligible to be mailed as a First-Class postcard, a card must be of uniform thickness and must not exceed any of the following dimensions:

- a. 6 inches in length;
- b. 4 1/4 inches in width;
- c. 0.016 inch in thickness.

222.12 **Double Cards.** Double Stamped Cards or double postcards may be mailed as Stamped Cards or postcards. Double Stamped Cards are defined in section 962.1[2]. A double postcard consists of two attached cards, one of which may be detached by the receiver and returned by mail as a single postcard.

222.2 **Restriction.** A mailpiece with any of the following characteristics is not mailable as a Stamped Card or postcard unless it is prepared as 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 Cards subclass mail not mailed under section 222.32 or 222.34.

222.32 Presort Rate Category. The presort rate category applies to 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; and
- c. Meets the addressing and other preparation requirements specified by the Postal Service.

223.33 [RESERVED]

222.34 Qualified Business Reply Mail Rate Category. The qualified business reply mail rate 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 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 specified by the Postal Service; and
- d. Meets the machinability, addressing, barcoding, and other preparation requirements 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 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 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 specified by the Postal Service.

223 **Priority Mail Subclass**

223.1 **General.** The Priority Mail subclass consists of:

- a. First-Class Mail weighing more than 13 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 rate category applies to Priority Mail subclass mail[not mailed under section 223.4].

223.3 **[Reserved]**

223.4 **[Reserved]**

223.5 **Flat Rate Envelope.** Priority Mail subclass mail sent in "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 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.

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 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**

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	911
b. Business reply mail	931
c. Certificates of mailing	947
d. Certified mail	941

e.	COD	944
f.	Insurance	943
g.	Registered mail	942
h.	Return receipt (limited to merchandise sent by Priority Mail)	945
i.	Merchandise return	932
j.	Delivery Confirmation (limited to Priority Mail)	948
[k.]		
[l.]	Mailing Online	981
<u>k.</u>		

270 **RATES AND FEES**

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

Schedule

a.	Letters and Sealed Parcels	221
b.	Cards	222
c.	Priority Mail	223

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:
 - i. the applicable single-piece rates in schedules 221 or 223;
 - ii. 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
 - iii. if applicable, the surcharge for nonstandard size mail, as defined in section 232.

280 **AUTHORIZATIONS AND LICENSES**

The mailing fee set forth in Schedule 1000 must be paid once each year at each office of mailing or office of verification, as specified by the Postal Service, by or for [any person who mails] mailers of 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

Anyailable matter weighing less than 16 ounces 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 **Reserved]**

321[.2] **Regular Subclass**

321.[2]1 **General.** The Regular subclass consists of Standard Mail [weighing less than 16 ounces] that is not mailed under sections 322, 323, or 324. [321.3, 321.4, 321.5 or 323.]

321.[2]2 **Presort Rate Categories**

321.[2]21 **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 specified by the Postal Service; and
- c. Meets the machinability, addressing, and other preparation requirements specified by the Postal Service.

321.[2]22 **Basic Rate Categories.** The basic rate categories apply to presort rate category mail not mailed under section 321.23 [321.223].

321.[2]23 **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 specified by the Postal Service.

321.[2]3 **Automation Rate Categories**

321.[2]31 **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, or is provided for entry as mail using Mailing Online service, pursuant to schedule 981;
- 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 specified by the Postal Service;
- d. Meets the machinability, addressing, barcoding, and other preparation requirements specified by the Postal Service.

321.[2]32 **Basic Barcoded Rate Category.** The basic barcoded rate category applies to letter-size automation rate category mail not mailed under section 321.[2]33 or 321.[2]34.

- 321.[2]33 **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 specified by the Postal Service.
- 321.[2]34 **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 specified by the Postal Service.
- 321.[2]35 **Basic Barcoded Flats Rate Category.** The basic barcoded flats rate category applies to flat-size automation rate category mail not mailed under section 321.[2]36.
- 321.[2]36 **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 specified by the Postal Service.
- 321.[2]4 **Destination Entry Discounts.** The destination entry discounts apply to Regular subclass mail prepared as 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.[2]5 **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.
- 321.6 **Barcode Discount.** The barcode discount applies to Regular Subclass mail that is subject to the residual shape surcharge in 321.5, 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[1.3] Enhanced Carrier Route Subclass

322.1[1.31]Definition. The Enhanced Carrier Route subclass consists of Standard Mail weighing less than 16 ounces that is not mailed under section 321, 323, or 324 [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 specified by the Postal Service;
- c. Is presorted to carrier routes as specified by the Postal Service;
- d. Is sequenced as specified by the Postal Service; and
- e. Meets the machinability, addressing, and other preparation requirements specified by the Postal Service.

322.[1.3]2 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] 322.3, 322.4 or 322.5.

322.[1.3]3 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 by the Postal Service, and which meets the machinability, addressing, and barcoding specifications and other preparation requirements specified by the Postal Service.

322.[1.3]4 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 specified by the Postal Service.

322.[1.3]5 Saturation Rate Category. The saturation rate category applies to Enhanced Carrier Route subclass mail presented in walk-sequence order and meeting the saturation requirements specified by the Postal Service.

322.[1.3]6 Destination Entry Discounts. Destination entry discounts apply to Enhanced Carrier Route subclass mail prepared as 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.

322.[1.3]7 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.

323[1.4] Nonprofit Subclass

323.[1.4]1 General. The Nonprofit subclass consists of Standard Mail weighing less than 16 ounces that is not mailed under section 321, 322, or 324 [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.

323.[1.4]11 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.

323.[1.4]12 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 nonprofit Standard rates to any other person, organization or association.

323.[1.4]2 Presort Rate Categories

323.[1.4]21 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 specified by the Postal Service; and
- c. Meets the machinability, addressing, and other preparation requirements specified by the Postal Service.

323.[1.4]22 Basic Rate Categories. The basic rate categories apply to presort rate category mail not mailed under section 322.[1.4]23.

323.[1.4]23 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 specified by the Postal Service.

323.[1.4]3 Automation Rate Categories

323.[1.4]31 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 specified by the Postal Service;
- c. Bears a barcode representing not more than 11 digits (not including "correction" digits) as specified by the Postal Service; and
- d. Meets the machinability, addressing, barcoding, and other preparation requirements specified by the Postal Service.

323.[1.4]32 Basic Barcoded Rate Category. The basic barcoded rate category applies to letter-size automation rate category mail not mailed under section 323.[1.4]33 or 323.[1.4]34.

323.[1.4]33 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 specified by the Postal Service.

323.[1.4]34 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 specified by the Postal Service.

323.[1.4]35 Basic Barcoded Flats Rate Category. The basic barcoded flats rate category applies to flat-size automation rate category mail not mailed under section 323.[1.4]36.

323.[1.4]36 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 specified by the Postal Service.

323.[1.4]4 Destination Entry Discounts. Destination entry discounts apply to Nonprofit subclass mail prepared as 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.

323.[1.4]5 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.

323.6 Barcode Discount. The barcode discount applies to Nonprofit subclass mail that is subject to the residual shape surcharge in 323.5, 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.

324[1.5] Nonprofit Enhanced Carrier Route Subclass

324.[1.5]1 Definition. The Nonprofit Enhanced Carrier Route subclass consists of Standard Mail [weighing less than 16 ounces] that is not mailed under section 321, 322, or 323 [321.2, 321.3, 321.4 or 323], that is mailed by authorized nonprofit organizations or associations (as defined in section 323[1.41]) under the terms and limitations stated in section 323.[1.4]12, 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 specified by the Postal Service;
- c. Is presorted to carrier routes as specified by the Postal Service;

- d. Is sequenced as specified by the Postal Service; and
- e. Meets the machinability, addressing, and other preparation requirements specified by the Postal Service.

324.[1.5]2 **Basic Rate Category.** The basic rate category applies to Nonprofit Enhanced Carrier Route subclass mail not mailed under section 324.3, 324.4, or 324.5. [321.53, 321.54 or 321.55.]

324.[1.5]3 **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 specified by the Postal Service, and which meets the machinability, addressing, and barcoding specifications and other preparation requirements specified by the Postal Service.

324.[1.5]4 **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 specified by the Postal Service.

324.[1.5]5 **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 specified by the Postal Service.

324.[1.5]6 **Destination Entry Discounts.** Destination entry discounts apply to Nonprofit Enhanced Carrier Route subclass mail prepared as 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.

324.[1.5]7 **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.

330 **PHYSICAL LIMITATIONS**

331 **Size**

[Except as provided in section 322.161,]Standard Mail may not exceed 108 inches in length and girth combined. Additional size limitations apply to individual [Standard Mail subclasses] rate categories. 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, except that merchandise samples mailed with detached address cards, prepared as specified by the Postal Service, may exceed those dimensions. [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 16 ounces. [70 pounds. Additional weight limitations apply to individual Standard Mail subclasses.]

340 POSTAGE AND PREPARATION

341 Postage

Postage must be paid as set forth in section 3000. When the postage [computed at a Regular, Enhanced Carrier Route, Nonprofit or Nonprofit Enhanced Carrier Route Standard rate] is higher than the rate prescribed in any of the Package Services [Standard] subclasses [listed in 322] 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 specified by the Postal Service, and must contain the ZIP Code of the addressee when specified by the Postal Service. All Standard mailings must be prepared and presented as specified by the Postal Service. Two or more Standard mailings may be commingled and mailed only when specific methods approved by the Postal Service for 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 determining and verifying postage are followed.

344 Attachments and Enclosures

344.1 [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 Mail containing books, catalogs, and merchandise[entered under section 321]. The piece must be marked as specified by the Postal Service. Except as provided in section 344.[1]2, 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.[1]2 **Incidental First-Class Attachments and Enclosures.** First-Class Mail, as defined in subsections b through d of section 210, may be attached to or enclosed with Standard Mail [merchandise entered under section 321 including] containing merchandise, 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 (Regular, Enhanced Carrier Route, Nonprofit or Nonprofit Enhanced Carrier Route) may be attached to or enclosed in Standard Mail mailed under section 322 and 323. The piece must be marked as 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 specified by the Postal Service and as described in subsections a and e of section 323.11 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 subsections b through d of section 210, 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 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 Mail pieces will be returned as specified by the Postal Service. Except as provided in section 935, the applicable First-Class Mail rate is charged for each piece receiving return only service. Except as provided in section 936, charges for forwarding-and-return service are assessed only on those pieces which cannot be forwarded and are returned. Except as provided in sections 935 and 936, the charge for those returned pieces is the appropriate First-Class Mail rate for the piece plus that rate multiplied by a factor equal to the number of [section 321] Standard Mail 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 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 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	911
b. Certificates of mailing indicating that a specified number of pieces have been mailed	947

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

[362 Parcel Post, Bound Printed Matter, Special, and Library Subclasses]

[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	947
b. COD	944
c. Insurance	943
d. Special handling	952
e. Return receipt (merchandise only)	945
f. Merchandise return	932
g. Delivery Confirmation	948
]	

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

362[3] Regular and Nonprofit

362.1 Regular and Nonprofit subclass mail will receive the following additional services upon payment of the appropriate fees.

Service	Schedule
a. Bulk Parcel Return Service	935
b. Shipper-Paid Forwarding	936

362.2 Regular and Nonprofit subclass mail subject to the residual shape surcharge in 321.5 and 323.6, respectively, will receive the following additional services upon payment of the appropriate fees.

<u>Service</u>	<u>Schedule</u>
a. <u>Bulk Insurance</u>	<u>943</u>
b. <u>Return receipt (merchandise only)</u>	<u>945</u>
c. <u>Delivery Confirmation</u>	<u>948</u>

Bulk insurance may not be used selectively for individual pieces in a multi-piece Standard Mail mailing unless specific methods approved by the Postal Service for determining and verifying postage are followed.

363[4] Regular

Proposed Changes to the Domestic Mail Classification Schedule

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

<u>Service</u>	<u>Schedule</u>
a. Mailing Online	981

370 **RATES AND FEES**

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

	Schedule
a. Regular subclass	[321.2]
<u>Presort category</u>	321A
<u>Automation category</u>	321B
Enhanced Carrier Route subclass	322[1.3]
c. Nonprofit subclass	[321.4]
<u>Presort category</u>	323A
<u>Automation category</u>	323B
d. Nonprofit Enhanced Carrier Route subclass	324[1.5]
[e. Parcel Post subclass]	
[Inter-BMC	322.1A]
[Intra-BMC	322.1B]
[Destination BMC	322.1C]
[Destination SCF	322.1D]
[Destination Delivery Unit	322.1E]
[f. Bound Printed Matter subclass]	
[Single-Piece	322.2A]
[Bulk and Carrier Route	322.2B]
[g. Special subclass	323.1]
[h. Library subclass	323.2]
[i.]e. Fees	1000

380 **AUTHORIZATIONS AND LICENSES**

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

[A] The mailing fee [as] set forth in Schedule 1000 must be paid once each year at each office of mailing or office of verification, as specified by the Postal Service, by or for mailers of [Regular, Enhanced Carrier Route, Nonprofit and Nonprofit Enhanced Carrier Route subclass] Standard [m]Mail. Payment of the fee allows the mailer to mail at any Standard Mail rate.

**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 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] Outside County Periodicals, but are not eligible for preferred rate discounts. 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] Outside County Periodicals, but are not eligible for preferred rate discounts. 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;
- 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] Outside County Subclass

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

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

421.2 [Regular] Outside County Pound Rates

An unzoned pound rate applies to the nonadvertising portion of [Regular] Outside County 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] Outside County Piece Rates

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

421.32 Three-Digit Rate Category. The three-digit rate category applies to [Regular] Outside County subclass mail presorted to single or multiple three-digit ZIP Code destinations as specified by the Postal Service.

421.33 Five-Digit Rate Category. The five-digit rate category applies to [Regular] Outside County 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] Outside County subclass mail presorted to carrier routes as specified by the Postal Service.
- 421.4 **[Regular] Outside County Subclass Discounts**
- 421.41 **Barcoded Letter Discounts.** Barcoded letter discounts apply to letter size [Regular] Outside County subclass mail mailed under sections 421.31, 421.32, and 421.33 which bears a barcode representing not more than 11 digits (not including "correction" digits) as specified by the Postal Service, and which meets the machinability, addressing, and barcoding specifications and other preparation requirements specified by the Postal Service.
- 421.42 **Barcoded Flats Discounts.** Barcoded flats discounts apply to flat size [Regular] Outside County subclass mail mailed under sections 421.31, 421.32, and 421.33 which bears a barcode representing not more than 11 digits (not including "correction" digits) as specified by the Postal Service, and meet the flats machinability, addressing, and barcoding specifications and other preparation requirements specified by the Postal Service.
- 421.43 **High Density Discount.** The high density discount applies to [Regular] Outside County subclass mail mailed under section 421.34, presented in walk-sequence order, and meeting the high density and preparation requirements specified by the Postal Service.
- 421.44 **Saturation Discount.** The saturation discount applies to [Regular] Outside County subclass mail mailed under section 421.34, presented in walk-sequence order, and meeting the saturation and preparation requirements specified by the Postal Service.
- 421.45 **Destination Entry Discounts.** Destination entry discounts apply to [Regular] Outside County 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] Outside County 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.
- 421.47 **Preferred Rate Discount.** Periodicals Mail qualifying as Nonprofit or Classroom mail under sections 422.2 and 422.3 is eligible for the Preferred rate discount set forth in Rate Schedule 421.
- 422 **Preferred Qualification Categories**

422.1 **Definition.** Preferred Qualification Outside County Subclass Periodicals consist of Periodicals Mail, other than publications qualifying as Requester Publications, that meets applicable requirements in sections 422.2, 422.3, or 422.4.

422.2 **Nonprofit**

The Periodicals Outside County Subclass Nonprofit category consists of publications 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,

and the publications of the following types:

- 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, or
- 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.

422.3 **Classroom**

The Periodicals Outside County Subclass Classroom rate category consists of religious, educational, or scientific publications designed specifically for use in school classrooms or religious instruction classes.

422.4 **Science of Agriculture**

442.41 **Definition.** Science of Agriculture mail consists of Periodicals 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.

422.42 **Rates.** Science of Agriculture mail is subject to pound rates, piece rates, and piece rate discounts (except for discount set forth in section 421.47) for Outside County Subclass Periodicals Mail, except for DDU, DSCF and Zone 1 & 2 pound rates. Rates for Science of Agriculture are set forth in Rate Schedule 421.

422.42 **Nonadvertising Discount.** The nonadvertising discount for Outside County Subclass Periodicals Mail applies to Science of Agriculture Periodicals, 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.

442.43 **Destination Entry Discounts.** Destination entry discounts apply to Science of Agriculture 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 it is entered, as defined by the Postal Service. The DDU discount only applies to Carrier Route rate category mail.

423 **[Preferred Rate Periodicals] Within County Subclass**

423.1 **[Reserved] [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 **General [Within County Subclass]**

423.21 **Definition.** Within County mail consists of Periodicals class mail, other than publications qualifying as Requester Publications, [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 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.

423.23 **Pound Rate.** One pound rate applies to Within Country pieces presorted to carrier routes to be delivered within the delivery area of the originating post office, and another pound rate applies to all other pieces.

[423.3 **Nonprofit]**

- [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]3 [Preferred Rate] Within County Piece Rates

423.[71]31

Basic Rate Category. The basic rate category applies to [all Preferred Rate] Within County Periodicals not mailed under section 423.[7]32, 423.[7]33, or 423.[7]34.

423.[72]32

Three-Digit Rate Category. The three-digit rate category applies to [Preferred Rate] Within County Periodicals [entered under sections 423.2, 423.3, 423.4, or 423.5] that are presorted to single or multiple three-digit ZIP Code destinations as specified by the Postal Service.

423.[73]33

Five-Digit Rate Category. The five-digit rate category applies to [Preferred Rate] Within County 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]34

Carrier Route Rate Category. The carrier route rate category applies to [Preferred Rate] Within County Periodicals presorted to carrier routes as specified by the Postal Service.

423.[8]4 **[Preferred Rate]Within County Discounts**

423.[8]41

Barcoded Letter Discounts. Barcoded letter discounts apply to letter size [Preferred Rate] Within County Periodicals mailed under sections 423.[7]31, 423.[7]32, and 423.[7]33 which bear a barcode representing not more than 11 digits (not including "correction" digits) as specified by the Postal Service, and which meet the machinability, addressing, and barcoding specifications and other preparation requirements specified by the Postal Service.

423.[8]42

Barcoded Flats Discounts. Barcoded flats discounts apply to flat size [Preferred Rate] Within County Periodicals mailed under sections 423.[7]31, 423.[7]32, and 423.[7]33 which bear a barcode representing not more than 11 digits (not including "correction" digits) as specified by the Postal Service, and meet the flats machinability, addressing, and barcoding specifications and other preparation requirements specified by the Postal Service.

423.[8]43

High Density Discount. The high density discount applies to [Preferred Rate] Within County Periodicals mailed under section 423.[7]34, presented in walk-sequence order, and meeting the high density and preparation requirements specified by the Postal Service[, except that mailers of] Alternatively, Within County mail may qualify for such discount [also] by presenting otherwise eligible mailings containing pieces addressed to a minimum of 25 percent of the addresses per carrier route.

423.[8]44

Saturation Discount. The saturation discount applies to [Preferred Rate] Within County Periodicals mailed under section 423.[7]34, presented in walk-sequence order, and meeting the saturation and preparation requirements specified by the Postal Service.

423.[8]45

Destination Entry Discount[s]. A [D]destination delivery unit [entry] discount[s] applies[y] to [Preferred Rate] Within County [Periodicals] carrier route category mail which [are]is destined for delivery within [the service area of the destination sectional center facility (SCF) or] the destination delivery unit (DDU) in which [they are] it is 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.]

[423.256] **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**

Periodicals Mail may not weigh more than 70 pounds or 108 inches in length and girth combined. Additional size limitations apply to individual Periodicals rate categories. [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. [When the postage computed for a particular issue using the Nonprofit or Class rate schedule is higher than the postage computed using the Regular rate schedule, that issue is eligible to use the Regular rate schedule. For purposes of this section, the term issue is subject to certain exceptions related to separate mailings of a particular issue, as specified by the Postal Service.]

442 **Presortation.** Periodicals class mail must be presorted as 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 (Regular, Enhanced Carrier Route, Nonprofit or Nonprofit Enhanced Carrier Route)] may be attached to or enclosed with Periodicals class mail. The piece must be marked as 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 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 under 39 U.S.C. 3685.

446 **Enclosures and Supplements**

Periodicals class mail may contain enclosures and supplements as 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 specified by the Postal Service. Undeliverable-as-addressed combined First-Class and Periodicals class mail pieces will be forwarded or returned, as specified by the Postal Service. Additional charges when Periodicals class mail is returned will be based on the applicable First-Class Mail rate.

470 **RATES AND FEES**

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

	Schedule
a. [Regular] <u>Outside County</u>	421
b. <u>Within County</u>	423[.2]
[c. Nonprofit	423.3]
[d. Classroom	423.4]
[e.]c. Science of Agriculture	421
[f.] d. 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] Nonprofit, Classroom and Science of Agriculture Authorization**

Prior to entering [mailing at] Nonprofit, Classroom, and Science of Agriculture Periodicals Mail, [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 Schedule 1000.

Note: For the following new section, changes shown are relative to current sections under Standard Mail.

PACKAGE SERVICES MAIL
CLASSIFICATION SCHEDULE

5[3]10 DEFINITION

5[3]11 General

Any mailable matter may be mailed as Package Services [Standard M]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.]

512[313] Written Additions

Package Services [Standard M]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.

5[3]20 DESCRIPTION OF SUBCLASSES

[322 Subclasses Limited to Mail Weighing 16 Ounces or More]

521[322.1] Parcel Post Subclass

521.[322.1]1 Definition. The Parcel Post subclass consists of Package Services [Standard M]mail [weighing 16 ounces or more] that is not mailed under sections [322.3, 323.1, or 323.2] 522, 523, or 524.

521.[322.1]2 Description of Rate Categories

521.[322.1]21 Inter-BMC Rate Category. The Inter-BMC rate category applies to all Parcel Post subclass mail not mailed under sections 521.22, 521.23, 521.24, or 521.25 [322.122, 322.123, 322.124, or 322.125].

521.[322.1]22 Intra-BMC Rate Category. The Intra-BMC rate category applies to Parcel Post subclass mail originating and destinating within a designated BMC or auxiliary service facility service area, Alaska, Hawaii or Puerto Rico.

521.[322.1]23 Parcel Select—Destination Bulk Mail Center (DBMC) Rate Category. The Parcel Select—DBMC [destination bulk mail center] rate category applies to Parcel Post subclass 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.

521.[322.1]24 Parcel Select—Destination Sectional Center Facility (DSCF) Rate Category. The Parcel Select—DSCF [destination sectional center facility] rate category applies to Parcel Post subclass 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.

521.[322.1]25 Parcel Select—Destination Delivery Unit (DDU) Rate Category. The Parcel Select—DDU [destination delivery unit] rate category applies to Parcel Post subclass 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.

521.[322.1]3 **Bulk Parcel Post.** 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 mail.

521.[322.1]31 **Barcode[d] Discount.** The barcode[d] 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.

521.[322.1]4 **Bulk Mail Center (BMC) Presort Discounts**

521.[322.1]41 **BMC Presort Discount.** The BMC presort discount applies to Inter-BMC Parcel Post subclass 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.

521.[322.1]42 **Origin Bulk Mail Center (OBMC) Discount.** The origin bulk mail center discount applies to Inter-BMC Parcel Post subclass 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.

521.[322.1]5 **Barcode[d] Discount.** The barcode[d] discount applies to Inter-BMC, Intra-BMC, and Parcel Select—DBMC Parcel Post 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.

521.[322.1]6 **Oversize Parcel Post**

521.[322.1]61 **Excessive Length and Girth.** Parcel Post subclass mail pieces exceeding 108 inches in length and girth combined, but not greater than 130 inches in length and girth combined, are mailable.

521.[322.1]62 **Balloon Rate.** Parcel Post subclass mail 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.

521.[322.1]7 **Nonmachinable Surcharge.** Inter-BMC, Intra-BMC, and Parcel Select—DBMC Parcel Post [subclass] mail that does not meet machinability criteria specified by the Postal Service is subject to a nonmachinable surcharge.

521.[322.1]8 **Pickup Service.** Pickup service is available for Parcel Post subclass mail under terms and conditions specified by the Postal Service.

522[322.3] **Bound Printed Matter Subclass**

522.322.31 **Definition.** The Bound Printed Matter subclass consists of Package Services [Standard M]mail weighing [at least 16 ounces, but] not more than 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; and
- e. Is not stationery, such as pads of blank printed forms.

522.322.32 **Single-Piece Rate Category.** The single-piece rate category applies to Bound Printed Matter subclass mail which is not mailed under section 522.3 [322.33] or 522.4 [322.34].

522.322.33 **Basic Presort [Bulk] Rate Category.** The [bulk] basic presort rate category applies to Bound Printed Matter subclass mail prepared in a mailing of at least 300 pieces, prepared and presorted as specified by the Postal Service.

522.322.34 **Carrier Route Presort Rate Category.** The carrier route presort 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 by the Postal Service.

522.322.35 **Barcode[d] Discount.** The barcode[d] discount applies to single-piece rate and [bulk] Basic Presort [r]Rate Bound Printed Matter 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.

522.7 **Destination Bulk Mail Center (DBMC) Rate Category.** The destination bulk mail center rate category applies to Basic Presort Rate or Carrier Route Presort Rate Bound Printed Matter subclass mail prepared as specified by the Postal Service in a mailing entered at a designated destination BMC, auxiliary service facility, or other equivalent facility, as specified by the Postal Service.

522.8 **Destination Sectional Center Facility (DSCF) Rate Category.** The destination sectional center facility rate category applies to Basic Presort Rate or Carrier Route Presort Rate Bound Printed Matter subclass mail prepared as specified by the Postal Service in a mailing 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.

522.9 **Destination Delivery Unit (DDU) Rate Category.** The destination delivery unit rate category applies to Basic Presort Rate or Carrier Route Presort Rate Bound Printed Matter subclass mail prepared as specified by the Postal Service in a mailing entered at a designated destination delivery unit, or other equivalent facility, as specified by the Postal Service.

[323 **Subclasses With No 16-Ounce Limitation]**

523 [323.1] **Media Mail [Special] Subclass**

5[3]23.1[1] **Definition.** The Media Mail [Special] subclass consists of Package Services mail [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 more than three of the announcements may contain as part of their format a single order form, which may also serve as a postcard These order forms 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 may contain as part of their format a single order form, which may also serve as a postcard These order forms 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,

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- 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.

5[3]23.[1]2 **Single-Piece Rate Category.** The single-piece rate category applies to Media Mail [Special subclass mail] not mailed under section 523.3 or 523.4 [323.13 or 323.14.] prepared as specified by the Postal Service.

5[3]23.[1]3 **Level A Presort Rate Category.** The Level A presort rate category applies to mailings of at least 500 pieces of Media Mail, [Special subclass mail,] prepared and presorted to five-digit destination ZIP Codes as specified by the Postal Service.

5[3]23.[1]4 **Level B Presort Rate Category.** The Level B presort rate category applies to mailings of at least 500 pieces of Media Mail, [Special subclass mail,] prepared and presorted to destination Bulk Mail Centers as specified by the Postal Service.

5[3]23.[1]5 **Barcode[d] Discount.** The barcode[d] discount applies to single-piece rate and Level B presort rate Media Mail [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.

524[323.2] **Library Mail Subclass**

524.[323.2]1 **Definition.**

524[323.2]11 **General.** The Library Mail subclass consists of Package Services [Standard M]mail of the following types[, separated or presorted as specified by the Postal Service]:

- a. Matter designated in section 524.3 [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 section 524.[323.2]14, 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 section 524.[323.2]15, mailed from a publisher or a distributor to a school, college, university or public library.

524.[323.2]12 *Definition of Nonprofit Organizations and Associations.* Nonprofit organizations or associations are defined in section 1009.

524.[323.2]13 *Library subclass mail under section 524.[323.2]11.a.* Matter eligible for mailing as Library Mail [subclass mail] under subsection a of section [323.2]524.11 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.

524.[323.2]14 *Library Mail [subclass mail] under section 524.[323.2]11.b.* Matter eligible for mailing as Library [subclass m]Mail under subsection b of section 524.[323.2]11 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; and
- e. Catalogs of the materials in subsections a through d of section 524.[323.2]14 and guides or scripts prepared solely for use with such materials.

524.[323.2]15 *Library [subclass m]Mail under section 524.[323.2]11.c.* Matter eligible for mailing as Library [subclass m] Mail under subsection c of section 524.[323.2]11 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.

524.[323.2]2 **Single-Piece Rate Category.** The single-piece rate category applies to Library [subclass m]Mail not mailed under section 524.3 or 524.4 [323.23 or 323.24] prepared as specified by the Postal Service.

524.[323.2]3 **Level A Presort Rate Category.** The Level A presort rate category applies to mailings of at least 500 pieces of Library [subclass m]Mail, prepared and presorted

to five-digit destination ZIP Codes as specified by the Postal Service.

524.[323.2]4 **Level B Presort Rate Category.** The Level B presort rate category applies to mailings of at least 500 pieces of Library [subclass m]Mail, prepared and presorted to destination Bulk Mail Centers as specified by the Postal Service.

524.[323.2]5 **Barcode[d] Discount.** The barcode[d] discount applies to Single-Piece Rate and Level B Presort Rate Library [subclass m]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.

5[3]30 PHYSICAL LIMITATIONS

5[3]31 Size

Except as provided in section 521.[322.1]61, Package Services [Standard M]mail may not exceed 108 inches in length and girth combined. Additional size limitations apply to individual Package Services [Standard M]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.]

5[3]32 Weight

Package Services [Standard M]mail may not weigh more than 70 pounds. Additional weight limitations apply to individual Package Services [Standard M]mail subclasses.

5[3]40 POSTAGE AND PREPARATION

5[3]41 Postage

Postage must be paid as set forth in section 3000. [When the postage computed at a 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.

5[3]42 Preparation

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

5[3]43 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 determining and verifying postage are followed.

5[3]44 Attachments and Enclosures

[344.2 Parcel Post, Bound Printed Matter, Special, and Library Subclasses (sections 322 and 323)]

544.1 [344.21] General. First-Class Mail or Standard Mail [from any of the subclasses listed in section 321 (Regular, Enhanced Carrier Route, Nonprofit or Nonprofit Enhanced Carrier Route)] may be attached to or enclosed in Package Services [Standard M]mail [mailed under sections 322 and 323]. The piece must be marked as specified by the Postal Service. Except as provided in sections 544.2 and 544.3, [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 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.]

5[3]44.2[2] Specifically Authorized Attachments and Enclosures. Package Services [Standard M]mail [mailed under sections 322 and 323] may contain enclosures and attachments as specified by the Postal Service and as described in subsections a and e of section 523.1, [323.11] with postage paid on the combined piece at the Package Services [Standard] rate applicable to the host piece.

5[3]44.[2]3 Incidental First-Class Attachments and Enclosures. First-Class Mail that meets one or more of the definitions in subsections b through d of section 210, may be attached to or enclosed with Package Services [Standard M]mail [mailed under section 322 or 323], with postage paid on the combined piece at the Package Services [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.

5[3]50 DEPOSIT AND DELIVERY

5[3]51 Deposit

Package Services [Standard M]mail must be deposited at places and times designated by the Postal Service.

5[3]52 Service

Package Services [Standard M]mail may receive deferred service.

5[3]53 Forwarding and Return

[353.2 Parcel Post, Bound Printed Matter, Special, and Library Subclasses]

Proposed Changes to the Domestic Mail Classification Schedule

Undeliverable-as-addressed Package Services [Standard M]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 Package Services [Standard M]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 by the Postal Service. When Package Services [Standard M]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 single piece Package Services [Standard M]mail rate [under 322 or 323].

5[3]60 ANCILLARY SERVICES**[361 All Subclasses]**

Package Services [All Standard M]mail will receive the following services upon payment of the appropriate fees:

Service	Schedule
a. Address correction	911
[b. Certificates of mailing indicating that a specified number of pieces have been mailed]	947]

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

[362 Parcel Post, Bound Printed Matter, Special, and Library Subclasses]

[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.]b. Certificates of mailing	947
[b.]c. COD	944
[c.]d. Insurance	943
[d.]e. Special handling	952
[e.]f. Return receipt (merchandise only)	945
[f.]g. Merchandise return	932
[g.]h. Delivery Confirmation	948

Proposed Changes to the Domestic Mail Classification Schedule

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

5[3]70 RATES AND FEES

The rates and fees for Package Services [Standard M]mail are set forth as follows:

		Schedule
[a.]	Regular subclass	321.2]
[b.]	Enhanced Carrier Route subclass	321.3]
[c.]	Nonprofit subclass	321.4]
[d.]	Nonprofit Enhanced Carrier Route subclass	321.5]
<u>a.[e.]</u>	Parcel Post subclass	
	Inter-BMC	<u>521.2</u> [322.1]A
	Intra-BMC	<u>521.2</u> [322.1]B
	Parcel Select—	
	Destination BMC	<u>521.2</u> [322.1]C
	Destination SCF	<u>521.2</u> [322.1]D
	Destination Delivery Unit	<u>521.2</u> [322.1]E
<u>b.[f.]</u>	Bound Printed Matter subclass	
	Single-Piece	<u>522</u> [322.3]A
	[Bulk] <u>Basic Presort</u> and Carrier Route	<u>522</u> [322.3]B
	<u>Presort</u>	
	<u>Destination Entry Basic Presort</u>	<u>522C</u>
	<u>Destination Entry Carrier Route Presort</u>	<u>522D</u>
<u>c.[g.]</u>	<u>Media Mail</u> [Special] subclass	<u>523</u> [323.1]
<u>d.[h.]</u>	<u>Library Mail</u> subclass	<u>524</u> [323.2]
<u>e.[i.]</u>	Fees	1000

5[3]80 AUTHORIZATIONS AND LICENSES**[382] Special and Library Subclasses**

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

581[383] Parcel Post Subclass

[A] The mailing fee [as] set forth in Schedule 1000 must be paid once each year at each office of mailing or office of verification, as specified by the Postal Service, by

Proposed Changes to the Domestic Mail Classification Schedule

or for mailers of any Parcel Select [Destination BMC, Destination SCF or Destination Delivery Unit] rate category mail in the Parcel Post subclass. Payment of the fee allows the mailer to mail at any Parcel Select rate.

582 Bound Printed Matter Subclass

The mailing fee set forth in Schedule 1000 must be paid once each year at each office of mailing or office of verification, as specified by the Postal Service, by or for mailers of Destination BMC, Destination SCF or Destination Delivery Unit rate category mail in the Bound Printed Matter subclass. Payment of the fee allows the mailer to mail at any destination entry Bound Printed Matter rate.

583 Media Mail Subclass

The mailing fee set forth in Schedule 1000 must be paid once each year at each office of mailing or office of verification, as specified by the Postal Service, by or for mailers of presorted Media Mail. Payment of the fee allows the mailer to mail at any presorted Media Mail rate.

584 Library Mail Subclass

The mailing fee set forth in Schedule 1000 must be paid once each year at each office of mailing or office of verification, as specified by the Postal Service, by or for mailers of presorted Library Mail. Payment of the fee allows the mailer to mail at any presorted Library Mail rate.

**SPECIAL SERVICES
CLASSIFICATION SCHEDULE**

910 ADDRESSING

911 ADDRESS CORRECTION SERVICE

911.1 Definition

911.11 Address Correction service provides a [is a service which provides the]mailer both an addressee's former and current [with a method of obtaining the correct] address, if the correct address is known[available] to the Postal Service[, of the addressee or] If the correct address is not known to the Postal Service, Address Correction service provides the reason why the Postal Service could not deliver the mailpiece as addressed.[for nondelivery.]

911.2 Availability[Description of Service]

911.21 Address correction service is available to mailers of postage prepaid mail of all classes, except for mail addressed for delivery by military personnel at any military installation. Address correction service is mandatory for Periodicals class mail. [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.]

911.22 Automated address correction service is available to mailers who can receive computerized address corrections and meet the requirements specified by the Postal Service.

[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 section must bear a request for address correction service.

911.4 Other Services

911.41 Address Correction service serves as a prerequisite for Shipper Paid Forwarding. Other special services may be available in conjunction with Address Correction service, as specified by the Postal Service.

911.[4]5 Fees

911.[4]51 The fees for Address Correction service are set forth in Fee Schedule 911. These fees do not apply when [There is no charge for address correction service when] the correction is provided incidental to the return of the mailpiece to the sender.

[911.42 A fee, as set forth in Fee Schedule 911, is charged for all other forms of address correction service.]

912 MAILING LIST SERVICES

912.1 Definition

912.11 Mailing L[ist] services enable an eligible mailer to obtain the following services[include]:

- a. Correction of mailing lists;
- b. Change-of-address information for election boards and registration commissions;
- c. ZIP C[c]oding of mailing lists; and
- d. Sequencing [Arrangement]of address cards[in 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 Code addresses in areas served by multi-ZIP coded postal facilities.]

912.2 Description of Services

[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]

[912.22] a. Correction of mailing lists. This service provides current information concerning name and address mailing lists or correct information concerning occupant mailing lists. New names will not be added to a name and address mailing list, and street address numbers will not be added or changed for an occupant

mailing list.

(1) The Postal Service provides [a. T]the following corrections [will be made]to name and address lists:

- (A)[a.] deletion of n[N]ames to which mail cannot be delivered or forwarded[will be deleted];
- (B)[b.] correction of i[I]ncorrect house, rural, or post office box numbers[will be corrected]; and
- (C)[c.] furnishing of new addresses, including ZIP Codes, w[W]hen permanent forwarding orders are on file for customers who have moved[, new addresses including ZIP Codes will be furnished];
This service does not include the addition of
[d. New names will not be added to the list.]

[912.23] (2) The Postal Service provides the following corrections[will be made] to occupant lists:

- (A)[a.] deletion of n[N]umbers representing incorrect or non-existent street addresses[will be deleted];
- (B)[b.] identification of b[B]usiness addresses and rural route addresses, to the extent [will be distinguished if] known; and
- (C)[c.] grouping of 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] [b. Change-of-address information for election boards and registration commissions. This service provides election boards and voter registration commissions with the current address of a residential addressee, if known to the Postal Service, [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] [c. ZIP coding of mailing lists. This service provides sortation off[that] addresses [will be sorted]to the finest possible ZIP Code [sortation]level.

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

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

912.3 **Requirements of Customer**

912.31 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

912.3[1]2 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 specified by the Postal Service.

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

912.4 **Fees**

912.41 The fees for mailing list services are set forth in Fee Schedule 912.

920 **DELIVERY ALTERNATIVES**

921 **POST OFFICE BOX AND CALLER SERVICE**

921.1[2] **Post Office Box Service**

921.1[2]1 **Definition.** 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] specified by the Postal Service.

921.[2]12 **[Description of Service] Limitations**

921.[22]121 The Postal Service may limit the number of post office boxes occupied by any one customer.

[921.222 A post office 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, under existing regulations.]

921.[223]122 Post office box service is not available to a customer whose[cannot be used when the] sole purpose for using this service is to obtain free forwarding or transfer of mail[.] by [subsequently]filing change-of-address orders[, to have mail forwarded or transferred to another address by the Postal Service free of charge].

921.13[23] **Fees**

921.13[23]1 Fees for post office box service are set forth in Fee Schedule 921.

921.13[23]2 In postal facilities primarily serving academic institutions or the students of such institutions, fees for post office boxes are:

<u>Period of box use</u>	<u>Fee</u>
95 days or less	½ semiannual fee
96 to 140 days	¾ semiannual fee
141 to 190 days	Full semiannual fee
191 to 230 days	1¼ semiannual fee
231 to 270 days	1½ semiannual fee
271 days to full year	Twice[Full]semiannual fee

921.13[23]3 No refunds will be made for post office box fees paid under section 921.13[23]2. [For purposes of this section, the full annual fee is twice the amount of the semi-annual fee.]

921.134 Two box keys are available upon payment of a refundable deposit, as specified by the Postal Service. Additional keys, including replacement keys, will be provided, as specified by the Postal Service, only upon payment of the key fee set forth in Fee Schedule 921. Changing the lock on a box is available upon request of the primary box customer and payment of the lock replacement fee set forth in Fee Schedule 921.

921.[1]2 **Caller Service**

921.[1]21 **Definition**

921.[1]211 Caller service [is a service which permits]provides a means for receiving mail, and enables an eligible customer to have properly addressed mail [addressed to the customer's box number to the customer's box number] delivered through a call window or loading dock, during the hours specified by the Postal Service. Caller service also allows customers to reserve a caller number address for future use.

921.[1]22 **Availability[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.[1]221[3] Caller service is provided to customers at the discretion of the Postal Service, based on [the basis of]mail volume received and capacity and utilization [number] of post office boxes[used] at any one facility.

[921.124 A customer may reserve a caller number.]

921.[1]222[5] Caller service is not available to a customer whose [cannot be used when the] sole purpose for using this service is to obtain free forwarding or transfer of mail[.] by [subsequently] filing change-of-address orders[, to have mail forwarded or transferred to another address by the Postal Service free of charge].

921.[1]23 **Fees**

921.[1]231 Fees for caller service are set forth in Fee Schedule 921.

930 **PAYMENT ALTERNATIVES**

931 **BUSINESS REPLY MAIL**

931.1 **Definitions**

931.11 Business reply mail[is a] (BRM) service [whereby] enables a BRM permit holder, or the permit holder's authorized representative, to distribute BRM [business reply] cards, envelopes, cartons and labels, which can then be [may be distributed by or for a business reply distributor for] used by mailers for sending First-Class Mail without prepayment of postage to an address chosen by the distributor. The permit holder guarantees payment on delivery of postage and fees for the BRM pieces that are returned to the addressee, including any pieces that the addressee refuses.[A distributor is the holder of a business reply license.]

[931.12 A business reply mail piece is nonletter-size for purposes of this section if it meets addressing and other preparation requirements, but does not meet the machinability requirements specified by the Postal Service for mechanized or automated letter sortation.]

931.2 **[Description of Service]**

[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 **]Mailer Requirements[of the Mailer]**

931.[3]21 Business reply cards, envelopes, cartons and labels must [be preaddressed, and] meet the addressing and preparation requirements[bear business reply markings] specified by the Postal Service. Qualified business reply mail must in addition meet the requirements presented in Section 221.24 for the First-Class Mail Qualified Business Reply Mail rate category.

931.[3]22 To qualify for the active business reply mail advance deposit account fees set forth in Fee Schedule 931, the permit holder must establish an account used solely for business reply mail, with sufficient funds to pay postage and fees due for returned

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

931.23 To qualify for the nonletter-size weight-averaging per piece and monthly fees set forth in Fee Schedule 931, the permit holder must be authorized for weight averaging, and receive business reply mail pieces that meet the addressing and other preparation requirements specified by the Postal Service, but do not meet the machinability requirements specified by the Postal Service for mechanized or automation letter sortation.

931.3 **Other Services**

931.31 Other special services may be available to the permit holder in conjunction with business reply mail service, as specified by the Postal Service. Special services not requested by the permit holder may be available to the customer sending business reply mail to a permit holder, as specified by the Postal Service.

931.4 **Fees**

931.41 The fees for business reply mail are set forth in Fee Schedule 931.

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] [The annual[An] accounting fee [as]set forth in Fee Schedule 931 must be paid each year for each business reply advance deposit [business reply] account at each facility where the mail is to be received[returned].

[931.5] **Nonletter-Size Weight Averaging Fees**

931.43 [A] The nonletter-size weight averaging monthly fee [as]set forth in Fee Schedule 931 must be paid each month during any part of which [the distributor's weight averaging account is active] the permit holder is authorized to use the weight averaging fees.

931.5[6] **Authorizations and Licenses**

931.5[6]1 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 Fee Schedule 931.

931.5[6]2 Except as provided in section 931.5[7]3, 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.

931.5[6]3 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.

931.5[6]4 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 that do not conform to prescribed form, style or size.

931.5[6]5 Authorization to pay nonletter-size weight-averaging business reply mail fees as set forth in Fee Schedule 931 may be canceled for failure of a business reply mail advance deposit trust account holder to meet the standards specified by the Postal Service for the weight averaging accounting method.

932 **MERCHANDISE RETURN SERVICE**

932.1 **Definition**

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

932.2 **Availability[Description of Service]**

932.21 Merchandise return service is available to all merchandise return service permit holders [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
- c. Package Services

932.3 **Mailer Requirements[of the Mailer]**

932.31 Merchandise return labels must be prepared as specified [at the shipper's expense to specifications set forth]by the Postal Service, and be made available to the permit holder's customers.

[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:]

[Service	Fee Schedule]
[a. Certificate of mailing	947]

[b. Insurance	943]
[c. Registered mail	942]
[d. Special handling	952]

932.41[2] Other special services may be available to the permit holder [Only the shipper may purchase insurance service for the merchandise return parcel] in conjunction with merchandise return service, as specified by the Postal Service. [by indicating the amount of insurance on the merchandise return label before providing it to the customer.] Special services not requested by the permit holder may be available to [T]the customer who returns a parcel using [to the shipper under]merchandise return service, as specified by the Postal Service. [may not purchase insurance.]

932.5 Fees

932.51 The fees for [the]merchandise return service [is]are set forth in Fee Schedule 932. The permit holder must pay the permit fee once each calendar year, and the accounting fee each calendar year for each advance deposit account. [This fee is paid by the shipper.]

932.6 Authorizations and Licenses

932.61 [A permit fee as set forth in 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 SERVICE[SETTING]

933.1 Definition

933.11 On-site meter [setting or examination service is a]service enables a mailer or meter manufacturer to obtain the following meter-related services from the Postal Service [whereby the Postal Service will service a postage meter]at the mailer's or meter manufacturer's premises: checking a meter in or out of service, and setting or examining a meter.

933.2 Availability[Description of Service]

933.21 On-site meter [setting or examination]service is available on a scheduled basis, and meter setting may be 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 Fee

Schedule 933. The basic meter service fee is charged whenever a postal employee is available to provide a meter-related service in section 933.11 at the mailer's or meter manufacturer's premises, even if no particular service is provided.

934 [Reserved]

935 BULK PARCEL RETURN SERVICE

935.1 Definition

935.11 Bulk Parcel Return Service provides a method whereby high-volume parcel mailers may have machinable Standard Mail parcels returned to designated postal facilities for pickup by the mailer at a predetermined frequency specified by the Postal Service or delivered by the Postal Service in bulk in a manner and frequency specified by the Postal Service. Such parcels are being returned because they: (1) are undeliverable-as-addressed; (2) have been opened, resealed, and redeposited into the mail for return to the mailer using the return label described in section 935.36 below; or (3) are found in the mailstream, having been opened, resealed, and redeposited by the recipient for return to the mailer, and it is impracticable or inefficient for the Postal Service to return the mailpiece to the recipient for payment of return postage.

935.2 Availability[Description of Service]

935.21 Bulk Parcel Return Service is available only for the return of machinable parcels, as defined by the Postal Service, initially mailed under the following Standard Mail subclasses: Regular and Nonprofit.

935.3 Requirements of the Mailer

935.31 Mailers must receive authorization from the Postal Service to use Bulk Parcel Return Service.

935.32 To claim eligibility for Bulk Parcel Return Service at each facility through which the mailer requests Bulk Parcel Return Service, the mailer must demonstrate receipt of 10,000 returned machinable parcels at a given delivery point in the previous postal fiscal year or must demonstrate a high likelihood of receiving 10,000 returned parcels in the postal fiscal year for which the service is requested.

935.33 Payment for Bulk Parcel Return Service is made through advance deposit account, or as otherwise specified by the Postal Service.

935.34 Mail for which Bulk Parcel Return Service is requested must bear endorsements specified by the Postal Service.

935.35 Bulk Parcel Return Service mailers must meet the documentation and audit requirements of the Postal Service.

935.36 Mailers of parcels endorsed for Bulk Parcel Return Service may include within the

parcel a return label, prepared at the mailer's expense to specifications set forth by the Postal Service, to authorize return of opened, machinable parcels at the expense of the original mailer. There is no additional fee for use of the label.

935.4 Other Services

935.41 Other [The following] special services may be [purchased] available in conjunction with Bulk Parcel Return Service, as specified by the Postal Service.[:]

[Service		Fee Schedule]
[a.	Address Correction Service	911]
[b.	Certificate of Mailing	947]
[c.	Shipper-Paid Forwarding	936]

935.5 Fees

935.51 The fees for Bulk Parcel Return Service are[is] set forth in Fee Schedule 935. The permit holder must pay the permit fee once each calendar year, and the accounting fee once each calendar year for each advance deposit account.

935.6 Authorizations and Licenses

935.61 [A permit fee as set forth in Schedule 1000 must be paid once each calendar year by mailers utilizing Bulk Parcel Return Service.]

[935.62]The Bulk Parcel Return Service permit may be canceled for failure to maintain sufficient funds in an advance deposit account to cover postage and fees on returned parcels or for failure to meet the specifications of the Postal Service, including distribution of return labels that do not conform to Postal Service specifications.

936 SHIPPER-PAID FORWARDING

936.1 Definition

936.11 Shipper-Paid Forwarding enables [provides a method whereby]mailers [may] to have undeliverable-as-addressed machinable Standard Mail parcels forwarded at applicable First-Class Mail or Package Services mail rates for up to one year from the date that the addressee filed a change-of-address order. If [the parcel, for which]Shipper-Paid Forwarding is elected[,] for a parcel that is returned, the mailer will pay the applicable First-Class Mail or Package Services mail rate, or the Bulk Parcel Return Service fee, if that service was elected.

936.2 Availability[Description of Service]

936.21 Shipper-Paid Forwarding is available only for the forwarding of machinable parcels, as defined by the Postal Service, initially mailed under the following Standard Mail

subclasses: Regular and Nonprofit.

936.22 Shipper Paid Forwarding is available only if automated Address Correction Service, as described in section 911, is used.

936.3 Requirements of the Mailer

936.31 [Shipper-Paid Forwarding is available only in conjunction with automated Address Correction Service in section 911.]

[936.32]Mail for which Shipper-Paid Forwarding is purchased must meet the preparation requirements of the Postal Service.

936.32[3] Payment for Shipper-Paid Forwarding is made through advance deposit account, or as otherwise specified by the Postal Service.

936.33[4] Mail for which Shipper-Paid Forwarding is requested must bear endorsements specified by the Postal Service.

936.4 Other Services

936.41 Other special services[The following services] may be available[purchased] in conjunction with Shipper-Paid Forwarding, as specified by the Postal Service.[:]

[Service

Fee Schedule]

- | | |
|----------------------------------|------|
| [a. Certificate of Mailing | 947] |
| [b. Bulk Parcel Return Service | 935] |

936.5 Applicable Rates and Fees

936.51 Except as provided in section 935, single-piece rates under the Letters and Sealed Parcels subclass or the Priority Mail subclass of First-Class Mail, as set forth in Rate Schedules 221 and 223, apply to pieces forwarded or returned under this section.

936.52 The accounting fee specified in Fee Schedule 936 must be paid once each year for each advance deposit account.

940 ACCOUNTABILITY AND RECEIPTS

941 CERTIFIED MAIL

941.1 Definition

941.11 Certified mail service [is a service that] provides a mailer[ing receipt to the sender and] with evidence of mailing, and guarantees retention of a record of delivery by the Postal Service for a period specified by the Postal Service[at the office of delivery].

941.2 **Availability**[Description of Service]

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

941.3 **Included Services**

941.31[22] If requested by the mailer, the Postal Service will indicate the time of acceptance [by the Postal Service will be indicated]on the mailing receipt.

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

941.32[4] If the initial attempt to deliver the mail is not successful, a notice of 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.]

941.33[26] A mailer may obtain a copy[Additional copies] of the [original]mailing receipt on terms specified by the Postal Service[may be obtained by the mailer].

941.[3]4 **Mailer Requirements**[Deposit of Mail]

941.[3]41 Certified mail must be deposited in a manner specified by the Postal Service.

941.42 The mailer must mail the article at a post office, branch, or station, or give the article to a rural carrier, in order to obtain a mailing receipt.

941.[4]5 **Other Services**

941.[4]51 Certified Mail service permits the use of the following services upon payment of the applicable fee:[The following services may be obtained in conjunction with mail sent under this section upon payment of the applicable fees:]

Service		Fee Schedule
a.	Restricted Delivery	946
b.	Return Receipt	945

Other special services may be purchased in conjunction with Certified Mail service, as specified by the Postal Service.

941.[5]6 **Fees**

941.[5]61 The fee[s] for certified mail service is[are] set forth in Fee Schedule 941.

942 **REGISTERED MAIL**

942.1 **Definition**

942.11 Registered mail [is a]service [that]provides added protection to mail sent under this section and indemnity in case of loss or damage. The amount of indemnity depends upon the actual value of the article at the time of mailing, up to a maximum of \$25,000, and is not available for articles of no value.

942.2 **Availability**[Description of Service]

942.21 Registered mail service is available for[to mailers of] prepaid [mail sent as] First-Class Mail of any value, if the mail [except that registered mail must] meets the minimum requirements for length and width specified by the Postal Service.[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.]

[942.23 There is no limit on the value of articles sent under this section.]

942.22[4] 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.

942.3[25] **Included Services**

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

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

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

942.4 **Mailer Requirements**

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

[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.]

942.42[7] Indemnity claims for registered mail must be filed within a period of time, specified by the Postal Service, from the date the article was mailed. A claim concerning complete loss of registered articles may be filed by the mailer only. A claim concerning damage to or partial loss of registered articles may be filed by either the mailer or addressee.

[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 Registered mail service permits the use of t[T]he following services [may be obtained in conjunction with mail sent under this section] upon payment of applicable fees:

Service	Fee Schedule
[a. Collect on delivery	944]
a[b]. Restricted delivery	946
b[c]. Return receipt	945
[d. Merchandise return (shippers only)	932]

Other special services may be available in conjunction with registered mail service, as specified by the Postal Service.

942.7 **Fees**

942.71 The fees for registered mail are set forth in Fee Schedule 942.

942.72 There are no additional registered mail fees for forwarding and return of registered mail.

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 **Availability[Description of Service]**

943.121 Express Mail Insurance is available only for Express Mail.

943.13 **Limitations and Mailer Requirements**

943.131 [

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 Fee Schedule 943.] The maximum liability for merchandise is \$5,000 per piece. For negotiable items, currency, or bullion, the maximum liability is \$15.

943.132[3] Indemnity claims for Express Mail must be filed within a specified period of time from the date the article was mailed.

943.133[24] Indemnity will be paid under terms and conditions specified by the Postal Service.

943.134[25] Among other limitations 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.

943.14 **Other Services**

943.141 Other special services may be available in conjunction with Express Mail insurance, as specified by the Postal Service.

943.15[3] **Fees**

943.15[3]1 The fees for Express Mail Insurance service are set forth in Fee Schedule 943.

943.2 **General Insurance**

943.21 **Definition[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. General insurance provides a bulk option for mail meeting the conditions described below and specified further by the Postal Service.

[943.212 The maximum liability of the Postal Service for Retail Insurance is \$5000.]

943.22[13] **Availability**

943.221 General[Retail] Insurance is available for mail sent under the following classification schedules:

- a. First-Class Mail, if containing matter that may be mailed as Standard Mail or Package Services;
- b. Package Services; [Parcel Post, Bound Printed Matter, Special, and Library subclasses of Standard Mail.]
- c. Regular and Nonprofit subclasses of Standard Mail, for Bulk Insurance only, for mail subject to residual shape surcharge.

943.222[14] General[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.

943.23 **Included Services**

943.231[5] For General[Retail] Insurance, the mailer is issued a receipt for each item mailed. For items insured for more than \$50, a record[eipt] of delivery is re[ob]tained by the Postal Service for a specified period.

943.232[16] For items insured for more than \$50, a notice of attempted delivery is left at the mailing address when the first attempt at delivery is unsuccessful.

943.233 Mail undeliverable as addressed will be returned to the sender as specified by the sender or by the Postal Service.

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

943.24[2] Limitations and Mailer Requirements[Bulk Insurance]

943.241 Mail insured under section 943.2 must be deposited as specified by the Postal Service.

943.242[1] Bulk Insurance service is available for mail entered in bulk at designated facilities and in a manner specified by the Postal Service, including the use of electronic manifesting[, 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 subclasses of Standard Mail.]

943.243[22] Bulk Insurance must bear[s] endorsements and identifiers specified by the Postal Service. Bulk Insurance mailers must meet the documentation requirements of the Postal Service.

943.244 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.

943.245[23] Retail insurance provides indemnity for the actual value of the article at the time of mailing. 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]

943.246[31] For Retail Insurance, a claim for complete loss may be filed by the mailer only, and a claim for damage or for partial loss may be filed by either the mailer or addressee. 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 section 932 may be filed only by the purchaser of the insurance.]

943.247[33] Indemnity claims must be filed within a specified period of time from the date the article was mailed.

[943.24 Deposit of Mail]

[943.241] Mail insured under section 943.2 must be deposited 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 will be returned to the sender as specified by the sender or by the Postal Service.]

943.2[6]5 Other Services

943.2[6]51 General Insurance permits the use of t[T]he following services, if applicable to the subclass of mail, [may be obtained in conjunction with mail sent under this section]upon payment of the applicable fees:

Service	Fee Schedule
[a. Parcel Airlift	951]
a[b]. Restricted delivery (for items insured for more than \$50)	946
b[c]. Return receipt (for items insured for more than \$50)	945
[d. Special handling	952]
[e. Merchandise return (shippers only)	932]

Other special services may be available in conjunction with General Insurance, as specified by the Postal Service.

943.2[7]6 Fees

943.2[7]61 The fees for General Insurance are set forth in Fee Schedule 943.

944 COLLECT ON DELIVERY

944.1 Definition

944.11 Collect on Delivery (COD) service [is a service that]allows a mailer to mail an article for which 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 Availability[Description of Service]

944.21 COD service is available for collection of \$10[6]00 or less upon the delivery of postage prepaid mail sent under the following classification schedules:

- a. Express Mail
- b. First-Class Mail
- c. Package Services [Parcel Post, Bound Printed Matter, Special, and Library subclasses of Standard Mail]

944.22 Service under this section 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 consists[ing] 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 have not been ordered by the addressee.

944.3 **Included Services**

944.31[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.

944.32[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.

944.33[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 attempted delivery will be left at the mailing address.

944.34[26] The mailer may receive a notice of nondelivery if the piece mailed is endorsed appropriately.

944.35[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 Fee Schedule 944.

[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]4 **Limitations and Mailer Requirements[of the Mailer]**

944.[3]41 The mailer must identify COD mail [must be identified]as COD mail, as specified by the Postal Service.

[944.4 **Deposit of Mail]**

944.42[41] COD mail must be deposited in a manner specified by the Postal Service.

[944.5 Forwarding and Return]

944.43[51] A mailer of COD mail guarantees to pay any return postage, unless otherwise specified on the piece mailed.

944.44[52] For COD mail sent as Package Services [Standard M]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 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.

944.45 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.

944.46 COD indemnity claims must be filed within a specified period of time from the date the article was mailed, and meet the requirements specified by the Postal Service.

944.[6]5 Other Services

944.[6]51 COD service permits the use of t[T]he following services, if applicable to the subclass of mail, [may be obtained in conjunction with mail sent under this section] upon payment of the applicable fee:

Service		Fee Schedule
a.	Registered mail, if sent as First-Class	942
b.	Restricted delivery	946
[c.	Special handling	952]

Other special services may be available in conjunction with COD service, as specified by the Postal Service.

944.[7]6 Fees

944.[7]61 Fees for COD service are set forth in Fee Schedule 944.

945 **RETURN RECEIPT**

945.1 **Definition**

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

945.2 **Availability[Description of Service]**

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

- | | | |
|-------|--|------|
| a. | Certified mail | 941 |
| b. | COD mail | 944 |
| c. | Insurance (if insured for more than \$50) | 943 |
| d. | Registered mail | 942 |
| [e. | Delivery Confirmation | 948] |
| e[f]. | Express Mail | |
| f[g]. | Priority Mail (merchandise only) | |
| g[h]. | Standard Mail (limited to [merchandise sent by Parcel Post, Bound Printed Matter, Special, and Library subclasses]) <u>merchandise subject to residual shape surcharge and sent by Regular and Nonprofit subclasses)</u> | |
| i. | <u>Package Services</u> | |

945.22 Return receipt service is available at the time of mailing or, when purchased in conjunction with certified mail, COD, Insurance (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.]

945.3 **Included Service**

945.31[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 evidence of delivery from the delivery record[a duplicate return receipt], at no additional fee. [No fee is charged for a

duplicate return receipt.]

945.4 Other Services

Other special services may be available in conjunction with return receipt service, as specified by the Postal Service.

945.5[3] Fees

945.5[3]1 The fees for return receipt service are set forth in Fee Schedule 945.

946 RESTRICTED DELIVERY

946.1 Definition

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

946.2 Availability[Description of Service]

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

- | | |
|--|-----|
| a. Certified Mail | 941 |
| b. COD Mail | 944 |
| c. Insurance (if insured for more than \$50) | 943 |
| d. Registered Mail | 942 |

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

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

946.3 Included Services

946.31[24] A record of delivery will be retained by the Postal Service for a period specified [period of time]by the Postal Service.

[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.]

946.4 Other Services

Other special services may be available in conjunction with restricted delivery service, as specified by the Postal Service.

946.5[3] **Fees**

946.5[3]1 The fee[s] for restricted delivery service is[are] set forth in Fee Schedule 946.

946.52 The fee (or communications charges) will not be refunded for f[F]ailure to provide restricted delivery service when requested after mailing, due to prior delivery[, is not grounds for refund of the fee or communications charges].

947 **CERTIFICATE OF MAILING**

947.1 **Definition**

947.11 Certificate of mailing service [is a service that]furnishes evidence that mail has been presented to the Postal Service for[of] mailing.

947.2 **Availability[Description of Service]**

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

947.3 **Included Service**

947.31 The mailer may obtain a copy of a certificate of mailing on terms specified by the Postal Service.

947.4 **Limitations**

947.41[22] This service does not entail retention of a record of mailing by the Postal Service and does not provide evidence of delivery.[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.]

947.5[3] **Other Services**

947.5[3]1 Other special services may be available in conjunction with certificate of mailing service, as specified by the Postal Service.[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:]

[Service	Fee Schedule]
[a. Parcel airlift	951]
[b. Special handling	952]

947.6[4] Fees

947.6[4]1 The fees for certificate of mailing service are set forth in Fee Schedule 947.

948 DELIVERY CONFIRMATION

948.1 Definition

948.11 Delivery C[c]onfirmation service provides electronic confirmation to the mailer that an article was delivered or that a delivery attempt was made.

948.2 Availability[Description of Service]

948.21 Delivery C[c]onfirmation service is available for Priority Mail and the Parcel Post, Bound Printed Matter, [Special] Media Mail and Library Mail subclasses of Standard Mail. Delivery Confirmation is also available for mail subject to residual shape surcharge in the Regular and Nonprofit subclasses of Standard Mail.

948.3 Mailer Requirements

948.31[22] Delivery C[c]onfirmation service may be requested only at the time of mailing.

948.[2]32 Mail for which D[d]elivery C[c]onfirmation service is requested must meet preparation requirements specified[established] by the Postal Service, and bear a Delivery Confirmation barcode specified by the Postal Service.

948.33[24] Matter for which D[d]elivery C[c]onfirmation service is requested must be deposited in a manner specified by the Postal Service.

948.4 Other Services

948.41 Other special services may be available in conjunction with Delivery Confirmation service, as specified by the Postal Service.

948.5[3] Fees

948.5[3]1 The fees for Delivery C[c]onfirmation service are[is subject to the fees] set forth in Fee Schedule 948.

949 SIGNATURE CONFIRMATION

949.1 Definition

949.11 Signature Confirmation service provides electronic confirmation to the mailer that an article was delivered or that a delivery attempt was made, and a copy of the signature of the recipient.

949.2 Availability

949.21 Signature Confirmation is available for Priority Mail and Package Services mail.

949.3 **Mailer Requirements**

949.31 Signature Confirmation service may be requested only at the time of mailing.

949.32 Mail for which Signature Confirmation service is requested must meet preparation requirements specified by the Postal Service, and bear a Delivery Confirmation barcode specified by the Postal Service.

949.33 Matter for which Signature Confirmation is requested must be deposited in a manner specified by the Postal Service.

949.4 **Other Services**

Other special services may be available in conjunction with Signature Confirmation services, as specified by the Postal Service.

949.5 **Fees**

949.51 The fees for Signature Confirmation service are set forth in Fee Schedule 949.

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 **Availability[Description of Service]**

951.21 Parcel airlift service is available for mail sent under the Standard Mail Classification Schedule.

951.3 **Mailer Requirements[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]**

951.32[41] Mail sent under this section must be endorsed as specified by the Postal Service.

[951.5 Deposit of Mail]

951.33[51] PAL mail must be deposited in a manner specified by the Postal Service

951.[6]4 Forwarding and Return

951.[6]41 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]5 Other Services

951.[7]51 Other special services may be available in conjunction with parcel airlift service, as specified by the Postal Service.[The following services, if applicable to the subclass of mail, may be obtained in conjunction with mail sent under this section upon payment of the applicable fees:]

[Service	Fee Schedule]
[a. Certificate of mailing	947]
[b. Insurance	943]
[c. Restricted delivery (if insured for more than \$50)	946]
[d. Return receipt (if insured for more than \$50)	945]
[e. Special handling	952]

951.[8]6 Fees

951.[8]61 The fees for parcel airlift service are set forth in Fee Schedule 951.

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 Availability[Description of Service]

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

- a. First-Class Mail
- b. Package Services [Parcel Post, Bound Printed Matter, Special, and Library subclasses of Standard Mail]

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

952.3 **Mailer Requirements[of the Mailer]**

952.31 Mail sent under this section must be identified as specified by the Postal Service.

[952.4 **Deposit of Mail]**

952.32[41] Mail sent under this section must be deposited in a manner specified by the Postal Service.

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

952.4[5] **Forwarding and Return**

952.4[5]1 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.

952.5[6] **Other Services**

952.5[6]1 Other special services may be available in conjunction with special handling service, as specified by the Postal Service.[The following services, if applicable to the subclass of mail, may be obtained in conjunction with mail sent under this section upon payment of the applicable fees:]

[Service	Fee Schedule]
[a. COD mail	944]
[b. Insurance	943]
[c. Parcel airlift	951]
[d. Merchandise return (shippers only)	932]

952.6[7] **Fees**

952.6[7]1 The fees for special handling service are set forth in Fee Schedule 952.

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 **Availability[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 rate as 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 Fee Schedule 961.

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 **Availability[Description of Service.]**

962.21 Stamped Cards are available for First-Class Mail.

962.3 **Fees**

962.31 The fees for Stamped Cards are set forth in Fee Schedule 962.

970 **POSTAL MONEY ORDERS**

971 **[DOMESTIC POSTAL]MONEY ORDER[S] SERVICE**

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 Limitations[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 by law or under regulations prescribed by the Postal Service.

971.3 Included Services

971.[22]31 A receipt of purchase is provided at no additional cost.

971.[23]32 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]33 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]34 Inquiries or claims may be filed by the purchaser, payee, or endorsee.

971.4 Other Services

971.41 Other special services may be available in conjunction with money order service, as specified by the Postal Service.

971.[3]5 Fees

971.[3]51 The fees for [domestic postal]money order[s] service are set forth in Fee Schedule 971.

980 ACCEPTANCE ALTERNATIVES

981 MAILING ONLINE

981.1 Definition

Mailing Online is a service that allows mailers to submit electronic documents, with address lists, for subsequent conversion into hard copy form, entry as mail, and delivery.

981.2 Description of Service

981.21 Mailing Online is available for documents submitted in an electronic form, along with an address list, to be entered under the following classification schedules:

- a. First-Class Mail;
- b. Regular subclass of Standard Mail.

981.22 Documents presented through Mailing Online are eligible for the following rate categories:

- a. First-Class Mail Letters and Sealed Parcels Automation Letters Basic
- b. First-Class Mail Letters and Sealed Parcels Automation Flats Basic
- c. Standard Mail Regular Automation Basic Letters
- d. Standard Mail Regular Automation Basic Flats

981.3 **Requirements of the Mailer**

981.31 Documents and address lists must be presented in electronic form, as specified by the Postal Service, through the Postal Service's Mailing Online internet site. Documents must be prepared using application software approved by the Postal Service.

981.4 **Fees**

981.41 The fees for Mailing Online service are described in Fee Schedule 981.

981.5 **Duration of Market Test**

981.51 The provisions of section 981 expire no later than implementation of an experimental Mailing Online service following acceptance or allowance by the Governors of the Postal Service of a recommended decision by the Postal Rate Commission, or no later than 3 months after issuance of a recommended decision by the Commission rejecting the Postal Service's request for an experimental Mailing Online service; or no later than 3 months after issuance of a decision by the Postal Service Governors rejecting a Commission recommended decision on an experimental Mailing Online service.

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 required 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 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 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; orTo 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 that meets all 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.

2010 **Delivery Services**

The Postal Service provides the following modes of delivery:

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

2020 **Conditions of Delivery**

2021 **General.** Except as provided in section 2022, 2030, and 3030, 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 order will be filed with the post office when the agency relationship is terminated;
- b. When remailed by the commercial agency, the mail is [subjecto] 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 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 mailpiece. All post offices will honor 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, 450, 550, 935 and 936 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 that is neither readily water soluble nor 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 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 with postage meter indicia, adhesive stamps, [or]permit imprint, or other payment methods [unless otherwise limited or]specified by the Postal Service. [The following methods of paying postage and fees require p]Prior authorization for use of certain payment methods may be required, as specified by[from] the Postal Service[:]. A fee is charged for authorization to use a permit imprint, as set forth in Schedule 1000.

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

3050 [Reserved]

3060 Special Service Fees

Fees for special services may be prepaid in any manner appropriate for the class of mail indicated or as otherwise 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 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 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 Armed 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 that is mailed at or addressed to an Armed Forces post office and is transported directly to or from 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 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 inch[es] 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, 521.6 [322.16], 330, [and] 430, and 530. 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

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.

The current rate and fee schedules, which are incorporated by reference in this Request, are published in Attachment A to the Notice of Changes in Rates, Fees, and Mail Classifications (63 Fed. Reg. 39,124),¹ as corrected or amended by the following:

- Decision of the Governors of the USPS on the Recommended Decision of the Postal Rate Commission on Establishment of Permanent Classification and Fees for Weight-Averaged Nonletter-Size Business Reply Mail, Docket No. MC99-2 (November 1, 1999);²
- Notice of Implementation of Changes to the Domestic Mail Classification Schedule and Periodicals Regular Rate Schedule (64 Fed. Reg. 38,930);
- Notice of Renewal of Experimental Nonletter-Size Business Reply Mail Classifications and Fees; Changes in Domestic Classification and Fees (64 Fed. Reg. 31,325);³ and
- Changes in Domestic Rates, Fees, and Mail Classifications (63 Fed. Reg. 60,416).

The schedules in this attachment present both proposed and current rates and fees. In general, for existing schedules, proposed additions to headings and text in the schedules or notes are underlined; proposed deletions appear in brackets. Except as otherwise noted, new

¹ By letter dated October 26, 1999, to the Secretary of the Postal Rate Commission, the Postal Service advised the Commission of the termination of Mailing Online Service, and identified the affected fee schedule (Fee Schedule 981). The pending Request of the Postal Service for Mailing Online Experiment, Docket No. MC2000-2, proposes that this fee schedule be modified in order to accommodate the proposal in that proceeding. For this reason, Fee Schedule 981 is included in this attachment without the changes as proposed in Docket No. MC2000-2.

² Since the changes to Fee Schedule 931 are scheduled to take effect on February 6, 2000, they are treated as if they were currently implemented for purposes of this Attachment.

³ Some of these changes are superseded by changes to be implemented in connection with Docket No. MC99-2. See note 2 *supra*.

or renamed categories within existing schedules are underlined. Rate or fee categories that are either renamed or proposed for elimination are bracketed or are assigned the acronym "NA" in the proposed rate or fee column.

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

Express Mail Rates

Schedules 121, 122, and 123

(Dollars)

Current

Proposed

Weight Not Over (Pounds)	Same Day Airport	Custom Designed	PO to PO Next Day & 2nd Day	PO to Addressee Next & 2nd Day	Weight Not Over (Pounds)	Same Day Airport	Custom Designed	PO to PO Next Day & 2nd Day	PO to Addressee Next & 2nd Day
1/2		\$9.55	\$9.70	\$11.75	1/2		\$9.25	\$9.40	\$12.30
1		13.55	13.70	15.75	1		13.80	13.95	16.05
2 ²		13.55	13.70	15.75	2 ²		13.80	13.95	16.05
3		16.30	16.45	18.50	3		16.65	16.80	18.85
4		19.05	19.20	21.25	4		19.45	19.60	21.70
5		21.80	21.95	24.00	5		22.25	22.40	24.50
6		24.55	24.70	26.75	6		25.05	25.20	27.30
7		27.20	27.35	29.40	7		27.75	27.90	30.00
8		28.40	28.55	30.60	8		28.95	29.10	31.20
9		29.60	29.75	31.80	9		30.20	30.35	32.45
10		30.80	30.95	33.00	10		31.40	31.55	33.65
11		32.25	32.40	34.45	11		32.90	33.05	35.15
12		34.60	34.75	36.80	12		35.30	35.45	37.55
13		35.85	36.00	38.05	13		36.55	36.70	39.25
14		37.20	37.35	39.40	14		37.95	38.10	40.20
15		38.40	38.55	40.60	15		39.15	39.30	41.40
16		39.70	39.85	41.90	16		40.50	40.65	42.75
17		41.05	41.20	43.25	17		41.85	42.00	44.10
18		42.25	42.40	44.45	18		43.10	43.25	45.35
19		43.55	43.70	45.75	19		44.40	44.55	46.65
20		44.85	45.00	47.05	20		45.75	45.90	48.00
21		46.10	46.25	48.30	21		47.00	47.20	49.40
22		47.35	47.50	49.55	22		48.30	48.50	50.80
23		48.70	48.85	50.90	23		49.70	49.90	52.20
24		49.90	50.05	52.10	24		51.10	51.30	53.60
25		51.20	51.35	53.40	25		52.50	52.70	55.00
26		52.45	52.60	54.65	26		53.90	54.10	56.40
27		53.75	53.90	55.95	27		55.30	55.50	57.80
28		55.00	55.15	57.20	28		56.70	56.90	59.20
29		56.30	56.45	58.50	29		58.10	58.30	60.60
30		57.60	57.75	59.80	30		59.00	59.30	61.60
31		58.85	59.00	61.05	31		60.00	60.30	62.60
32		60.15	60.30	62.35	32		61.75	62.05	64.30
33		61.40	61.55	63.60	33		63.25	63.55	65.90
34		62.70	62.85	64.90	34		64.10	65.35	67.30
35		63.95	64.10	66.15	35		65.75	66.65	68.80

Express Mail Rates (continued)

Current					Proposed				
Weight Not Over (Pounds)	Same Day Airport	Custom Designed	PO to PO Next Day & 2nd Day	PO to Addressee Next & 2nd Day	Weight Not Over (Pounds)	Same Day Airport	Custom Designed	PO to PO Next Day & 2nd Day	PO to Addressee Next & 2nd Day
36		65.25	65.40	67.45	36		67.15	68.00	70.15
37		66.45	66.60	68.65	37		69.00	69.25	71.40
38		67.80	67.95	70.00	38		70.50	70.65	72.80
39		69.05	69.20	71.25	39		71.80	71.95	74.10
40		70.30	70.45	72.50	40		73.10	73.25	75.40
41		71.55	71.70	73.75	41		74.40	74.55	76.70
42		72.90	73.05	75.10	42		75.80	75.95	78.10
43		74.15	74.30	76.35	43		77.10	77.25	79.40
44		75.45	75.60	77.65	44		78.45	78.60	80.75
45		76.75	76.90	78.95	45		79.80	80.00	82.10
46		77.95	78.10	80.15	46		81.05	81.20	83.35
47		79.30	79.45	81.50	47		82.45	82.65	84.75
48		80.55	80.70	82.75	48		83.75	83.95	86.05
49		81.80	81.95	84.00	49		85.05	85.25	87.35
50		83.05	83.20	85.25	50		86.35	86.55	88.65
51		84.40	84.55	86.60	51		87.80	87.95	90.05
52		85.60	85.75	87.80	52		89.00	89.20	91.30
53		86.95	87.10	89.15	53		90.45	90.60	92.70
54		88.20	88.35	90.40	54		91.75	91.90	94.00
55		89.45	89.60	91.65	55		93.05	93.20	95.30
56		90.80	90.95	93.00	56		94.45	94.60	96.70
57		92.00	92.15	94.20	57		95.70	95.85	97.95
58		93.30	93.45	95.50	58		97.05	97.20	99.30
59		94.70	94.85	96.90	59		98.50	98.65	100.80
60		96.20	96.35	98.40	60		100.05	100.20	102.35
61		97.80	97.95	100.00	61		101.70	101.85	104.00
62		99.30	99.45	101.50	62		103.25	103.45	105.55
63		100.80	100.95	103.00	63		104.85	105.00	107.10
64		102.40	102.55	104.60	64		106.50	106.65	108.80
65		103.90	104.05	106.10	65		108.05	108.20	110.35
66		105.50	105.65	107.70	66		109.70	109.90	112.00
67		107.00	107.15	109.20	67		111.30	111.45	113.55
68		108.60	108.75	110.80	68		112.95	113.10	115.25
69		110.10	110.25	112.30	69		114.50	114.65	116.80
70		111.60	111.75	113.80	70		116.05	116/20	118.35

Schedules 121, 122, and 123 Notes

- 1 The applicable 2-pound rate is charged for matter sent in a 'flat rate' envelope provided by the Postal Service.
- 2 Add [\$8.25] \$10.25 for each pickup stop.
- 3 Add [\$8.25] \$10.25 for each Custom Designed delivery stop.

First-Class Mail

Rate Schedule 221

Letters and Sealed Parcels

	Current Rate (cents)	Proposed Rate (cents)
Regular		
Single Piece: First Ounce	33.0	34.0
Presort ¹	30.5	32.0
Qualified Business Reply Mail	30.0	31.0
Additional Ounce ²	22.0	23.0
Nonstandard Surcharge		
Single Piece	11.0	11.0
Presort	5.0	5.0
Automation - Presort¹		
Letters ³		
Basic Presort ⁴	27.0	28.0
3-Digit Presort ⁵	26.1	27.1
5-Digit Presort ⁶	24.3	25.3
Carrier Route Presort ⁷	23.8	24.8
Flats ⁸		
Basic Presort ⁹	30.0	31.0
[3/5-Digit Presort ¹⁰]	27.0	N/A
<u>3-Digit Presort¹⁰</u>	N/A	29.5
<u>5-Digit Presort¹¹</u>	N/A	27.5
Additional Ounce ²	22.0	23.0
Nonstandard Surcharge	5.0	5.0

Schedule 221 Notes

- 1 A mailing fee of [\$100.00] \$125.00 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 mailing weighing more than 2 ounces, subtract 4.6 cents per piece.
- 2 Rate applies through 13 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 specified by the Postal Service and, for the Basic Presort rate, documents provided for entry as mail using Mailing Online service, pursuant to classification schedule 981.
- 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 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 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 by the Postal Service and, for the Basic Presort rate, documents provided for entry as mail using Mailing Online service, pursuant to schedule 981.
- 9 Rate applies to flat-size Automation-Presort category mail not mailed at the [3/5-Digit] 3-Digit or 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 Rate applies to flat-size Automation-Presort category mail presorted to single or multiple five-digit ZIP Code destinations specified by the Postal Service.

First-Class Mail

Rate Schedule 222

Cards

	Current Rate (cents)	Proposed Rate (cents)
Regular		
Single Piece	20.0	21.0
Presort ¹	18.0	19.0
Qualified Business Reply Mail	18.0	18.0
Automation - Presort^{1, 2}		
Basic Presort ³	16.6	17.4
3-Digit Presort ⁴	15.9	16.7
5-Digit Presort ⁵	14.6	15.4
Carrier Route Presort ⁶	14.1	14.9

Schedule 222 Notes

- 1 A mailing fee of [\$100.00] \$125.00 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 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 specified by the Postal Service.
- 5 Rate applies to Automation-Presort category mail presorted to single or multiple five-digit ZIP Code destinations as specified by the Postal Service.
- 6 Rate applies to Automation-Presort category mail presorted to carrier routes specified by the Postal Service.

First-Class Mail

Schedule 223

Priority Mail Subclass

(dollars)

Current Rates

Proposed Rates

Weight Not Over (Pounds)	Zones L, 1, 2, and 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Weight Not Over (Pounds)	Zones L, 1, 2, and 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
Flat Rate ²	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	Flat Rate ²	\$3.85	\$3.85	\$3.85	\$3.85	\$3.85	\$3.85
1	3.20	3.20	3.20	3.20	3.20	3.20	1	3.45	3.45	3.45	3.45	3.45	3.45
2	3.20	3.20	3.20	3.20	3.20	3.20	2	3.85	3.85	3.85	3.85	3.85	3.85
3	4.30	4.30	4.30	4.30	4.30	4.30	3	5.10	5.10	5.10	5.10	5.10	5.10
4	5.40	5.40	5.40	5.40	5.40	5.40	4	6.35	6.35	6.35	6.35	6.35	6.35
5	6.50	6.50	6.50	6.50	6.50	6.50	5	7.60	7.60	7.60	7.60	7.60	7.60
6	6.60	6.90	7.10	7.45	7.70	8.25	6	7.85	8.00	8.15	8.55	8.85	9.45
7	6.70	7.30	7.70	8.40	8.90	10.00	7	8.05	8.40	8.70	9.50	10.10	11.30
8	6.80	7.70	8.30	9.35	10.10	11.75	8	8.15	8.80	9.25	10.45	11.35	13.15
9	6.90	8.10	8.90	10.30	11.30	13.50	9	8.30	9.20	9.80	11.40	12.60	15.00
10	7.00	8.50	9.50	11.25	12.50	15.25	10	8.40	9.70	10.45	12.40	13.75	16.85
11	7.20	9.15	10.30	12.20	13.45	16.50	11	8.65	10.35	11.35	13.40	14.80	18.15
12	7.40	9.80	11.05	13.10	14.45	17.80	12	8.90	11.00	12.15	14.40	15.90	19.60
13	7.75	10.40	11.80	14.05	15.50	19.10	13	9.15	11.65	13.00	15.45	17.05	21.00
14	8.10	11.05	12.55	14.95	16.50	20.40	14	9.40	12.30	13.80	16.45	18.15	22.45
15	8.50	11.70	13.30	15.85	17.50	21.70	15	9.65	12.95	14.65	17.45	19.25	23.85
16	8.85	12.30	14.00	16.75	18.55	23.00	16	9.90	13.65	15.40	18.45	20.40	25.30
17	9.20	12.95	14.75	17.70	19.55	24.30	17	10.15	14.30	16.25	19.45	21.50	26.75
18	9.60	13.60	15.50	18.60	20.60	25.60	18	10.55	14.95	17.05	20.45	22.65	28.15
19	9.95	14.20	16.25	19.50	21.60	26.95	19	10.95	15.60	17.90	21.45	23.75	29.65
20	10.35	14.85	17.00	20.40	22.65	28.20	20	11.40	16.35	18.70	22.45	24.90	31.00
21	10.70	15.50	17.70	21.35	23.65	29.45	21	11.80	17.05	19.45	23.50	26.00	32.40
22	11.05	16.15	18.45	22.25	24.70	30.65	22	12.25	17.75	20.30	24.50	27.15	33.70
23	11.45	16.75	19.20	23.15	25.70	31.85	23	12.65	18.45	21.10	25.45	28.25	35.05
24	11.75	17.40	19.95	24.05	26.70	33.05	24	13.05	19.15	21.95	26.45	29.35	36.35
25	12.15	18.05	20.70	25.00	27.75	34.35	25	13.50	19.85	22.75	27.50	30.55	37.80
26	12.55	18.65	21.40	25.90	28.75	35.55	26	13.90	20.50	23.55	28.50	31.65	39.10
27	12.90	19.30	22.15	26.80	29.80	36.75	27	14.30	21.25	24.35	29.50	32.80	40.45
28	13.25	19.95	22.90	27.70	30.80	37.95	28	14.70	21.95	25.20	30.45	33.90	41.75
29	13.65	20.55	23.65	28.60	31.85	39.15	29	15.15	22.60	26.00	31.45	35.05	43.05
30	14.00	21.20	24.40	29.55	32.85	40.35	30	15.55	23.30	26.85	32.50	36.15	44.40
31	14.35	21.85	25.10	30.45	33.90	41.55	31	15.95	24.05	27.60	33.50	37.30	45.70
32	14.75	22.45	25.85	31.35	34.90	42.80	32	16.40	24.70	28.45	34.50	38.40	47.10
33	15.10	23.10	26.60	32.25	35.95	44.00	33	16.80	25.40	29.25	35.50	39.55	48.40
34	15.45	23.70	27.35	33.15	36.95	45.20	34	17.20	26.05	30.10	36.45	40.65	49.70
35	15.80	24.35	28.10	34.10	37.95	46.40	35	17.65	26.80	30.90	37.50	41.75	51.05

Priority Mail Subclass (continued)

Current Rates

Proposed Rates

Weight Not Over (Pounds)	Zones L, 1, 2, and 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Weight Not Over (Pounds)	Zones L, 1, 2 and 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
36	16.20	25.00	28.80	35.00	39.00	47.60	36	18.05	27.50	31.70	38.50	42.90	52.35
37	16.60	25.65	29.55	35.90	40.00	48.80	37	18.45	28.20	32.50	39.50	44.00	53.70
38	16.90	26.25	30.30	36.85	41.05	50.05	38	18.85	28.90	33.35	40.55	45.15	55.05
39	17.30	26.90	31.05	37.75	42.05	51.25	39	19.30	29.60	34.15	41.55	46.25	56.40
40	17.70	27.55	31.80	38.65	43.10	52.45	40	19.70	30.30	35.00	42.50	47.40	57.70
41	18.00	28.15	32.50	39.55	44.10	53.65	41	20.10	30.95	35.75	43.50	48.50	59.00
42	18.40	28.80	33.25	40.45	45.15	54.85	42	20.55	31.70	36.60	44.50	49.65	60.35
43	18.80	29.45	34.00	41.40	46.15	56.10	43	20.95	32.40	37.40	45.55	50.75	61.70
44	19.15	30.05	34.75	42.30	47.20	57.35	44	21.35	33.05	38.25	46.55	51.90	63.10
45	19.50	30.70	35.50	43.20	48.20	58.55	45	21.80	33.75	39.05	47.50	53.00	64.40
46	19.85	31.35	36.20	44.10	49.20	59.75	46	22.20	34.50	39.80	48.50	54.10	65.75
47	20.25	31.95	36.95	45.05	50.25	60.95	47	22.60	35.15	40.65	49.55	55.30	67.05
48	20.60	32.60	37.70	45.95	51.25	62.15	48	23.00	35.85	41.45	50.55	56.40	68.35
49	20.95	33.25	38.45	46.85	52.30	63.35	49	23.45	36.60	42.30	51.55	57.55	69.70
50	21.35	33.85	39.20	47.75	53.30	64.55	50	23.85	37.25	43.10	52.55	58.65	71.00
51	21.70	34.50	39.90	48.65	54.25	65.80	51	24.25	37.95	43.90	53.50	59.70	72.40
52	22.05	35.15	40.65	49.60	55.30	67.00	52	24.70	38.65	44.70	54.55	60.85	73.70
53	22.45	35.75	41.40	50.50	56.25	68.20	53	25.10	39.35	45.55	55.55	61.90	75.00
54	22.80	36.40	42.15	51.40	57.25	69.40	54	25.50	40.05	46.35	56.55	63.00	76.35
55	23.15	37.05	42.90	52.30	58.20	70.60	55	25.95	40.75	47.20	57.55	64.00	77.65
56	23.55	37.65	43.60	53.25	59.20	71.80	56	26.35	41.40	47.95	58.60	65.10	79.00
57	23.90	38.30	44.35	54.15	60.20	73.05	57	26.75	42.15	48.80	59.55	66.20	80.35
58	24.25	38.95	45.10	55.05	61.15	74.25	58	27.15	42.85	49.60	60.55	67.25	81.70
59	24.65	39.55	45.85	55.95	62.20	75.45	59	27.60	43.50	50.45	61.55	68.40	83.00
60	25.00	40.20	46.60	56.90	63.15	76.65	60	28.00	44.20	51.25	62.60	69.45	84.30
61	25.35	40.85	47.30	57.80	64.15	77.90	61	28.40	44.95	52.05	63.60	70.55	85.70
62	25.75	41.45	48.05	58.70	65.10	79.10	62	28.85	45.60	52.85	64.55	71.60	87.00
63	26.10	42.10	48.80	59.60	66.10	80.35	63	29.25	46.30	53.70	65.55	72.70	88.40
64	26.50	42.75	49.55	60.55	67.10	81.55	64	29.65	47.05	54.50	66.60	73.80	89.70
65	26.85	43.35	50.25	61.45	68.05	82.75	65	30.10	47.70	55.30	67.60	74.85	91.05
66	27.20	44.00	51.00	62.35	69.10	83.95	66	30.50	48.40	56.10	68.60	76.00	92.35
67	27.60	44.65	51.75	63.25	70.05	85.15	67	30.90	49.10	56.95	69.60	77.05	93.65
68	27.95	45.25	52.50	64.15	71.00	86.35	68	31.35	49.80	57.75	70.55	78.10	95.00
69	28.30	45.90	53.25	65.10	72.05	87.55	69	31.75	50.50	58.60	71.60	79.25	96.30
70	28.70	46.55	53.95	66.00	73.00	88.80	70	32.15	51.20	59.35	72.60	80.30	97.70

Schedule 223 Notes

- 1 The 2-pound rate is charged for matter sent in a 'flat rate' envelope provided by the Postal Service.
- 2 Add [~~\$8.25~~] \$10.25 for each pickup stop.
- 3 EXCEPTION: Parcels that weigh less than 15 pounds but measure over 84 inches in length and girth combined, are charged with a minimum rate equal to that for a 15-pound parcel for the zone to which addressed.

Standard Mail
Rate Schedule [321.2A] 321A
Regular Subclass
Presort Category¹

	Current Rate (cents)	Proposed Rate (cents)
Letter Size		
Piece Rate		
Basic	23.5	24.2
3/5-Digit	20.7	22.5
Destination Entry Discount per Piece		
BMC	1.6	1.7
SCF	2.1	2.2
Non-Letter Size²		
Piece Rate		
Minimum per Piece ³		
Basic	30.4	31.1
3/5-Digit	24.0	25.8
Destination Entry Discount per Piece		
BMC	1.6	1.7
SCF	2.1	2.2
Pound Rate ³	67.7	66.1
Plus per Piece Rate		
Basic	16.4	17.5
3/5-Digit	10.0	12.2
Destination Entry Discount per Pound		
BMC	7.9	8.3
SCF	10.0	10.8

Schedule [321.2A] 321A Notes

- 1 A fee of [~~\$100.00~~] \$125.00 must paid each 12-month period for each bulk mailing permit.
- 2 Residual shape pieces are subject to a surcharge of [~~\$0.10~~] \$0.18 per piece. For parcel barcode discount, deduct \$0.03 per piece.
- 3 Mailer pays either the minimum piece rate or the pound rate, whichever is higher.

Standard Mail

Rate Schedule [321.2B] 321B

Regular Subclass Automation Category¹

	Current Rate (cents)	Proposed Rate (cents)
Letter Size²		
Piece Rate		
Basic Letter ³	18.3	20.0
3-Digit Letter ⁴	17.6	19.3
5-Digit Letter ⁵	16.0	17.2
Destination Entry Discount per Piece		
BMC	1.6	1.7
SCF	2.1	2.2
 Flat Size⁶		
Piece Rate		
Minimum per Piece ⁷		
Basic Flat ⁸	24.5	26.7
3/5-Digit Flat ⁹	20.3	23.1
Destination Entry Discount per Piece		
BMC	1.6	1.7
SCF	2.1	2.2
Pound Rate ⁷	67.7	66.1
Plus per piece Rate		
Basic Flat	10.5	13.1
3/5-Digit Flat	6.3	9.5
Destination Entry Discount per Pound		
BMC	7.9	8.3
SCF	10.0	10.8

Schedule [321.2B] 321B Notes

- 1 A fee of [~~\$100.00~~] \$125.00 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 specified by the Postal Service.
- 5 Rate applies to letter-size automation mail presorted to single or multiple five-digit ZIP Code destinations as specified by the Postal Service.
- 6 For flat-size automation mail meeting applicable Postal Service regulations.
- 7 Mailer pays either the minimum piece rate or the 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.

Standard Mail

Rate Schedule [321.3] 322

Enhanced Carrier Route Subclass¹

	Current Rate (cents)	Proposed Rate (cents)
Letter Size		
Piece Rate		
Basic	16.2	17.5
Basic Automated Letter ²	15.6	16.3
High Density	13.9	15.2
Saturation	13.0	14.3
Destination Entry Discount per Piece		
BMC	1.6	1.7
SCF	2.1	2.2
DDU	2.6	2.8
Non-Letter Size³		
Piece Rate		
Minimum per Piece ⁴		
Basic	16.2	17.5
High Density	15.1	15.4
Saturation	14.0	14.8
Destination Entry Discount per Piece		
BMC	1.6	1.7
SCF	2.1	2.2
DDU	2.6	2.8
Pound Rate ⁴	66.3	58.4
Plus per piece Rate		
Basic	2.5	5.5
High Density	1.4	3.4
Saturation	0.3	2.8
Destination Entry Discount per Pound		
BMC	7.9	8.3
SCF	10.0	10.8
DDU	12.6	13.4

Schedule [321.3] 322 Notes

- 1 A fee of [\$100.00] \$125.00 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 Residual shape pieces are subject to a surcharge of [\$0.10] \$0.15 per piece.
- 4 Mailer pays either the minimum piece rate or the pound rate, whichever is higher.

Standard Mail

Rate Schedule [321.4A] 323A

Nonprofit Subclass Presort Category[ies]¹ [[Full Rates]]

	Current Rate (cents)	Proposed Rate (cents)
Letter Size		
Piece Rate		
Basic	16.9	15.9
3/5-Digit	14.2	15.0
Destination Entry Discount per Piece		
BMC	1.6	1.7
SCF	2.1	2.2
Non-Letter Size²		
Piece Rate		
Minimum per Piece ³		
Basic	23.3	21.9
3/5-Digit	16.5	17.5
Destination Entry Discount per Piece		
BMC	1.6	1.7
SCF	2.1	2.2
Pound Rate ³	55.0	58.0
Plus per piece Rate		
Basic	12.0	9.9
3/5-Digit	5.2	5.5
Destination Entry Discount per Pound		
BMC	7.9	8.3
SCF	10.0	10.8

Schedule [321.4A] 323A Notes

- 1 A fee of [~~\$100.00~~] \$125.00 must be paid once each 12-month period for each bulk mailing permit.
- 2 Residual shape pieces are subject to a surcharge of [~~\$0.10~~] \$0.18 per piece. For parcel barcode discount, deduct \$0.03 per piece.
- 3 Mailer pays either the minimum piece rate or the pound rate, whichever is higher.

Standard Mail
Rate Schedule [321.4B] 323B

Nonprofit Subclass
Automation Category[ies]¹
[(Full Rates)]

	Current Rate (cents)	Proposed Rate (cents)
Letter Size²		
Piece Rate		
Basic Letter ³	11.9	12.9
3-Digit Letter ⁴	11.4	12.2
5-Digit Letter ⁵	9.3	10.1
Destination Entry Discount per Piece		
BMC	1.6	1.7
SCF	2.1	2.2
Flat Size⁶		
Piece Rate		
Minimum per Piece ⁷		
Basic Flat ⁸	18.2	17.8
3/5-Digit Flat ⁹	14.4	15.8
Destination Entry Discount per Piece		
BMC	1.6	1.7
SCF	2.1	2.2
Pound Rate ⁷	55.0	58.0
Plus per Piece Rate		
Basic Flat ⁸	6.9	5.8
3/5-Digit Flat ⁹	3.1	3.8
Destination Entry Discount per Pound		
BMC	7.9	8.3
SCF	10.0	10.8

Schedule [321.4B] 323B Notes

- 1 A fee of [~~\$100.00~~] \$125.00 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 specified by the Postal Service.
- 5 Rate applies to letter-size automation mail presorted to single or multiple five-digit ZIP Code destinations as specified by the Postal Service.
- 6 For flat-size automation mail meeting applicable Postal Service regulations.
- 7 Mailer pays either the minimum piece rate or the 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.

Standard Mail

Rate Schedule [321.5] 324

Nonprofit Enhanced Carrier Route Subclass¹ [[Full Rates]]

	Current Rate (cents)	Proposed Rate (cents)
Letter Size		
Piece Rate		
Basic	9.9	11.3
Basic Automated Letter ²	9.2	10.0
High Density	7.8	9.0
Saturation	7.2	8.4
Destination Entry Discount per Piece		
BMC	1.6	1.7
SCF	2.1	2.2
DDU	2.6	2.8
Non-Letter Size³		
Piece Rate		
Minimum per Piece ⁴		
Basic	9.9	11.3
High Density	9.2	9.7
Saturation	8.4	9.2
Destination Entry Discount per Piece		
BMC	1.6	1.7
SCF	2.1	2.2
DDU	2.6	2.8
Pound Rate ⁴	29.0	37.0
Plus per Piece Rate		
Basic	3.9	3.7
High Density	3.2	2.1
Saturation	2.4	1.6
Destination Entry Discount per Pound		
BMC	7.9	8.3
SCF	10.0	10.8
DDU	12.6	13.4

Schedule [321.5] 324 Notes

- 1 A fee of [\$100.00] \$125.00 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 Residual shape pieces are subject to a surcharge of [\$0.10] \$0.15 per piece.
- 4 Mailer pays either the minimum piece rate or the pound rate, whichever is higher.

Periodicals
Rate Schedule 421
[Regular] Outside County Subclass^{1,2}

	Postage Rate Unit	Current Rate³ (cents)	Proposed Rate³ (cents)
Per Pound			
Nonadvertising Portion:	Pound	16.1	18.6
Advertising Portion: ¹¹			
Delivery Office ⁴	Pound	15.5	18.0
SCF ⁵	Pound	17.8	21.0
1&2	Pound	21.5	24.7
3	Pound	22.9	26.3
4	Pound	26.3	30.2
5	Pound	31.6	36.1
6	Pound	37.1	42.3
7	Pound	43.8	49.9
8	Pound	49.5	56.3
Science of Agriculture			
Delivery Office	Pound	11.6	13.5
SCF	Pound	13.3	15.8
Zones 1&2	Pound	16.1	18.6
Per Piece			
Less Nonadvertising Factor ⁶		5.9	6.6
Required Preparation ⁷	Piece	29.4	31.8
Presorted to 3-digit	Piece	25.3	27.4
Presorted to 5-digit	Piece	19.7	22.2
Presorted to Carrier Route	Piece	12.2	14.1
Discounts:			
Prepared to Delivery Office ⁴	Piece	1.3	2.1
Prepared to SCF ⁵	Piece	0.7	1.2
High Density ⁸	Piece	1.9	2.5
Saturation ⁹	Piece	3.7	4.3
Automation Discounts for Automation Compatible Mail ¹⁰			
From Required:			
Prebarcoded letter size	Piece	6.2	5.6
Prebarcoded flats	Piece	4.6	3.2
From 3-Digit:			
Prebarcoded letter size	Piece	4.7	4.5
Prebarcoded flats	Piece	3.9	2.7
From 5-Digit:			

Prebarcoded letter size	Piece	3.5	4.8
Prebarcoded flats	Piece	2.9	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, nonprofit, and classroom periodicals.] The rates in this schedule also apply to Nonprofit (DMCS Section 422.2) and Classroom (DMCS Section 422.3) rate categories. These categories receive a 5 percent discount on all components of postage except advertising pounds. Moreover, the 5 percent discount does not apply to commingled nonsubscriber, nonrequester, complimentary, and sample copies in excess of the 10 percent allowance under DMCS sections 412.34 and 413.42, or to Science of Agriculture mail.
- 2 Rates do not apply to otherwise [regular rate] Outside County 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 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.
- 11 Not applicable to qualifying Nonprofit and Classroom publications containing 10 percent or less advertising content.

Periodicals
Rate Schedule 423[.2]
Within County
[(Full Rates)]

	Current Rate³ (cents)	Proposed Rate³ (cents)
Per Pound		
General	13.3	14.5
Delivery Office ¹	10.7	11.8
Per Piece		
Required Presort	9.5	9.9
Presorted to 3-digit	8.8	9.2
Presorted to 5-digit	8.0	8.4
Carrier Route Presort	4.3	4.8
Per Piece Discount		
Delivery Office ²	0.4	0.5
High Density (formerly 125 piece) ³	1.4	1.6
Saturation	1.8	2.1
Automation Discounts for Automation Compatible Mail ⁴		
From Required:		
Prebarcoded Letter size	4.9	5.0
Prebarcoded Flat size	3.0	2.7
From 3-digit:		
Prebarcoded Letter size	4.4	4.4
Prebarcoded Flat size	2.6	2.3
From 5-digit:		
Prebarcoded Letter size	3.9	3.9
Prebarcoded Flat size	2.2	2.0

Schedule 423[.2] Notes

- 1 Applicable only to 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. Mailers also may qualify for this discount on an alternative basis as provided in DMCS section 423.[8]43.
- 4 For automation compatible pieces meeting applicable Postal Service regulations.

[Periodicals]
[Rate Schedule 423.3]
[Publications of Authorized Nonprofit Organizations]

[Delete Rate Schedule 423.3; see Rate Schedule 421, note 1]

[Periodicals]
[Rate Schedule 423.4]
[Classroom Publications]

[Delete Rate Schedule 423.4; Rate Schedule 421, note 1]

[Standard Mail] Package Services

Rate Schedule [322.1A] 521.2A

Parcel Post Subclass

Inter-BMC Rates

(dollars)

Current							Proposed							
Zones 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Weight Not Over (Pounds)	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
\$3.15	\$3.15	\$3.15	\$3.15	\$3.15	\$3.15	\$3.15	2	\$3.47	\$3.47	\$3.47	\$3.47	\$3.47	\$3.47	\$3.47
3.59	3.90	4.25	4.25	4.25	4.25	4.25	3	3.95	4.29	4.68	4.68	4.68	4.68	4.68
3.73	4.16	4.91	5.35	5.35	5.35	5.35	4	4.10	4.58	5.40	5.89	5.89	5.89	5.89
3.86	4.39	5.33	6.45	6.45	6.45	6.45	5	4.25	4.83	5.86	7.10	7.10	7.10	7.10
3.99	4.62	5.71	7.10	7.40	7.60	8.15	6	4.39	5.08	6.28	7.81	8.14	8.36	8.97
4.11	4.82	6.07	7.72	8.35	8.75	9.85	7	4.52	5.30	6.68	8.49	9.19	9.63	10.84
4.24	5.01	6.38	8.26	9.30	9.90	11.55	8	4.66	5.51	7.02	9.09	10.23	10.89	12.71
4.33	5.19	6.71	8.76	10.25	11.05	13.25	9	4.76	5.71	7.38	9.64	11.20	12.16	14.58
4.45	5.36	6.99	9.23	10.92	12.20	14.95	10	4.90	5.90	7.69	10.15	12.01	13.42	16.45
4.54	5.53	7.27	9.66	11.47	13.30	16.10	11	4.99	6.08	8.00	10.63	12.62	14.63	17.71
4.64	5.68	7.53	10.06	11.97	14.30	17.35	12	5.10	6.25	8.28	11.07	13.17	15.73	19.09
4.73	5.81	7.77	10.44	12.44	15.17	18.65	13	5.20	6.39	8.55	11.48	13.68	16.69	20.52
4.82	5.97	8.01	10.80	12.89	15.74	19.90	14	5.30	6.57	8.81	11.88	14.18	17.31	21.89
4.90	6.10	8.24	11.13	13.31	16.28	21.15	15	5.39	6.71	9.06	12.24	14.64	17.91	23.27
4.98	6.23	8.45	11.45	13.70	16.77	21.85	16	5.48	6.85	9.30	12.60	15.07	18.45	24.04
5.07	6.34	8.66	11.74	14.08	17.25	22.49	17	5.58	6.97	9.53	12.91	15.49	18.98	24.74
5.14	6.46	8.85	12.02	14.42	17.69	23.10	18	5.65	7.11	9.74	13.22	15.86	19.46	25.41
5.23	6.58	9.04	12.29	14.76	18.12	23.67	19	5.75	7.24	9.94	13.52	16.24	19.93	26.04
5.29	6.68	9.20	12.54	15.07	18.52	24.21	20	5.82	7.35	10.12	13.79	16.58	20.37	26.63
5.36	6.80	9.37	12.79	15.38	18.90	24.72	21	5.90	7.48	10.31	14.07	16.92	20.79	27.19
5.43	6.89	9.54	13.02	15.66	19.26	25.21	22	5.97	7.58	10.49	14.32	17.23	21.19	27.73
5.50	7.01	9.71	13.23	15.93	19.60	25.67	23	6.05	7.71	10.68	14.55	17.52	21.56	28.24
5.55	7.10	9.85	13.45	16.19	19.94	26.12	24	6.11	7.81	10.84	14.80	17.81	21.93	28.73
5.62	7.19	10.01	13.64	16.44	20.24	26.54	25	6.18	7.91	11.01	15.00	18.08	22.26	29.19
5.68	7.28	10.15	13.84	16.68	20.54	26.93	26	6.25	8.01	11.17	15.22	18.35	22.59	29.62
5.75	7.37	10.28	14.02	16.90	20.82	27.32	27	6.33	8.11	11.31	15.42	18.59	22.90	30.05
5.80	7.46	10.43	14.20	17.12	21.09	27.68	28	6.38	8.21	11.47	15.62	18.83	23.20	30.45
5.86	7.55	10.56	14.36	17.33	21.35	28.04	29	6.45	8.31	11.62	15.80	19.06	23.49	30.84
5.92	7.63	10.67	14.52	17.52	21.60	28.36	30	6.51	8.39	11.74	15.97	19.27	23.76	31.20
5.98	7.70	10.80	14.67	17.72	21.85	28.68	31	6.58	8.47	11.88	16.14	19.49	24.04	31.55
6.03	7.79	10.92	14.82	17.90	22.08	28.99	32	6.63	8.57	12.01	16.30	19.69	24.29	31.89
6.08	7.87	11.04	14.97	18.07	22.30	29.28	33	6.69	8.66	12.14	16.47	19.88	24.53	32.21
6.14	7.93	11.14	15.11	18.24	22.51	29.56	34	6.75	8.72	12.25	16.62	20.06	24.76	32.52
6.19	8.01	11.26	15.24	18.40	22.71	29.83	35	6.81	8.81	12.39	16.76	20.24	24.98	32.81

Parcel Post Subclass
Inter-BMC Rates (continued)
Current

Proposed

Current							Weight Not Over (Pounds)	Proposed						
Zones 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8		Zones 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
6.24	8.07	1.38	15.37	18.56	22.90	30.09	36	6.86	8.88	12.52	16.91	20.42	25.19	33.10
6.29	8.14	11.47	15.50	18.71	23.10	30.34	37	6.92	8.95	12.62	17.05	20.58	25.41	33.37
6.34	8.22	11.58	15.61	18.85	23.27	30.58	38	6.97	9.04	12.74	17.17	20.74	25.60	33.64
6.40	8.28	11.67	15.72	18.99	23.44	30.81	39	7.04	9.11	12.84	17.29	20.89	25.78	33.89
6.44	8.35	11.77	15.84	19.13	23.62	31.02	40	7.08	9.19	12.95	17.42	21.04	25.96	34.12
6.50	8.42	11.86	15.95	19.26	23.78	31.24	41	7.15	9.26	13.05	17.55	21.19	26.16	34.36
6.54	8.48	11.95	16.05	19.38	23.93	31.45	42	7.19	9.33	13.15	17.66	21.32	26.32	34.60
6.58	8.54	12.05	16.15	19.51	24.08	31.64	43	7.24	9.39	13.26	17.77	21.46	26.49	34.80
6.63	8.59	12.13	16.24	19.62	24.22	31.84	44	7.29	9.45	13.34	17.86	21.58	26.64	35.02
6.67	8.66	12.22	16.34	19.74	24.36	32.02	45	7.34	9.53	13.44	17.97	21.71	26.80	35.22
6.72	8.72	12.30	16.44	19.85	24.50	32.19	46	7.39	9.59	13.53	18.08	21.84	26.95	35.41
6.77	8.78	12.38	16.52	19.96	24.63	32.37	47	7.45	9.66	13.62	18.17	21.96	27.09	35.61
6.81	8.84	12.47	16.61	20.05	24.75	32.53	48	7.49	9.72	13.72	18.22	22.06	27.23	35.78
6.85	8.89	12.55	16.69	20.16	24.88	32.68	49	7.54	9.78	13.81	18.36	22.18	27.37	35.95
6.89	8.94	12.61	16.77	20.26	25.00	32.84	50	7.58	9.83	13.87	18.45	22.29	27.50	36.12
6.94	9.00	12.70	16.85	20.35	25.11	32.98	51	7.63	9.90	13.97	18.54	22.39	27.62	36.28
6.98	9.06	12.77	16.93	20.44	25.22	33.12	52	7.68	9.97	14.05	18.62	22.48	27.74	36.43
7.02	9.11	12.83	17.00	20.53	25.33	33.27	53	7.72	10.02	14.11	18.70	22.58	27.86	36.60
7.06	9.17	12.91	17.08	20.62	25.44	33.40	54	7.77	10.09	14.20	18.79	22.68	27.98	36.74
7.10	9.20	12.99	17.14	20.69	25.53	33.53	55	7.81	10.12	14.29	18.85	22.76	28.08	36.88
7.15	9.27	13.05	17.22	20.78	25.63	33.66	56	7.87	10.20	14.36	18.94	22.86	28.19	37.03
7.19	9.23	13.12	17.28	20.86	25.73	33.77	57	7.91	10.25	14.43	19.01	22.95	28.30	37.15
7.23	9.36	13.18	17.35	20.93	25.82	33.89	58	7.95	10.30	14.50	19.09	23.02	28.40	37.28
7.27	9.41	13.25	17.41	21.01	25.90	34.00	59	8.00	10.35	14.58	19.15	23.11	28.49	37.40
7.31	9.46	13.33	17.47	21.07	25.99	34.12	60	8.04	10.41	14.66	19.22	23.18	28.59	37.53
7.36	9.52	13.38	17.53	21.15	26.08	34.27	61	8.10	10.47	14.72	19.28	23.27	28.69	37.70
7.40	9.56	13.44	17.59	21.21	26.15	34.41	62	8.14	10.52	14.78	19.35	23.33	28.77	37.85
7.42	9.61	13.51	17.64	21.28	26.23	34.55	63	8.16	10.57	14.86	19.40	23.41	28.85	38.01
7.46	9.65	13.57	17.69	21.34	26.30	34.68	64	8.21	10.62	14.93	19.46	23.47	28.93	38.15
7.50	9.70	13.62	17.75	21.41	26.38	34.81	65	8.25	10.67	14.98	19.53	23.55	29.02	38.29
7.55	9.75	13.68	17.80	21.46	26.45	34.93	66	8.31	10.73	15.05	19.58	23.61	29.10	38.42
7.59	9.79	13.74	17.86	21.53	26.52	35.06	67	8.35	10.77	15.11	19.65	23.68	29.17	38.57
7.62	9.83	13.81	17.91	21.58	26.59	35.19	68	8.38	10.81	15.19	19.70	23.74	29.25	38.71
7.66	9.87	13.86	17.95	21.64	26.66	35.29	69	8.43	10.86	15.25	19.75	23.80	29.33	38.82
7.70	9.93	13.92	18.01	21.69	26.72	35.42	70	8.47	10.92	15.31	19.81	23.86	29.39	38.96
34.07	38.18	44.22	53.79	65.11	80.53	106.01	Oversized Parcels ^a	34.75	38.94	45.10	54.87	66.41	82.14	108.13

Schedule [322.1A] 521.2A Notes

- 1 For nonmachinable Inter-BMC parcels, add [\$1.69] \$1.79 per piece.
- 2 For each pickup stop, add [\$8.25] \$10.25.
- 3 For Origin Bulk Mail Center Discount, deduct [\$0.57] \$0.93 per piece.
- 4 For BMC Presort, deduct [\$0.22] \$0.23 per piece.
- 5 For Barcode[d] Discount, deduct \$0.03 per piece.
- 6 See DMCS section [322.161]521.61 for oversize Parcel Post.
- 7 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.

[Standard Mail] Package Services

Rate Schedule [322.1B] 521.2B

Parcel Post Subclass

Intra-BMC Rates

(dollars)

Current						Proposed					
Weight Not Over (Pounds)	Local	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Weight Not Over (Pounds)	Local	Zones 1 & 2	Zone 3	Zone 4	Zone 5
2	\$2.67	\$2.80	\$2.80	\$2.80	\$2.80	2	\$2.82	\$3.08	\$3.08	\$3.08	\$3.08
3	2.87	3.17	3.26	3.27	3.29	3	3.04	3.49	3.49	3.49	3.49
4	3.04	3.32	3.57	3.58	4.14	4	3.25	3.65	3.85	3.85	4.10
5	3.19	3.45	3.85	3.88	4.63	5	3.44	3.80	4.19	4.19	4.58
6	3.28	3.58	4.13	4.15	5.08	6	3.61	3.94	4.50	4.50	5.03
7	3.35	3.69	4.37	4.40	5.50	7	3.69	4.06	4.79	4.79	5.45
8	3.43	3.82	4.59	4.63	5.90	8	3.77	4.20	5.05	5.07	5.84
9	3.50	3.91	4.77	4.86	6.27	9	3.85	4.30	5.25	5.32	6.21
10	3.58	4.03	5.01	5.08	6.62	10	3.94	4.43	5.51	5.56	6.55
11	3.64	4.12	5.18	5.27	6.94	11	4.00	4.53	5.70	5.79	6.87
12	3.71	4.23	5.33	5.47	7.26	12	4.08	4.65	5.86	6.00	7.19
13	3.78	4.32	5.46	5.65	7.54	13	4.16	4.75	6.01	6.20	7.46
14	3.84	4.41	5.55	5.83	7.82	14	4.22	4.85	6.11	6.40	7.74
15	3.90	4.49	5.68	5.99	8.08	15	4.29	4.94	6.25	6.58	8.00
16	3.97	4.56	5.81	6.15	8.33	16	4.37	5.02	6.39	6.75	8.25
17	4.02	4.65	5.93	6.31	8.56	17	4.42	5.12	6.52	6.92	8.47
18	4.07	4.72	6.05	6.45	8.80	18	4.48	5.19	6.66	7.08	8.71
19	4.12	4.81	6.16	6.59	9.01	19	4.53	5.29	6.78	7.23	8.92
20	4.19	4.88	6.27	6.74	9.21	20	4.61	5.37	6.90	7.37	9.12
21	4.23	4.94	6.38	6.87	9.41	21	4.65	5.43	7.02	7.51	9.32
22	4.28	5.02	6.47	7.00	9.60	22	4.71	5.52	7.12	7.64	9.50
23	4.33	5.08	6.59	7.13	9.79	23	4.76	5.59	7.25	7.77	9.69
24	4.38	5.14	6.68	7.24	9.96	24	4.82	5.65	7.35	7.90	9.86
25	4.43	5.20	6.77	7.36	10.13	25	4.87	5.72	7.45	8.02	10.03
26	4.47	5.27	6.86	7.47	10.29	26	4.92	5.80	7.55	8.13	10.19
27	4.52	5.33	6.96	7.58	10.44	27	4.97	5.86	7.66	8.24	10.34
28	4.56	5.38	7.05	7.69	10.59	28	5.02	5.92	7.76	8.35	10.48
29	4.62	5.45	7.14	7.80	10.74	29	5.08	6.00	7.85	8.45	10.63
30	4.67	5.50	7.22	7.89	10.89	30	5.14	6.05	7.94	8.55	10.78
31	4.71	5.56	7.28	7.99	11.02	31	5.18	6.12	8.01	8.65	10.91
32	4.75	5.62	7.37	8.09	11.15	32	5.23	6.18	8.11	8.74	11.04
33	4.80	5.67	7.45	8.19	11.29	33	5.28	6.24	8.20	8.84	11.18
34	4.84	5.72	7.51	8.27	11.40	34	5.32	6.29	8.26	8.92	11.29
35	4.88	5.77	7.59	8.37	11.52	35	5.37	6.35	8.35	9.01	11.40

Parcel Post Subclass
Intra-BMC Rates (Continued)

Current						Proposed					
Weight Not Over (Pounds)	Local	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Weight Not Over (Pounds)	Local	Zones 1 & 2	Zone 3	Zone 4	Zone 5
36	4.91	5.82	7.66	8.46	11.65	36	5.40	6.40	8.43	9.10	11.53
37	4.95	5.88	7.72	8.54	11.76	37	5.45	6.47	8.49	9.18	11.64
38	4.99	5.93	7.80	8.62	11.87	38	5.49	6.52	8.58	9.26	11.75
39	5.04	5.98	7.87	8.71	11.97	39	5.54	6.58	8.66	9.33	11.85
40	5.08	6.02	7.93	8.78	12.08	40	5.59	6.62	8.72	9.41	11.96
41	5.12	6.08	8.01	8.87	12.18	41	5.63	6.69	8.81	9.48	12.06
42	5.16	6.12	8.06	8.94	12.27	42	5.68	6.73	8.87	9.55	12.15
43	5.20	6.16	8.13	9.02	12.38	43	5.72	6.78	8.94	9.62	12.26
44	5.25	6.21	8.18	9.10	12.46	44	5.78	6.83	9.00	9.69	12.34
45	5.28	6.25	8.24	9.16	12.56	45	5.81	6.88	9.06	9.76	12.43
46	5.32	6.31	8.31	9.24	12.64	46	5.85	6.94	9.14	9.82	12.51
47	5.36	6.36	8.36	9.30	12.73	47	5.90	7.00	9.20	9.89	12.60
48	5.40	6.40	8.42	9.38	12.83	48	5.94	7.04	9.26	9.95	12.70
49	5.43	6.44	8.48	9.44	12.90	49	5.97	7.08	9.33	10.01	12.77
50	5.47	6.47	8.53	9.51	12.99	50	6.02	7.12	9.38	10.07	12.86
51	5.51	6.53	8.58	9.57	13.06	51	6.06	7.18	9.44	10.13	12.93
52	5.54	6.57	8.65	9.64	13.14	52	6.09	7.23	9.52	10.18	13.01
53	5.58	6.60	8.70	9.70	13.21	53	6.14	7.26	9.57	10.24	13.08
54	5.62	6.64	8.75	9.76	13.29	54	6.18	7.30	9.63	10.30	13.16
55	5.66	6.68	8.79	9.82	13.36	55	6.23	7.35	9.67	10.35	13.23
56	5.69	6.73	8.85	9.89	13.42	56	6.26	7.40	9.74	10.41	13.29
57	5.72	6.77	8.91	9.94	13.50	57	6.29	7.45	9.80	10.46	13.37
58	5.76	6.81	8.94	9.99	13.57	58	6.34	7.49	9.83	10.51	13.43
59	5.80	6.85	9.00	10.06	13.63	59	6.38	7.54	9.90	10.56	13.49
60	5.82	6.89	9.05	10.11	13.70	60	6.40	7.58	9.96	10.61	13.56
61	5.88	6.94	9.10	10.17	13.77	61	6.47	7.63	10.01	10.66	13.63
62	5.90	6.98	9.14	10.22	13.82	62	6.49	7.68	10.05	10.71	13.68
63	5.94	7.01	9.19	10.28	13.88	63	6.53	7.71	10.11	10.75	13.74
64	5.97	7.05	9.23	10.33	13.95	64	6.57	7.76	10.15	10.80	13.81
65	6.01	7.09	9.28	10.38	14.00	65	6.61	7.80	10.21	10.84	13.86
66	6.03	7.14	9.33	10.44	14.07	66	6.63	7.85	10.26	10.89	13.93
67	6.08	7.18	9.37	10.49	14.12	67	6.69	7.90	10.31	10.93	13.98
68	6.11	7.20	9.41	10.54	14.17	68	6.72	7.92	10.35	10.98	14.03
69	6.15	7.24	9.45	10.59	14.23	69	6.77	7.96	10.40	11.02	14.09
70	6.18	7.28	9.52	10.64	14.28	70	6.80	8.01	10.47	11.06	14.14
Oversized ³	19.43	28.42	28.42	28.42	28.42	Oversized ³	19.82	28.99	28.99	28.99	28.99

Schedule [322.1B] 521.2B Notes

- 1 For each pickup stop, add: [~~\$8.25~~] \$10.25.
- 2 For Barcode[d] Discount, deduct \$0.03 per piece.
- 3 See DMCS section [322.161]521.61 for oversize Parcel Post.
- 4 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.
- 5 For nonmachinable intra-BMC parcels, add \$0.40 per piece.

[Standard Mail] Package Services

Rate Schedule [322.1C] 521.2C

Parcel Post Subclass

Parcel Select - Destination BMC Rates

(dollars)

Current					Proposed				
Weight Not Over (Pounds)	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Weight Not Over (Pounds)	Zones 1&2	Zone 3	Zone 4	Zone 5
2	\$2.23	\$2.40	\$2.40	\$2.40	2	\$2.22	\$2.40	\$2.58	\$2.59
3	2.40	2.86	2.87	2.89	3	2.39	2.85	3.03	3.12
4	2.58	3.17	3.18	3.94	4	2.57	3.15	3.43	4.26
5	2.74	3.45	3.48	4.40	5	2.73	3.43	3.76	4.75
6	2.88	3.73	3.75	4.83	6	2.84	3.68	4.05	5.22
7	3.02	3.97	4.00	5.22	7	3.00	3.95	4.32	5.64
8	3.15	4.19	4.23	5.60	8	3.15	4.22	4.57	6.05
9	3.28	4.37	4.46	5.95	9	3.29	4.47	4.82	6.43
10	3.40	4.51	4.68	6.29	10	3.43	4.71	5.05	6.79
11	3.51	4.67	4.87	6.59	11	3.57	4.94	5.26	7.12
12	3.62	4.81	5.07	6.89	12	3.70	5.17	5.48	7.44
13	3.73	4.93	5.25	7.16	13	3.82	5.32	5.67	7.73
14	3.82	5.08	5.43	7.42	14	3.94	5.49	5.87	8.01
15	3.91	5.20	5.59	7.67	15	4.06	5.62	6.04	8.28
16	4.01	5.32	5.75	7.91	16	4.18	5.75	6.21	8.54
17	4.09	5.43	5.91	8.13	17	4.29	5.86	6.38	8.78
18	4.18	5.54	6.05	8.35	18	4.40	5.98	6.53	9.02
19	4.26	5.64	6.19	8.55	19	4.50	6.09	6.69	9.23
20	4.34	5.75	6.34	8.74	20	4.61	6.21	6.85	9.44
21	4.42	5.85	6.47	8.94	21	4.71	6.32	6.99	9.66
22	4.49	5.94	6.60	9.12	22	4.81	6.42	7.13	9.85
23	4.56	6.05	6.73	9.30	23	4.90	6.53	7.27	10.04
24	4.63	6.14	6.84	9.46	24	5.00	6.63	7.39	10.22
25	4.70	6.21	6.96	9.62	25	5.08	6.71	7.52	10.39
26	4.76	6.31	7.07	9.78	26	5.14	6.81	7.64	10.56
27	4.83	6.38	7.18	9.92	27	5.22	6.89	7.75	10.71
28	4.98	6.47	7.29	10.07	28	5.28	6.99	7.87	10.88
29	4.96	6.57	7.40	10.21	29	5.36	7.10	7.99	11.03
30	5.01	6.63	7.49	10.35	30	5.41	7.16	8.09	11.18
31	5.08	6.70	7.59	10.48	31	5.49	7.24	8.20	11.32
32	5.13	6.79	7.69	10.61	32	5.54	7.33	8.31	11.46
33	5.19	6.85	7.79	10.73	33	5.61	7.40	8.41	11.59
34	5.25	6.92	7.87	10.84	34	5.67	7.47	8.50	11.71
35	5.31	6.99	7.97	10.96	35	5.73	7.55	8.61	11.84

Destination BMC Rates (Continued)

Current					Proposed				
Weight Not Over (Pounds)	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Weight Not Over (Pounds)	Zones 1&2	Zone 3	Zone 4	Zone 5
36	5.36	7.05	8.06	11.08	36	5.79	7.61	8.70	11.97
37	5.40	7.11	8.14	11.19	37	5.83	7.68	8.79	12.09
38	5.46	7.19	8.22	11.29	38	5.90	7.77	8.88	12.19
39	5.51	7.24	8.31	11.39	39	5.95	7.82	8.97	12.30
40	5.56	7.31	8.38	11.50	40	6.00	7.89	9.05	12.42
41	5.61	7.38	8.47	11.59	41	6.06	7.97	9.15	12.52
42	5.65	7.44	8.54	11.68	42	6.10	8.04	9.22	12.61
43	5.71	7.49	8.62	11.79	43	6.17	8.09	9.31	12.73
44	5.75	7.54	8.70	11.87	44	6.21	8.14	9.40	12.82
45	5.79	7.61	8.76	11.96	45	6.25	8.22	9.46	12.92
46	5.85	7.67	8.84	12.04	46	6.32	8.28	9.55	13.00
47	5.89	7.72	8.90	12.13	47	6.36	8.34	9.61	13.10
48	5.93	7.77	8.98	12.22	48	6.40	8.39	9.70	13.20
49	5.98	7.83	9.04	12.29	49	6.46	8.46	9.76	13.27
50	6.02	7.88	9.11	12.36	50	6.50	8.51	9.84	13.37
51	6.06	7.93	9.17	12.45	51	6.54	8.56	9.90	13.45
52	6.11	8.00	9.24	12.52	52	6.60	8.64	9.98	13.52
53	6.14	8.05	9.30	12.60	53	6.63	8.69	10.04	13.61
54	6.18	8.09	9.36	12.67	54	6.67	8.74	10.11	13.68
55	6.23	8.13	9.42	12.74	55	6.73	8.78	10.17	13.76
56	6.27	8.19	9.49	12.80	56	6.77	8.85	10.25	13.82
57	6.30	8.24	9.54	12.88	57	6.80	8.90	10.30	13.91
58	6.35	8.28	9.59	12.94	58	6.86	8.94	10.36	13.98
59	6.38	8.33	9.66	13.01	59	6.89	9.00	10.43	14.05
60	6.42	8.39	9.71	13.07	60	6.93	9.06	10.49	14.12
61	6.46	8.42	9.77	13.14	61	6.98	9.09	10.55	14.19
62	6.50	8.46	9.82	13.19	62	7.02	9.14	10.61	14.25
63	6.53	8.52	9.88	13.25	63	7.05	9.20	10.67	14.31
64	6.57	8.55	9.93	13.31	64	7.10	9.23	10.72	14.37
65	6.61	8.61	9.98	13.37	65	7.14	9.30	10.78	14.44
66	6.65	8.66	10.04	13.43	66	7.18	9.35	10.84	14.50
67	6.68	8.70	10.09	13.48	67	7.21	9.40	10.90	14.56
68	6.71	8.74	10.14	13.54	68	7.25	9.44	10.95	14.62
69	6.75	8.76	10.19	13.59	69	7.29	9.46	11.01	14.68
70	6.79	8.83	10.24	13.64	70	7.33	9.54	11.06	14.73
Oversized ²	15.43	22.73	28.00	28.00	Oversized ²	16.66	24.55	30.24	30.24

Schedule [322.1C] 521.2C Notes

- 1 For Barcode[d] Discount, deduct \$0.03 per piece.
- 2 See DMCS section [322.161]521.61 for oversize Parcel Post.
- 3 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.
- 4 A fee of [\$100.00] \$125.00 must be paid each year for [DBMC, DSCF, and DDU] Parcel Select.
- 5 For nonmachinable DBMC parcels, add \$0.45 per piece.

[Standard Mail] Package Services

Rate Schedule [322.1D] 521.2D

Parcel Post Subclass

Parcel Select - Destination SCF Rates

(dollars)

Current				Proposed			
Weight Not Over (Pounds)	DSCF	Weight Not Over (Pounds)	DSCF	Weight Not Over (Pounds)	DSCF	Weight Not Over (Pounds)	DSCF
2	\$1.67	36	\$3.94	2	\$1.67	36	\$3.94
3	1.78	37	3.91	3	1.78	37	3.91
4	1.91	38	3.95	4	1.91	38	3.95
5	2.02	39	4.00	5	2.02	39	4.00
6	2.12	40	4.10	6	2.12	40	4.10
7	2.21	41	4.09	7	2.21	41	4.09
8	2.30	42	4.13	8	2.30	42	4.13
9	2.40	43	4.18	9	2.40	43	4.18
10	2.48	44	4.26	10	2.48	44	4.26
11	2.56	45	4.29	11	2.56	45	4.29
12	2.64	46	4.34	12	2.64	46	4.34
13	2.72	47	4.37	13	2.72	47	4.37
14	2.78	48	4.40	14	2.78	48	4.40
15	2.84	49	4.45	15	2.84	49	4.45
16	2.92	50	4.48	16	2.92	50	4.48
17	2.98	51	4.51	17	2.98	51	4.51
18	3.04	52	4.55	18	3.04	52	4.55
19	3.10	53	4.58	19	3.10	53	4.58
20	3.16	54	4.61	20	3.16	54	4.61
21	3.22	55	4.65	21	3.22	55	4.65
22	3.27	56	4.69	22	3.27	56	4.69
23	3.32	57	4.71	23	3.32	57	4.71
24	3.38	58	4.76	24	3.38	58	4.76
25	3.43	59	4.78	25	3.43	59	4.78
26	3.47	60	4.82	26	3.47	60	4.82
27	3.53	61	4.85	27	3.53	61	4.85
28	3.57	62	4.88	28	3.57	62	4.88
29	3.63	63	4.91	29	3.63	63	4.91
30	3.94	64	4.94	30	3.94	64	4.94
31	3.72	65	5.05	31	3.72	65	5.05
32	3.76	66	5.08	32	3.76	66	5.08
33	3.81	67	5.12	33	3.81	67	5.12
34	3.86	68	5.15	34	3.86	68	5.15
35	3.90	69	5.19	35	3.90	69	5.19
		70	5.22			70	5.22
		Oversize ¹	12.14			Oversize ¹	12.14

Schedule [322.1D] 521.2D Notes

- 1 See DMCS section [322.161]521.61 for oversize Parcel Post.
- 2 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.
- 3 A fee of [\$100.00] \$125.00 must be paid each year for [DBMC, DSCF, and DDU] Parcel Select.

[Standard Mail] Package Services

Rate Schedule [322.1E] 521.2E

Parcel Post Subclass

Parcel Select - Destination Delivery Unit Rates

(dollars)

Current				Proposed			
Weight Not Over (Pounds)	DDU	Weight Not Over (Pounds)	DDU	Weight Not Over (Pounds)	DDU	Weight Not Over (Pounds)	DDU
2	\$1.21	36	\$2.46	2	\$1.21	36	\$2.46
3	1.26	37	2.47	3	1.26	37	2.47
4	1.32	38	2.51	4	1.32	38	2.51
5	1.37	39	2.54	5	1.37	39	2.54
6	1.41	40	2.57	6	1.41	40	2.57
7	1.45	41	2.60	7	1.45	41	2.60
8	1.50	42	2.65	8	1.50	42	2.65
9	1.55	43	2.67	9	1.55	43	2.67
10	1.59	44	2.67	10	1.59	44	2.67
11	1.63	45	2.70	11	1.63	45	2.70
12	1.67	46	2.74	12	1.67	46	2.74
13	1.72	47	2.77	13	1.72	47	2.77
14	1.74	48	2.79	14	1.74	48	2.79
15	1.78	49	2.82	15	1.78	49	2.82
16	1.82	50	2.84	16	1.82	50	2.84
17	1.85	51	2.87	17	1.85	51	2.87
18	1.90	52	2.90	18	1.90	52	2.90
19	1.92	53	2.92	19	1.92	53	2.92
20	1.96	54	2.94	20	1.96	54	2.94
21	1.99	55	2.98	21	1.99	55	2.98
22	2.02	56	3.01	22	2.02	56	3.01
23	2.06	57	3.03	23	2.06	57	3.03
24	2.08	58	3.07	24	2.08	58	3.07
25	2.12	59	3.07	25	2.12	59	3.07
26	2.15	60	3.10	26	2.15	60	3.10
27	2.19	61	3.13	27	2.19	61	3.13
28	2.21	62	3.16	28	2.21	62	3.16
29	2.25	63	3.18	29	2.25	63	3.18
30	2.27	64	3.21	30	2.27	64	3.21
31	2.31	65	3.24	31	2.31	65	3.24
32	2.33	66	3.27	32	2.33	66	3.27
33	2.36	67	3.29	33	2.36	67	3.29
34	2.40	68	3.31	34	2.40	68	3.31
35	2.43	69	3.34	35	2.43	69	3.34
		70	3.38			70	3.38
		Oversize ¹	8.69			Oversize ¹	8.69

Schedule [322.1E] 521.2E Notes

- 1 See DMCS section [322.161]521.61 for oversize Parcel Post.
- 2 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.
- 3 A fee of [\$100.00] \$125.00 must be paid each year for [DBMC, DSCF, and DDU] Parcel Select.

[Standard Mail] Package Services

Rate Schedule [322.3A] 522A
Bound Printed Matter Subclass
Single Piece Rates^{1,2}
(dollars)

Proposed

Weight Not Over (Pounds)	Local	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
1.5	N/A	1.70	1.75	1.82	1.93	2.03	2.17	2.27
2	N/A	1.74	1.80	1.90	2.04	2.18	2.36	2.50
2.5	N/A	1.78	1.86	1.98	2.16	2.33	2.56	2.73
3	N/A	1.82	1.91	2.06	2.27	2.48	2.75	2.96
3.5	N/A	1.86	1.97	2.14	2.39	2.63	2.95	3.19
4	N/A	1.90	2.02	2.22	2.50	2.78	3.14	3.42
4.5	N/A	1.94	2.08	2.30	2.62	2.93	3.34	3.65
5	N/A	1.98	2.13	2.38	2.73	3.08	3.53	3.88
6	N/A	2.06	2.24	2.54	2.96	3.38	3.92	4.34
7	N/A	2.14	2.35	2.70	3.19	3.68	4.31	4.80
8	N/A	2.22	2.46	2.86	3.42	3.98	4.70	5.26
9	N/A	2.30	2.57	3.02	3.65	4.28	5.09	5.72
10	N/A	2.38	2.68	3.18	3.88	4.58	5.48	6.18
11	N/A	2.46	2.79	3.34	4.11	4.88	5.87	6.64
12	N/A	2.54	2.90	3.50	4.34	5.18	6.26	7.10
13	N/A	2.62	3.01	3.66	4.57	5.48	6.65	7.56
14	N/A	2.70	3.12	3.82	4.80	5.78	7.04	8.02
15	N/A	2.78	3.23	3.98	5.03	6.08	7.43	8.48

Schedule [322.3A] 522A Notes

- 1 Includes both catalogs and similar Bound Printed Matter.
- 2 For barcode[d] discount, deduct \$0.03 per piece.

[Standard Mail] Package Services

Rate Schedule [322.3B] 522B

Bound Printed Matter Subclass

[Bulk] Basic Presort and Carrier Route Presort Rates¹

(dollars)

Current				Proposed			
Zone	Per Piece		Per Pound	Zone	Per Piece		Per Pound
	[Per Piece] Basic ³	Carrier Route ²			[Per Piece] Basic ³	Carrier Route ²	
Local	\$0.54	\$0.463	\$0.028	Local	N/A	N/A	N/A
1 & 2	0.72	0.643	0.051	1 & 2	\$0.905	\$0.828	\$0.064
3	0.72	0.643	0.073	3	0.905	0.828	0.092
4	0.72	0.643	0.112	4	0.905	0.828	0.138
5	0.72	0.643	0.171	5	0.905	0.828	0.209
6	0.72	0.643	0.233	6	0.905	0.828	0.286
7	0.72	0.643	0.307	7	0.905	0.828	0.376
8	0.72	0.643	0.371	8	0.905	0.828	0.450

Schedule [322.3B] 522B Notes

- 1 Includes both catalogs and similar bound printed matter.
- 2 Applies to mailings of at least 300 pieces presorted to carrier route as specified by the Postal Service.
- 3 For barcode[d] discount, deduct \$0.03 per piece.

Package Services
Rate Schedule 522C
Bound Printed Matter Subclass
Destination Entry Basic Presort¹

Proposed

	DBMC Zones 1 & 2	DBMC Zone 3	DBMC Zone 4	DBMC Zone 5	DSCF	DDU
Per Piece	\$0.843	\$0.843	\$0.843	\$0.843	\$0.659	\$0.608
Per Pound	0.060	0.086	0.132	0.201	0.035	0.033

Schedule 522C Notes

1. For barcode discount, deduct \$0.03 per piece. Barcode discount is not available for DDU and DSCF rates and DBMC mail entered at an ASF (except Phoenix, Arizona ASF).

Package Services
Rate Schedule 522D
Bound Printed Matter Subclass
Destination Entry Carrier Route Presort

<u>Proposed</u>	<u>DBMC Zones 1 & 2</u>	<u>DBMC Zone 3</u>	<u>DBMC Zone 4</u>	<u>DBMC Zone 5</u>	<u>DSCF</u>	<u>DDU</u>
Per Piece	\$0.766	\$0.766	\$0.766	\$0.766	\$0.582	\$0.531
Per Pound	0.060	0.086	0.132	0.201	0.035	0.033

[Standard Mail] Package Services

Rate Schedule[s 323.1 and 323.2] 523

[Special and Library Rate] Media Mail Subclass[es]

[Schedule 323.1: Special]

		Current Rates (cents)	Proposed Rates (cents)
First Pound	Not Presorted ⁴	113	121
	Level A Presort (5-digits) ^{1,2}	64	68
	Level B Presort (BMC) ^{1,3,4}	95	99
Each additional pound through 7 pounds		45	45
Each additional pound over 7 pounds		28	30

Schedule [323.1] 523

- 1 A fee of [~~\$100.00~~] \$125.00 must be paid once each 12-month period for each permit.
- 2 For mailings of 500 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 Barcode[d] Discount, deduct \$0.03.

[Standard Mail] Package Services

**Rate Schedule[s 323.1 and 323.2] 524
[Special and] Library Mail [Rate] Subclass[es]**

[Schedule 323.2: Library]

		Current Rates (cents)	Proposed Rates (cents)
First Pound	Not Presorted ⁴	113	120
	Level A Presort (5-digits) ^{1,2}	64	67
	Level B Presort (BMC) ^{1,3,4}	95	98
Each additional pound through 7 pounds		45	45
Each additional pound over 7 pounds		28	30

Schedule [323.2] 524 Notes

- 1 A fee of [\$100.00] \$125.00 must be paid once each 12-month period for each permit.
- 2 For mailings of 500 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 Barcode[d] Discount, deduct \$0.03.

Fee Schedule 911

Address Corrections

[Description]	Current Fee	Proposed Fee
Per manual correction	\$0.50	\$0.60
Per automated correction	\$0.20	\$0.20

Fee Schedule 912

ZIP Coding Mailing Lists

	Current Fee	Proposed Fee
Per thousand addresses	\$70.00	\$73.00

Correction of Mailing Lists

		[Fee]
Per submitted address	\$0.20	\$0.25
Minimum charge per list corrected	\$7.00	\$7.50

**Address Changes for Election Boards
and Registration Commissions**

		[Fee]
Per change of address	\$0.17	\$0.24

**Corrections Associated with Arrangement
of Address Cards in Carrier Delivery Sequence**

		[Fee]
Per correction	\$0.20	\$0.25

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

[Edit Part I of Fee Schedule 921 as follows:]

I. Post Office Boxes

Semi-annual Box Fees¹

Current

Box Size ² Fee Group	1	2	3	4	5
A	\$30.00	\$46.00	\$80.00	\$151.00	\$261.00
B	27.00	41.00	70.00	136.00	217.00
C	22.00	32.00	57.00	97.00	162.00
D	7.00	12.00	22.00	33.00	52.00
E	0.00	0.00	0.00	0.00	0.00

Proposed

Box Size ² Fee Group	1	2	3	4	5
B2	\$30.00	\$45.00	\$85.00	\$170.00	\$300.00
C3	27.50	40.00	75.00	150.00	250.00
C4	22.50	32.50	60.00	125.00	212.50
C5	19.00	27.50	50.00	87.50	150.00
D6	10.00	16.00	25.00	50.00	90.00
D7	8.50	13.00	22.50	40.00	65.00
E	0.00	0.00	0.00	0.00	0.00

1. A customer ineligible for carrier delivery may obtain a post office box at 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.

II. Key Duplication and Lock Changes

Key duplication or replacement

Post office box lock replacement

**Current
Fee**

**Proposed
Fee**

N/A

\$4.00

N/A

\$10.00

III. Semi-annual Caller Service Fees

\$275.00

\$375.00

[Fee Group]

[A \$275]

[B \$275]

[C \$275]

[D \$275]

[III.] IV. Annual Call Number Reservation Fee

(All applicable Fee Groups)

\$36.00

\$30.00

Fee Schedule 931

Business Reply Mail

	Current Fee	Proposed Fee
Active business reply advance deposit account:		
Per piece		
<u>Qualified (without Quarterly fee)</u>	\$0.05	\$0.06
<u>Qualified (with Quarterly fee)</u>	N/A	\$0.03
Nonletter-size, using weight averaging	\$0.01	\$0.01
Other	\$0.08	\$0.10
Payment of postage due charges if active business reply mail advance deposit account not used:		
Per piece	\$0.30	\$0.35
Annual License and Accounting Fees:		
Accounting [F]fee for [A]advance [D]deposit [A]account	\$300.00	\$375.00
Permit fee (with or without [A]advance [D]deposit [A]account)	\$100.00	\$125.00
Monthly Fees for customers using weight averaging for nonletter-size business reply	\$600.00	\$600.00
<u>Qualified BRM Quarterly Fee</u>	N/A	\$850.00

Fee Schedule 932

Merchandise Return

	Current Fee	Proposed Fee
[Per Transaction]		
[Shipper must have an advance deposit account] [(see DMCS Schedule 1000)]	[\$0.30]	
<u>Annual License and Accounting Fees:</u>		
<u>Permit fee</u>	\$100.00	\$125.00
<u>Accounting fee for advance deposit account</u>	\$N/A	\$375.00

Fee Schedule 933

On-Site Meter Service[Setting]

	Current Fee	Proposed Fee
[First Meter By appointment]	[\$27.50]	
[Unscheduled request]	[\$31.00]	
<u>Meter Service (per employee)</u>	\$27.50/\$31.00	\$31.00
[Additional meters]	\$4.00	NA
<u>Meters reset and/or examined (per meter)</u>	NA	\$4.00
Checking meter in or out of service (per meter)	\$8.50	\$4.00

Fee Schedule 934

[Reserved]

Fee Schedule 935

Bulk Parcel Return Service

	Current Fee	Proposed Fee
Per Returned Piece	\$1.75	\$1.65
<u>Annual License and Accounting Fees:</u>		
<u>Permit fee</u>	\$100.00	\$125.00
<u>Accounting fee for advance deposit account</u>	N/A	\$375.00

Fee Schedule 936

Shipper Paid Forwarding

	<u>Current Fee</u>	<u>Proposed Fee</u>
<u>Annual accounting fee for advance deposit account</u>	N/A	<u>\$375.00</u>

Fee Schedule 941

Certified Mail

[Description]	Current Fee (in addition to postage)	Proposed Fee (in addition to postage)
<u>Per piece</u> [Service (per mailpiece)]	\$1.40	\$2.10

Fee Schedule 942

Registered Mail

Declared Value of Article ¹	Current		Proposed	
	Fee (in addition to postage)	Handling Charge	Fee (in addition to postage)	Handling Charge
\$0.00	\$6.00	None	\$7.25	None
\$0.01 to 100	6.20		\$7.50	
100.01 to 500	6.75		8.25	
500.01 to 1,000	7.30		9.00	
1,000.01 to 2,000	7.85		9.75	
2,000.01 to 3,000	8.40		10.50	
3,000.01 to 4,000	8.95		11.25	
4,000.01 to 5,000	9.50		12.00	
5,000.01 to 6,000	10.05		12.75	
6,000.01 to 7,000	10.60		13.50	
7,000.01 to 8,000	11.15		14.25	
8,000.01 to 9,000	11.70		15.00	
9,000.01 to 10,000	12.25		15.75	
10,000.01 to 11,000	12.80		16.50	
11,000.01 to 12,000	13.35		17.25	
12,000.01 to 13,000	13.90		18.00	
13,000.01 to 14,000	14.45		18.75	
14,000.01 to 15,000	15.00		19.50	
15,000.01 to 16,000	15.55		20.25	
16,000.01 to 17,000	16.10		21.00	
17,000.01 to 18,000	16.65		21.75	
18,000.01 to 19,000	17.20		22.50	
19,000.01 to 20,000	17.75		23.25	
20,000.01 to 21,000	18.30		24.00	
21,000.01 to 22,000	18.85		24.75	
22,000.01 to 23,000	19.40		25.50	
23,000.01 to 24,000	19.95		26.25	
24,000.01 to 25,000	20.50		27.00	

Declared Value of Article¹	Current Fee (in addition to postage)		Proposed Fee (in addition to postage)	
25,000.01 to 1 million	\$20.50	plus 55 cents for each \$1,000 (or fraction thereof) over \$25,000	\$27.00	plus 75 cents for each \$1,000 (or fraction thereof) over \$25,000
Over \$1 million to 15 million	\$556.75	plus 55 cents for each \$1,000 (or fraction thereof) over \$1 million	\$758.25	plus 75 cents for each \$1,000 (or fraction thereof) over \$1 million
Over 15 million	\$8,256.75	plus amount determined by the Postal Service based on weight, space and value	\$11,258.25	plus 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.

Fee Schedule 943

Insurance

Express Mail Insurance

Document Reconstruction

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

Merchandise

Coverage	Current Fee (in addition to postage) no charge	Proposed Fee (in addition to postage) no charge
\$0.01 to \$500		
500.1 to 5000	\$0.95 for each \$100 (or fraction thereof) over \$500 in value	\$1.00 for each \$100 (or fraction thereof) over \$500 in value

General Insurance

Coverage	Current Fee ¹ (in addition to postage)	Proposed Fee ¹ (in addition to postage)
\$0.01 to \$50	\$0.85	\$1.35
50.01 to 100	\$1.80	\$2.10
100.01 to 5000	\$1.80 plus 0.95 for each \$100 (or fraction thereof) over \$100 in coverage	\$2.10 plus \$1.00 for each \$100 (or fraction thereof) over \$100 in coverage

¹ For bulk insurance coverage between \$0.01 to \$50.00, deduct [\$0.40] \$0.75 per piece.
For bulk insurance coverage between \$50.01 to \$5,000.00, deduct [\$0.40] \$1.00 per piece.

Fee Schedule 944

Collect on Delivery

Fee
(in addition to postage)

Amount to be collected, or
Insurance Coverage Desired

	Current	Proposed
\$0.01 to \$50	\$4.00	\$4.50
50.01 to 100	\$5.00	\$5.50
100.01 to 200	\$6.00	\$6.50
200.01 to 300	\$7.00	\$7.50
300.01 to 400	\$8.00	\$8.50
400.01 to 500	\$9.00	\$9.50
500.01 to 600	\$10.00	\$10.50
600.01 to 700	N/A	\$11.50
700.01 to 800	N/A	\$12.50
800.01 to 900	N/A	\$13.50
900.01 to 1000	N/A	\$14.50
Notice of nondelivery of COD	\$3.00	\$3.00
Alteration of COD charges or designation of new addressee	\$3.00	\$3.00
Registered COD	\$4.00	\$4.00

Fee Schedule 945

Return Receipts

	Current Fee (in addition to postage)	Proposed Fee (in addition to postage)
Receipt [Issued] <u>requested</u> at [T]ime of [M]ailing¹		
Items other than [M]erchandise	\$1.25	\$1.50
Merchandise (without another special service)	\$1.40	\$2.35
Receipt [Issued] requested after [M]ailing²	\$7.00	\$3.50

- 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

	Current Fee (in addition to postage)	Proposed Fee (in addition to postage)
Per Piece	\$2.75	\$3.20

Fee Schedule 947

Certificate of Mailing

	Current Fee (in addition to postage)	Proposed Fee (in addition to postage)
Individual Pieces		
Original certificate of mailing for listed pieces of all classes of ordinary mail (per piece)	\$0.60	\$0.75
Three or more pieces individually listed in a firm mailing book or an approved customer provided manifest (per piece)	\$0.25	\$0.25
Each additional copy of original certificate of mailing or original mailing receipt for registered, insured, certified, and COD mail (each copy)	\$0.60	\$0.75
Bulk Pieces		
Identical pieces of First-Class and [Regular, Enhanced Carrier Route, Nonprofit, and Nonprofit Enhance 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	\$3.50
Each additional 1,000 pieces or fraction	\$0.40	\$0.40
Duplicate copy	\$0.60	\$0.75

Fee Schedule 948

Delivery Confirmation

	Current Fee (in addition to postage)	Proposed Fee (in addition to postage)
Used in Conjunction with Priority Mail		
Electronic	\$0.00	\$0.00
Manual	\$0.35	\$0.40
Used in Conjunction with Parcel Post, Bound Printed Matter, Library <u>Mail</u> , and [Special Standard] <u>Media</u> Mail		
Electronic	\$0.25	\$0.25
Manual	\$0.60	\$0.65
<u>Used in Conjunction with Regular and Nonprofit Standard Mail</u>		
<u>Electronic</u>	N/A	\$0.25

[add new Fee Schedule 949]

Fee Schedule 949

Signature Confirmation

**Proposed
Fee**

(in addition to postage)

Used in Conjunction with Priority Mail

Electronic

\$1.25

Manual

\$1.75

Used in Conjunction with Parcel Post, Bound Printed Matter,

Library Mail, and Media Mail

Electronic

\$1.25

Manual

\$1.75

Fee Schedule 951

Parcel Air Lift

	Current Fee (in addition to Parcel Post postage)	Proposed Fee (in addition to Parcel Post postage)
Up to 2 pounds	\$0.40	\$0.40
Over 2 up to 3 pounds	\$0.75	\$0.75
Over 3 up to 4 pounds	\$1.15	\$1.15
Over 4 pounds	\$1.55	\$1.55

Fee Schedule 952

Special Handling

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

Fee Schedule 961

Stamped Envelopes

[Replace Fee Schedule 961 with the following:]

	Current Fee (in addition to postage)	Proposed Fee (in addition to postage)
Single Sale - Basic	\$0.07	\$0.08
Single Sale – Special	\$0.08	\$0.09
Household (50): 6-3/4 through 10 size		
Basic	\$3.00/\$3.25	\$3.50
Special	\$3.50	\$4.50
BULK (500) 6-3/4 size:		
Plain Basic	\$9.50/\$8.50	\$12.00
Printed Basic	\$14.00	\$17.00
BULK (500) size > 6-3/4 through 10 size		
Plain Basic	\$12.00/\$11.50	\$14.00
Printed Basic	\$15.00	\$20.00
Plain Special	\$15.50	\$19.00
Printed Special	\$19.00	\$25.00

Note: "Special" includes all envelopes with patched in indicia.

Fee Schedule 962

Stamped Cards

	Current Fee (in addition to postage)	Proposed Fee (in addition to postage)
Stamped Card	\$0.01	\$0.02
Doubled Stamped Card	\$0.02	\$0.04

Fee Schedule 971

Money Orders

		Current Fee	Proposed Fee
Domestic	\$0.01 to \$700	\$0.80	\$0.90
APO-FPO	\$0.01 to \$700	\$0.30	\$0.35
Inquiry Fee, which includes the issuance of copy of a paid money order		\$2.75	\$3.00

Schedule 981

Mailing Online

Feature	Fee
Paper (per sheet)	
8½ x 11	1.25(P ₁)
8½ x 14	1.25(P ₂)
11 x 17	1.25(P ₃)
Printing (per impression)	
Simplex (8½ x 11)	1.25(P ₄ + 0.1¢)
Simplex (8½ x 14)	1.25(P ₅ + 0.1¢)
Duplex (8½ x 11)	1.25(P ₆ + 0.1¢)
Duplex (8½ x 14)	1.25(P ₇ + 0.1¢)
Spot Color (per impression)	1.25(P ₈)
Finishing	
Folding (per fold)	1.25(P ₉)
Stapling (per staple)	1.25(P ₁₀)
Saddle Stitch (per finished piece)	1.25(P ₁₁)
Tape Binding (8½ x 11) (per finished piece)	1.25(P ₁₂)
Tape Binding (8½ x 14) (per finished piece)	1.25(P ₁₃)
Applying Tabs to Self Mailer	1.25(P ₁₄)
Envelopes	
#10 envelope	1.25(P ₁₅)
Flat envelope	1.25(P ₁₆)
Inserting (per envelope)	
#10 envelope	1.25(P ₁₇)
Flat envelope	1.25(P ₁₈)

Note: P_x represents contractual costs, for feature x, that the Postal Service will pay based on the Mailing Online printer contract between Vestcom International, Inc. and the United States Postal Service. The market test fees expire in accordance with the provisions in section 981.51.

Schedule 1000

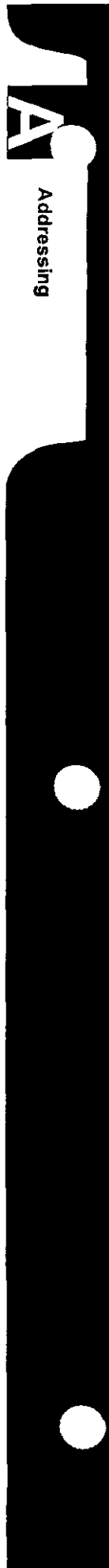
	Current Fee	Proposed Fee
First-Class Presorted Mailing	\$100.00	\$125.00
Periodicals		
A. Original Entry	\$305.00	\$350.00
B. Additional Entry	\$50.00	\$50.00
C. Re-entry	\$50.00	\$40.00
D. Registration for News Agents	\$50.00	\$40.00
Regular, Enhanced Carrier Route, Nonprofit and Nonprofit Enhanced Carrier Route Standard Mail Bulk Mailing	\$100.00	\$125.00
Parcel <u>Select</u> [Post: Destination BMC, SCF, and DDU]	\$100.00	\$125.00
<u>Bound Printed Matter: Destination BMC, SCF, and DDU</u>	N/A	\$125.00
[Special and Library Standard Mail Presorted Mailing]	[\$100.00]	
<u>Media Mail Presorted Mailing</u>	\$100.00	\$125.00
<u>Library Mail Presorted Mailing</u>	\$100.00	\$125.00
Authorization to Use Permit Imprint	\$100.00	\$125.00
[Prepaid Reply Mail Permit] [(see Fee Schedule 931)]		
Business Reply Mail Permit (see Fee Schedule 931)		
<u>Merchandise Return Permit (see Fee Schedule 932)</u>		
[Authorization to Use] Bulk Parcel Return Service <u>Permit (see Fee Schedule 935)</u>		

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) (1998), 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.

Addressing



DMM Issue 54 Plus Postal Bulletin Changes Through PB 22012 (12-2-99)

Contents

A000 Basic Addressing

- A010 General Addressing Standards
- A040 Alternative Addressing Formats
- A060 Detached Address Labels (DALs)

A800 Addressing for Automation

A900 Customer Support

- A910 Mailing List Services
- A920 Address Sequencing Services
- A930 Other Services
- A950 Coding Accuracy Support System (CASS)

Characteristics and Content



DMM Issue 54 Plus Postal Bulletin Changes Through PB 22012 (12-2-99)

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C000 General Information

- C010 General Mailability Standards
- C020 Restricted or Nonmailable Articles and Substances
 - C021 Articles and Substances Generally
 - C022 Perishables
 - C023 Hazardous Materials
 - C024 Other Restricted or Nonmailable Matter
- C030 Nonmailable Written, Printed, and Graphic Matter
 - C031 Written, Printed, and Graphic Matter Generally
 - C032 Sexually Oriented Advertisements
 - C033 Pandering Advertisements
- C050 Mail Processing Categories

C100 First-Class Mail

C200 Periodicals

C500 Express Mail

C600 Standard Mail

C800 Automation-Compatible Mail

- C810 Letters and Cards
- C820 Flats
- C830 OCR Standards
- C840 Barcoding Standards for Letters and Flats
- C850 Barcoding Standards for Standard Mail (B) Machinable Parcels

Characteristics
and Content

Deposit, Collection, and Delivery



DMM Issue 54 Plus Postal Bulletin Changes Through PB 22012 (12-2-99)

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D000 Basic Information

- D010 Pickup Service
- D020 Plant Load
- D030 Recall of Mail
- D040 Delivery of Mail
 - D041 Customer Mail Receptacles
 - D042 Conditions of Delivery
- D070 Drop Shipment
 - D071 Express Mail and Priority Mail
 - D072 Metered Mail

D100 First-Class Mail

D200 Periodicals

- D210 Basic Information
- D230 Additional Entry

D500 Express Mail

D600 Standard Mail

D900 Other Delivery Services

- D910 Post Office Box Service
- D920 Caller Service
- D930 General Delivery and Firm Holdout

Deposit, Collection,
and Delivery



Contents

E000 Special Eligibility Standards

- E010 Overseas Military Mail
- E020 Department of State Mail
- E030 Mail Sent by U.S. Armed Forces
- E040 Free Matter for the Blind and Other Handicapped Persons
- E050 Official Mail (Franked)
- E060 Official Mail (Penalty)
- E070 Mixed Classes
- E080 Absentee Balloting Materials

E100 First-Class Mail

- E110 Basic Standards
- E120 Priority Mail
- E130 Nonautomation Rates
- E140 Automation Rates
- E150 Qualified Business Reply Mail (QBRM)

E200 Periodicals

- E210 Basic Standards
 - E211 All Periodicals
 - E212 Qualification Categories
 - E213 Periodicals Mailing Privileges
 - E214 Reentry
 - E215 Copies Not Paid or Requested by Addressee
 - E216 Publisher Records
- E230 Nonautomation Rates
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- E250 Destination Entry
- E270 Preferred Periodicals

(Continued on reverse)

E

Eligibility

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E600 Standard Mail

E610 Basic Standards

E611 All Standard Mail

E612 Additional Standards for Standard Mail (A)

E613 Additional Standards for Standard Mail (B)

E620 Nonautomation Standard Mail (A) Rates

E630 Standard Mail (B)

E640 Automation Standard Mail (A) Rates

E650 Destination Entry

E651 Regular, Nonprofit, and Enhanced Carrier Route Standard Mail

E652 Parcel Post

E670 Nonprofit Standard Mail

Forwarding and Related Services



Forwarding and
Related Services

DMM Issue 54 Plus Postal Bulletin Changes Through PB 22012 (12-2-99)

Contents

F000 Basic Services

F010 Basic Information

F020 Forwarding

F030 Address Correction, Address Change, *FASTforward*, and Return Services

General Information



DMM Issue 54 Plus Postal Bulletin Changes Through PB 22012 (12-2-99)

Contents

G000 The USPS and Mailing Standards

- G010 Basic Business Information
 - G011 Post Offices and Postal Services
 - G013 Trademarks and Copyrights
- G020 Mailing Standards
- G030 Postal Zones
- G040 Information Resources
 - G041 Postal Business Centers
 - G042 Rates and Classification Service Centers
 - G043 Address List for Correspondence
- G090 Experimental Classifications and Rates
 - G092 Nonletter-Size Business Reply Mail

G900 Philatelic Services

G
General
Information

Labeling Lists

DMM Issue 54 Plus Postal Bulletin Changes Through PB 22012 (12-2-99)

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L000 General Use

- L001 5-Digit Scheme—Periodicals Flats and Irregular Parcels and Standard Mail (A) Flats
- L002 3-Digit ZIP Code Prefix Matrix
- L003 3-Digit ZIP Code Prefix Groups—3-Digit Scheme Sortation
- L004 3-Digit ZIP Code Prefix Groups—ADC Sortation
- L005 3-Digit ZIP Code Prefix Groups—SCF Sortation

L600 Standard Mail

- L601 BMCs—Machinable Parcels
- L602 BMCs/ASFs—DBMC Rates
- L603 ADCs—Irregular Parcels
- L604 Originating ADCs—Irregular Parcels
- L605 BMCs—Nonmachinable Parcel Post

L800 Automation Rate Mailings

- L801 AADCs—Letter-Size Mailings
- L802 BMC/ASF Entry—Periodicals and Standard Mail (A)
- L803 Non-BMC/ASF Entry—Periodicals and Standard Mail (A)

Mail Preparation and Sortation



DMM Issue 54 Plus Postal Bulletin Changes Through PB 22012 (12-2-99)

Contents

M000 General Preparation Standards

- M010 Mailpieces
 - M011 Basic Standards
 - M012 Markings and Endorsements
 - M013 Optional Endorsement Lines
 - M014 Carrier Route Information Lines
- M020 Packages and Bundles
- M030 Containers
 - M031 Labels
 - M032 Barcoded Labels
 - M033 Sacks and Trays
- M040 Pallets
 - M041 General Standards
 - M045 Palletized Mailings
- M050 Delivery Sequence
- M070 Mixed Classes
 - M071 Basic Information
 - M072 Express Mail and Priority Mail Drop Shipment
 - M073 Combined Mailings of Standard Mail (A) and Standard Mail (B) Parcels
 - M074 Plant Load Mailings

M100 First-Class Mail (Nonautomation)

- M120 Priority Mail
- M130 Presorted First-Class Mail

M200 Periodicals (Nonautomation)

M500 Express Mail

M600 Standard Mail (Nonautomation)

- M610 Presorted Standard Mail (A)
- M620 Enhanced Carrier Route Standard Mail
- M630 Standard Mail (B)

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- M810 Letter-Size Mail
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Mail Preparation and
Sortation

Postage and Payment Methods



DMM Issue 54 Plus Postal Bulletin Changes Through PB 22012 (12-2-99)

Contents

P000 Basic Information

- P010 General Standards
 - P011 Payment
 - P012 Documentation
 - P013 Rate Application and Computation
 - P014 Refunds and Exchanges
- P020 Postage Stamps and Stationery
 - P021 Stamped Stationery
 - P022 Adhesive Stamps
 - P023 Precanceled Stamps
- P030 Postage Meters and Meter Stamps
- P040 Permit Imprints
- P070 Mixed Classes

P100 First-Class Mail

P200 Periodicals

P500 Express Mail

P600 Standard Mail

P700 Special Postage Payment Systems

- P710 Manifest Mailing System (MMS)
- P720 Optional Procedure (OP) Mailing System
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- P750 Plant-Verified Drop Shipment (PVDS)
- P760 First-Class or Standard Mail Mailings With Different Payment Methods

Rates and Fees



DMM Issue 54 Plus Postal Bulletin Changes Through PB 22012 (12-2-99)

Contents

- R000 Stamps and Stationery**
- R100 First-Class Mail**
- R200 Periodicals**
- R500 Express Mail**
- R600 Standard Mail**
- R900 Services**

R
Rates and Fees

Special Services



DMM Issue 54 Plus Postal Bulletin Changes Through PB 22012 (12-2-99)

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S000 Miscellaneous Services

- S010 Indemnity Claims
- S020 Money Orders and Other Services
- 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
 - S918 Delivery Confirmation
- S920 Convenience
 - S921 Collect on Delivery (COD) Mail
 - S922 Business Reply Mail (BRM)
 - S923 Merchandise Return Service
 - S924 Bulk Parcel Return Service
- S930 Handling

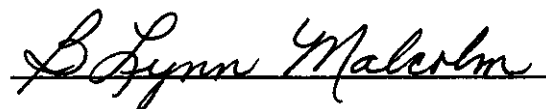
Special Services

ATTACHMENT D

CERTIFICATION

I, B. Lynn. Malcolm, Manager, Activity-Based Management, 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) (1999), 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, reading "B. Lynn Malcolm", written over a horizontal line.

B. Lynn Malcolm

Financial Statements

United States Postal Service

*Years ended September 30, 1998 and 1997
with Report of Independent Auditors :*

United States Postal Service

Financial Statements

Years ended September 30, 1998 and 1997

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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, 1998 and 1997, and the related statements of operations, changes in net capital deficiency and cash flows for each of the three years in the period ended September 30, 1998. 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 the standards for financial audits contained in *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, 1998 and 1997, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 1998, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 10, 1998, on our consideration of the United States Postal Service's internal control over financial reporting and on tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Ernst & Young LLP

November 10, 1998

United States Postal Service

Balance Sheets

	September 30,	
	1998	1997
	<i>(dollars in millions)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 395	\$ 403
Receivables:		
Foreign countries	514	441
U.S. Government	154	101
Consignment	51	48
Other	154	159
	873	749
Less allowances	88	77
Total receivables, net	785	672
Supplies, advances and prepayments	348	388
Total current assets	1,528	1,463
Other assets, principally revenue forgone appropriations receivable <i>(Note 8)</i>	379	372
Property and equipment, at cost:		
Buildings	15,123	13,911
Equipment	11,179	10,328
Land	2,286	2,178
Leasehold improvements	916	797
	29,504	27,214
Less allowances for depreciation and amortization	10,785	9,702
	18,719	17,512
Construction in progress	2,073	1,862
Total property and equipment, net	20,792	19,374
Deferred retirement costs <i>(Note 6)</i>	31,844	31,929
Total assets	\$54,543	\$53,138

See accompanying notes to financial statements.

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	September 30,	
	1998	1997
	<i>(dollars in millions)</i>	
Liabilities and net capital deficiency		
Current liabilities:		
Compensation and benefits	\$ 5,290	\$ 5,056
Estimated prepaid postage	1,673	1,743
Payables and accrued expenses:		
Foreign countries	780	703
U.S. Government	148	181
Other	742	940
Total payables and accrued expenses	1,670	1,824
Prepaid box rentals, permit and metered mail	1,955	1,924
Outstanding postal money orders	692	640
Current portion of long-term debt	3,633	2,647
Total current liabilities	14,913	13,834
Long-term debt, less current portion <i>(Note 5)</i>	2,788	3,225
Other liabilities:		
Amounts payable for deferred retirement benefits <i>(Note 6)</i>	30,138	30,343
Workers' compensation costs <i>(Note 2)</i>	4,923	4,749
Employees' accumulated leave	1,959	1,858
Other	632	489
Total other liabilities	37,652	37,439
Commitments and contingencies <i>(Notes 9 and 11)</i>		
Total Liabilities	55,353	54,498
Net capital deficiency		
Capital contributions of the U.S. Government	3,034	3,034
Deficit since reorganization	(3,844)	(4,394)
Total net capital deficiency	(810)	(1,360)
Total liabilities and net capital deficiency	\$ 54,543	\$ 53,138

See accompanying notes to financial statements.

United States Postal Service

Statements of Operations

	Years ended September 30,		
	1998	1997	1996
	<i>(dollars in millions)</i>		
Operating revenue <i>(Note 8)</i>	\$60,072	\$58,216	\$56,402
Operating expenses:			
Compensation and benefits <i>(Notes 2, 6, and 7)</i>	45,588	43,835	42,676
Transportation	4,207	4,026	3,736
Other	7,983	7,012	6,701
Total operating expenses	57,778	54,873	53,113
Income from operations	2,294	3,343	3,289
POD workers' compensation expense <i>(Note 3)</i>	(8)	(258)	—
Interest and investment income	44	115	142
Interest expense on deferred retirement liabilities <i>(Note 6)</i>	(1,597)	(1,597)	(1,449)
Interest expense on borrowings	(167)	(307)	(368)
Imputed interest on OBRA 1993 retroactive assessments for employee benefits <i>(Note 4)</i>	(16)	(32)	(47)
Net income	\$550	\$1,264	\$ 1,567

See accompanying notes to financial statements.

United States Postal Service

Statements of Changes in Net Capital Deficiency

Years Ended September 30, 1998, 1997 and 1996

	Capital Contributions of U.S. Government	Deficit Since Reorganization	Total Net Capital Deficiency
	<i>(dollars in millions)</i>		
Balance, September 30, 1995	3,034	(7,225)	(4,191)
Net Income	-	1,567	1,567
Balance, September 30, 1996	3,034	(5,658)	(2,624)
Net Income	-	1,264	1,264
Balance, September 30, 1997	3,034	(4,394)	(1,360)
Net Income	-	550	550
Balance, September 30, 1998	\$3,034	\$ (3,844)	\$ (810)

See accompanying notes to financial statements.

United States Postal Service

Statements of Cash Flows

	Years ended September 30,		
	1998	1997	1996
	(dollars in millions)		
Cash flows from operating activities:			
Net income	\$ 550	\$ 1,264	\$ 1,567
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,579	1,673	1,333
Loss on disposals of property and equipment, net	7	19	15
Increase in other assets, principally revenue forgone appropriations receivable	(7)	(18)	(37)
Increase (decrease) in USPS workers' compensation	195	(332)	205
(Decrease) increase in Post Office Department workers' compensation	(27)	258	-
Decrease in retroactive assessments payable to the U.S. Government	(331)	(315)	(300)
Increase in employees' accumulated leave	101	236	67
Increase in other liabilities	143	46	100
Changes in current assets and liabilities:			
(Increase) decrease in receivables, net	(113)	55	151
Decrease (increase) in supplies, advances and prepayments	40	22	(31)
Increase (decrease) in compensation and benefits	451	128	(562)
(Decrease) increase in estimated prepaid postage	(70)	20	26
Decrease in payables and accrued expenses	(154)	(1)	(190)
Increase in prepaid box rentals, permit and metered mail	31	332	162
Increase (decrease) in outstanding postal money orders	52	(40)	(17)
Net cash provided by operating activities	2,447	3,347	2,489
Cash flows from investing activities:			
Purchase of U.S. Government securities, available-for-sale	(620)	(300)	(799)
Proceeds from sale of U.S. Government securities, available-for-sale	622	300	800
Purchase of property and equipment	(3,055)	(3,233)	(2,340)
Proceeds from sale of property and equipment	49	26	4
Net cash used in investing activities	(3,004)	(3,207)	(2,335)
Cash flows from financing activities:			
Issuance of debt	5,696	1,964	1,500
Payments on debt	(5,147)	(2,011)	(2,861)
Net cash provided by (used in) financing activities	549	(47)	(1,361)
Net (decrease) increase in cash and cash equivalents	(8)	93	(1,207)
Cash and cash equivalents at beginning of year	403	310	1,517
Cash and cash equivalents at end of year	\$ 395	\$ 403	\$ 310

See accompanying notes to financial statements.

United States Postal Service

Notes to Financial Statements

1. Description of Business

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 Mail, Standard Mail (A) and Priority Mail. The principal markets for these services are the communications, distribution and delivery, advertising and retail markets. Our products are distributed through our more than 38,000 post offices and a large network of consignees. As in the past, we continue to conduct our significant operations 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 expired in fiscal year 1998. However, three of our largest contracts representing 82 percent of our career employees expire November 20, 1998.

Postal Reorganization

The Postal Service commenced operations on July 1, 1971, in accordance with the provisions of the Postal Reorganization Act (the 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.

The Balanced Budget Act of 1997 charged the Postal Service with certain liabilities attributable to operations of the former Post Office Department for the first time since postal reorganization. Our 1997 financial statements contained a \$258 million reduction to net income as a result, with an additional \$8 million expense in 1998 (Note 3).

United States Postal Service

Notes to Financial Statements (continued)

1. Description of Business (continued)

Price Setting Process

Since 1971, the Act has required the Postal Service to establish prices that cover the costs of operating the postal system. The Act established the independent Postal Rate Commission with oversight responsibility for mail prices, subject to approval by the Governors of the Postal Service. The Act provides for the recovery of operating losses through future rate increases.

2. Summary of Significant Accounting Policies

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 notes. Actual results may differ from our estimates.

Cash Equivalents

Cash equivalents are securities which mature within 90 days or less from 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 based 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 & 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 \$158 million at the end of 1998 and \$187 million at the end of 1997.

United States Postal Service

Notes to Financial Statements (continued)

2. Accounting Policies (continued)

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 \$44 million in 1998, \$22 million in 1997 and \$29 million in 1996.

We depreciate buildings and equipment over their estimated useful lives, which range from 3 to 40 years, 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.

During 1997 we changed our policy for expensing minor asset purchases. We increased the limit from \$2,000 to \$3,000. As a result, we expensed \$83 million of assets in 1997 that were under the new limit.

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.

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 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. The present value of our benefits payable also increases when Cost of Living Adjustments (COLAs) are granted to our retirees or their survivors. We capitalize

United States Postal Service

Notes to Financial Statements (continued)

2. Accounting Policies (continued)

Deferred Retirement Benefits (continued)

as deferred retirement costs the amounts due and payable in future years. We expense and pay these costs over periods of 30 years for amounts attributable to current employees and 15 years for amounts attributable to retirees, at 5 percent interest. We account for our participation in the U.S. Government sponsored retirement plans as participation in a multi-employer plan arrangement.

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 retiree 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 employees' 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.

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 placed greater emphasis on our experience with prior years' claims to estimate this liability. As a result, we had an increase in expense of \$113 million in 1996.

United States Postal Service

Notes to Financial Statements (continued)

2. Accounting Policies (continued)

Workers' Compensation Costs (continued)

At the end of 1998, we estimate our total liability for future workers' compensation costs at \$5,287 million, excluding Post Office Department (POD) liability (Note 3). At the end of 1997, this liability was \$5,092 million. In 1998, we recorded \$760 million in workers' compensation expense, compared to the \$206 million we recorded in 1997 and the \$737 million we recorded in 1996.

Research and Development Costs

We record research and development costs as expenses when we incur them. These costs were \$77 million in 1998, \$68 million in 1997 and \$56 million in 1996.

Advertising

We record advertising costs as expenses when we incur them. These costs were \$301 million in 1998, \$266 million in 1997 and \$236 million in 1996.

3. Balanced Budget Act of 1997

Under the Postal Reorganization Act of 1971, the U.S. Government remained responsible for payment of all Post Office Department (POD) workers' compensation claims incurred before June 30, 1971. This Act required that the newly-created USPS would be responsible only for its own workers' compensation claims. However, under the Balanced Budget Act of 1997, the remaining liability for these POD costs has now been transferred to the U.S. Postal Service. We estimate the present value of these claims was \$258 million at the end of 1997. We recorded this amount as an expense for 1997. The 1998 expense is \$8 million, and the estimated liability is \$231 million. In our calculation we use a net discount rate of 3 percent.

4. Retroactive Assessments for Employee Benefits

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 paid this interest in three equal annual installments totaling \$1.041 billion.

United States Postal Service

Notes to Financial Statements (continued)

4. Retroactive Assessments for Employee Benefits (continued)

Omnibus Budget Reconciliation Act of 1993 (continued)

We made the first payment in 1996 and the second in 1997 for a total of \$694 million. We made the final payment this year of \$347 million.

5. 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 cannot exceed \$15 billion.

Debt is due as follows (dollars in millions):

<u>Year</u>	<u>Amount</u>
1999	\$3,633
2000	84
2001	52
2002	201
2003	-
After 2003	2,451

We paid in cash \$236 million in interest in 1998, \$336 million in interest in 1997 and \$473 million in 1996.

The current estimated market value of our debt is \$6,639 million in 1998 and \$6,102 million in 1997 (Note 2). All notes payable to the Federal Financing Bank may be repurchased at current value at any time with five days notice of intent to do so.

The following page details our debt, which consists of notes payable to the Federal Financing Bank and mortgage notes payable:

United States Postal Service

Notes to Financial Statements (continued)

5. Debt and Related Interest Costs (continued)

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

Our debt consists of the following (dollars in millions):		September 30,	
Interest Rate %	Terms	1998	1997
Notes Payable to the Federal Financing Bank (FFB):			
8.075	Payable \$32 million each year to May 31, 2000	\$ 64	\$ 96
7.800	Payable \$15 million each year to May 31, 2001	45	60
7.591	Payable \$50 million each year to June 1, 1997 and \$23 million due on June 1, 1998	-	23
8.474	Payable \$30 million each year to June 1, 1998	-	30
8.908	Payable \$35 million each year to June 1, 1998	-	35
9.074	Payable \$60 million each year to June 1, 1998	-	60
8.761 *	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 there- after through May 31, 2001	108	144
7.786	Payable September 30, 1998	-	450
7.367	Payable August 15, 2002	-	1,500
7.615	Payable November 30, 2007	-	1,000
6.274	Payable May 16, 2005	500	500
4.491 **	Overnight revolving credit facility; final maturity date November 30, 1998	246	164
4.667	Payable November 15, 2026; repurchasable at par November 16, 1998 and every February 15, May 15 and August 15 thereafter	600	-
4.667 ***	Short-term revolving credit facility; final maturity date November 30, 1998	2,700	1,800
5.568	Payable December 31, 2002	200	-
5.688	Payable August 15, 2007	400	-
5.546	Payable August 15, 2007	150	-
5.959	Payable November 15, 2027	400	-
5.726	Payable November 15, 2027	100	-
5.606	Payable November 15, 2027	300	-
5.426	Payable May 15, 2008	200	-
4.981	Payable May 15, 2008	200	-
4.910	Payable May 15, 2008	200	-
		6,413	5,862
Mortgage Notes Payable:			
5.00 to	Maturing from years 1999 through 2039		
9.75	secured by land, buildings and equipment with a carrying amount of \$41 million. (Aggregate annual installments approximate \$1 million.)	8	10
		6,421	5,872
		3,633	2,647
Less current portion of debt		\$2,788	\$3,225

* Weighted average interest rate; prior year's weighted average interest rate was 8.764%.

** Prior year rate was 5.312%.

*** Prior year rate was 5.198%.

United States Postal Service

Notes to Financial Statements (continued)

6. 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. Employee and employer contributions are made to the Civil Service Retirement and Disability Fund (CSRDF), which is administered by the Office of Personnel Management. 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 System (CSRS)

Under the Postal Reorganization Act, officers and career employees are covered by the Civil Service Retirement System, which provides a basic annuity and Medicare coverage. The CSRS 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 the CSRDF. 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 the CSRS.

Dual Civil Service Retirement System (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 System/Social Security System. We contribute 7 percent of the employee's basic pay to the CSRDF. 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, officers and career employees hired since December 31, 1983, 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.

United States Postal Service

Notes to Financial Statements (continued)

6. Retirement Programs (continued)

Federal Employees Retirement System (FERS) (continued)

We contributed to the basic annuity plan 10.7 percent of each employee's basic pay in 1998 and 11.4 percent in 1997 and 1996. Employees contributed 0.8 percent of their basic pay in these years. We and the employee also contribute to Social Security and 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 1998, 1997 and 1996 is as follows:

	1998	1997	1996
CSRS	298,827	314,068	328,270
Dual CSRS/ Social Security	13,418	13,900	14,320
FERS	479,069	436,735	417,948

Deferred Retirement Costs

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

	1998	1997
CSRS basic pay increases	\$ 25,827	\$ 26,133
CSRS retirees' and survivors' cost of living adjustments	6,017	5,796
Total	\$ 31,844	\$ 31,929

There are no deferred retirement costs associated with FERS.

United States Postal Service

Notes to Financial Statements (continued)

6. Retirement Programs (continued)

Deferred Retirement Liability - Civil Service Retirement System

When we increase 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 the CSRS as a result of basic pay increases was \$836 million in 1998, \$560 million in 1997 and \$3,696 million in 1996.

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' COLAs was \$790 million in 1998, \$1,041 million in 1997 and \$951 million in 1996.

United States Postal Service
Notes to Financial Statements (continued)

6. Retirement Programs (continued)

Future Minimum Payments

We estimate the future minimum payments we have to make in order to fund CSRS benefits and retirees' cost of living adjustments as of September 30, 1998, are as follows (dollars in millions):

<u>Year</u>	<u>Amount</u>
1999	\$ 3,301
2000	3,282
2001	3,274
2002	3,203
2003	3,124
After 2003	<u>32,507</u>
	\$48,691
Less amount representing interest	<u>16,834</u>
Total future minimum payments	\$31,857
Less: Portion classified as a current liability in compensation and benefits	<u>1,719</u>
Long-term portion of future minimum payments	<u>\$30,138</u>

United States Postal Service

Notes to Financial Statements (continued)

6. Retirement Programs (continued)

Expense Components

Listed below are the components of our total retirement expenses that are included in our compensation and benefits expense and related interest expense in the Statement of Operations for 1998, 1997 and 1996 (dollars in millions):

	1998	1997	1996
CSRS	\$ 849	\$ 870	\$ 877
FERS	1,640	1,590	1,473
FERS—Thrift Savings Plan	608	552	489
Dual CSRS/Social Security	36	36	36
Social Security	1,241	1,162	1,082
Amortization of deferred cost:			
CSRS	1,142	1,064	1,157
Annuitant COLAs	569	552	507
Interest expense on deferred liabilities	1,597	1,597	1,449
Imputed interest on OBRA '93	16	32	47
Total retirement expense	<u>\$7,698</u>	<u>\$7,455</u>	<u>\$7,117</u>

7. 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 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 \$581 million in 1998, \$548 million in 1997 and \$497 million in 1996. We include these costs in our compensation and benefits expense.

United States Postal Service

Notes to Financial Statements (continued)

8. 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 for revenue forgone of \$67 million for 1998, \$83 million for 1997, and \$93 million for 1996. Legislation that was passed after our year ended appropriated \$71 million for 1999 but delayed the payment until fiscal year 2000. Accordingly, we will record this as a receivable in 1999.

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 for which we have not yet been paid; and for shortfalls in the reimbursement for the costs we incurred for processing and delivering certain nonprofit mail from 1994 through 1998. Legislation passed after our year end failed to appropriate the \$29 million owed for FY 1999. We can only assume, based on subcommittee notes, that they do intend to pay us this amount but that the payment is delayed. Because of the uncertainty of the legislative intent we have recorded an allowance for the principal portion of this installment in our bad debt account. If Congress doesn't pay us, we can by law make up that lost income by adjusting our rates on all mailers through the postal rate making process.

The Revenue Forgone Reform Act of 1993 authorized a total of \$1.218 billion in payments. We calculate the present value of these future reimbursements to be approximately \$390 million at 7 percent interest. At the end of 1998, we have recognized cumulative revenues of approximately \$390 million. The amounts receivable as of September 30, 1998 and 1997 were \$380 million and \$372 million, respectively. We recognized revenue of \$10 million in 1998, \$22 million in 1997 and \$37 million in 1996.

United States Postal Service

Notes to Financial Statements (continued)

9. Commitments

At September 30, 1998, we estimate our financial commitment for approved Postal Service capital projects in progress is \$3.7 billion.

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

	1998	1997	1996
Noncancellable real estate leases including related taxes	\$711	\$659	\$616
Facilities leased from General Services Administration subject to 120-day notice of cancellation	37	34	36
Equipment and other short-term rentals	234	154	153
Total	<u>\$982</u>	<u>\$847</u>	<u>\$805</u>

At September 30, 1998, our future minimum lease payments for all non-cancelable leases are as follows (dollars in millions):

Year	Operating	Capital
1999	\$ 681	\$ 54
2000	637	54
2001	577	54
2002	524	54
2003	479	54
After 2003	4,772	255
	<u>\$7,670</u>	<u>\$525</u>
Less: Interest at 6.5 percent		137
Total capital lease obligations		<u>\$388</u>
Less: Short-term portion of capital lease obligations		30
Long-term portion of capital lease obligations		<u>\$358</u>

United States Postal Service
Notes to Financial Statements (continued)

9. 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 \$388 million in 1998 and \$272 million in 1997. Total accumulated amortization is \$86 million in 1998 and \$54 million in 1997. Amortization expense for assets recorded under capital leases is included in depreciation expense.

10. Impaired Assets

In 1997, we began to record losses on long lived assets when events and circumstances indicate that the assets might be impaired. In accordance with FASB Statement No. 121, "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets to Be Disposed Of," we have written down our impaired assets to the lower of cost or fair value. We have identified several properties that qualify due to either obsolescence or earthquake damage. The loss reported in 1997 for these impaired assets is \$57 million which has been included in other operating expense in the 1997 Statement of Operations. No material impairments were recorded in 1998.

11. 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 a part of our continuing evaluation of estimates required in the preparation of our financial statements, we recorded approximately \$21 million decrease in liabilities in 1998, \$26 million decrease in liabilities in 1997 and increased liabilities by approximately \$120 million in 1996. We recognized settlement of claims and lawsuits 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.

United States Postal Service

Notes to Financial Statements (continued)

12. Year 2000 Disclosure (Unaudited)

Consequences of failure to resolve the Year 2000 problem may range from minor effects on administrative or financial systems to having some impact on the ability of the Postal Service to sort and deliver mail. As part of our overall plan to address the Year 2000 Issue, we have completed assessments of our computer applications and mail processing systems to identify risk areas where these systems may have errors or failures beyond year 1999. Our assessments identified systems that required remediation, especially those that are critical to the operation of the USPS. So far, we have spent \$94 million in upgrading our systems and preparing for year 2000 readiness, and the total cost is expected to approach \$500 - 600 million.

As of September 15, 1998, remediation efforts prior to testing had been completed on approximately 69 percent of all critical systems, including 93 percent of financial systems. We expect to complete the remaining remediation work, testing and implementation by the end of June 1999. Testing at a major mail processing plant and a bulk mail center revealed that the mail processing equipment can correctly process letters, flats and parcels to and through the Year 2000. To further prepare for the Year 2000 transition, we are developing contingency plans to address business continuity of our most critical systems and business processes, failures in the readiness of key suppliers and other third parties in order to minimize the impact on the USPS and our ability to deliver the mail.

INDEX OF TESTIMONIES/DOCKET NO. R2000-1

WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
Ms. Xie	USPS-T-1	None		None	Ken Hollies (202) 268-3083
Mr. Ramage	USPS-T-2	None		WP-A-1 and A-2	Ken Hollies (202) 268-3083 Eric Koetting (202) 268-2992 Susan Duchek (202) 268-2990
Mr. Harahush	USPS-T-3	None		None	Rick Cooper (202) 268-2993
Mr. Pafford	USPS-T-4	None		None	Ken Hollies (202) 268-3083
Mr. Hunter	USPS-T-5	None		None	Ken Hollies (202) 268-3083
Dr. Tolley	USPS-T-6	None		WP-1-2	Eric Koetting (202) 268-2992
Mr. Thress	USPS-T-7	None		WP-1-4	Eric Koetting (202)268-2992

-WITNESS	TESTIMONY	EXHIBITS			ATTORNEY
		TITLE	NUMBER	WORKPAPERS	
Dr. Musgrave	USPS-T-8	None		None	Eric Koetting (202) 268-2992

Mr. Tayman	USPS-T-9	Statement of Revenue and Expense FY 1998-Test Year After Rates	USPS-9A	Scott Reiter (202) 268-2999
		Rollforward Source of Change Summaries, FY 1998 Through the Test Year After Rates	USPS-9B	
		Mail Volume, FY 1998 Through the Test Year After Rates	USPS-9C	
		Mail and Special Services Revenue, FY 1998 Through The Test Year After Rates	USPS-9D	
		Appropriation Revenue, FY 1998 Through the Test Year	USPS-9E	
		Statement of Cash Flow, FY 1999 Through the Test Year After Rates	USPS-9F	
		Interest Income, FY 1999 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 Years vs. Actual (Docket R97-1)	USPS-9I	
		Computation of Weighted Average Percentage Revenue and Cost Variances	USPS-9J	

WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
		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 (Loss) Gap from Equity Restoration Target	USPS-9N		
		Summary of Unit Labor Costs from Major Employee Groups	USPS-9O		
		Summary of Changes in Workyears by Source	USPS-9P		
		Analysis of Changes in Personnel Costs	USPS-9Q		
		Adjustment of Rollforward Cost for Workyear Mix and Final Adjustments	USPS-9R		
		Workers' Compensation Discount Rate Analysis	USPS-9S		
Ms. Kingsley	USPS-T-10	None		None	Eric Koetting (202) 268-2992 Susan Duchek (202) 268-2990

		EXHIBITS			
-WITNESS	TESTIMONY	TITLE	NUMBER	WORKPAPERS	ATTORNEY
Ms. Meehan	USPS-T-11	Cost Segments and Components, By 1998	USPS-11A	None	Susan Duchek (202) 268-2990
		Final Adjustments, By 1998	USPS-11B		
		Cost and Revenue Analysis, By 1998	USPS-11C		
Mr. Baron	USPS-T-12	None		None	Rick Cooper (202) 268-2993

		EXHIBITS			
WITNESS	TESTIMONY	TITLE	NUMBER	WORKPAPERS	ATTORNEY
Mr. Raymond	USPS-13	None		None	Rick Cooper (202) 268-2993

Mr. Kashani	USPS-14	Rollforward Factors	USPS-14A	WP-A-J	Susan Duchek (202) 268-2990
		Cost Segments and Components, FY 1999	USPS-14B		
		Final Adjustments, FY 1999	USPS-14C		
		Cost and Revenue Analysis, FY 1999	USPS-14D		
		Cost Segments and Components, FY 2000	USPS-14E		
		Final Adjustments, FY 2000	USPS-14F		
		Cost and Revenue Analysis, FY 2000	USPS-14G		
		Cost Segments and Components, TY2001 at Current Rates	USPS-14H		
		Final Adjustments, TY 2001 at Current Rates	USPS-14I		
		Cost and Revenue Analysis, TY 2001 at Current Rates	USPS-14J		
		Cost Segments and Components, TY 2001 at Proposed Rates	USPS-14K		
		Final Adjustments, TY 2001 at Proposed Rates	USPS-14L		
		Cost and Revenue Analysis, TY 2001 at Proposed Rates	USPS-14M		
Dr. Bozzo	USPS-T-15	None	None		Susan Duchek (202) 268-2990 Eric Koetting (202) 268-2992

		EXHIBITS			
-WITNESS	TESTIMONY	TITLE	NUMBER	WORKPAPERS	ATTORNEY
Mr. Pickett	USPS-T-19	None		None	Susan Duchck (202) 268-2990
Mr. Stevens	USPS-T-20	None		None	Eric Koetting (202) 268-2992
Mr. Smith	USPS-T-21				Rick Cooper (202) 268-2993
Dr. Bradley	USPS-T-22 (Incremental Costs)	None		None	Eric Koetting (202) 268-2992

WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
Mr. Degen	USPS-T-16	None		None	Susan Duchek (202) 268-2990 Eric Koetting (202) 268-2992
Ms. Van-Ty-Smith	USPS-T-17	None		None	Susan Duchek (202) 268-2990 Eric Koetting (202) 268-2992
Dr. Bradley	USPS-T-18 (Transportation)	None		WP-1-4	Susan Duchek (202) 268-2990

WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
Ms. Kay	USPS-T-23	None		WP-Volumes 1-4	Eric Koetting (202) 268-2992
Mr. Miller	USPS-T-24	None		WP-1	Michael Tidwell (202) 268-2998
Mr. Yacobucci	USPS-T-25	None		None	Tony Alverno (202) 268-2997
Ms. Eggleston	USPS-T-26	None		None	Scott Reiter (202) 268-2999

WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
Mr. Crum	USPS-T-27	None		None	Rick Cooper (202) 268-2993

		EXHIBITS			
WITNESS	TESTIMONY	TITLE	NUMBER	WORKPAPERS	ATTORNEY
Ms. Daniel	USPS-T-28	None		None	Tony Alverno (202) 268-2993

WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
Mr. Campbell	USPS-T-29	None		WP-1-4	Michael Todwell (202) 268-2998

WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
Mr. Davis	USPS-T-30	None		None	David Rubin (202) 268-2986
Dr. Yezer	USPS-T-31	None		None	Ken Hollies (202) 268-3083 David Rubin (202) 268-2986
Ms. Mayes	USPS-T-32	Summary of Estimated TYBR Finances Summary of TYAR Finances Summary of FY2000 Revenues Summary of Changes in Rates Proposed Over Current Rates Summary of Estimated TYAR Revenue and Incremental Costs	USPS-32A USPS-32B USPS-32C USPS-32D USPS-32E		Michael Tidwell (202) 268-2998

-WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
Mr. Fronk	USPS-T-33	None		WP-1	Michael Tidwell (202) 268-2998

		EXHIBITS			
-WITNESS	TESTIMONY	TITLE	NUMBER	WORKPAPERS	ATTORNEY
Ms. Robinson	USPS-T-34	None		None	Rick Cooper (202) 268-2993
Mr. Moeller	USPS-T-35	None		WP-1 & 2	Anthony Alverno (202) 268-2997
Mr. Plunkett	USPS-T-36	None		None	Scott Reiter (202) 268-2999 Rick Cooper (202) 268-2993
Mr. Kiefer	USPS-T-37	None		WP-SS-1-WP-SS-15	Scott Reiter (202) 268-2999
Mr. Taufique	USPS-T-38	None		None	David Rubin (202) 268-2986
Ms. Mayo	USPS-T-39	None		None	David Rubin (202) 268-2986
Mr. Kaneer	USPS-T-40	Reclassification Examples Reclassification Proposal Developing a More Homogeneous Classification Structure	USPS-40A USPS-40B USPS-40C	WP-132	David Rubin (202) 268-2986 Ken Hollies (202) 268-3083

		EXHIBITS			
-WITNESS	TESTIMONY	TITLE	NUMBER	WORKPAPERS	ATTORNEY
Mr. Bernstein	USPS-T-41	None		None	Eric Koetting (202) 268-2992

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 Ms. Meehan and Ms. Kay effect 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. Kashani and Ms. Kay. Alternate cost information is found in Library References 130-149, although the Postal Service is providing more information than is required by this rule. 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 Mr. Baron, Mr. Raymond, Dr. Bozzo, Mr. Degen, Ms. Van-Ty-Smith, Dr. Bradley, Mr. Pickett, Mr. Stevans, Mr. Smith, Dr. Yezer, and Ms. Mayes.

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 (AE.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 B to this Request specifies the present and proposed full rates of postage and fees for postal services, and the fees for special services.

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 Ms. Mayes and Mr. Bernstein, and in the rate design testimonies of Mr. Fronk, Ms. Robinson, Mr. Taufique, Mr. Moeller, Mr. Plunkett, Dr. Kiefer, Ms. Mayo, and Mr. Kaneer.

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, Ms. Mayes, Mr. Fronk, Ms. Robinson, Mr. Taufique, Mr. Moeller, Mr. Plunkett, Dr. Kiefer, Ms. Mayo, and Mr. Kaneer.

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 FY1998 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 Ms. Meehan and Mr. Kashani. 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, Ms. Robinson, Mr. Taufique, Mr. Moeller, Mr. Plunkett, Dr. Kiefer, Ms. Mayo, and Mr. Kaneer.

REPORT HSA360P1

ORIGIN-DESTINATION INFORMATION SYSTEM

ORIGIN-DESTINATION VOLUME SUMMARY REPORT

ORIGINATING AVERAGE DAILY VOLUME (PIECES) BY CLASS AND TYPE OF MAIL

CLASS OF MAIL:	PQ ALL			PFY 1998		
	LETTERS	CARDS	IPPS	TYPE OF MAIL	PARCELS	TOTAL
FIRST	296749937	18821841	1821062	18439598		335832437
PERIODICALS	1746119	7613	546143	28196356	73757	30569987
PRIORITY	36756	3398	677902	1383021	1978408	4079484
STANDARD B			158408	21728	1151084	1331221
OTHER STND B	39107		478973	572402	1221730	2312211
STND A SNGL PIECE	165245	33442	52633	169044		420363
STND A BULK RATE	98145047	5117464	2675677	78280747		184218935
STND A NON PROFIT	30542005	950566	201360	6745761		38439692
TOTAL	427424216	24934323	6612157	133808656	4424978	597204329

REPORT HSA360P1

ORIGIN-DESTINATION INFORMATION SYSTEM

ORIGIN-DESTINATION VOLUME SUMMARY REPORT

DESTINATING AVERAGE DAILY VOLUME (PIECES) BY CLASS AND TYPE OF MAIL

CLASS OF MAIL:	PQ ALL			PFY 1998		
	LETTERS	CARDS	IPPS	FLATS	PARCELS	TOTAL
FIRST	296749937	18821841	1821062	18439598		335832437
PERIODICALS	1746119	7613	546143	28196356	73757	30569987
PRIORITY	36756	3398	677902	1383021	1978408	4079484
STANDARD B			158408	21728	1151084	1331221
OTHER STND B	39107		478973	572402	1221730	2312211
STND A SNGL PIECE	165245	33442	52633	169044		420363
STND A BULK RATE	98145047	5117464	2675677	78280747		184218935
STND A NON PROFIT	30542005	950566	201360	6745761		38439692
TOTAL	427424216	24934323	6612157	133808656	4424978	597204329

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 Ms. Meehan, Mr. Kashani, and Ms. Mayes, 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 1998.

RULE:54(f)(2) (Basic Submissions)

REQUIREMENT: This rule requires:

- for the year in which the filing is made (FY2000) estimates of the total actual accrued costs of the Postal Service, assuming the prefiling (existing) rates and fees;
- for the year (FY 2001) in which the filing is made (FY2000), 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 (FY2000), 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 (FY2001), estimates of the total actual accrued costs of the Postal Service, assuming the proposed rates and fees.

Mr. Kashani's testimony presents FY2000 estimated total actual accrued costs assuming prefiling rates and fees ("Before-Rates"). Mr. Kashani's testimony also presents estimated total actual accrued costs for FY 2001, 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. Kashani'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. Kashani'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, Ms. Meehan'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. Baron, Mr. Raymond, Mr. Degen, Ms. Van-Ty-Smith, Dr. Bradley, Mr. Pickett, Mr. Stevens, Mr. Smith, Dr. Bozzo and Dr. Yezer. 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 1997, and FY 1998 are presented in the Cost and Revenue Analysis (CRA) Reports on file with the Commission. FY 1998 costs are also presented in Library References I-2 and I-3. Actual accrued costs for FY 1998 are presented in the testimonies and exhibits of Mr. Tayman and Ms. Meehan, and Ms. Kay.

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 Ms. Meehan's, Ms. Kay's and Mr. Kashani's testimony exhibits.

Costs and revenues for several services which could be considered nonpostal -- such as insurance, C.O.D., and money orders -- are contained in Ms. Meehan's, Ms. Kay's and Mr. Kashani's exhibits. Identifiable costs reported for some nonpostal services were \$33.6 million in FY 1998. Reimbursements associated with provision of nonpostal services totaled \$64.7 million in FY 1998. The difference of \$31.1 million reduced the institutional costs borne by other postal services by that amount in FY 1998.

The \$33.6 million of costs includes labor costs for Selective Service registration and passport applications, and selling migratory bird stamps. It also includes \$231 thousand for paper stock for migratory bird stamps.

The following table identifies services which could be termed nonpostal and their cost elements:

¹ The word "nonpostal" is used here in a generic rather than jurisdictional sense. Some special services (such as money orders) have nonpostal aspects.

SERVICES

IDENTIFICATION OF NONPOSTAL AND THEIR COST ELEMENTS:

SERVICE

COST ELEMENTS

Insurance

See Ms. Meehan's, Ms. Kay's and Mr. Kashani's Exhibits.

COD

See Ms. Meehan's , Ms. Kay's and Mr. Kashani's Exhibits

Money Orders

See Ms. Meehan's, Ms. Kay's and Mr. Kashani's 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)(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.

Ms. Meehan's and Ms. Kay's testimonies, exhibits, and workpapers provide the information required by this rule for FY 1998². See also the testimonies, exhibits, and workpapers of witnesses Mayes, Kay and Kashani for information for FY 1999, FY 2001 and the test year.

² The Postal Service interprets this rule in accordance with National Association of Greeting Card Publications v. United States Postal Service, 462 U.S. 810 (1982).

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 Ms. Meehan, Mr. Kashani, Ms. Kay, Mr. Baron, Ms. Robinson, Mr. Raymond, Dr. Bozzo, Mr. Degen, Ms. Van-Ty-Smith, Dr. Bradley, Mr. Pickett, Mr. Stevens, Mr. Smith, and Dr. Yezer. See also the testimony Ms. Mayes. 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 Ms. Meehan, Mr. Kashani, Dr. Bozzo, Mr. Degen, and Ms. Van-Ty-Smith.
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. Miller, Mr. Yacobucci, Ms. Eggleston, Mr. Crum, Ms. Daniel, Mr. Campbell, and Mr. Davis.

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 the manner indicated in Mr. Kashani's and Ms. Kay's testimonies.

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 Mr. Kashani, and Ms. Kay.

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 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.

BENEFIT MORE THAN
TYPES

INSTITUTIONAL COSTS THAT
ONE TYPE OF MAIL BUT NOT ALL

Type of Cost

Types Primarily Benefitted

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 Ms. Mayes, Mr. Fronk, Ms. Robinson, Mr. Taufique, Mr. Moeller, Mr. Plunkett, Dr. Kiefer, Ms. Mayo, Mr. Kaneer, and Mr. Bernstein 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

- FY1998, assuming prefiling (existing) rates and fees;
- FY1999, assuming prefiling (existing) rates and fees;
- FY 2000, assuming prefiling (existing) 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 1998 are provided by Ms. Meehan. Revenues for FY 1999, FY 2000, and the test year are provided by Mr. Kashani and can be found in Ms. Mayes' workpapers. These revenue estimates relate to volume and revenues per piece which are presented in the testimonies of Mr. Fronk, Ms. Robinson, Mr. Taufique, Mr. Moeller, Mr. Plunkett, Dr. Kiefer, Ms. Mayo, and Mr. Kaneer.

FY 1999 and FY 2000 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 FY1998 are presented in Ms. Meehan's exhibits. Volumes for FY 1999 through the test year (FY2001) are provided in the testimonies of Drs. Tolley and Musgrave. For purposes of this rule, the Postal Service's forecasts of volumes for FY2002 are shown in USPS-LR-I-121.

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 FY1998 and FY1999 (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 FY1999 (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 Ms. Meehan's testimony. Information concerning postal employees (number, total payroll, productivity) is included in Mr. Tayman's workpapers.

Ms. Mayes' testimony and workpapers furnish other "statistical data" referred to by this rule.

RULE:54(I)(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 the materials provided by witnesses Mayes, Fronk , Robinson, Moeller, Plunkett, Keifer, Taufique, May and Kaneer

RULE:54(I)(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 I-102.

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, Dr. Kiefer, and Mr. Taufique 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 STANDARDS**

(ZIP Coded mail only)

Mail Class	Over-night	2 nd Day	3 rd Day	4 th Day	5 th Day	6 th Day	7 th Day	8 th Day	9 th Day	10 th Day	Notes
Express Mail											Directories available at local post offices
Priority Mail											Primarily a 2-day product
First-Class Mail											13 ounces or less
Periodicals											Surface preferential
Standard B											See local BMC Manager for Parcel Post standards
Standard A											Mail entered at Destination P&DC has a 2&3 day standard

Achieved levels of performance are shown in the Origin-Destination Information System (ODIS) Quarterly Statistics Reports, filed at the Postal Rate Commission quarterly by the Postal Service. Copies of the quarterly reports for FY98 and FY99 are filed in this proceeding as USPS Library Reference I-170.

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 1997 and 1998 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.

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, Ms. Roninson, Mr. Taufique, Mr. Moeller, Mr. Plunkett, Dr. Kiefer, Ms. Mayo, and Mr. Kaneer. 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. §401(2).

3. Degree of Economic Substitutability and Identification of Nonpostal Services

The degree of substitutability is addressed and discussed in the testimonies of Ms. Mayes, Mr. Fronk, Ms. Robinson, Mr. Taufique, Mr. Moeller, Mr. Plunkett, Dr. Keifer, Ms. Mayo, Mr. Kaneer, Dr. Tolley, Dr. Musgrave, Mr. Thress, and Mr. Bernstein.

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.

Discussions of the mailers and recipients of mail, the contents of mail, and methods of mailing are contained in the testimonies Ms. Mayes, Mr. Fronk, Ms. Robinson, Mr. Taufique, Mr. Moeller, Mr. Plunkett, Dr. Kiefer, Ms. Mayo, and Mr. Kaneer. Physical attributes of mail are addressed in the response to Rule 54(l), 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 Ms. Mayes, Mr. Fronk, Ms. Robinson, Mr. Taufique, Mr. Moeller, Mr. Plunkett, Dr. Keifer, Ms. Mayo, and Mr. Kaneer, Ms. Kay and Mr. Kashani 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 Ms. Mayes, Mr. Fronk, Ms. Robinson, Mr. Taufique, Mr. Moeller, Mr. Plunkett, Dr. Keifer, Ms. Mayo, and Mr. Kaneer provide reasons for the proposed changes.

Rule: 64(h)

REQUIREMNT: 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.