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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

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

ORIGINAL

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

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

UNITED STATES POSTAL SERVICE
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September 24, 2001
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Documents relating to this request may be served upon Mr. Foucheaux at the
above address.



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RATES OF POSTAGE AND FEES FOR POSTAL SERVICES AND REQUEST
FOR EXPEDITION

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 2003
(\$000)

<u>Present Rates</u>	<u>Test Year</u>
Total Revenues	\$70,583,310
Less: Total Revenue Requirement	\$75,857,833
Total Revenue Deficiency	(\$5,274,523)
<u>Proposed Rates</u>	
Total Increase in Revenue	\$4,256,504
Total Decrease in Costs (Revenue Requirement)	(\$1,051,164)
Decrease in Revenue Deficiency	(\$5,307,668)
Total Revenue Surplus (Deficiency)	\$33,145

In accordance with the Commission's rules of practice and procedure, the Postal Service with this Request files the prepared direct evidence on which it proposes to rely, which consists of testimony and exhibits of 40 witnesses (44 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.

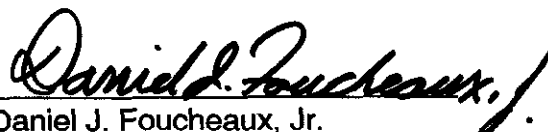
Finally, the Board of Governors has directed that this Request include a specific request that the Commission's proceeding to consider the Postal Service's proposals be conducted with all possible expedition, consistent with the Commission's responsibilities and the requirements of due process. The Postal Service elaborates on this goal in an accompanying document.²

² United States Postal Service Request for Expedition, filed this date.

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

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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 United States Postal Service on the Recommended Decision of the Postal Rate Commission on Experimental Presorted Priority Mail Rate Categories, Docket No. MC2001-1 (June 4, 2001);
- Decision of the Governors of the United States Postal Service on the Recommended Decision of the Postal Rate Commission on Postal Rate and Fee Changes, Docket No. R2000-1 (December 4, 2000);
- Decision of the Governors of the United States Postal Service on the Recommended Decision of the Postal Rate Commission on Mailing Online Experiment, Docket No. MC2000-2 (August 7, 2000);
- Decision of the Governors of the United States Postal Service on the Recommended Decision of the Postal Rate Commission on Experimental Ride-Along Classification Change for Periodicals, Docket No. MC2000-1 (February 8, 2000);
- Decision of the Governors of the United States Postal Service on the Recommended Decision of the Postal Rate Commission on Bulk Parcel Return Service Minor Classification Change, Docket No. MC99-4 (August 30, 1999);
- Decision of the Governors of the United States Postal Service 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 United States Postal Service 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); and
- Decision of the Governors of the United States Postal Service 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).

The text of the entire DMCS is published in this Attachment. Except as otherwise noted, proposed additions to text are underlined, and proposed

¹ Part 3001, subpt. C, app. A in the 2000 edition of Title 39 of the CFR is current through PRC Order No. 1225, 64 Fed. Reg. 4493 (January 28, 1999).

deletions appear in brackets.

**CHANGES TO THE DOMESTIC MAIL CLASSIFICATION SCHEDULE
ANMEND 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
e. <u>Netpost</u> Mailing Online	981

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.

Except as provided in 182.5, t[T]he 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, except as provided in 182.5.[unless the item was delayed by strike or work stoppage.]

182.3 Next Day.

[Unless the item was delayed by strike or work stoppage,Except as provided in 182.5, 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,] Except as provided in 182.5, 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.

182.5 Limitations

182.51 Among other limitations specified by the Postal Service, refunds may not be available if the delay was caused by:

- a. detention for law enforcement purposes;
- b. strike or work stoppage;
- c. late deposit of shipment, forwarding, return, incorrect address, or incorrect ZIP Code;
- d. delay or cancellation of flights;
- e. governmental action beyond the control of the Postal Service or air carriers;
- f. war, insurrection, or civil disturbance;
- g. breakdowns in transportation networks; or
- h. acts of God.

182.52 Availability of refunds may be temporarily suspended for extraordinary reasons and for periods of time specified by the Postal 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, and 446;
- c. Matter having the character of actual and personal correspondence except as specifically permitted by sections 312, 313, 520, 544.2, 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] Nonmachinable Surcharge.**

Regular rate category Letters and Sealed Parcels subclass mail is subject to a surcharge if it is [nonstandard size] nonmachinable 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 Netpost Mailing Online or a functionally equivalent service, pursuant to section 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] Mixed AADC Rate Category

The [basic] mixed AADC rate category applies to letter-size automation rate category mail not mailed under section 221.322, 221.323, [or] 221.324, or 221.325.

221.322AADC Rate Category

The AADC rate category applies to letter-size automation rate category mail presorted to automated area distribution center destinations as specified by the Postal Service.

221.323[2] 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.

221.324[3] 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.

221.325[4] 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 Flats Categories

221.331 [Basic] Mixed ADC Flats Rate Category.

The [basic] mixed ADC flats rate category applies to flat-size automation rate category mail not mailed under section 221.332, [or] 221.333, or 221.334.

221.332 ADC Flats Rate Category. The ADC flats rate category applies to flat-size automation rate category mail presorted to area distribution center destinations as specified by the Postal Service.

221.333[2] Three-Digit Flats Rate Category.

The three-digit flats rate category applies to flat-size automation rate category mail presorted to single or multiple three-digit ZIP Code destinations as specified by the Postal Service.

221.334[3] 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.

221.335[4] [Nonstandard Size] Nonmachinable Surcharge.

Flat-size automation rate category pieces are subject to a surcharge if they are [nonstandard size] nonmachinable mail, as defined in section 232.

221.34 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, 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 Mail postcard, a card must be of uniform thickness, prepared as specified by the Postal Service, 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. 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 notailable 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.

222.33 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, or is provided for entry as mail using Netpost Mailing Online or a functionally equivalent service, pursuant to section 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.

222.42 [Basic] Mixed AADC Rate Category.

The [basic] mixed AADC rate category applies to automation rate category cards not mailed under section 222.43, 222.44, [or] 222.45, or 222.46.

222.43 AADC Rate Category

The AADC rate category applies to automation rate category cards presorted to automated area distribution center destinations as specified by the Postal Service.

222.44[3] 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.

222.45[4] 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.

222.46[5] 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.

223.3 Presorted Priority Mail Rate Categories.

223.31 General. The presorted Priority Mail rate categories apply to Priority Mail subclass mail that:

- a. Is prepared in a mailing of at least 300 pieces or at least 500 pounds;
- 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.

223.32 ADC Rate Category. The ADC rate category applies to Priority Mail presorted to single or multiple Area Distribution Center destinations as specified by the Postal Service.

223.33 Three-Digit Rate Category. The three-digit rate category applies to Priority Mail presorted to single or multiple three-digit ZIP Code destinations as specified by the Postal Service.

223.34 Five-Digit Rate Category. The five-digit rate category applies to Priority Mail presorted to single or multiple five-digit ZIP Code destinations as specified by the Postal Service.

223.35 Duration of Experimental Service Period

The provisions of section 223 expire the later of:

- a. two years after the implementation date specified by the Board of Governors, or
- b. if, by the expiration date specified above, a request for the establishment of permanent presorted Priority Mail classifications or rates is pending before the Postal Rate Commission, the later of:

1. three months after the Commission takes action on such request under 39 U.S.C. § 3624 or, if applicable,
2. on the implementation date for permanent presorted Priority Mail classifications or fees.

223.4 Reserved

223.5 Flat Rate Envelope.

Priority Mail subclass mail sent in a "flat rate" envelope provided by the Postal Service is charged the [two]one-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 Bulk[y] 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] Nonmachinable Mail

Letters and Sealed Parcels subclass mail weighing one ounce or less is [nonstandard size] nonmachinable 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[.]; or

c. For letter-sized pieces,

i. it does not meet the machinability requirements of the Postal Service; or

ii. manual processing is requested.

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 <u>parcel – shaped Letters and Sealed Parcels and Priority Mail</u>)	948
k. [Reserved] <u>Signature Confirmation (limited to parcel-shaped Letters and Sealed Parcels and Priority Mail)</u>	949
l. <u>Netpost</u> Mailing Online	981

270 RATES AND FEES

271 First-Class Mail.

The rates and fees for First-Class Mail are set forth in the following rate 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] nonmachinable 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 mailers of other than single-piece First-Class Mail. Payment of the fee allows the mailer to mail at any First-Class rate.

**STANDARD MAIL
CLASSIFICATION SCHEDULE**

310 DEFINITION

311 General

Any mailable matter 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] and 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 Regular Subclass

321.1 General.

The Regular subclass consists of Standard Mail that is not mailed under sections 322, 323, or 324.

321.2 Presort Rate Categories

321.21 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.

321.22 Basic Rate Categories.

The basic rate categories apply to presort rate category mail not mailed under section 321.23.

321.23 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.

321.3 Automation Rate Categories

321.31 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 Netpost Mailing Online or a functionally equivalent service, pursuant to section 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.

321.32 [Basic Barcoded] Mixed AADC Rate Category

The mixed AADC [basic barcoded] rate category applies to letter-size automation rate category mail not mailed under section 321.33 [or] 321.34, or 321.35.

321.33 AADC Rate Category

The AADC rate category applies to letter-size automation rate category mail presorted to automated area distribution center destinations as specified by the Postal Service.

321.34[3] 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.

321.35[4] 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.

321.36[5] Basic Barcoded Flats Rate Category.

The basic barcoded flats rate category applies to flat-size automation rate category mail not mailed under section 321.37[6].

321.37[6] 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.

321.4 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.

321.5 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.

321.7 Nonmachinable Surcharge

The nonmachinable surcharge applies to Regular presort category letter-sized pieces (i) that do not meet the machinability requirements specified by the Postal Service; or (ii) for which manual processing is requested.

322 Enhanced Carrier Route Subclass

322.1 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, 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; and[.]
- f. For high-density and saturation category letters, bears a barcode representing not more than 11 digits (not including "correction" digits) as specified by the Postal Service.

322.2 Basic Rate Category.

The basic rate category applies to Enhanced Carrier Route subclass mail not mailed under section 322.3, 322.4 or 322.5.

322.3 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.

322.4 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. High density rate category letters must meet the applicable automation requirements specified by the Postal Service, and must bear a barcode representing not more than 11

digits (not including "correction" digits), as specified by the Postal Service.

322.5 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. Saturation rate category letters must meet the applicable automation requirements specified by the Postal Service, and must bear a barcode representing not more than 11 digits (not including "correction" digits), as specified by the Postal Service.

322.6 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.

322.7 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 Nonprofit Subclass

323.1 General.

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

323.11 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.

323.12 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.

323.2 Presort Rate Categories

323.21 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.

323.22 Basic Rate Categories.

The basic rate categories apply to presort rate category mail not mailed under section 322.23.

323.23 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.

323.3 Automation Rate Categories

323.31 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, or is provided for entry as mail using Netpost Mailing Online or a functionally equivalent service, pursuant to section 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.

323.32 [Basic Barcoded] Mixed AADC Rate Category.

The [basic barcoded] mixed AADC rate category applies to letter-size automation rate category mail not mailed under section 323.33, [or] 323.34, or 323.35.

323.33AADC Rate Category

The AADC rate category applies to letter-size automation rate category mail presorted to automated area distribution center destinations as specified by the Postal Service.

323.34[3] 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.

323.35[4] 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.

323.36[5] Basic Barcoded Flats Rate Category.

The basic barcoded flats rate category applies to flat-size automation rate category mail not mailed under section 323.37[6].

323.36 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.

323.4 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.

323.5 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.

323.8 Nonmachinable Surcharge

The nonmachinable surcharge applies to Nonprofit presort category letter-sized pieces (i) that do not meet the machinability requirements specified by the Postal Service; or (ii) for which manual processing is requested.

324 Nonprofit Enhanced Carrier Route Subclass

324.1 Definition.

The Nonprofit Enhanced Carrier Route subclass consists of Standard Mail that is not mailed under section 321, 322, or 323, that is mailed by authorized nonprofit organizations or associations (as defined in section 323) under the terms and limitations stated in section 323.12, 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; and [.]
- f. For high-density and saturation letters, bears a barcode representing not more than 11 digits (not including "correction" digits) as specified by the Postal Service.

324.2 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.

324.3 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.

324.4 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. High density rate category letters must meet the applicable automation requirements specified by the Postal Service, and must bear a barcode representing not

more than 11 digits (not including "correction" digits), as specified by the Postal Service.

324.5 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. Saturation rate category letters must meet the applicable automation requirements specified by the Postal Service, and must bear a barcode representing not more than 11 digits (not including "correction" digits), as specified by the Postal Service.

324.6 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.

324.7 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

Standard Mail may not exceed 108 inches in length and girth combined. Additional size limitations apply to individual rate categories. The maximum size for mail 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.

332 Weight

Standard Mail may not weigh more than 16 ounces.

340 POSTAGE AND PREPARATION

341 Postage

Postage must be paid as set forth in section 3000. When the postage is

higher than the rate prescribed in any of the Package Services subclasses for which the piece also qualifies, 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 General.

First-Class Mail may be attached to or enclosed in Standard Mail [containing books, catalogs, and merchandise]. The piece must be marked as specified by the Postal Service. Except as provided in section 344.2, 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.

344.2 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 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.

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

Undeliverable-as-addressed Standard Mail 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 Standard Mail pieces nationwide that are successfully forwarded for every one piece that cannot be forwarded and must be returned.

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 when postage is paid with permit imprint.

362 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] appropriate fees.

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

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 Regular

Regular subclass mail will receive the following additional services upon payment of the appropriate fees:

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

365 Nonprofit

Nonprofit subclass mail will receive the following additional services upon payment of the appropriate fees:

	Service	Schedule
a.	<u>Netpost</u> Mailing Online (starting on a date to be specified by the Postal Service)	981

370 RATES AND FEES

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

	Schedule
a. Regular subclass	
Presort category	321A
Automation category	321B
b. Enhanced Carrier Route subclass	322
c. Nonprofit subclass	
Presort category	323A
Automation category	323B
d. Nonprofit Enhanced Carrier Route subclass	324
e. Fees	1000

380 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 mailers of Standard 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 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 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 Outside County Subclass

421.1 Definition.

The 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 Outside County Pound Rates

An unzoned pound rate applies to the nonadvertising portion of Outside County subclass mail and may be reduced by applicable destination entry discounts. 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 Outside County Piece Rates

421.31 Basic Rate Category.

The basic rate category applies to all Outside County subclass mail not mailed under section 421.32, 421.33, or 421.34.

421.32 Three-Digit [City and Five-Digit] Rate Category.

The three-digit rate category applies to 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 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 Outside County subclass mail presorted to carrier routes as specified by the Postal Service.

421.4 Outside County Subclass Discounts

421.41 Barcoded Letter Discounts.

Barcoded letter discounts apply to letter size 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 Outside County subclass mail mailed under sections 421.31, 421.32, and 421.33 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.

421.43 High Density Discount.

The high density discount applies to 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 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 Outside County subclass mail which is prepared as specified by the Postal Service and addressed [destined] for delivery within the service area of the destination area distribution center (ADC), destination sectional center facility (SCF) or the destination delivery unit (DDU) at[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 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.

421.48 Pallet Discount. The pallet discount applies to Outside County subclass nonletter mail which is presented on pallets and which meets the preparation requirements specified by the Postal Service.

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

422.41 Definition.

Science of Agriculture mail consists of 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.

422.42 Rates.

Science of Agriculture mail is subject to pound rates, piece rates, and piece rate discounts (except for the 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.

422.43 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.

422.44 Destination Entry Discounts.

Destination entry discounts apply to Science of Agriculture Periodicals mail which is prepared as specified by the Postal Service, and addressed [which are destined] for delivery within the service area of the destination area distribution center (ADC), destination sectional center facility (SCF) or the destination delivery unit (DDU) [in] at which it is entered, as defined by the Postal Service. The DDU discount only applies to Carrier Route rate category mail.

423 Within County Subclass

423.1 Reserved

423.2 General

423.21 Definition.

Within County mail consists of Periodicals class mail, other than publications qualifying as Requester Publications, 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 County 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 Within County Piece Rates

423.31 Basic Rate Category.

The basic rate category applies to Within County Periodicals not mailed under section 423.32, 423.33, or 423.34.

423.32 Three-digit Rate Category.

The three-digit rate category applies to Within County Periodicals that are presorted to single or multiple three-digit ZIP Code destinations as specified by the Postal Service.

423.33 Five-Digit Rate Category.

The five-digit rate category applies to Within County Periodicals presorted to single or multiple five-digit ZIP Code destinations as specified by the Postal Service.

423.34 Carrier Route Rate Category.

The carrier route rate category applies to Within County Periodicals presorted to carrier routes as specified by the Postal Service.

423.4 Within County Discounts

423.41 Barcoded Letter Discounts.

Barcoded letter discounts apply to letter size Within County Periodicals mailed under sections 423.31, 423.32, and 423.33 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.

423.42 Barcoded Flats Discounts.

Barcoded flats discounts apply to flat size Within County Periodicals mailed under sections 423.31, 423.32, and 423.33 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.

423.43 High Density Discount.

The high density discount applies to Within County Periodicals mailed under section 423.34, presented in walk sequence order, and meeting the high density and preparation requirements specified by the Postal Service. 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.

423.44 Saturation Discount.

The saturation discount applies to Within County Periodicals mailed under section 423.34, presented in walk sequence order, and meeting the saturation and preparation requirements specified by the Postal Service.

423.45 Destination Entry Discount.

A destination delivery unit discount applies to Within County carrier route category mail which is destined for delivery within the destination delivery unit (DDU) in which it is entered, as defined by the Postal Service.

430 PHYSICAL LIMITATIONS

Periodicals Mail may not weigh more than 70 pounds or exceed 108 inches in length and girth combined. Additional size limitations apply to individual Periodicals rate categories.

440 POSTAGE AND PREPARATION

441 Postage.

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

442 Presortation.

Periodicals class mail must be presorted as specified by the Postal Service.

443 Attachments and Enclosures

443.1 General.

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

443.1a "Ride-Along" Attachments and Enclosures.

A limit of one Standard Mail piece, not exceeding the weight of the host copy and weighing a maximum of 3.3 ounces, 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 an individual copy of Periodicals Mail for an additional postage payment of ten cents. Periodicals containing "Ride-Along" attachments or enclosures must maintain uniform thickness as specified by the Postal Service. The Periodicals piece with the "Ride-Along" must maintain the same shape and automation compatibility as it had before addition of the "Ride-Along" attachment or enclosure and meet other preparation requirements as specified by the Postal Service.

[This provision expires on February 26, 2002.]

443.2 Incidental First-Class Mail Attachments and Enclosures.

First-Class Mail that meets one or more of the definitions in section 210 b through d may be attached to or enclosed with 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. Outside County	421
b. Within County	423
c. Science of Agriculture	421
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 Nonprofit, Classroom and Science of Agriculture Authorization

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

**PACKAGE SERVICES
CLASSIFICATION SCHEDULE**

510 DEFINITION

511 General

Any mailable matter may be mailed as Package Services 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.)

512 Written Additions

Package Services 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.

520 DESCRIPTION OF SUBCLASSES

521 Parcel Post Subclass

521.1 Definition.

The Parcel Post subclass consists of Package Services mail that is not mailed under sections 522, 523, or 524.

521.2 Description of Rate Categories

521.21 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, or 521.26.

521.22 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.

521.23 Parcel Select—Destination Bulk Mail Center (DBMC) Rate Category.

The Parcel Select—DBMC 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.

521.24 Parcel Select—Destination Sectional Center Facility (DSCF) Rate Category.

The Parcel Select—DSCF 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 (except as described in Section 521.25) and entered at a designated destination processing and distribution center or facility, or other equivalent facility, as specified by the Postal Service

521.25 Surcharge for Parcel Select-Destination Sectional Center Facility (DSCF) Rate Nonmachinable Parcels sorted to 3-digit Zip Codes.

The Parcel Select-DSCF Surcharge applies, in addition to the appropriate DSCF Parcel Select Rate, to mail that does not meet the machinability criteria specified by the Postal Service and is prepared in a mailing of at least 50 pieces sorted to three-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.

521.2[5]6 Parcel Select—Destination Delivery Unit (DDU) Rate Category.

The Parcel Select—DDU 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.

521.3 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.

521.31 Barcode Discount.

The barcode 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.

521.4 Bulk Mail Center (BMC) Presort Discounts

521.41 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.

521.42 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.

521.5 Barcode Discount.

The barcode 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.

521.6 Oversize Parcel Post

521.61 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.

521.62 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.

521.7 Nonmachinable Surcharges.

a. Inter-BMC, Intra-BMC, and Parcel Select—DBMC Parcel Post mail that does not meet machinability criteria specified by the Postal Service is subject to a nonmachinable surcharge.

b. Parcel Select—DSCF Parcel Post mail that does not meet machinability criteria specified by the Postal Service, and which is sorted to three-digit destination ZIP Codes as specified by the Postal Service, is subject to a nonmachinability surcharge for 3-digit nonmachinable DSCF Parcel Post.

521.8 Pickup Service.

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

522 Bound Printed Matter Subclass

522.1 Definition.

The Bound Printed Matter subclass consists of Package Services mail weighing 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;
- e. Is not stationery, such as pads of blank printed forms.

522.2 Description of Rate Categories

522.21 Single-Piece Rate Category.

The single-piece rate category applies to Bound Printed Matter subclass mail which is not mailed under section 522.3 or 522.4.

522.22 Basic Presort Rate Category.

The 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.

522.23 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.

522.24 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.

522.25 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.

522.26 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.

522.3 Barcode Discount.

The parcel barcoded discount or flats barcoded discount apply [applies] to single-piece rate and Basic Presort Rate Bound Printed Matter subclass parcel or flat mail, respectively, 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.

522.4 Flats Differential

Flat-shaped single-piece rate, Basic Presort Rate, and Carrier Route Presort Rate Bound Printed Matter subclass mail that meets the preparation criteria specified by the Postal Service is eligible for a rate reduction in the form of a flats differential.

523 Media Mail Subclass

523.11 Definition.

The Media Mail subclass consists of Package Services 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,
 - 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.

523.2 Description of Rate [Categories] Categories

523.21 Single-Piece Rate Category.

The single-piece rate category applies to Media Mail not mailed under section 523.22 or 523.23 prepared as specified by the Postal Service.

523.22 [Level A] Five-Digit Presort Rate Category.

The [Level A] Five-Digit presort rate category applies to mailings of at least [500] 300 pieces [of] in any Media Mail subclass presorted category, prepared and presorted to five-digit destination ZIP Codes as specified by the Postal Service.

523.23 [Level B] Basic Presort Rate Category.

The [Level B] Basic Presort [presort] rate category applies to mailings of at least [500] 300 pieces [of] in any Media Mail subclass presorted category, prepared and presorted [to destination Bulk Mail Centers], as specified by the Postal Service, other than to five-digit destination ZIP Codes.

523.3 Barcode Discount.

The barcode discount applies to single-piece rate and [Level B] Basic Presort [presort] rate Media 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 Library Mail Subclass

524.1 Definition

524.11 General.

The Library Mail subclass consists of Package Services mail of the following types:

- a. Matter designated in section 524.13, 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 524.14, 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 524.15, mailed from a publisher or a distributor to a school, college, university or public library.

524.12 Definition of Nonprofit Organizations and Associations.

Nonprofit organizations or associations are defined in section 1009.

524.13 Library subclass mail under section 524.11.a.

Matter eligible for mailing as Library Mail under subsection a of section 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.

524.14 Library Mail under section 524.11.b.

Matter eligible for mailing as Library Mail under subsection b of section

524.11 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;
- e. Catalogs of the materials in subsections a through d of section 524.14 and guides or scripts prepared solely for use with such materials.

524.15 Library Mail under section 524. 11.c.

Matter eligible for mailing as Library subclass mail under subsection c of section 524.11 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.

524.2 Description of Rate Categories

524.21 Single-Piece Rate Category.

The single-piece rate category applies to Library Mail not mailed under section 524.22 or 524.23 prepared as specified by the Postal Service.

524.22 [Level A] Five-Digit Presort Rate Category.

The [Level A] Five-Digit Presort [presort] rate category applies to mailings of at least [500] 300 pieces [of] in any Library Mail subclass presorted category, prepared and presorted to five-digit destination ZIP Codes as specified by the Postal Service.

524.23 [Level B] Basic Presort Rate Category.

The [Level B] Basic Presort [presort] rate category applies to mailings of at least [500] 300 pieces [of] in any Library Mail subclass presorted category, prepared and presorted, [to destination Bulk Mail Centers] as specified by the Postal Service, other than to five-digit destination ZIP Codes.

524.3 Barcode Discount.

The barcode discount applies to Single-Piece Rate and [Level B] Basic Presort Rate Library 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*.

530 PHYSICAL LIMITATIONS

531 Size

Except as provided in section 521.61, Package Services mail may not exceed 108 inches in length and girth combined. Additional size limitations apply to individual Package Services mail subclasses.

532 Weight

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

540 POSTAGE AND PREPARATION

541 Postage

Postage must be paid as set forth in section 3000. All mail mailed at a bulk or presort rate must have postage paid in a manner not requiring cancellation.

542 Preparation

All pieces in a Package Services mailing must be separately addressed. All pieces in a Package Services 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 mailings must be prepared and presented as specified by the Postal Service. Two or more Package Services mailings may be commingled and mailed only when specific methods approved by the Postal Service for determining and verifying postage are followed.

543 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.

544 Attachments and Enclosures

544.1 General.

First-Class Mail or Standard Mail may be attached to or enclosed in Package Services mail. The piece must be marked as specified by the Postal Service. Except as provided in sections 544.2 and 544.3, 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 Standard Mail rate for which it qualifies unless the rate applicable to the host piece is higher. Otherwise, the entire combined piece is subject to the First-Class Mail, Standard Mail, or Package Services rate for which it qualifies.

544.2 Specifically Authorized Attachments and Enclosures.

Package Services mail may contain enclosures and attachments as specified by the Postal Service and as described in subsections a and e of section 523.1, with postage paid on the combined piece at the Package Services rate applicable to the host piece.

544.3 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 mail, with postage paid on the combined piece at the Package Services 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.

550 DEPOSIT AND DELIVERY

551 Deposit

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

552 Service

Package Services mail may receive deferred service.

553 Forwarding and Return

Undeliverable-as-addressed Package Services mail 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 mail with First-Class Mail or Standard Mail will be forwarded if undeliverable-as-addressed, and returned if undeliverable, as specified by the Postal Service. When Package Services mail is forwarded or returned from one post office to another, additional charges will be based on the applicable single- piece Package Services mail rate.

560 ANCILLARY SERVICES

Package Services mail will receive the following services upon payment of the appropriate fees:

	Service	Schedule
a.	Address correction	911
b.	Certificates of mailing	947
c.	COD	944
d.	Insurance	943

e.	Special handling	952
f.	Return receipt (merchandise only)	945
g.	Merchandise return	932
h.	Delivery Confirmation <u>(limited to parcel – shaped Package Services Mail)</u>	948
i.	Shipper Paid Forwarding	936
j.	Signature Confirmation <u>(limited to parcel –shaped Package Services Mail)</u>	949
k.	Parcel Airlift	951

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

570 RATES AND FEES

The rates and fees for Package Services mail are set forth as follows:

	Schedule
a.	Parcel Post subclass
	Inter-BMC 522.2A
	Intra-BMC 522.2B
	Parcel Select
	Destination BMC 522.2C
	Destination SCF 522.2D
	Destination Delivery Unit 522.2E
b.	Bound Printed Matter subclass
	Single-Piece 522A
	Basic Presort and Carrier Route 522B
	Destination Entry Basic Presort 522C
	Destination Entry Carrier Route Presort 522D
c.	Media Mail subclass 323.1
d.	Library Mail subclass 323.2
e.	Fees 1000

580 AUTHORIZATIONS AND LICENSES

581 Parcel Post Subclass

The mailing fee set forth in Schedule 1000 must be paid once each 12-

month period at each office of mailing or office of verification, as specified by the Postal Service, by or for mailers of any Parcel Select 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 12-month period 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 12-month period 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 12-month period 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 mailer both an addressee's former and current address, if the correct address is known to the Postal Service. 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.

911.2 Availability

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.

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.

911.3 Mailer Requirements

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.

911.5 Fees

911.51 The fees for Address Correction Service are set forth in Fee Schedule 911. These fees do not apply when the correction is provided incidental to the return of the mailpiece to the sender.

912 MAILING LIST SERVICES

912.1 Definition

912.11 Mailing List services enable an eligible mailer to obtain the following services:

- a. Correction of Mailing Lists;
- b. Change-of-Address Information for Election Boards and Registration Commissions;
- c. ZIP Coding of Mailing Lists; and
- d. Sequencing of Address Cards.

912.2 Description of Services

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 the following corrections to name and address lists:

- i. deletion of names to which mail cannot be delivered or forwarded;

- ii. correction of incorrect house, rural, or post office box numbers and
- iii. furnishing of new addresses, including Zip Codes, when permanent forwarding orders are on file for customers who have moved.

This service does not include the addition of new names.

(2) The Postal Service provides the following corrections to occupant lists:

- i. deletion of numbers representing incorrect or non-existent street addresses;
 - ii. identification of business addresses and rural route addresses, to the extent known; and
 - iii. grouping of corrected cards or sheets by route.
- 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 resident addressee, if known to the Postal Service.
 - c. ZIP Coding of Mailing Lists. This service provides sortation of addresses to the finest possible ZIP Code level.
 - 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

912.32 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, [S]stamped [C]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 Post Office Box Service

921.11 Definition

921.111 Post Office Box service provides the customer with a private, locked receptacle for the receipt of mail during the hours specified by the Postal Service.

921.12 Limitations

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

921.122 Post Office Box service is not available to a customer whose sole purpose for using this service is to obtain free forwarding or transfer of mail by filing change-of-address orders.

921.13 Fees

921.131 Fees for Post Office Box service are set forth in Fee Schedule 921.

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

Period of box use

Fee

95 days or less	½ 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 semiannual fee

921.133 No refunds will be made for post office box fees paid under section 921.132.

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.

921.2 Caller Service

921.21 Definition

921.211 Caller service provides a means for receiving mail, and enables an eligible customer to have properly addressed mail delivered through a call window or loading dock.

921.22 Availability

921.221 Caller service is provided to customers at the discretion of the Postal Service, based on mail volume received and capacity and utilization of post office boxes at any one facility.

921.222 Caller service is not available to a customer whose sole purpose for using this service is to obtain free forwarding or transfer of mail by filing change-of-address orders.

921.23 Fees

921.231 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 service enables a Business Reply Mail permit holder, or the permit holder's authorized representative, to distribute Business Reply Mail cards, envelopes, cartons and labels, which can then be 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 Business Reply Mail pieces that are returned to the addressee, including any pieces that the addressee refuses.

931.2 Mailer Requirements

931.21 Business reply cards, envelopes, cartons and labels must meet the addressing and preparation requirements specified by the Postal Service. Qualified Business Reply Mail must in addition meet the requirements presented in sections 221.24 or 222.34 for the First-Class Mail Qualified Business Reply Mail rate categories.

931.22 To qualify for the advance deposit account per piece fees, the customer must maintain sufficient money in an advance deposit account to cover postage and fees due for returned Business Reply Mail.

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 Reserved

931.4 Fees

931.41 The fees for Business Reply Mail are set forth in Fee Schedule 931.

931.42 To qualify for any service level except regular (no accounting fee) Business Reply Mail, tThe annual accounting fee set forth in Fee Schedule 1000 must be paid each year for each business reply advance deposit account at each facility where the mail is to be received.

931.43 The nonletter-size weight averaging monthly fee set forth in Fee Schedule 931 must be paid each month during any part of which the permit holder is authorized to use the weight averaging fees.

931.5 Authorizations and Licenses

931.51 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 1000.

931.52 Except as provided in section 931.53, 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.

931.53 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.

931.54 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.

931.55 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 authorize its customers to return a parcel with the postage paid by the permit holder.

932.2 Availability

932.21 Merchandise Return service is available to all Merchandise Return service permit holders 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.] b. Package Services

932.3 Mailer Requirements

932.31 Merchandise return labels must be prepared as specified by the Postal Service, and be made available to the permit holder's customers.

932.4 Other Services

932.41 [The following services may be purchased in conjunction with Merchandise Return Service:] Other services may be available in conjunction with Merchandise Return Service, as specified by the Postal Service.

[Service]

[Fee Schedule]

[a. Certificate of Mailing

947]

[b. Insurance

943]

[c. Registered Mail

942]

[d. Special Handling

952]

932.5 Fees

932.51 The permit holder must pay the accounting fee specified in Fee Schedule

1000 once each 12-month period for each advance deposit account.

932.6 Authorizations and Licenses

932.61 A permit fee as set forth in Schedule 1000 must be paid once each 12-month period 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

933.1 Definition

933.11 On-Site Meter service enables a mailer or meter manufacturer to obtain the following meter-related services from the Postal Service at the mailer's or meter manufacturer's premises:

- a. checking a meter in or out of service; and
- b. setting or examining a meter.

933.2 Availability

933.21 On-Site Meter 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 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:

- a. are undeliverable-as-addressed;
- b. 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
- c. 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

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 Mailer Requirements

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 furnish the recipient 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 [The following services may be purchased in conjunction with Bulk Parcel Return Service:]Other services may be 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 per return fee for Bulk Parcel Return Service is set forth in Fee Schedule 935.

935.52 The permit holder must pay the accounting fee specified in Fee Schedule 1000 once each 12-month period 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 12-month period 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 mailers 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 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

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 Mailer Requirements

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

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

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

936.4 Other Services

936.41 [The following services may be purchased in conjunction with Shipper-Paid Forwarding:] Other services may be available 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, or the Parcel Post subclass of Package Services, as set forth in Rate Schedules 221, 223, 521.2A and 521.2B, apply to pieces forwarded or returned under this section.

936.52 The accounting fee specified in Fee Schedule 1000 must be paid once each 12-month period for each advance deposit account.

940 ACCOUNTABILITY AND RECEIPTS

941 CERTIFIED MAIL

941.1 Definition

941.11 Certified Mail service provides a mailer with evidence of mailing and, upon request, electronic confirmation that an article was delivered or that a delivery attempt was made, and guarantees retention of a record of delivery by the Postal Service for a period specified by the Postal Service.

941.2 Availability

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

941.3 Included Services

941.31 If requested by the mailer, the Postal Service will indicate the time of acceptance on the mailing receipt. A mailer may obtain a copy of the mailing receipt on terms specified by the Postal Service.

941.32 If the initial attempt to deliver the mail is not successful, a notice of attempted delivery is left at the mailing address, and the date and time of the of the attempted delivery is made available to the mailer.

941.33 [A mailer may obtain a copy of the mailing receipt on terms specified by the Postal Service.]The date and time of delivery is made available to the mailer electronically.

941.4 Mailer Requirements

941.41 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.

941.5 Other Services

941.51 [The following services may be obtained in conjunction with mail sent under this section upon payment of the applicable fees: Other services may be available in conjunction with Certified Mail, as specified by the Postal Service.

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

941.6 Fees

941.61 The fee for Certified Mail service is set forth in Fee Schedule 941.

942 REGISTERED MAIL

942.1 Definition

942.11 Registered Mail service 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

942.21 Registered Mail service is available for prepaid First-Class Mail of any value, if the mail meets the minimum requirements for length and width specified by the Postal Service.

942.22 Registered Mail service is not available for:

- a. All delivery points because of the high security required for Registered Mail; in addition, 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 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. Electronic confirmation that an article was delivered or that a delivery attempt was made
- c.[b]A record of delivery, retained by the Postal Service for a specified period of time;
- d.[c.]A notice of attempted delivery, left at the mailing address if the initial delivery attempt is unsuccessful; and
- e.[d.]A notice of nondelivery, when Registered Mail is undeliverable-as-addressed and cannot be forwarded.

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.

942.42 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.

942.5 Other Services

942.51 [The following services may be obtained in conjunction with mail sent under this section upon payment of applicable fees:] Other services may be available in conjunction with Registered Mail, as specified by the Postal Service.

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

942.6 Fees

942.61 The fees for Registered Mail are set forth in Fee Schedule 942.

942.62 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 provides the mailer with indemnity for loss of, rifling of, or damage to items sent by Express Mail.

943.12 Availability

943.121 Express Mail Insurance is available only for Express Mail.

943.13 Limitations and Mailer Requirements

943.131 Insurance coverage is provided, for no additional charge, up to [\$500] \$100 per piece for document reconstruction, up to \$5,000 per occurrence, regardless of the number of claimants. Insurance coverage for merchandise is also provided, for no additional charge, up to \$100 per piece. Additional merchandise insurance coverage may be purchased for a fee. The maximum liability for merchandise is \$5,000 per piece. For negotiable items, currency, or bullion, the maximum liability is \$15.

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

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

943.134 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.

913.14 Other Services

943.141 Reserved

943.15 Fees

943.151 The fees for Express Mail Insurance service are set forth in Fee Schedule 943.

943.2 General Insurance

943.21 Definition

943.211 General Insurance 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.

943.22 Availability

943.221 General 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;
- c. Regular and Nonprofit subclasses of Standard Mail, for Bulk Insurance only, for mail subject to residual shape surcharge.

943.222 General 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.

943.223 The Bulk Insurance option of General 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.

943.23 Included Services

943.231 For General Insurance, the mailer is issued a receipt for each item mailed. For items insured for more than \$50, a record of delivery is retained by the

Postal Service for a specified period.

- 943.232** 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.
- 943.24** Limitations and Mailer Requirements
- 943.241** Mail insured under section 943.2 must be deposited as specified by the Postal Service.
- 943.242** Bulk Insurance must bear endorsements and identifiers specified by the Postal Service. Bulk Insurance mailers must meet the documentation requirements of the Postal Service.
- 943.243** By insuring an item, the mailer guarantees forwarding and return postage.
- 943.244** General Insurance, other than Bulk 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.
- 943.245** For General [i]Insurance, other than Bulk 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.
- 943.246** Indemnity claims must be filed within a specified period of time from the date the article was mailed.
- 943.25** Other Services
- 943.251** [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:] Other services may be available in conjunction with General Insurance, as specified by the Postal Service.

[Service]		[Fee Schedule]
[a.	Parcel Airlift	951]
[b.	Restricted Delivery (for items insured for more than \$50)	946]
[c.	Return Receipt (for items insured for more than \$50)	945]

- | | | |
|-----|------------------------------------|------|
| [d. | Special Handling | 952] |
| [e. | Merchandise Return (shippers only) | 932] |

943.26 Fees

943.261 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 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

944.21 COD service is available for collection of \$1,000 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

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 of merchandise or bill of lading, 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 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 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 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 The mailer may receive a notice of nondelivery if the piece mailed is endorsed appropriately.

944.35 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.

944.4 Limitations and Mailer Requirements

944.41 The mailer must identify COD mail as COD mail, as specified by the Postal Service.

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

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

944.44 For COD mail sent as Package Services 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.
- 944.5 Other Services**
- 944.51** [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 fee:] Other services may be available in conjunction with Collect on Delivery, as specified by the Postal Service.

[Service]	[Fee Schedule]
[a. Registered Mail, if sent as First-Class	942]
[b. Restricted Delivery	946]
[c. Special Handling	952]

944.6 Fees

944.61 Fees for COD service are set forth in Fee Schedule 944.

945 RETURN RECEIPT

945.1 Regular Return Receipt

945.11 Definition

945.111 Return Receipt service provides evidence to the mailer that an article has been received at the delivery address, including an original or copy of the recipient's signature. Mailers requesting Return Receipt service at the time of mailing will be provided, as appropriate, an original or copy of the signature of the [addressee or addressee's agent]recipient, 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 a copy of the recipient's signature, the date of delivery and the name of the person who signed for the article.

945.12 Availability

945.121 Return Receipt service is available for mail sent under the following sections or classification schedules:

	Service	Fee Schedule
a.	Certified Mail	941
b.	COD Mail	944
c.	Insurance (if insured for more than \$50)	943
d.	Registered Mail	942
e.	Express Mail	
f.	Priority Mail [(merchandise only)]	
g.	Standard Mail (limited to merchandise subject to residual shape surcharge and sent by Regular and Nonprofit subclasses)	
h.	Package Services	

945.122 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.

945.13 Included Services

945.131 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, at no additional fee.

945.14 Other Services

945.141 [Reserved] Other services may be available with Return Receipt, as specified by the Postal Service.

945.15 Fees

945.151 The fees for Return Receipt service are set forth in Fee Schedule 945.

945.2 Return Receipt For Merchandise

945.21 Definition

945.211 Return receipt for merchandise service provides evidence to the mailer that an article has been received at the delivery address. A return receipt for merchandise also supplies the recipient's actual delivery address if it is different from the address used by the sender. A return receipt for merchandise may not be requested after mailing.

945.22 Availability

945.221 Return receipt for merchandise is available for merchandise sent under the following sections or classification schedules:

a. Priority Mail

b. Standard Mail pieces subject to the residual shape surcharge

c. Package Services

945.23 Mailer Requirements

945.231 Return receipt for merchandise must be deposited in a manner specified by the Postal Service.

945.232 Return receipt for merchandise mail may be addressed for delivery only in the United States and its territories and possession, through Army/Air Force

(APO) and Navy (FPO) post offices, or through the United Nations Post Office, New York.

945.24 Other Services

945.241 Other services may be available in conjunction with Return Receipt for Merchandise, as specified by the Postal Service.

946 RESTRICTED DELIVERY

946.1 Definition

946.11 Restricted Delivery service enables a mailer to direct the Postal Service to limit delivery to the addressee or to someone authorized by the addressee to receive such mail.

946.2 Availability

946.21 [This service is available for mail sent under the following sections: Other services may be available in conjunction with Restricted Delivery, as specified by the Postal Service.]

[Service]

[Fee Schedule]

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

946.4 Other Services

946.41 Reserved

946.5 Fees

946.51 The fee for Restricted Delivery service is set forth in Fee Schedule 946.

946.52 The fee (or communications charges) will not be refunded for failure to provide restricted delivery service when requested after mailing, due to prior delivery.

947 CERTIFICATE OF MAILING

947.1 Definition

947.11 Certificate of Mailing service furnishes evidence that mail has been presented to the Postal Service for mailing.

947.2 Availability

947.21 Certificate of Mailing service is available for matter sent using 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

947.31 The service does not entail retention of a record of mailing by the Postal Service and does not provide evidence of delivery.

947.5 Other Services

947.51 [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:] Other services may be available with Certificate of Mailing, as specified by the Postal Service.

[Service]

[Fee Schedule]

[a. Parcel Airlift

951]

[b. Special Handling

952]

947.6 Fees

947.61 The fees for Certificate of Mailing service are set forth in Fee Schedule 947.

948 DELIVERY CONFIRMATION

948.1 Definition

948.11 Delivery Confirmation service provides, upon request, electronic confirmation to the mailer that an article was delivered or that a delivery

attempt was made.

948.2 Availability

948.21 Delivery Confirmation service is available for Letters and Sealed Parcels subclass mail that is parcel-shaped, as specified by the Postal Service; Priority Mail; Standard Mail in the Regular and Nonprofit subclasses that is subject to the residual shape surcharge; and Package Services mail that is parcel-shaped, as specified by the Postal Service, as well as mail subject to the residual shape surcharge in the Regular and Nonprofit subclasses of Standard Mail].

948.3 Mailer Requirements

948.31 Delivery Confirmation service may be requested only at the time of mailing.

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

948.33 Matter for which Delivery Confirmation service is requested must be deposited in a manner specified by the Postal Service.

948.4 Other Services

948.41 Reserved

948.5 Fees

948.51 The fees for Delivery Confirmation service are set forth in Fee Schedule 948.

949 SIGNATURE CONFIRMATION

949.1 Definition

949.11 Signature Confirmation service provides upon request, 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 Letters and Sealed Parcels subclass mail that is parcel-shaped, as specified by the Postal Service; Priority Mail; and Package Services mail that is parcel-shaped, as

specified by the Postal Service.

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

949.41 Reserved

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 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

951.21 Parcel Airlift service is available for mail sent under the Package Services Classification Schedule.

951.3 Mailer Requirements

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.

951.32 Mail sent under this section must be endorsed as specified by the Postal

Service.

951.33 Parcel Airlift mail must be deposited in a manner specified by the Postal Service.

951.4 Forwarding and Return

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

951.5 Other Services

951.51 [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:] Other services may be available in conjunction with Parcel Airlift (PAL), as specified by the Postal Service.

[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]

951.6 Fees

951.61 The fees for Parcel Airlift service are set forth in Fee Schedule 951.

952 SPECIAL HANDLING

952.1 Definition

952.11 Special Handling service provides preferential handling to the extent practicable during dispatch and transportation.

952.2 Availability

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

- a. First-Class Mail
- b. Package Services

952.3 Mailer Requirements

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

952.32 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 Forwarding and Return

952.41 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 Other Services

952.51 [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:] Other services may be available in conjunction with Special Handling, as specified by the Postal Service.

[Service]

[Fee Schedule]

[a. COD Mail	944]
[b. Insurance	943]
[c. Parcel Airlift	951]
[d. Merchandise Return (shippers only)	932]

952.6 Fees

952.61 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

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

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 MONEY ORDER SERVICE

971.1 Definition

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

971.2 Limitations

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

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

971.32 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.

971.33 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.

971.34 Inquiries or claims may be filed by the purchaser, payee, or endorsee.

971.4 **Other Services**

971.41 **Reserved**

971.5 **Fees**

971.51 The fees for Money Order service are set forth in Fee Schedule 971.

980 **ACCEPTANCE ALTERNATIVES**

981 **NETPOST MAILING ONLINE**

981.1 **Definition**

Netpost 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 **Availability**

981.21 Netpost 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. Express Mail;
- b. First-Class Mail;
- c. Regular and Nonprofit subclasses of Standard Mail.

981.22 Except as provided in section 981.23, documents presented through Netpost Mailing Online are eligible for only the following rate categories:

- a. Express Mail Next Day Service and Second Day Service
- b. First-Class Mail Letters and Sealed Parcels Automation Letters Basic
- c. First-Class Mail Letters and Sealed Parcels Automation Flats Basic
- d. First-Class Mail Cards Automation Basic

- e. First-Class Mail Single-Piece Priority Mail
- f. Standard Mail Regular Automation Basic Letters
- g. Standard Mail Regular Automation Basic Flats
- h. Standard Mail Nonprofit Automation Basic (starting on a date to be specified by the Postal Service)
- i. Standard Mail Nonprofit Automation Basic Flats (starting on a date to be specified by the Postal Service)

981.23 That portion of a Netpost Mailing Online mailing consisting of pieces with addresses that cannot be made to meet Postal Service addressing requirements is not eligible for any Automation Basic rate categories, but instead may be sent, at the option of the Netpost Mailing Online customer, at the applicable single-piece rates for First-Class Mail Letters and Sealed Parcels, First-Class Mail Cards, or Priority Mail.

981.3 Mailer Requirements

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

981.4 Other Special Services

Other [special services that are] may be available in conjunction with [the subclass of mail chosen by the] Netpost Mailing Online, [customer are available for Netpost Mailing Online pieces only] as specified by the Postal Service.

981.5 Fees

981.51 The fees for Netpost Mailing Online are described in Fee Schedule 981.

981.6 Functionally Equivalent Systems

981.61 General.

Mailpieces created by a system certified by the Postal Service to be functionally equivalent to Netpost Mailing Online are eligible for the same rate categories as Netpost Mailing Online mailpieces. Mailpieces created by a certified, functionally equivalent service are in no case eligible for rate categories providing larger discount than Netpost Mailing Online

mailpieces would receive.

981.62 Definition.

A functionally equivalent system is one which is capable of all of the following, comparable to Netpost Mailing Online, as specified by the Postal Service:

- a. accepting documents and mailing lists from remote users in electronic form, such as via the Internet or converting documents and mailing lists to electronic form;
- b. using the electronic documents, mailing lists, and other software including sortation software certified by the Postal Service that sorts to the finest level of sortation possible, to create barcoded mailpieces meeting the requirements for automation category mail, with 100 percent standardized addresses on all pieces claiming discounted rates;
- c. commingling mailpieces from all sources without diversion to any other system and batching them according to geographic destination prior to printing and mailing; and
- d. generating volumes that exceed on average any otherwise applicable volume minimums.

981.63 Certification

981.631 General.

Functionally equivalent systems must meet the requirements for certification specified by the Postal Service.

981.632 Fee.

Functionally equivalent systems are subject to the annual certification fee set forth in Fee Schedule 1000.

981.633 Cancellation.

Certification can be cancelled by the Postal Service for failure to continue to meet the requirements of this section and those specified by the Postal Service.

981.7 Duration of Experimental Service Period

981.71 The provisions of section 981 expire the later of:

- a. three years after the implementation date specified by the Postal Service Board of Governors, or
- b. if, by the expiration date specified in (a), a proposal to make Netpost Mailing Online permanent is pending before the Postal Rate Commission, the later of:
 1. three months after the Commission takes action on such proposal under section 3624 of Title 39, or
 2. —if applicable—on the implementation date for a permanent Netpost Mailing Online.

GENERAL DEFINITIONS, TERMS AND CONDITIONS

1000 GENERAL DEFINITIONS

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

1001 Advertising

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

1002 Aspect Ratio

Aspect ratio is the ratio of width to length.

1003 Bills and Statements of Account

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

1003.2 A statement of account is the assertion of the existence of a debt in a definite amount but which does not necessarily contain a request or a demand for payment. The amount may be immediately due or may become due after a certain time or upon demand or billing at a later date.

1003.3 A bill or statement of account must present the particulars of an indebtedness with sufficient definiteness to inform the debtor of the amount he is 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; or
- (D) To combat community deterioration and juvenile delinquency.

e. **Agricultural.** A nonprofit organization whose primary purpose is the betterment of the conditions of those engaged in agriculture pursuits, the improvement of the grade of their products, and the development of a higher degree of efficiency in agriculture. The organization may advance agricultural interests through educational activities; the holding of agricultural fairs; the collection and dissemination of information concerning cultivation of the soil and its fruits or the harvesting of marine resources; the rearing, feeding, and management of livestock, poultry, and bees, or other activities relating to agricultural interests. The term agricultural nonprofit organization also includes any nonprofit organization whose primary purpose is the collection and dissemination of information or materials relating to agricultural pursuits.

f. **Labor.** A nonprofit organization whose primary purpose is the betterment of the conditions of workers. Labor organizations include, but are not limited to, organizations in which employees or workmen participate, whose primary purpose is to deal with employers concerning grievances, labor disputes, wages, hours of employment and working conditions.

g. **Veterans'.** A nonprofit organization of veterans of the armed services of the United States, or an auxiliary unit or society of, or a trust or foundation for, any such post or organization.

h. **Fraternal.** A nonprofit organization 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.

2000 DELIVERY OF MAIL

2010 Delivery Services

The Postal Service provides the following modes of delivery:

- a. Caller service. The fees for caller service are set forth in 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 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, permit imprint, or other payment methods specified by the Postal Service. Prior authorization for use of certain payment methods may be required, as specified by 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 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 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, 330, 430, 521.6, 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.

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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 Decision of the Governors of the United States Postal Service on the Recommended Decision on Further Reconsideration of the Postal Rate Commission on Postal Rate and Fee Changes, Docket No. R2000-1 (66 Fed. Reg. 28569), as amended by the Decision of the Governors of the USPS on the Recommended Decision of the Postal Rate Commission on Experimental Presorted Priority Mail Rate Categories, Docket No. MC2001-1.

The schedules in this attachment present both proposed and current rates and fees. In general, proposed additions to notes are underlined; proposed deletions appear in brackets. Rate or fee categories that are either new or proposed for elimination are either bracketed or assigned the acronym "NA" in the appropriate proposed or current rate or fee column.

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

**EXPRESS MAIL
RATE SCHEDULES 121, 122, AND 123**

Current

Proposed

Weight (lbs.)	Schedule 121	Schedule 122	Schedule 123	Schedule 123	Weight (lbs.)	Schedule 121	Schedule 122	Schedule 123	Schedule 123
	Same Day Airport Service	Custom Designed	Next Day & Second Day PO to PO	Next Day & Second Day PO to Addressee		Same Day Airport Service	Custom Designed	Next Day & Second Day PO to PO	Next Day & Second Day PO to Addressee
0.5		\$9.40	\$9.55	\$12.45	0.5		\$10.70	\$10.40	\$13.65
1		13.95	14.10	16.25	1		14.90	14.60	17.85
2		13.95	14.10	16.25	2		14.90	14.60	17.85
3		16.90	17.05	19.15	3		18.10	17.80	21.05
4		19.75	19.90	22.05	4		21.25	20.95	24.20
5		22.60	22.75	24.85	5		24.35	24.05	27.30
6		25.45	25.60	27.70	6		27.45	27.15	30.40
7		28.15	28.30	30.45	7		30.50	30.20	33.45
8		29.40	29.55	31.65	8		31.80	31.50	34.75
9		30.65	30.80	32.95	9		33.25	32.95	36.20
10		31.85	32.00	34.15	10		34.55	34.25	37.50
11		33.40	33.55	35.70	11		36.25	35.95	39.20
12		35.85	36.00	38.10	12		38.90	38.60	41.85
13		37.10	37.25	39.85	13		40.80	40.50	43.75
14		38.50	38.65	40.80	14		41.85	41.55	44.80
15		39.75	39.90	42.00	15		43.15	42.85	46.10
16		41.10	41.25	43.40	16		44.70	44.40	47.65
17		42.50	42.65	44.75	17		46.20	45.90	49.15
18		43.75	43.90	46.05	18		47.60	47.30	50.55
19		45.05	45.20	47.35	19		49.05	48.75	52.00
20		46.45	46.60	48.70	20		50.50	50.20	53.45
21		47.70	47.90	50.00	21		51.95	51.65	54.90
22		49.00	49.20	51.30	22		53.40	53.10	56.35
23		50.40	50.60	52.70	23		54.90	54.60	57.85
24		51.65	51.80	53.95	24		56.30	56.00	59.25
25		53.00	53.20	55.25	25		57.70	57.40	60.65
26		54.30	54.45	56.60	26		59.20	58.90	62.15
27		55.65	55.85	57.90	27		60.60	60.30	63.55
28		56.95	57.10	59.25	28		62.10	61.80	65.05
29		58.30	58.45	60.55	29		63.55	63.25	66.50
30		59.65	59.80	61.90	30		65.00	64.70	67.95
31		60.95	61.10	63.20	31		66.45	66.15	69.40
32		62.25	62.40	64.55	32		67.95	67.65	70.90
33		63.60	63.75	65.80	33		69.30	69.00	72.25
34		64.90	65.05	67.20	34		70.85	70.55	73.80
35		66.25	66.40	68.45	35		72.20	71.90	75.15

EXPRESS MAIL
RATE SCHEDULES 121, 122, AND 123 (continued)

Current

Proposed

Weight (lbs.)	Schedule 121	Schedule 122	Schedule 123	Schedule 123	Weight (lbs.)	Schedule 121	Schedule 122	Schedule 123	Schedule 123
	Same Day Airport Service	Custom Designed	Next Day & Second Day PO to PO	Next Day & Second Day PO to Addressee		Same Day Airport Service	Custom Designed	Next Day & Second Day PO to PO	Next Day & Second Day PO to Addressee
36		\$67.55	\$67.70	\$69.85	36		\$73.75	\$73.45	\$76.70
37		68.80	68.95	71.35	37		75.40	75.10	78.35
38		70.40	70.35	73.00	38		77.20	76.90	80.15
39		72.00	71.65	74.60	39		78.95	78.65	81.90
40		73.65	73.10	76.25	40		80.75	80.45	83.70
41		75.25	74.70	77.85	41		82.55	82.25	85.50
42		76.90	76.35	79.55	42		84.40	84.10	87.35
43		78.50	77.95	81.10	43		86.10	85.80	89.05
44		80.15	79.60	82.70	44		87.85	87.55	90.80
45		81.75	81.20	84.15	45		89.45	89.15	92.40
46		83.10	82.75	85.40	46		90.80	90.50	93.75
47		84.50	84.45	86.90	47		92.45	92.15	95.40
48		85.85	86.00	88.20	48		93.90	93.60	96.85
49		87.20	87.35	89.50	49		95.30	95.00	98.25
50		88.50	88.65	90.85	50		96.80	96.50	99.75
51		89.95	90.15	92.30	51		98.40	98.10	101.35
52		91.25	91.40	93.60	52		99.80	99.50	102.75
53		92.65	92.80	95.00	53		101.35	101.05	104.30
54		94.00	94.15	96.30	54		102.80	102.50	105.75
55		95.30	95.50	97.70	55		104.30	104.00	107.25
56		96.80	96.95	99.10	56		105.85	105.55	108.80
57		98.05	98.20	100.40	57		107.30	107.00	110.25
58		99.40	99.55	101.80	58		108.85	108.55	111.80
59		100.95	101.10	103.30	59		110.45	110.15	113.40
60		102.50	102.65	104.85	60		112.20	111.90	115.15
61		104.25	104.40	106.60	61		114.10	113.80	117.05
62		105.80	105.95	108.20	62		115.85	115.55	118.80
63		107.45	107.60	109.75	63		117.55	117.25	120.50
64		109.10	109.30	111.50	64		119.50	119.20	122.45
65		110.75	110.90	113.05	65		121.20	120.90	124.15
66		112.45	112.60	114.80	66		123.10	122.80	126.05
67		114.05	114.20	116.35	67		124.80	124.50	127.75
68		115.75	115.90	118.10	68		126.70	126.40	129.65
69		117.35	117.50	119.65	69		128.45	128.15	131.40
70		118.95	119.10	121.30	70		130.25	129.95	133.20

SCHEDULES 121, 122, AND 123

NOTES

1. The applicable 1/2-pound [2-pound] rate is charged for matter sent in a flat-rate envelope provided by the Postal Service.
2. Add \$12.50 [\$10.25] for each pickup stop.
3. Add \$12.50 [\$10.25] for each Custom Designed delivery stop.

**FIRST-CLASS MAIL
RATE SCHEDULE 221
LETTERS AND SEALED PARCELS**

	<u>Current</u>	<u>Proposed</u>
Single-Piece		
First ounce	\$0.340	\$0.370
Additional ounces	0.230	0.230
Nonmachinable surcharge	0.110	0.120
Qualified Business Reply Mail	0.310	0.345
Presorted		
First ounce	0.322	0.352
Additional ounces	0.230	0.225
Nonmachinable surcharge	0.050	0.055
Heavy piece discount, per piece	0.046	0.041
Automation Letters		
Basic	0.280	N/A
Mixed AADC	N/A	0.309
AADC	N/A	0.301
3-digit	0.269	0.294
5-digit	0.255	0.280
Carrier route	0.245	0.275
Additional ounces	0.230	0.225
Heavy piece discount, per piece	0.046	0.041
Automation Flats		
Basic	0.312	N/A
Mixed ADC	N/A	0.341
ADC	N/A	0.333
3-digit	0.297	0.322
5-digit	0.277	0.302
Additional ounces	0.230	0.225
Nonmachinable surcharge	0.050	0.055
Heavy piece discount, per piece	0.046	0.041

SCHEDULE 221

NOTES

1. A mailing fee of \$150.00 [\$125.00] must be paid once each year at each office of mailing by any person who mails at presorted or automation rates [other than Single Piece First-Class Mail]. Payment of the fee allows the mailer to mail at any First-Class Mail rate. For presorted pieces [mailings] weighing more than 2 ounces, subtract 4.1 [4.6] cents per piece.
2. First-Class Mail rates apply [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 or a functionally equivalent service, pursuant to section 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, to documents provided for entry as mail using Mailing Online or a functionally equivalent service, pursuant to section 981.]
- [9. Rate applies to flat-size Automation-Presort category mail not mailed at the 3-Digit or 5-Digit rate.]
- [10. Rate applies to flat-size Automation-Presort category mail presorted to single or multiple three-digit ZIP Code destinations 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**

	<u>Current</u>	<u>Proposed</u>
Regular		
Single-piece cards	\$0.210	\$0.230
Qualified Business Reply Mail	0.180	0.205
Presorted	0.190	0.212
Automation		
Basic	0.174	N/A
Mixed AADC	N/A	0.194
AADC	N/A	0.187
3-digit	0.168	0.183
5-digit	0.161	0.176
Carrier route	0.150	0.170

SCHEDULE 222

NOTES

1. A mailing fee of \$150.00 [\$125.00] must be paid once each year at each office of mailing by any person who mails at presorted or automation rates [other than Single Piece First-Class Mail]. Payment of the fee allows the mailer to mail at any First-Class Mail 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 and, for the Basic Presort rate, to documents provided for entry as mail using Mailing Online or a functionally equivalent service, pursuant to section 981.]
- [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
RATE SCHEDULE 223
PRIORITY MAIL**

Current							Proposed						
Weight (lbs.)	Local, Zones 1, 2 & 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Weight (lbs.)	Local, Zones 1, 2 & 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
1	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	1	\$3.85	\$3.85	\$3.85	\$3.85	\$3.85	\$3.85
2	3.95	3.95	3.95	3.95	3.95	3.95	2	3.95	4.55	4.90	5.05	5.40	5.75
3	5.20	5.20	5.20	5.20	5.20	5.20	3	4.75	6.05	6.85	7.15	7.85	8.55
4	6.45	6.45	6.45	6.45	6.45	6.45	4	5.30	7.05	8.05	8.50	9.45	10.35
5	7.70	7.70	7.70	7.70	7.70	7.70	5	5.85	8.00	9.30	9.85	11.00	12.15
6	8.10	8.30	8.35	8.50	9.55	10.40	6	6.30	8.85	9.90	10.05	11.30	12.30
7	8.40	8.90	9.00	9.30	10.60	11.85	7	6.80	9.80	10.65	11.00	12.55	14.05
8	8.50	9.50	9.65	10.10	11.65	13.30	8	7.35	10.75	11.45	11.95	13.80	15.75
9	8.65	10.10	10.30	10.90	12.70	14.75	9	7.90	11.70	12.20	12.90	15.05	17.50
10	8.75	10.65	10.95	11.80	13.75	16.20	10	8.40	12.60	13.00	14.00	16.30	19.20
11	9.00	11.25	11.60	12.80	14.80	17.65	11	8.95	13.35	13.75	15.15	17.55	20.90
12	9.25	11.85	12.25	13.75	15.85	19.10	12	9.50	14.05	14.50	16.30	18.80	22.65
13	9.65	12.45	12.90	14.75	16.90	20.55	13	10.00	14.75	15.30	17.50	20.05	24.35
14	10.05	13.05	13.55	15.70	17.95	22.00	14	10.55	15.45	16.05	18.60	21.25	26.05
15	10.45	13.65	14.20	16.65	19.00	23.45	15	11.05	16.20	16.85	19.75	22.50	27.80
16	10.85	14.25	14.85	17.60	20.05	24.90	16	11.60	16.90	17.60	20.85	23.75	29.50
17	11.25	14.85	15.50	18.60	21.10	26.35	17	12.15	17.60	18.35	22.05	25.00	31.20
18	11.65	15.45	16.30	19.55	22.15	27.80	18	12.65	18.30	19.30	23.15	26.25	32.95
19	12.05	16.05	17.05	20.50	23.20	29.25	19	13.20	19.00	20.20	24.30	27.50	34.65
20	12.45	16.65	17.85	21.40	24.25	30.70	20	13.75	19.75	21.15	25.35	28.75	36.40
21	12.85	17.25	18.60	22.40	25.30	32.15	21	14.25	20.45	22.05	26.55	30.00	38.10
22	13.25	17.85	19.35	23.35	26.35	33.60	22	14.80	21.15	22.95	27.65	31.20	39.80
23	13.65	18.45	20.15	24.30	27.40	35.05	23	15.30	21.85	23.90	28.80	32.45	41.55
24	14.05	19.05	20.95	25.25	28.45	36.50	24	15.85	22.55	24.85	29.90	33.70	43.25
25	14.45	19.65	21.75	26.25	29.50	37.95	25	16.40	23.30	25.75	31.10	34.95	44.95
26	14.85	20.25	22.45	27.20	30.55	39.40	26	16.90	24.00	26.60	32.25	36.20	46.70
27	15.25	20.85	23.25	28.15	31.60	40.85	27	17.45	24.70	27.55	33.35	37.45	48.40
28	15.65	21.45	24.05	29.10	32.65	42.30	28	18.00	25.40	28.50	34.50	38.70	50.15
29	16.05	22.05	24.85	30.05	33.70	43.75	29	18.50	26.15	29.45	35.60	39.95	51.85
30	16.45	22.65	25.60	31.05	34.75	45.20	30	19.05	26.85	30.35	36.80	41.20	53.55
31	16.85	23.25	26.35	31.95	35.80	46.65	31	19.55	27.55	31.20	37.85	42.40	55.30
32	17.25	23.85	27.15	32.90	36.85	48.10	32	20.10	28.25	32.15	39.00	43.65	57.00
33	17.65	24.45	27.95	33.85	37.90	49.55	33	20.65	28.95	33.10	40.10	44.90	58.70
34	18.05	25.05	28.70	34.80	38.95	51.00	34	21.15	29.70	34.00	41.25	46.15	60.45
35	18.45	25.65	29.50	35.80	40.00	52.45	35	21.70	30.40	34.95	42.40	47.40	62.15

**FIRST-CLASS MAIL
RATE SCHEDULE 223 (CONTINUED)
PRIORITY MAIL**

Current							Proposed						
Weight (lbs.)	Local, Zones 1, 2 & 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Weight (lbs.)	Local, Zones 1, 2 & 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
36	\$18.85	\$26.25	\$30.25	\$36.75	\$41.05	\$53.90	36	\$22.25	\$31.10	\$35.85	\$43.55	\$48.65	\$63.85
37	19.25	26.95	31.05	37.70	42.10	55.35	37	22.75	31.95	36.80	44.65	49.90	65.60
38	19.65	27.55	31.80	38.70	43.15	56.80	38	23.30	32.65	37.70	45.85	51.15	67.30
39	20.05	28.25	32.60	39.65	44.20	58.25	39	23.75	33.50	38.65	47.00	52.40	69.05
40	20.45	28.95	33.40	40.60	45.25	59.70	40	24.25	34.30	39.60	48.10	53.60	70.75
41	20.85	29.55	34.15	41.55	46.30	61.15	41	24.70	35.00	40.45	49.25	54.85	72.45
42	21.25	30.25	34.90	42.45	47.40	62.60	42	25.20	35.85	41.35	50.30	56.15	74.20
43	21.65	30.90	35.70	43.45	48.45	64.05	43	25.65	36.60	42.30	51.50	57.40	75.90
44	22.05	31.55	36.50	44.40	49.55	65.50	44	26.15	37.40	43.25	52.60	58.70	77.60
45	22.45	32.25	37.25	45.35	50.60	66.95	45	26.60	38.20	44.15	53.75	59.95	79.35
46	22.85	32.90	38.00	46.30	51.65	68.40	46	27.10	39.00	45.05	54.85	61.20	81.05
47	23.25	33.55	38.80	47.30	52.75	69.85	47	27.55	39.75	46.00	56.05	62.50	82.75
48	23.65	34.25	39.60	48.25	53.80	71.30	48	28.05	40.60	46.95	57.20	63.75	84.50
49	24.05	34.90	40.35	49.20	54.90	72.75	49	28.50	41.35	47.80	58.30	65.05	86.20
50	24.45	35.55	41.15	50.15	55.95	74.20	50	28.95	42.15	48.75	59.45	66.30	87.95
51	24.85	36.25	41.90	51.10	57.00	75.65	51	29.45	42.95	49.65	60.55	67.55	89.65
52	25.25	36.90	42.70	52.10	58.05	77.10	52	29.90	43.75	50.60	61.75	68.80	91.35
53	25.65	37.55	43.45	53.05	59.10	78.55	53	30.40	44.50	51.50	62.85	70.05	93.10
54	26.05	38.20	44.25	53.95	60.15	80.00	54	30.85	45.25	52.45	63.95	71.30	94.80
55	26.45	38.90	45.05	54.90	61.20	81.45	55	31.35	46.10	53.40	65.05	72.50	96.50
56	26.85	39.55	45.80	55.90	62.25	82.90	56	31.80	46.85	54.25	66.25	73.75	98.25
57	27.25	40.20	46.55	56.85	63.30	84.35	57	32.30	47.65	55.15	67.35	75.00	99.95
58	27.65	40.90	47.35	57.80	64.35	85.80	58	32.75	48.45	56.10	68.50	76.25	101.65
59	28.05	41.55	48.15	58.75	65.40	87.25	59	33.25	49.25	57.05	69.60	77.50	103.40
60	28.45	42.20	48.95	59.75	66.45	88.70	60	33.70	50.00	58.00	70.80	78.75	105.10
61	28.85	42.90	49.65	60.70	67.50	90.15	61	34.20	50.85	58.85	71.95	80.00	106.85
62	29.25	43.50	50.45	61.65	68.55	91.60	62	34.65	51.55	59.80	73.05	81.25	108.55
63	29.65	44.20	51.25	62.60	69.60	93.05	63	35.15	52.40	60.75	74.20	82.50	110.25
64	30.05	44.90	52.05	63.60	70.65	94.50	64	35.60	53.20	61.70	75.35	83.70	112.00
65	30.45	45.50	52.75	64.50	71.70	95.95	65	36.10	53.90	62.50	76.45	84.95	113.70
66	30.85	46.20	53.55	65.45	72.75	97.40	66	36.55	54.75	63.45	77.55	86.20	115.40
67	31.25	46.90	54.35	66.40	73.80	98.85	67	37.05	55.60	64.40	78.70	87.45	117.15
68	31.65	47.50	55.15	67.35	74.85	100.30	68	37.50	56.30	65.35	79.80	88.70	118.85
69	32.05	48.20	55.90	68.35	75.90	101.75	69	38.00	57.10	66.25	81.00	89.95	120.55
70	32.45	48.90	56.65	69.30	76.95	103.20	70	38.45	57.95	67.15	82.10	91.20	122.30

SCHEDULE 223

NOTES

1. The 1-pound [2-pound] rate is charged for matter sent in a flat-rate envelope provided by the Postal Service.
2. Add \$12.50 [\$10.25] for each pickup stop.
3. EXCEPTION: Parcels weighing less than 15 pounds, measuring over 84 inches in length and girth combined, are chargeable with a minimum rate equal to that for a 15-pound parcel for the zone to which addressed.
4. Pieces presented in mailings of at least 300 pieces or at least 500 pounds and meeting applicable Postal Service regulations for Priority Mail ADC, 3-digit and/or 5-digit presorts receive the applicable discounts of 12, 16 or 25 cents per piece, respectively (experimental). A \$150.00 [\$125] annual presort fee applies.

**STANDARD MAIL
RATE SCHEDULE 321A
REGULAR SUBCLASS
PRESORTED CATEGORIES**

	<u>Current</u>	<u>Proposed</u>
Letters, minimum piece rate		
Piece Rate		
Basic	\$0.253	\$0.268
3/5-digit	0.233	0.248
Destination Entry Discounts		
BMC	0.019	0.021
SCF	0.024	0.026
 Nonletters, minimum piece rate		
Piece Rate		
Basic	0.322	0.344
3/5-digit	0.266	0.288
Destination Entry Discounts		
BMC	0.019	0.021
SCF	0.024	0.026
 Nonletters, piece and pound rate		
Piece Rate		
Basic	0.184	0.198
3/5-digit	0.128	0.142
Pound Rate	0.668	0.708
Destination Entry Discounts (off pound rate)		
BMC	0.093	0.100
SCF	0.114	0.125

SCHEDULE 321A

NOTES

1. A fee of ~~\$150.00~~[\$125.00] must be paid each 12-month period for each bulk mailing permit.
2. Residual shape pieces are subject to a surcharge of ~~\$0.23~~[\$0.18] per piece. For parcel barcode discount, deduct \$0.03 per piece (machinable parcels only).
3. For nonletters, the [M]mailer pays either the minimum piece rate or the pound rate, whichever is higher.
4. Nonmachinable letters are subject to a \$0.04 nonmachinable surcharge.

**STANDARD MAIL
RATE SCHEDULE 321B
REGULAR SUBCLASS
AUTOMATION CATEGORIES**

	<u>Current</u>	<u>Proposed</u>
Letters, minimum piece rate		
Piece Rate		
Basic	\$0.200	N/A
Mixed AADC	N/A	0.219
AADC	N/A	0.212
3-digit	0.190	0.203
5-digit	0.177	0.190
Destination Entry Discounts		
BMC	0.019	0.021
SCF	0.024	0.026
 Flats, minimum piece rate		
Piece Rate		
Basic	0.278	0.300
3/5-digit	0.239	0.261
Destination Entry Discounts		
BMC	0.019	0.021
SCF	0.024	0.026
 Flats, piece and pound rate		
Piece Rate		
Basic	0.140	0.154
3/5-digit	0.101	0.115
Pound Rate	0.668	0.708
Destination Entry Discounts (off pound rate)		
BMC	0.093	0.100
SCF	0.114	0.125

SCHEDULE 321B

NOTES

1. A fee of \$150.00~~[\$125.00]~~ must be paid each 12-month period for each bulk mailing permit.
2. Letters that weigh more than 3.3 ounces but not more than 3.5 ounces pay the nonletter piece and pound rate but receive a discount off the piece rate equal to the applicable nonletter minimum piece rate minus the applicable letter minimum piece rate corresponding to the correct presort tier.
- [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.]
3. [7.]For nonletters, the [M]ailer 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 322
ENHANCED CARRIER ROUTE SUBCLASS**

	<u>Current</u>	<u>Proposed</u>
Letters, minimum piece rate		
Piece Rate		
Basic	\$0.178	\$0.194
High density	0.153	0.164
Saturation	0.145	0.153
Automation Basic	0.157	0.171
Destination Entry Discounts		
BMC	0.019	0.021
SCF	0.024	0.026
DDU	0.029	0.032
 Nonletters, minimum piece rate		
Piece Rate		
Basic	0.178	0.194
High density	0.156	0.169
Saturation	0.149	0.160
Destination Entry Discounts		
BMC	0.019	0.021
SCF	0.024	0.026
DDU	0.029	0.032
 Nonletters, piece and pound rate		
Piece Rate		
Basic	0.046	0.071
High density	0.024	0.046
Saturation	0.017	0.037
Pound Rate	0.638	0.598
Destination Entry Discounts (off pound rate)		
BMC	0.093	0.100
SCF	0.114	0.125
DDU	0.140	0.157

SCHEDULE 322

NOTES

1. A fee of \$150.00~~[\$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.]
- 2.~~[3.]~~ Residual shape pieces are subject to a surcharge of \$0.20~~[\$0.15]~~ per piece.
3. For nonletters, the [M]mailer pays either the minimum piece rate or the pound rate, whichever is higher.

**STANDARD MAIL
RATE SCHEDULE 323A
NONPROFIT SUBCLASS
PRESORTED CATEGORIES**

	<u>Current</u>	<u>Proposed</u>
Letters, minimum piece rate		
Piece Rate		
Basic	\$0.158	\$0.165
3/5-digit	0.146	0.153
Destination Entry Discounts		
BMC	0.019	0.021
SCF	0.024	0.026
 Nonletters, minimum piece rate		
Piece Rate		
Basic	0.220	0.230
3/5-digit	0.171	0.183
Destination Entry Discounts		
BMC	0.019	0.021
SCF	0.024	0.026
 Nonletters, piece and pound rate		
Piece Rate		
Basic	0.107	0.110
3/5-digit	0.058	0.063
Pound Rate	0.550	0.584
Destination Entry Discounts (off pound rate)		
BMC	0.093	0.100
SCF	0.114	0.125

SCHEDULE 323A

NOTES

1. A fee of \$150.00~~[\$125.00]~~ must be paid each 12-month period for each bulk mailing permit.
2. Residual shape pieces are subject to a surcharge of \$0.23~~[\$0.18]~~ per piece. For parcel barcode discount, deduct \$0.03 per piece (machinable parcels only).
3. For nonletters, the [M]ailer pays either the minimum piece rate or the pound rate, whichever is higher.
4. Nonmachinable letters are subject to a \$0.02 nonmachinable surcharge.

**STANDARD MAIL
RATE SCHEDULE 323B
NONPROFIT SUBCLASS
AUTOMATION CATEGORIES**

	<u>Current</u>	<u>Proposed</u>
Letters, minimum piece rate		
Piece Rate		
Basic	\$0.133	N/A
Mixed AADC	N/A	0.144
AADC	N/A	0.136
3-digit	0.123	0.129
5-digit	0.108	0.114
Destination Entry Discounts		
BMC	0.019	0.021
SCF	0.024	0.026
 Flats, minimum piece rate		
Piece Rate		
Basic	0.179	0.189
3/5-digit	0.154	0.166
Destination Entry Discounts		
BMC	0.019	0.021
SCF	0.024	0.026
 Flats, piece and pound rate		
Piece Rate		
Basic	0.066	0.069
3/5-digit	0.041	0.046
Pound Rate	0.550	0.584
Destination Entry Discounts (off pound rate)		
BMC	0.093	0.100
SCF	0.114	0.125

SCHEDULE 323B

NOTES

1. A fee of ~~\$150.00~~[\$125.00] must be paid each 12-month period for each bulk mailing permit.
2. Letters that weigh more than 3.3 ounces but not more than 3.5 ounces pay the nonletter piece and pound rate but receive a discount off the piece rate equal to the applicable nonletter minimum piece rate minus the applicable letter minimum piece rate corresponding to the correct presort tier.
- [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.]
- 3.[7.] For nonletters, the [M]ailer 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 324
NONPROFIT ENHANCED CARRIER ROUTE SUBCLASS**

	<u>Current</u>	<u>Proposed</u>
Letters, minimum piece rate		
Piece Rate		
Basic	\$0.118	\$0.126
High density	0.095	0.102
Saturation	0.089	0.095
Automation Basic	0.105	0.111
Destination Entry Discounts		
BMC	0.019	0.021
SCF	0.024	0.026
DDU	0.029	0.032
 Nonletters, minimum piece rate		
Piece Rate		
Basic	0.118	0.126
High density	0.102	0.110
Saturation	0.097	0.104
Destination Entry Discounts		
BMC	0.019	0.021
SCF	0.024	0.026
DDU	0.029	0.032
 Nonletters, piece and pound rate		
Piece Rate		
Basic	0.042	0.050
High density	0.026	0.034
Saturation	0.021	0.028
Pound Rate	0.370	0.370
Destination Entry Discounts (off pound rate)		
BMC	0.093	0.100
SCF	0.114	0.125
DDU	0.140	0.157

SCHEDULE 324

NOTES

1. A fee of \$150.00~~[\$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.]
- 2.~~[3.]~~ Residual shape pieces are subject to a surcharge of \$0.20~~[\$0.15]~~ per piece.
3. For nonletters, the [M]ailer pays either the minimum piece rate or the pound rate, whichever is higher.

**PERIODICALS
RATE SCHEDULE 421
OUTSIDE-COUNTY (INCLUDING SCIENCE-OF-AGRICULTURE)**

	<u>Unit</u>	<u>Current</u>	<u>Proposed</u>
Outside-County			
Advertising			
Destinating delivery unit	Pound	\$0.153	\$0.160
Destinating SCF	Pound	0.195	0.204
Destinating ADC	Pound	N/A	0.225
Zones 1 & 2	Pound	0.238	0.250
Zone 3	Pound	0.253	0.268
Zone 4	Pound	0.292	0.317
Zone 5	Pound	0.351	0.390
Zone 6	Pound	0.413	0.467
Zone 7	Pound	0.488	0.560
Zone 8	Pound	0.552	0.640
Nonadvertising			
Destinating delivery unit	Pound	0.179	0.158
Destinating SCF	Pound	0.179	0.180
Destinating ADC	Pound	0.179	0.191
All other zones	Pound	0.179	0.203
Science-of-Agriculture			
Advertising			
Delivery unit	Pound	0.115	0.120
SCF	Pound	0.146	0.153
DADC	Pound	N/A	0.168
Zones 1 & 2	Pound	0.179	0.187
Zone 3	Pound	0.253	0.268
Zone 4	Pound	0.292	0.317
Zone 5	Pound	0.351	0.390
Zone 6	Pound	0.413	0.467
Zone 7	Pound	0.488	0.560
Zone 8	Pound	0.552	0.640
Nonadvertising			
Destinating delivery unit	Pound	0.179	0.120
Destinating SCF	Pound	0.179	0.136
Destinating ADC	Pound	0.179	0.143
All other zones	Pound	0.179	0.152

PERIODICALS
RATE SCHEDULE 421 (CONTINUED)
OUTSIDE-COUNTY (INCLUDING SCIENCE-OF-AGRICULTURE)

	<u>Unit</u>	<u>Current</u>	<u>Proposed</u>
Outside-County and Science-of-Agriculture			
Basic			
Nonautomation	Piece	\$0.333	\$0.369
Automation letter	Piece	0.266	0.277
Automation flat	Piece	0.291	0.321
3-Digit			
Nonautomation	Piece	0.283	0.320
Automation letter	Piece	0.231	0.245
Automation flat	Piece	0.248	0.279
5-Digit			
Nonautomation	Piece	0.219	0.252
Automation letter	Piece	0.178	0.191
Automation flat	Piece	0.194	0.222
Carrier Route			
Basic	Piece	0.139	0.159
High density	Piece	0.113	0.127
Saturation	Piece	0.095	0.108
Discounts			
Percentage editorial discount	Piece	0.00067	0.00074
Worksharing discount DDU	Piece	0.017	0.018
Worksharing discount DSCF	Piece	0.008	0.008
Worksharing discount DADC	Piece	N/A	0.002
Worksharing discount pallets	Piece	N/A	0.005

SCHEDULE 421

NOTES

1. The rates in this schedule also apply to Nonprofit (DMCS Section 422.2) and Classroom 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, nonrequestor, 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 Outside-County mail that qualifies for the Within-County rates in Schedule 423.
3. Charges are computed by adding the appropriate per-piece charge to the sum of the nonadvertising pound portion and the advertising pound 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.]
4. [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.]
5. [11.]Advertising pound rate is [N]not applicable to qualifying Nonprofit and Classroom publications containing 10 percent or less advertising content.
6. [12.]For a Ride-Along item enclosed with or attached to a P[p]eriodical, add \$0.124 [\$0.10]per copy (experimental).

**PERIODICALS
RATE SCHEDULE 423
WITHIN-COUNTY**

	<u>Unit</u>	<u>Current</u>	<u>Proposed</u>
Delivery Unit	Pound	\$0.115	\$0.112
All Other Zones	Pound	0.146	0.146
Basic			
Nonautomation	Piece	0.101	0.106
Automation letter	Piece	0.049	0.050
Automation flat	Piece	0.074	0.077
3-Digit			
Nonautomation	Piece	0.093	0.097
Automation letter	Piece	0.047	0.048
Automation flat	Piece	0.069	0.073
5-Digit			
Nonautomation	Piece	0.084	0.087
Automation letter	Piece	0.045	0.046
Automation flat	Piece	0.063	0.067
Carrier Route			
Basic	Piece	0.048	0.050
High density	Piece	0.033	0.034
Saturation	Piece	0.027	0.028
Discounts			
Worksharing discount DDU	Piece	0.005	0.006

SCHEDULE 423

NOTES

1. Charges are computed by adding the appropriate per-piece charge to the appropriate pound charge.

[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 423.83.]

[4. For automation compatible pieces meeting applicable Postal Service regulations.]

2. [5.]For a Ride-Along item enclosed with or attached to a periodical, add \$0.124 [\$0.10]per copy (experimental).

**PACKAGE SERVICES
RATE SCHEDULE 521.2A
PARCEL POST INTER-BMC RATES**

Current

Proposed

Weight (lbs.)	Zones							Weight (lbs.)	Zones						
	1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8		1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
1	\$3.42	\$3.45	\$3.45	\$3.45	\$3.45	\$3.45	\$3.45	1	\$3.69	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75
2	3.42	3.45	3.45	3.45	3.45	3.45	3.45	2	3.85	3.85	4.14	4.14	4.49	4.49	4.49
3	3.90	4.23	4.66	4.71	4.76	4.81	4.86	3	4.65	4.65	5.55	5.65	5.71	5.77	6.32
4	4.05	4.51	5.33	5.80	5.95	6.00	6.05	4	4.86	5.20	6.29	6.93	7.14	7.20	7.87
5	4.19	4.76	5.78	7.00	7.15	7.20	7.25	5	5.03	5.71	6.94	7.75	8.58	8.64	9.43
6	4.33	5.01	6.20	7.70	8.03	8.25	8.84	6	5.63	6.01	7.44	8.50	9.52	9.90	11.49
7	4.46	5.23	6.59	8.38	8.90	9.49	10.69	7	5.80	6.28	7.91	9.20	10.35	11.39	12.83
8	4.60	5.44	6.92	8.96	9.60	10.74	12.53	8	5.98	6.53	8.30	9.84	11.11	12.54	15.04
9	4.70	5.63	7.28	9.50	10.30	11.99	14.20	9	6.11	6.76	8.74	10.45	11.83	13.38	17.04
10	4.83	5.82	7.58	10.01	11.00	13.24	15.26	10	6.28	7.57	9.10	11.01	12.50	14.17	18.14
11	4.93	6.00	7.89	10.48	11.70	14.20	16.14	11	6.41	7.80	9.47	11.54	13.13	14.92	19.15
12	5.03	6.16	8.17	10.92	12.40	15.15	16.98	12	6.54	8.01	9.80	12.04	13.72	15.62	20.10
13	5.13	6.30	8.43	11.33	13.10	16.10	17.79	13	6.67	8.19	10.12	12.51	14.28	16.27	20.99
14	5.23	6.48	8.69	11.72	13.80	17.05	18.57	14	6.80	8.42	10.43	12.95	14.81	16.90	21.84
15	5.32	6.62	8.94	12.08	14.44	17.66	19.33	15	6.92	8.61	10.73	13.38	15.31	17.49	22.64
16	5.40	6.76	9.17	12.42	14.86	18.20	20.05	16	7.02	8.79	11.00	13.78	15.79	18.05	23.41
17	5.50	6.88	9.40	12.74	15.28	18.72	20.76	17	7.15	8.94	11.28	14.16	16.24	18.59	24.13
18	5.58	7.01	9.60	13.04	15.65	19.19	21.44	18	7.25	9.11	11.52	14.52	16.68	19.09	24.82
19	5.67	7.14	9.81	13.33	16.01	19.66	22.10	19	7.37	9.28	11.77	14.87	17.09	19.58	25.48
20	5.74	7.25	9.98	13.61	16.35	20.09	22.74	20	7.46	9.43	11.98	15.20	17.48	20.05	26.12
21	5.82	7.38	10.17	13.88	16.69	20.51	23.36	21	7.57	9.59	12.20	15.52	17.86	20.49	26.72
22	5.89	7.48	10.35	14.13	16.99	20.90	23.97	22	7.66	9.72	12.42	15.82	18.22	20.92	27.30
23	5.97	7.61	10.54	14.35	17.28	21.27	24.56	23	7.76	9.89	12.65	16.11	18.57	21.32	27.85
24	6.02	7.70	10.69	14.59	17.57	21.63	25.14	24	7.83	10.01	12.83	16.39	18.90	21.72	28.39
25	6.10	7.80	10.86	14.80	17.84	21.96	25.70	25	7.93	10.14	13.03	16.66	19.22	22.09	28.90
26	6.16	7.90	11.01	15.02	18.10	22.29	26.25	26	8.01	10.27	13.21	16.92	19.53	22.46	29.39
27	6.24	8.00	11.15	15.21	18.34	22.59	26.79	27	8.11	10.40	13.38	17.17	19.83	22.81	29.87
28	6.29	8.09	11.32	15.41	18.58	22.88	27.31	28	8.18	10.52	13.58	17.41	20.11	23.14	30.32
29	6.36	8.19	11.46	15.58	18.80	23.16	27.83	29	8.27	10.65	13.75	17.64	20.39	23.47	30.76
30	6.42	8.28	11.58	15.75	19.01	23.44	28.33	30	8.35	10.76	13.90	17.87	20.65	23.78	31.19
31	6.49	8.35	11.72	15.92	19.23	23.71	28.82	31	8.44	10.86	14.06	18.08	20.91	24.08	31.60
32	6.54	8.45	11.85	16.08	19.42	23.96	29.30	32	8.50	10.99	14.22	18.29	21.16	24.37	32.00
33	6.60	8.54	11.98	16.24	19.61	24.20	29.78	33	8.58	11.10	14.38	18.49	21.40	24.65	32.38
34	6.66	8.60	12.09	16.39	19.79	24.42	30.24	34	8.66	11.18	14.51	18.69	21.63	24.93	32.75
35	6.72	8.69	12.22	16.54	19.96	24.64	30.70	35	8.74	11.30	14.66	18.88	21.85	25.19	33.11

PACKAGE SERVICES
RATE SCHEDULE 521.2A (CONTINUED)
PARCEL POST INTER-BMC RATES

Current

Proposed

Weight (lbs.)	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Weight (lbs.)	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
36	\$6.77	\$8.76	\$12.35	\$16.68	\$20.14	\$24.85	\$31.14	36	\$8.80	\$11.39	\$14.82	\$19.06	\$22.07	\$25.45	\$33.45
37	6.82	8.83	12.44	16.82	20.30	25.06	31.58	37	8.87	11.48	14.93	19.23	22.28	25.69	33.79
38	6.88	8.92	12.56	16.94	20.45	25.25	32.01	38	8.94	11.60	15.07	19.41	22.48	25.93	34.12
39	6.94	8.98	12.66	17.06	20.60	25.43	32.43	39	9.02	11.67	15.19	19.57	22.68	26.17	34.43
40	6.99	9.06	12.77	17.19	20.76	25.63	32.85	40	9.09	11.78	15.32	19.73	22.87	26.39	34.74
41	7.05	9.14	12.87	17.31	20.90	25.80	33.26	41	9.17	11.88	15.44	19.89	23.06	26.61	35.04
42	7.10	9.20	12.97	17.41	21.03	25.96	33.66	42	9.23	11.96	15.56	20.04	23.24	26.82	35.33
43	7.14	9.27	13.07	17.52	21.17	26.13	34.05	43	9.28	12.05	15.68	20.19	23.41	27.03	35.61
44	7.19	9.32	13.16	17.62	21.29	26.28	34.44	44	9.35	12.12	15.79	20.33	23.58	27.23	35.88
45	7.24	9.40	13.26	17.73	21.42	26.43	34.74	45	9.41	12.22	15.91	20.47	23.75	27.43	36.14
46	7.29	9.46	13.35	17.84	21.54	26.58	34.93	46	9.48	12.30	16.02	20.61	23.91	27.62	36.40
47	7.35	9.53	13.43	17.92	21.66	26.72	35.12	47	9.56	12.39	16.12	20.74	24.06	27.80	36.65
48	7.39	9.59	13.53	18.02	21.75	26.85	35.30	48	9.61	12.47	16.24	20.86	24.22	27.98	36.89
49	7.43	9.65	13.62	18.11	21.87	26.99	35.46	49	9.66	12.55	16.34	20.99	24.36	28.15	37.13
50	7.48	9.70	13.68	18.20	21.98	27.13	35.63	50	9.72	12.61	16.42	21.11	24.51	28.32	37.36
51	7.53	9.77	13.78	18.28	22.08	27.24	35.78	51	9.79	12.70	16.54	21.23	24.65	28.49	37.59
52	7.57	9.83	13.86	18.37	22.18	27.36	35.94	52	9.84	12.78	16.63	21.34	24.79	28.65	37.80
53	7.62	9.88	13.92	18.45	22.28	27.48	36.10	53	9.91	12.84	16.70	21.45	24.92	28.81	38.02
54	7.66	9.95	14.01	18.53	22.37	27.60	36.24	54	9.96	12.94	16.81	21.56	25.05	28.96	38.22
55	7.70	9.98	14.09	18.60	22.45	27.70	36.38	55	10.01	12.97	16.91	21.67	25.17	29.11	38.43
56	7.76	10.06	14.16	18.68	22.55	27.81	36.52	56	10.09	13.08	16.99	21.77	25.30	29.25	38.62
57	7.80	10.11	14.24	18.75	22.63	27.92	36.64	57	10.14	13.14	17.09	21.87	25.42	29.39	38.82
58	7.84	10.16	14.30	18.82	22.71	28.01	36.77	58	10.19	13.21	17.16	21.97	25.53	29.53	39.00
59	7.89	10.21	14.38	18.89	22.80	28.10	36.89	59	10.26	13.27	17.26	22.07	25.65	29.67	39.19
60	7.93	10.26	14.46	18.95	22.86	28.20	37.02	60	10.31	13.34	17.35	22.16	25.76	29.80	39.36
61	7.99	10.33	14.52	19.02	22.95	28.30	37.18	61	10.39	13.43	17.42	22.25	25.87	29.92	39.54
62	8.03	10.37	14.58	19.09	23.01	28.37	37.33	62	10.44	13.48	17.50	22.34	25.97	30.05	39.71
63	8.05	10.43	14.66	19.14	23.09	28.46	37.49	63	10.47	13.56	17.59	22.43	26.08	30.17	39.87
64	8.09	10.47	14.72	19.19	23.15	28.54	37.63	64	10.52	13.61	17.66	22.51	26.18	30.29	40.03
65	8.14	10.52	14.78	19.26	23.23	28.62	37.77	65	10.58	13.68	17.74	22.60	26.28	30.41	40.19
66	8.19	10.58	14.84	19.31	23.28	28.70	37.90	66	10.65	13.75	17.81	22.68	26.37	30.52	40.35
67	8.24	10.62	14.91	19.38	23.36	28.77	38.04	67	10.71	13.81	17.89	22.76	26.47	30.63	40.50
68	8.27	10.67	14.98	19.43	23.41	28.85	38.18	68	10.75	13.87	17.98	22.84	26.56	30.74	40.64
69	8.31	10.71	15.04	19.48	23.48	28.93	38.29	69	10.80	13.92	18.05	22.91	26.65	30.84	40.79
70	8.35	10.77	15.10	19.54	23.53	28.99	38.43	70	10.86	14.00	18.12	22.98	26.74	30.95	40.93
Over-sized	34.75	38.94	45.10	54.87	66.41	82.14	106.31	Over-sized	41.70	46.73	54.12	65.84	79.69	92.81	120.72

SCHEDULE 521.2A

NOTES

1. For Origin Bulk Mail Center (OBMC) Presort Discount, deduct \$1.17 [\$0.90]per piece.
2. For BMC Presort discount, deduct \$0.28 [\$0.23]per piece.
3. For barcode discount, deduct \$0.03 per piece (machinable parcels only).
4. For nonmachinable [Inter-BMC]parcels, add \$2.75 [\$2.00]per piece.
5. [See DMCS section 521.61 for oversize Parcel Post.] Regardless of weight, any piece that measures more than 108 inches (but not more than 130 inches) in combined length and girth must pay the oversized rate.
6. [Parcel Post p]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.
7. For each pickup stop, add \$12.50[\$10.25].

**PACKAGE SERVICES
RATE SCHEDULE 521.2B
PARCEL POST INTRA-BMC RATES**

Current

Proposed

Weight (lbs.)	Local Zone	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Weight (lbs.)	Local Zone	Zones 1 & 2	Zone 3	Zone 4	Zone 5
1	\$2.74	\$3.04	\$3.04	\$3.04	\$3.04	1	\$2.81	\$2.96	\$2.99	\$3.05	\$3.14
2	2.74	3.04	3.04	3.04	3.04	2	3.13	3.53	3.56	3.63	3.74
3	2.98	3.44	3.47	3.47	3.47	3	3.44	4.08	4.11	4.20	4.32
4	3.20	3.60	3.86	3.86	3.93	4	3.73	4.28	4.62	4.72	4.86
5	3.40	3.74	4.18	4.21	4.40	5	3.99	4.45	5.02	5.15	5.35
6	3.56	3.88	4.48	4.50	4.83	6	4.23	4.61	5.38	5.51	5.80
7	3.63	4.00	4.74	4.77	5.23	7	4.36	4.76	5.69	5.84	6.21
8	3.72	4.14	4.98	5.02	5.61	8	4.46	5.33	5.98	6.14	6.60
9	3.80	4.24	5.18	5.27	5.96	9	4.56	5.46	6.22	6.45	6.95
10	3.88	4.37	5.44	5.51	6.29	10	4.66	5.63	6.53	6.74	7.28
11	3.95	4.47	5.62	5.72	6.59	11	4.74	5.76	6.74	7.00	7.58
12	4.03	4.59	5.78	5.93	6.90	12	4.84	5.91	6.94	7.26	7.87
13	4.10	4.69	5.92	6.13	7.16	13	4.92	6.04	7.10	7.50	8.13
14	4.17	4.78	6.02	6.33	7.43	14	5.00	6.16	7.22	7.75	8.38
15	4.23	4.87	6.16	6.50	7.68	15	5.08	6.27	7.39	7.96	8.62
16	4.31	4.95	6.30	6.67	7.91	16	5.17	6.38	7.56	8.16	8.84
17	4.36	5.05	6.43	6.85	8.13	17	5.23	6.51	7.72	8.38	9.05
18	4.42	5.12	6.56	7.00	8.36	18	5.30	6.60	7.87	8.57	9.24
19	4.47	5.22	6.68	7.15	8.56	19	5.36	6.72	8.02	8.75	9.43
20	4.55	5.29	6.80	7.28	8.75	20	5.46	6.82	8.16	8.91	9.60
21	4.59	5.36	6.92	7.40	8.94	21	5.51	6.91	8.30	9.06	9.77
22	4.64	5.45	7.02	7.52	9.12	22	5.57	7.02	8.42	9.20	9.92
23	4.70	5.51	7.15	7.63	9.30	23	5.64	7.10	8.58	9.34	10.07
24	4.75	5.58	7.25	7.73	9.46	24	5.70	7.19	8.70	9.46	10.22
25	4.81	5.64	7.35	7.83	9.62	25	5.77	7.27	8.82	9.58	10.35
26	4.85	5.72	7.44	7.93	9.78	26	5.82	7.37	8.93	9.71	10.48
27	4.90	5.78	7.55	8.02	9.92	27	5.88	7.45	9.06	9.82	10.60
28	4.95	5.84	7.65	8.10	10.06	28	5.94	7.52	9.18	9.91	10.72
29	5.01	5.91	7.75	8.19	10.20	29	6.01	7.61	9.30	10.02	10.83
30	5.07	5.97	7.83	8.27	10.35	30	6.08	7.69	9.40	10.12	10.93
31	5.11	6.03	7.90	8.34	10.47	31	6.13	7.77	9.48	10.21	11.04
32	5.15	6.10	8.00	8.42	10.59	32	6.18	7.86	9.60	10.31	11.13
33	5.21	6.15	8.08	8.49	10.73	33	6.25	7.92	9.70	10.39	11.23
34	5.25	6.21	8.15	8.55	10.83	34	6.30	8.00	9.78	10.47	11.31
35	5.29	6.26	8.24	8.62	10.94	35	6.35	8.06	9.89	10.55	11.40

**PACKAGE SERVICES
RATE SCHEDULE 521.2B (CONTINUED)
PARCEL POST INTRA-BMC RATES**

Current

Proposed

Weight (lbs.)	Local Zone	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Weight (lbs.)	Local Zone	Zones 1 & 2	Zone 3	Zone 4	Zone 5
36	\$5.33	\$6.31	\$8.31	\$8.68	\$11.07	36	\$6.40	\$8.13	\$9.97	\$10.62	\$11.48
37	5.37	6.38	8.38	8.74	11.17	37	6.44	8.22	10.06	10.70	11.56
38	5.41	6.43	8.46	8.80	11.28	38	6.49	8.28	10.15	10.77	11.63
39	5.47	6.49	8.54	8.85	11.37	39	6.56	8.36	10.25	10.83	11.70
40	5.51	6.53	8.60	8.90	11.48	40	6.61	8.41	10.32	10.89	11.77
41	5.56	6.60	8.69	8.95	11.57	41	6.67	8.50	10.43	10.95	11.84
42	5.60	6.64	8.75	9.00	11.66	42	6.72	8.55	10.50	11.02	11.90
43	5.64	6.68	8.82	9.05	11.76	43	6.77	8.61	10.58	11.08	11.95
44	5.70	6.74	8.88	9.10	11.84	44	6.84	8.68	10.66	11.14	12.00
45	5.73	6.78	8.94	9.23	11.93	45	6.88	8.73	10.73	11.30	12.05
46	5.77	6.85	9.02	9.27	12.01	46	6.92	8.82	10.82	11.35	12.10
47	5.82	6.90	9.07	9.31	12.09	47	6.98	8.89	10.88	11.40	12.15
48	5.86	6.94	9.14	9.35	12.19	48	7.03	8.94	10.97	11.44	12.20
49	5.89	6.99	9.20	9.39	12.26	49	7.07	9.01	11.04	11.49	12.25
50	5.93	7.02	9.26	9.42	12.34	50	7.12	9.04	11.11	11.53	12.30
51	5.98	7.09	9.31	9.46	12.41	51	7.18	9.13	11.17	11.58	12.35
52	6.01	7.13	9.39	9.49	12.48	52	7.21	9.19	11.27	11.62	12.40
53	6.05	7.16	9.43	9.52	12.55	53	7.26	9.22	11.32	11.65	12.45
54	6.10	7.20	9.47	9.56	12.63	54	7.32	9.28	11.36	11.70	12.50
55	6.14	7.25	9.50	9.60	12.69	55	7.37	9.34	11.40	11.75	12.55
56	6.17	7.30	9.53	9.63	12.75	56	7.40	9.40	11.44	11.79	12.60
57	6.21	7.35	9.55	9.65	12.83	57	7.45	9.47	11.46	11.81	12.65
58	6.25	7.39	9.58	9.68	12.89	58	7.50	9.52	11.50	11.85	12.70
59	6.29	7.43	9.61	9.71	12.95	59	7.55	9.57	11.53	11.89	12.75
60	6.31	7.48	9.63	9.73	13.02	60	7.57	9.64	11.56	11.91	12.80
61	6.38	7.53	9.66	9.76	13.08	61	7.66	9.70	11.59	11.95	12.85
62	6.40	7.57	9.68	9.81	13.13	62	7.68	9.75	11.62	12.01	12.90
63	6.44	7.61	9.70	9.87	13.19	63	7.73	9.80	11.64	12.08	12.95
64	6.48	7.65	9.72	9.91	13.25	64	7.78	9.86	11.66	12.13	13.00
65	6.52	7.69	9.75	9.96	13.30	65	7.82	9.91	11.70	12.19	13.05
66	6.54	7.75	9.77	10.02	13.37	66	7.85	9.98	11.72	12.26	13.10
67	6.60	7.79	9.79	10.07	13.41	67	7.92	10.04	11.75	12.33	13.15
68	6.63	7.81	9.80	10.11	13.46	68	7.96	10.06	11.76	12.37	13.20
69	6.64	7.86	9.82	10.16	13.52	69	7.97	10.13	11.78	12.44	13.25
70	6.65	7.90	9.84	10.21	13.57	70	7.98	10.18	11.81	12.50	13.30
Over-sized	19.82	28.99	28.99	28.99	28.99	Over-sized	23.78	34.47	34.79	35.48	36.53

SCHEDULE 521.2B

NOTES

1. For barcode discount, deduct \$0.03 per piece (machinable parcels only).
2. For nonmachinable [Intra-BMC]parcels, add \$1.35 per piece.
3. [See DMCS section 521.61 for oversize Parcel Post.] Regardless of weight, any piece that measures more than 108 inches (but not more than 130 inches) in combined length and girth must pay the oversized rate.
4. [Parcel Post p]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 each pickup stop, add \$12.50~~[\$10.25]~~.

**PACKAGE SERVICES
RATE SCHEDULE 521.2C
PARCEL POST
PARCEL SELECT DESTINATION BULK MAIL CENTER RATES**

Current

Weight (lbs.)	Zones 1 & 2	Zone 3	Zone 4	Zone 5
1	\$2.13	\$2.48	\$2.75	\$2.99
2	2.13	2.48	2.75	2.99
3	2.36	2.89	3.31	3.42
4	2.57	3.27	3.81	3.88
5	2.78	3.63	4.16	4.35
6	2.96	3.97	4.45	4.78
7	3.14	4.28	4.72	5.18
8	3.31	4.59	4.97	5.56
9	3.47	4.87	5.22	5.91
10	3.63	5.15	5.46	6.24
11	3.77	5.41	5.67	6.54
12	3.91	5.66	5.88	6.85
13	4.05	5.87	6.08	7.11
14	4.18	5.97	6.28	7.38
15	4.30	6.11	6.45	7.63
16	4.42	6.25	6.62	7.86
17	4.53	6.38	6.80	8.08
18	4.65	6.51	6.95	8.31
19	4.75	6.63	7.10	8.51
20	4.86	6.75	7.23	8.70
21	4.96	6.87	7.35	8.89
22	5.06	6.97	7.47	9.07
23	5.15	7.10	7.58	9.25
24	5.24	7.20	7.68	9.41
25	5.33	7.30	7.78	9.57
26	5.42	7.39	7.88	9.73
27	5.50	7.50	7.97	9.87
28	5.59	7.60	8.05	10.01
29	5.67	7.70	8.14	10.15
30	5.75	7.78	8.22	10.30
31	5.82	7.85	8.29	10.42
32	5.90	7.95	8.37	10.54
33	5.97	8.03	8.44	10.68
34	6.04	8.10	8.50	10.78
35	6.11	8.19	8.57	10.89

Proposed

Weight (lbs.)	Zones 1 & 2	Zone 3	Zone 4	Zone 5
1	\$2.01	\$2.26	\$2.49	\$3.09
2	2.28	2.81	3.25	3.69
3	2.53	3.33	3.91	4.27
4	2.77	3.82	4.50	4.81
5	2.99	4.27	4.91	5.30
6	3.21	4.68	5.25	5.75
7	3.40	5.05	5.57	6.16
8	3.60	5.42	5.86	6.55
9	3.78	5.75	6.16	6.90
10	3.95	6.08	6.69	7.23
11	4.12	6.38	6.95	7.53
12	4.28	6.68	7.21	7.82
13	4.43	6.93	7.45	8.08
14	4.58	7.04	7.70	8.33
15	4.72	7.21	7.91	8.57
16	4.86	7.38	8.11	8.79
17	5.00	7.53	8.33	9.00
18	5.13	7.68	8.52	9.19
19	5.25	7.82	8.70	9.38
20	5.38	7.97	8.86	9.55
21	5.50	8.11	9.01	9.72
22	5.61	8.22	9.15	9.87
23	5.73	8.38	9.29	10.02
24	5.84	8.50	9.41	10.17
25	5.95	8.61	9.53	10.30
26	6.05	8.72	9.66	10.43
27	6.16	8.85	9.77	10.55
28	6.26	8.97	9.86	10.67
29	6.36	9.09	9.97	10.78
30	6.45	9.18	10.07	10.88
31	6.55	9.26	10.16	10.99
32	6.64	9.38	10.26	11.08
33	6.73	9.48	10.34	11.18
34	6.82	9.56	10.42	11.26
35	6.91	9.66	10.50	11.35

PACKAGE SERVICES
RATE SCHEDULE 521.2C (CONTINUED)
PARCEL POST
PARCEL SELECT DESTINATION BULK MAIL CENTER RATES

Current

Weight (lbs.)	Zones 1 & 2	Zone 3	Zone 4	Zone 5
36	\$6.18	\$8.26	\$8.63	\$11.02
37	6.25	8.33	8.69	11.12
38	6.31	8.41	8.75	11.23
39	6.37	8.49	8.80	11.32
40	6.44	8.55	8.85	11.43
41	6.50	8.64	8.90	11.52
42	6.56	8.70	8.95	11.61
43	6.62	8.77	9.00	11.71
44	6.67	8.83	9.05	11.79
45	6.73	8.89	9.18	11.88
46	6.79	8.97	9.22	11.96
47	6.84	9.02	9.26	12.04
48	6.89	9.09	9.30	12.14
49	6.94	9.15	9.34	12.21
50	6.97	9.21	9.37	12.29
51	7.04	9.26	9.41	12.36
52	7.08	9.34	9.44	12.43
53	7.11	9.38	9.47	12.50
54	7.15	9.42	9.51	12.58
55	7.20	9.45	9.55	12.64
56	7.25	9.48	9.58	12.70
57	7.30	9.50	9.60	12.78
58	7.34	9.53	9.63	12.84
59	7.38	9.56	9.66	12.90
60	7.43	9.58	9.68	12.97
61	7.48	9.61	9.71	13.03
62	7.52	9.63	9.76	13.08
63	7.56	9.65	9.82	13.14
64	7.60	9.67	9.86	13.20
65	7.64	9.70	9.91	13.25
66	7.70	9.72	9.97	13.32
67	7.74	9.74	10.02	13.36
68	7.76	9.75	10.06	13.41
69	7.81	9.77	10.11	13.47
70	7.85	9.79	10.16	13.52
Oversized	18.85	20.65	27.84	28.94

Proposed

Weight (lbs.)	Zones 1 & 2	Zone 3	Zone 4	Zone 5
36	\$6.99	\$9.92	\$10.57	\$11.43
37	7.08	10.01	10.65	11.51
38	7.16	10.10	10.72	11.58
39	7.24	10.20	10.78	11.65
40	7.32	10.27	10.84	11.72
41	7.40	10.38	10.90	11.79
42	7.48	10.45	10.97	11.85
43	7.55	10.53	11.03	11.90
44	7.63	10.61	11.09	11.95
45	7.70	10.68	11.25	12.00
46	7.77	10.77	11.30	12.05
47	7.84	10.83	11.35	12.10
48	7.91	10.92	11.39	12.15
49	7.98	10.99	11.44	12.20
50	8.05	11.06	11.48	12.25
51	8.12	11.12	11.53	12.30
52	8.18	11.22	11.57	12.35
53	8.25	11.27	11.60	12.40
54	8.31	11.31	11.65	12.45
55	8.38	11.35	11.70	12.50
56	8.44	11.39	11.74	12.55
57	8.50	11.41	11.76	12.60
58	8.56	11.45	11.80	12.65
59	8.62	11.48	11.84	12.70
60	8.68	11.51	11.86	12.75
61	8.74	11.54	11.90	12.80
62	8.80	11.57	11.96	12.85
63	8.85	11.59	12.03	12.90
64	8.91	11.61	12.08	12.95
65	8.96	11.65	12.14	13.00
66	9.02	11.67	12.21	13.05
67	9.07	11.70	12.28	13.10
68	9.13	11.71	12.32	13.15
69	9.18	11.73	12.39	13.20
70	9.23	11.76	12.45	13.25
Oversized	18.47	24.78	33.41	34.73

SCHEDULE 521.2C

NOTES

1. For barcode discount, deduct \$0.03 per piece (machinable parcels only). Barcode discount is not available for DBMC mail entered at an ASF, except at the Phoenix, AZ, ASF.
2. For nonmachinable [DBMC]parcels, add \$1.45 per piece.
3. [See DMCS section 521.61 for oversize Parcel Post.] Regardless of weight, any piece that measures more than 108 inches (but not more than 130 inches) in combined length and girth must pay the oversized rate.
4. [Parcel Post p]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. A mailing fee of \$150.00 [\$125.00]must be paid once each 12-month period for Parcel Select.

**PACKAGE SERVICES
RATE SCHEDULE 521.2D
PARCEL POST
PARCEL SELECT DESTINATION SECTIONAL CENTER FACILITY RATES**

Weight (lbs.)	Current	Proposed	Weight (lbs.)	Current	Proposed
1	\$1.71	\$1.50	36	\$4.26	\$4.59
2	1.71	1.68	37	4.30	4.65
3	1.85	1.81	38	4.34	4.70
4	1.99	1.95	39	4.38	4.76
5	2.12	2.08	40	4.42	4.81
6	2.24	2.20	41	4.46	4.86
7	2.35	2.30	42	4.50	4.91
8	2.45	2.40	43	4.53	4.96
9	2.56	2.51	44	4.57	5.01
10	2.65	2.60	45	4.61	5.06
11	2.74	2.70	46	4.64	5.11
12	2.83	2.80	47	4.67	5.16
13	2.92	2.90	48	4.71	5.20
14	3.00	3.00	49	4.74	5.25
15	3.08	3.10	50	4.77	5.29
16	3.15	3.19	51	4.80	5.34
17	3.22	3.28	52	4.84	5.38
18	3.29	3.36	53	4.87	5.42
19	3.36	3.45	54	4.90	5.46
20	3.43	3.53	55	4.93	5.51
21	3.49	3.61	56	4.96	5.55
22	3.55	3.68	57	4.98	5.59
23	3.61	3.76	58	5.01	5.63
24	3.67	3.83	59	5.04	5.67
25	3.73	3.90	60	5.07	5.71
26	3.78	3.97	61	5.10	5.74
27	3.83	4.04	62	5.12	5.78
28	3.89	4.11	63	5.15	5.82
29	3.94	4.17	64	5.17	5.86
30	3.99	4.24	65	5.20	5.89
31	4.03	4.30	66	5.22	5.93
32	4.08	4.36	67	5.25	5.97
33	4.13	4.42	68	5.27	6.00
34	4.17	4.48	69	5.30	6.04
35	4.21	4.54	70	5.32	6.07
			Oversized	11.35	11.95

SCHEDULE 521.2D

NOTES

1. [See DMCS section 521.61 for oversize Parcel Post.] Regardless of weight, any piece that measures more than 108 inches (but not more than 130 inches) in combined length and girth must pay the oversized rate.
2. [Parcel Post p] 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 mailing fee of \$150.00 [~~\$125.00~~] must be paid once each 12-month period for Parcel Select.
4. For nonmachinable parcels sorted to 3-digit ZIP Code areas, add \$1.09 per piece.

**PACKAGE SERVICES
RATE SCHEDULE 521.2E
PARCEL POST
PARCEL SELECT DESTINATION DELIVERY UNIT RATES**

Weight (lbs.)	Current	Proposed	Weight (lbs.)	Current	Proposed
1	\$1.28	\$1.19	36	\$2.15	\$2.09
2	1.28	1.24	37	2.16	2.10
3	1.33	1.29	38	2.17	2.10
4	1.38	1.34	39	2.18	2.11
5	1.43	1.39	40	2.19	2.12
6	1.47	1.43	41	2.20	2.13
7	1.51	1.46	42	2.21	2.14
8	1.55	1.50	43	2.22	2.15
9	1.58	1.53	44	2.23	2.16
10	1.62	1.57	45	2.24	2.17
11	1.65	1.60	46	2.25	2.18
12	1.68	1.63	47	2.26	2.19
13	1.71	1.66	48	2.27	2.20
14	1.74	1.69	49	2.28	2.21
15	1.77	1.72	50	2.29	2.22
16	1.79	1.74	51	2.30	2.23
17	1.82	1.77	52	2.31	2.24
18	1.85	1.79	53	2.32	2.25
19	1.87	1.81	54	2.33	2.26
20	1.89	1.83	55	2.34	2.27
21	1.92	1.86	56	2.35	2.28
22	1.94	1.88	57	2.36	2.29
23	1.96	1.90	58	2.37	2.30
24	1.98	1.92	59	2.38	2.31
25	2.00	1.94	60	2.39	2.32
26	2.02	1.96	61	2.40	2.33
27	2.04	1.98	62	2.41	2.34
28	2.06	2.00	63	2.42	2.35
29	2.07	2.01	64	2.43	2.36
30	2.09	2.03	65	2.44	2.37
31	2.10	2.04	66	2.45	2.38
32	2.11	2.05	67	2.46	2.39
33	2.12	2.06	68	2.47	2.40
34	2.13	2.07	69	2.48	2.41
35	2.14	2.08	70	2.49	2.42
			Oversized	6.98	6.77

SCHEDULE 521.2E

NOTES

1. [See DMCS section 521.61 for oversize Parcel Post.] Regardless of weight, any piece that measures more than 108 inches (but not more than 130 inches) in combined length and girth must pay the oversized rate.
2. [Parcel Post p] 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 mailing fee of \$150.00 [\$125.00] must be paid once each 12-month period for Parcel Select.

**PACKAGE SERVICES
RATE SCHEDULE 522A
BOUND PRINTED MATTER
SINGLE-PIECE RATES**

Current

Weight (lbs.)	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
1.0	\$1.80	\$1.83	\$1.87	\$1.93	\$1.99	\$2.06	\$2.21
1.5	1.80	1.83	1.87	1.93	1.99	2.06	2.21
2.0	1.84	1.88	1.94	2.02	2.10	2.19	2.38
2.5	1.90	1.95	2.00	2.11	2.21	2.33	2.57
3.0	1.94	2.00	2.08	2.20	2.32	2.46	2.75
3.5	1.99	2.06	2.15	2.29	2.43	2.60	2.93
4.0	2.03	2.11	2.21	2.37	2.55	2.72	3.11
4.5	2.07	2.17	2.29	2.47	2.65	2.87	3.30
5.0	2.13	2.23	2.36	2.55	2.77	3.00	3.47
6.0	2.22	2.35	2.49	2.74	2.99	3.26	3.83
7.0	2.31	2.46	2.63	2.92	3.21	3.53	4.19
8.0	2.40	2.57	2.78	3.10	3.44	3.81	4.55
9.0	2.50	2.68	2.91	3.27	3.66	4.07	4.92
10.0	2.60	2.80	3.05	3.45	3.87	4.34	5.27
11.0	2.68	2.91	3.19	3.63	4.09	4.61	5.64
12.0	2.78	3.03	3.33	3.81	4.32	4.88	6.00
13.0	2.87	3.14	3.47	3.99	4.54	5.15	6.36
14.0	2.97	3.26	3.61	4.17	4.76	5.42	6.73
15.0	3.06	3.37	3.75	4.35	4.98	5.69	7.09

Proposed

Weight (lbs.)	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
1.0	\$1.87	\$1.92	\$1.96	\$2.04	\$2.11	\$2.20	\$2.37
1.5	1.87	1.92	1.96	2.04	2.11	2.20	2.37
2.0	1.94	2.00	2.06	2.16	2.26	2.38	2.60
2.5	2.01	2.09	2.16	2.29	2.41	2.56	2.84
3.0	2.08	2.17	2.26	2.41	2.56	2.74	3.07
3.5	2.15	2.26	2.36	2.54	2.71	2.92	3.31
4.0	2.22	2.34	2.46	2.66	2.86	3.10	3.54
4.5	2.29	2.43	2.56	2.79	3.01	3.28	3.78
5.0	2.36	2.51	2.66	2.91	3.16	3.46	4.01
6.0	2.50	2.68	2.86	3.16	3.46	3.82	4.48
7.0	2.64	2.85	3.06	3.41	3.76	4.18	4.95
8.0	2.78	3.02	3.26	3.66	4.06	4.54	5.42
9.0	2.92	3.19	3.46	3.91	4.36	4.90	5.89
10.0	3.06	3.36	3.66	4.16	4.66	5.26	6.36
11.0	3.20	3.53	3.86	4.41	4.96	5.62	6.83
12.0	3.34	3.70	4.06	4.66	5.26	5.98	7.30
13.0	3.48	3.87	4.26	4.91	5.56	6.34	7.77
14.0	3.62	4.04	4.46	5.16	5.86	6.70	8.24
15.0	3.76	4.21	4.66	5.41	6.16	7.06	8.71

SCHEDULE 522A

NOTES

1. For barcode discount, deduct \$0.03 per piece (machinable parcels and automatable flats only).
2. For flats, deduct \$0.08 per piece.

**PACKAGE SERVICES
RATE SCHEDULE 522B
BOUND PRINTED MATTER
PRESORTED AND CARRIER ROUTE RATES
FLATS, PARCELS, AND IRREGULAR PARCELS**

Flats

Current

Rate	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
Per Piece							
Presorted	\$0.97	\$0.97	\$0.97	\$0.97	\$0.97	\$0.97	\$0.97
Carrier Route	0.87	0.87	0.87	0.87	0.87	0.87	0.87
Per Pound	0.07	0.09	0.12	0.16	0.20	0.25	0.34

Proposed

Rate	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
Per Piece							
Presorted	\$1.078	\$1.078	\$1.078	\$1.078	\$1.078	\$1.078	\$1.078
Carrier Route	0.978	0.978	0.978	0.978	0.978	0.978	0.978
Per Pound	0.090	0.112	0.149	0.198	0.248	0.308	0.419

Parcels and Irregular Parcels

Current

Rate	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
Per Piece							
Presorted	\$0.97	\$0.97	\$0.97	\$0.97	\$0.97	\$0.97	\$0.97
Carrier Route	0.87	0.87	0.87	0.87	0.87	0.87	0.87
Per Pound	0.07	0.09	0.12	0.16	0.20	0.25	0.34

Proposed

Rate	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
Per Piece							
Presorted	\$1.155	\$1.155	\$1.155	\$1.155	\$1.155	\$1.155	\$1.155
Carrier Route	1.055	1.055	1.055	1.055	1.055	1.055	1.055
Per Pound	0.090	0.112	0.149	0.198	0.248	0.308	0.419

SCHEDULE 522B

NOTES

1. For barcode discount, deduct \$0.03 per piece (machinable parcels and automatable flats only). Barcode discount is not available for Carrier Route rates.

[2. Applies to mailings of at least 300 pieces presorted to carrier route as specified by the Postal Service.]

**PACKAGE SERVICES
RATE SCHEDULE 522C
BOUND PRINTED MATTER
PRESORTED RATES, DESTINATION ENTRY
FLATS, PARCELS, AND IRREGULAR PARCELS**

Flats

Current

Rate	DDU	DSCF	DBMC			
			Zones 1 & 2	Zone 3	Zone 4	Zone 5
Per Piece	\$0.62	\$0.69	\$0.83	\$0.83	\$0.83	\$0.83
Per Pound	0.03	0.06	0.06	0.09	0.12	0.16

Proposed

Rate	DDU	DSCF	DBMC			
			Zones 1 & 2	Zone 3	Zone 4	Zone 5
Per Piece	\$0.532	\$0.603	\$0.818	\$0.818	\$0.818	\$0.818
Per Pound	0.030	0.060	0.073	0.102	0.139	0.187

Parcels and Irregular Parcels

Current

Rate	DDU	DSCF	DBMC			
			Zones 1 & 2	Zone 3	Zone 4	Zone 5
Per Piece	\$0.62	\$0.69	\$0.83	\$0.83	\$0.83	\$0.83
Per Pound	0.03	0.06	0.06	0.09	0.12	0.16

Proposed

Rate	DDU	DSCF	DBMC			
			Zones 1 & 2	Zone 3	Zone 4	Zone 5
Per Piece	\$0.609	\$0.680	\$0.895	\$0.895	\$0.895	\$0.895
Per Pound	0.030	0.060	0.073	0.102	0.139	0.187

SCHEDULE 522C

NOTES

1. For barcode discount, deduct \$0.03 per piece (machinable parcels and automatable flats only). Barcode discount is not available for DDU or DSCF rates or DBMC mail entered at an ASF (except Phoenix, AZ, ASF).
2. A mailing fee of \$150.00~~[\$125.00]~~ must be paid once each 12-month period to mail at any destination entry Bound Printed Matter rate.
3. The DDU rate is not available for flats that weigh 1 pound or less.

**PACKAGE SERVICES
RATE SCHEDULE 522D
BOUND PRINTED MATTER
CARRIER ROUTE RATES, DESTINATION ENTRY
FLATS, PARCELS, AND IRREGULAR PARCELS**

Flats

Current

Rate	DDU	DSCF	DBMC			
			Zones 1 & 2	Zone 3	Zone 4	Zone 5
Per Piece	\$0.52	\$0.59	\$0.73	\$0.73	\$0.73	\$0.73
Per Pound	0.03	0.06	0.06	0.09	0.12	0.16

Proposed

Rate	DDU	DSCF	DBMC			
			Zones 1 & 2	Zone 3	Zone 4	Zone 5
Per Piece	\$0.432	\$0.503	\$0.718	\$0.718	\$0.718	\$0.718
Per Pound	0.030	0.060	0.073	0.102	0.139	0.187

Parcels and Irregular Parcels

Current

Rate	DDU	DSCF	DBMC			
			Zones 1 & 2	Zone 3	Zone 4	Zone 5
Per Piece	\$0.52	\$0.59	\$0.73	\$0.73	\$0.73	\$0.73
Per Pound	0.03	0.06	0.06	0.09	0.12	0.16

Proposed

Rate	DDU	DSCF	DBMC			
			Zones 1 & 2	Zone 3	Zone 4	Zone 5
Per Piece	\$0.509	\$0.580	\$0.795	\$0.795	\$0.795	\$0.795
Per Pound	0.030	0.060	0.073	0.102	0.139	0.187

SCHEDULE 522D

NOTES

1. A mailing fee of \$150.00~~[\$125.00]~~ must be paid once each 12-month period to mail at any destination entry Bound Printed Matter rate.

**PACKAGE SERVICES
RATE SCHEDULE 523
MEDIA MAIL**

	<u>Current</u>	<u>Proposed</u>
First Pound		
<u>Single-Piece</u> [Not Presorted]	\$1.33	\$1.42
<u>5-Digit Presort</u> [Level A Presort (5-digits)]	0.73	0.80
<u>Basic Presort</u> [Level B Presort (BMC)]	1.03	1.12
Each additional pound, through 7 pounds	0.45	0.42
Each additional pound, over 7 pounds	0.30	0.30

SCHEDULE 523

NOTES

1. A mailing fee of ~~\$150.00~~[\$125.00] must be paid once each 12-month period to mail at any Media Mail presorted ratefor each permit].

[2. For mailings of 500 or more pieces properly prepared and presorted to five-digit destination ZIP Codes.]

[3. For mailings of 500 or more pieces properly prepared and presorted to Bulk Mail Centers.]

2.[4.] For barcode discount, deduct \$0.03 per piece (machinable parcels only). Barcode discount is not available for pieces mailed at the 5-digit rate.

**PACKAGE SERVICES
RATE SCHEDULE 524
LIBRARY MAIL**

	<u>Current</u>	<u>Proposed</u>
First Pound		
<u>Single-Piece</u> [Not Presorted]	\$1.26	\$1.35
<u>5-Digit Presort</u> [Level A Presort (5-digits)]	0.69	0.76
<u>Basic Presort</u> [Level B Presort (BMC)]	0.98	1.06
Each additional pound, through 7 pounds	0.43	0.40
Each additional pound, over 7 pounds	0.29	0.29

SCHEDULE 524

NOTES

1. A mailing fee of ~~\$150.00~~[\$125.00] must be paid once each 12-month period to mail at any Library Mail presorted rate[for each permit].

[2. For mailings of 500 or more pieces properly prepared and presorted to five-digit destination ZIP Codes.]

[3. For mailings of 500 or more pieces properly prepared and presorted to Bulk Mail Centers.]

2.[4.] For barcode discount, deduct \$0.03 per piece (machinable parcels only). Barcode discount is not available for pieces mailed at the 5-digit rate.

**FEE SCHEDULE 911
ADDRESS CORRECTIONS**

	<u>Current</u>	<u>Proposed</u>
Manual correction, each	\$0.60	\$0.70
Electronic correction, each	0.20	0.20

FEE SCHEDULE 912
ZIP CODING OF MAILING LISTS

	<u>Current</u>	<u>Proposed</u>
Per 1,000 addresses, or fraction	\$73.00	\$100.00

CORRECTION OF MAILING LISTS

	<u>Current</u>	<u>Proposed</u>
Per submitted address	\$0.25	\$0.30
Minimum charge per list (30 items)	7.50	9.00

ADDRESS CHANGES FOR ELECTION BOARDS AND REGISTRATION COMMISSIONS

	<u>Current</u>	<u>Proposed</u>
Per change of address	\$0.23	\$0.27

SEQUENCING OF ADDRESS CARDS

	<u>Current</u>	<u>Proposed</u>
Per correction	\$0.25	\$0.30
Insertion of blanks	0.00	0.00

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

FEE SCHEDULE 921
POST OFFICE BOXES AND CALLER SERVICE

I. Post Office Boxes

Semi-annual Box Fees

Current

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

Proposed

Box Size	Fee Group							E
	1	2	3	4	5	6	7	
1	\$35.00	\$29.00	\$24.00	\$19.00	\$13.00	\$12.00	\$9.00	\$0.00
2	50.00	45.00	38.00	34.00	22.00	18.00	13.00	0.00
3	100.00	80.00	68.00	63.00	34.00	33.00	23.00	0.00
4	205.00	170.00	118.00	110.00	65.00	60.00	40.00	0.00
5	330.00	315.00	209.00	175.00	125.00	97.00	70.00	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 larger[over].

Key Duplication and Lock Charges

	<u>Current</u>	<u>Proposed</u>
Key duplication or replacement	\$4.00	\$4.40
Post office box lock replacement	10.00	11.00

II. Caller Service

	<u>Current</u>	<u>Proposed</u>
Semi-annual Caller Service fee	\$375.00	\$412.00
Annual Call Number Reservation fee	30.00	32.00

**FEE SCHEDULE 931
BUSINESS REPLY MAIL**

	Current	Proposed
Regular (no accounting fee)		
Permit fee (per year)	\$125.00	\$150.00
Per piece charge	0.35	0.60
Regular (with accounting fee)		
Permit fee (per year)	125.00	150.00
Accounting fee (per year)	375.00	475.00
Per piece charge	0.10	0.10
Qualified Business Reply Mail, low-volume		
Permit fee (per year)	125.00	150.00
Accounting fee (per year)	375.00	475.00
Per piece charge, basic	0.05	0.06
Qualified Business Reply Mail, high-volume		
Permit fee (per year)	125.00	150.00
Accounting fee (per year)	375.00	475.00
Quarterly fee	1,800.00	1,800.00
Per piece charge, high-volume	0.01	0.008
Bulk Weight Averaged		
Permit fee (per year)	125.00	150.00
Accounting fee (per year)	375.00	475.00
Per piece charge, bulk weight averaged	0.01	0.01
Monthly maintenance fee	600.00	750.00

FEE SCHEDULE 932
MERCHANDISE RETURN SERVICE

	<u>Current</u>	<u>Proposed</u>
Permit fee (per year)	\$125.00	\$150.00
Accounting fee (per year)	375.00	475.00
Per piece charge	0.00	0.00

FEE SCHEDULE 933
ON-SITE METER SERVICE

	<u>Current</u>	<u>Proposed</u>
Per employee, per visit	\$31.00	\$35.00
Per meter reset or examined	4.00	5.00
Per meter checked into or out of service	4.00	4.00

1. Fee for checking meters into or out of service does not apply if a Postal Service-approved automated process is used to check a secured meter into and out of service[to secured postage meters].

FEE SCHEDULE 935
BULK PARCEL RETURN SERVICE

	<u>Current</u>	<u>Proposed</u>
Permit fee (per year)	\$125.00	\$150.00
Accounting fee (per year)	375.00	475.00
Per piece charge	1.62	1.80

FEE SCHEDULE 936
SHIPPER PAID FORWARDING

	Current	Proposed
Accounting fee (per year)	\$375.00	\$475.00

FEE SCHEDULE 941
CERTIFIED MAIL

	<u>Current</u>	<u>Proposed</u>
Fee per piece, in addition to postage	\$2.10	\$2.30

FEE SCHEDULE 942
REGISTERED MAIL

Declared Value	Current	Proposed
\$0.00	\$7.25	\$7.50
\$0.01 to 100.00	7.50	8.00
100.01 to 500.00	8.25	8.85
500.01 to 1,000.00	9.00	9.70
1,000.01 to 25,000.00	\$9.00 plus \$0.75 for each \$1,000 or fraction thereof over \$1,000.00	\$9.70 plus \$0.85 for each \$1,000 or fraction thereof over \$1,000.00
25,000.01 to 1,000,000.00	\$27.00 plus \$0.75 handling charge for each \$1,000 or fraction thereof over \$25,000.00	\$30.10 plus \$0.85 handling charge for each \$1,000 or fraction thereof over \$25,000.00
1,000,000.01 to 15,000,000.00	\$758.25 plus \$0.75 handling charge for each \$1,000 or fraction thereof over \$1,000,000.00	\$858.85 plus \$0.85 handling charge for each \$1,000 or fraction thereof over \$1,000,000.00
15,000,000.00+	\$11,258.25 plus amount determined by the Postal Service based on weight, space, and value	\$12,758.85 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**

	Current	Proposed
Express Mail Insurance		
Merchandise coverage		
\$0.01 to 100.00	\$0.00	\$0.00
Fee per \$100 or fraction over \$100, up to \$5,000	0.00/1.00	1.00
Document reconstruction coverage		
0.00 to <u>100.00</u> [500.00]	0.00	0.00
Regular Insurance		
Amount of coverage		
\$0.01 to 50.00	1.10	1.30
50.01 to 100.00	2.00	2.20
100.01 to 5,000.00	\$2.00 plus \$1.00 for each \$100 or fraction thereof over \$100	\$2.20 plus \$1.00 for each \$100 or fraction thereof over \$100
Bulk Insurance		
Amount of coverage		
\$0.01 to 50.00	0.50	0.70
50.01 to 100.00	1.20	1.40
100.01 to 5,000.00	\$1.20 plus \$1.00 for each \$100 or fraction thereof over \$100	\$1.40 plus \$1.00 for each \$100 or fraction thereof over \$100

1. Fees for bulk insurance represent a discount of \$0.60 per piece for coverage between \$0.01 and \$50.00 and a discount of \$0.80 for coverage between \$50.01 and \$5,000.00. [For bulk insurance coverage between \$0.01 to \$50.00, deduct \$0.60 per piece. For bulk insurance coverage between \$50.01 to \$5,000.00, deduct \$0.80 per piece.]

FEE SCHEDULE 944
COLLECT ON DELIVERY

	Current	Proposed
Amount to be collected		
\$0.01 to 50.00	\$4.50	\$4.50
50.01 to 100.00	5.50	5.50
100.01 to 200.00	6.50	6.50
200.01 to 300.00	7.50	7.50
300.01 to 400.00	8.50	8.50
400.01 to 500.00	9.50	9.50
500.01 to 600.00	10.50	10.50
600.01 to 700.00	11.50	11.50
700.01 to 800.00	12.50	12.50
800.01 to 900.00	13.50	13.50
900.01 to 1,000.00	14.50	14.50
Notice of nondelivery	3.00	3.00
Alteration of COD charges	3.00	3.00
Designation of new addressee	3.00	3.00
Registered COD	4.00	4.00

FEE SCHEDULE 945
RETURN RECEIPTS

I. Return Receipt

	Current	Proposed
Requested at time of mailing		
Original signature	\$1.50	\$1.75
Copy of signature (electronic)	N/A	1.30
Requested after mailing	3.50	3.25

II. Return Receipt for Merchandise

	Current	Proposed
Requested at time of mailing	\$2.35	\$3.00
Delivery record	3.50	3.25

[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

	<u>Current</u>	<u>Proposed</u>
Per piece	\$3.20	\$3.50

**FEE SCHEDULE 947
CERTIFICATE OF MAILING**

	<u>Current</u>	<u>Proposed</u>
Individual Pieces		
Original certificate of mailing for listed pieces of all classes of ordinary mail	\$0.75	\$0.90
Three or more pieces individually listed in a firm mailing book or an approved customer-provided manifest (per piece)	0.25	0.30
Each additional copy of original certificate of mailing or original mailing receipt for registered, insured, certified, and COD mail (each copy)	0.75	0.90
Bulk		
Identical pieces of First-Class Mail and 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)	3.50	4.50
For each additional 1,000 pieces or fraction	0.40	0.50
Duplicate copy	0.75	0.90

FEE SCHEDULE 948
DELIVERY CONFIRMATION

	<u>Current</u>	<u>Proposed</u>
First-Class Mail Letters and Sealed Parcels		
(parcels only)		
Electronic	N/A	\$0.13
Retail	N/A	0.55
 Priority Mail		
Electronic	0.00	0.00
Retail	0.40	0.45
 Standard Mail		
Electronic	0.12	0.13
 Package Services Parcel Select		
Electronic	N/A	0.00
 Other Package Services		
Electronic	0.12	0.13
Retail	0.50	0.55

FEE SCHEDULE 949
SIGNATURE CONFIRMATION

	Current	Proposed
First-Class Mail Letters and Sealed Parcels		
(parcels only)		
Electronic	N/A	\$1.30
Retail	N/A	1.80
Priority Mail		
Electronic	1.25	1.30
Retail	1.75	1.80
Package Services		
Electronic	1.25	1.30
Retail	1.75	1.80

FEE SCHEDULE 951
PARCEL AIR LIFT

	<u>Current</u>	<u>Proposed</u>
For pieces weighing:		
Not more than 2 pounds	\$0.40	\$0.45
Over 2 but not more than 3 pounds	0.75	0.85
Over 3 but not more than 4 pounds	1.15	1.25
Over 4 but not more than 30 pounds	1.55	1.70

FEE SCHEDULE 952
SPECIAL HANDLING

	Current	Proposed
For pieces weighing:		
Not more than 10 pounds	\$5.40	\$5.95
More than 10 pounds	7.50	8.25

FEE SCHEDULE 961
STAMPED ENVELOPES

	Current	Proposed
Plain stamped envelopes		
Basic, size 6-3/4, each	\$0.08	\$0.08
Basic, size 6-3/4, 500	12.00	12.00
Basic, over size 6-3/4, each	0.08	0.08
Basic, over size 6-3/4, 500	14.00	14.00
[Special, any size, each]	0.09	N/A
[Special, any size, 500]	19.00	N/A
Personalized stamped envelopes		
Basic, size 6-3/4, 50	3.50	3.50
Basic, size 6-3/4, 500	17.00	17.00
Basic, over size 6-3/4, 50	3.50	3.50
Basic, over size 6-3/4, 500	20.00	20.00
[Special, any size, 50]	4.50	N/A
[Special, any size, 500]	25.00	N/A

[1. "Basic" envelopes include "regular" (no window), "window" (single window), "pre-cancelled regular", and "pre-cancelled window" styles. "Special" envelopes include all envelopes with patched in indicia. "Printed" envelopes are available with multi-color printing.]

[2. Available in "double window" style.]

[3. Available in "savings bond" style.]

FEE SCHEDULE 962
STAMPED CARDS

	Current	Proposed
Single card	\$0.02	\$0.02
Double reply-paid card	0.04	0.04
Sheet of 40 cards (uncut)	0.80	0.80

FEE SCHEDULE 971
MONEY ORDERS

	<u>Current</u>	<u>Proposed</u>
Domestic (\$0.01 - \$500.00)	\$0.90	\$0.90
Domestic (\$500.01 - \$700.00)	0.90	1.25
Domestic (\$700.01 - \$1,000.00)	N/A	1.25
Military	0.25	0.25
Inquiry, including a copy of paid money order	2.75	3.00

FEE SCHEDULE 981
MAILING ONLINE

	<u>Current</u>	<u>Proposed</u>
Fees are calculated by multiplying 1.52 times the sum of printer contractual costs for the particular mailing and 0.5 cents per impression for other Postal Service costs. P = Printer Contractual Costs I = Number of Impressions	$1.52x(P+[0.5xI])$	$1.52x(P+[0.5xI])$
Certification of a system as functionally equivalent to Mailing Online	\$125.00	\$150.00

1. This provision expires the later of:

- a. three years after the implementation date specified by the Postal Service Board of Governors, or
- b. if, by the expiration date specified in (a), a proposal to make Mailing Online permanent is pending before the Postal Rate Commission, the later of:

- 1. three months after the Commission takes action on such proposal under section 3624 of Title 39, or
- 2. —if applicable—on the implementation date for a permanent Mailing Online.

FEE SCHEDULE 1000
MISCELLANEOUS FEES

	<u>Current</u>	<u>Proposed</u>
First-Class Presorted Mailing Fee (per year)	\$125.00	\$150.00
Standard Mail Mailing Fee (per year)	125.00	150.00
Periodicals		
A. Original Entry	350.00	375.00
B. Additional Entry	50.00	60.00
C. Re-entry	40.00	40.00
D. Registration for News Agents	40.00	40.00
Parcel Select Mailing Fee (per year)	125.00	150.00
Bound Printed Matter Destination Entry Mailing Fee (per year)	125.00	150.00
Media Mail Presorted Mailing Fee (per year)	125.00	150.00
Library Mail Presorted Mailing Fee (per year)	125.00	150.00
Authorization to Use Permit Imprint (one-time only)	125.00	150.00
Accounting Fee (per year)	375.00	475.00
Permit Fee (per year)	125.00	150.00

[1. Fees must be paid once each 12-month period.]

[This provision expires the later of:

a. three years after the Mailing Online implementation date specified by the Postal Service Board of Governors, or

b. if, by the expiration date specified in (a), a proposal to make Mailing Online permanent is pending before the Postal Rate Commission, the later of:

1. three months after the Commission takes action on such proposal under section 3624 of Title 39, or

2. —if applicable—on the implementation date for a permanent Mailing Online.]

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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.



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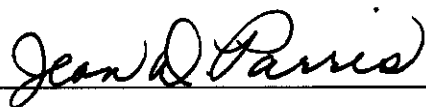
I022 Subject Index

ATTACHMENT D

CERTIFICATION

I, Jean D. Parris, Acting Manager, Cost and Rate Case Development, 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 Services and Request for Expedition, 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) (2001), 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 "Jean D. Parris", is written over a horizontal line.

Jean D. Parris

ATTACHMENT E

UNITED STATES POSTAL SERVICE

Financial Statements

Years ended September 30, 2000 and 1999 with Report of Independent Auditors

United States Postal Service

Financial Statements

Years ended September 30, 2000 and 1999

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Report of Independent Auditors

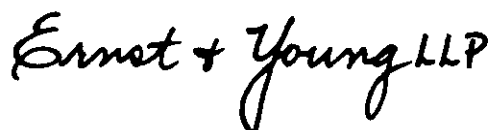
Board of Governors
United States Postal Service

We have audited the accompanying balance sheets of the United States Postal Service as of September 30, 2000 and 1999, 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, 2000. 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 auditing standards generally accepted in the United States 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, 2000 and 1999, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2000, in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have issued our report dated November 10, 2000, on our consideration of the United States Postal Service's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report when considering the results of our audit.



November 10, 2000

United States Postal Service

Balance Sheets

	September 30,	
	2000	1999
	<i>(dollars in millions)</i>	
Assets		
Current assets:		
Cash and cash equivalents <i>(Note 2)</i>	\$ 683	\$ 331
Receivables:		
Foreign countries	349	337
U.S. government	134	149
Consignment	55	58
Other	158	147
	<u>696</u>	<u>691</u>
Less allowances	107	113
Total receivables, net	<u>589</u>	<u>578</u>
Supplies, advances and prepayments	383	387
Total current assets	<u>1,655</u>	<u>1,296</u>
Other assets, principally revenue forgone appropriations receivable <i>(Note 7)</i>	375	376
Property and equipment, at cost:		
Buildings	17,685	16,513
Equipment	13,973	12,421
Land	2,534	2,407
Leasehold improvements	1,133	1,019
	<u>35,325</u>	<u>32,360</u>
Less allowances for depreciation and amortization	<u>13,644</u>	<u>12,143</u>
	<u>21,681</u>	<u>20,217</u>
Construction in progress	2,389	2,623
Total property and equipment, net	<u>24,070</u>	<u>22,840</u>
Deferred retirement costs <i>(Note 6)</i>	32,183	31,497
Total assets	<u><u>\$58,283</u></u>	<u><u>\$56,009</u></u>

See accompanying notes to the financial statements.

	September 30,	
	2000	1999
	(dollars in millions)	
Liabilities and Net Capital Deficiency		
Current liabilities:		
Compensation and benefits	\$ 5,295	\$ 5,919
Estimated prepaid postage	1,594	1,628
Payables and accrued expenses:		
Foreign countries	439	527
U.S. government	150	164
Other	1,300	973
Total payables and accrued expenses	1,889	1,664
Prepaid box rentals, permit and metered mail	1,969	2,049
Outstanding postal money orders	716	813
Current portion of long-term debt	6,814	3,363
Total current liabilities	18,277	15,436
Long-term debt, less current portion (Note 5)	2,502	3,554
Other liabilities:		
Amounts payable for deferred retirement benefits (Note 6)	30,212	29,685
Workers' compensation costs (Note 2)	5,029	4,901
Employees' accumulated leave	2,090	2,041
Other	819	839
Total other liabilities	38,150	37,466
Commitments and contingencies (Notes 8 and 9)		
Total Liabilities	58,929	56,456
Net capital deficiency:		
Capital contributions of the U.S. government	3,034	3,034
Deficit since reorganization	(3,680)	(3,481)
Total Net Capital Deficiency	(646)	(447)
Total Liabilities and Net Capital Deficiency	\$58,283	\$56,009

See accompanying notes to the financial statements.

United States Postal Service

Statements of Operations

	Year ended September 30,		
	2000	1999	1998
	<i>(dollars in millions)</i>		
Operating revenue <i>(Note 7)</i>	\$64,540	\$62,726	\$60,072
Operating expenses:			
Compensation and benefits <i>(Notes 2, 3, and 6)</i>	49,532	47,333	45,596
Transportation	4,709	4,267	4,207
Other	8,751	9,042	7,983
Total operating expenses	62,992	60,642	57,786
Income from operations	1,548	2,084	2,286
Interest and investment income	41	29	44
Interest expense on deferred retirement liabilities <i>(Note 6)</i>	(1,568)	(1,592)	(1,613)
Interest expense on borrowings	(220)	(158)	(167)
Net (Loss) Income	\$ (199)	\$ 363	\$ 550

See accompanying notes to the financial statements.

United States Postal Service

Statements of Changes in Net Capital Deficiency

Years Ended September 30, 2000, 1999 and 1998

	Capital Contributions of U.S. Government	Deficit Since Reorganization	Total Net Capital Deficiency
	<i>(dollars in millions)</i>		
Balance, September 30, 1997	\$3,034	\$(4,394)	\$(1,360)
Net Income	—	550	550
Balance, September 30, 1998	3,034	(3,844)	(810)
Net Income	—	363	363
Balance, September 30, 1999	3,034	(3,481)	(447)
Net Loss	—	(199)	(199)
Balance, September 30, 2000	\$3,034	\$(3,680)	\$ (646)

See accompanying notes to the financial statements.

United States Postal Service

Statements of Cash Flows

	Year ended September 30,		
	2000	1999	1998
	(dollars in millions)		
Cash flows from operating activities			
Net (loss) income	\$ (199)	\$ 363	\$ 550
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization	2,029	1,795	1,579
(Gain) loss on disposals of property and equipment, net	(5)	(55)	7
Decrease (increase) in other assets, principally revenue forgone appropriations receivable	1	3	(7)
Increase in USPS workers' compensation	254	19	195
Decrease in Post Office Department workers' compensation	(17)	(21)	(27)
Decrease in retroactive assessments payable to the U.S. government	-	-	(331)
Increase in employees' accumulated leave	49	82	101
(Decrease) increase in other liabilities	(20)	207	143
Changes in current assets and liabilities:			
(Increase) decrease in receivables, net	(11)	207	(113)
Decrease (increase) in supplies, advances and prepayments	4	(39)	40
(Decrease) increase in compensation and benefits	(892)	503	451
Decrease in estimated prepaid postage	(34)	(45)	(70)
Increase (decrease) in payables and accrued expenses	225	(371)	(62)
(Decrease) increase in prepaid box rentals, permit and metered mail	(80)	94	31
(Decrease) increase in outstanding postal money orders	(97)	121	52
Net cash provided by operating activities	1,207	2,863	2,539
Cash flows from investing activities			
Purchase of U.S. government securities, available-for-sale	-	-	(620)
Proceeds from sale of U.S. government securities, available-for sale	-	-	622
Purchase of property and equipment	(3,337)	(3,917)	(3,055)
Proceeds from sale of property and equipment	83	129	49
Net cash used in investing activities	(3,254)	(3,788)	(3,004)
Cash flows from financing activities			
Issuance of debt	5,550	4,129	5,696
Payments on debt	(3,151)	(3,633)	(5,147)
Net cash provided by financing activities	2,399	496	549
Net increase (decrease) in cash and cash equivalents	352	(429)	84
Cash and cash equivalents at beginning of year	331	760	676
Cash and cash equivalents at end of year	\$ 683	\$ 331	\$ 760

See accompanying notes to the financial statements.

United States Postal Service

Notes to Financial Statements

September 30, 2000

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% 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% of our career employees are covered by collective bargaining agreements. Three of our largest contracts representing 61% of our career employees expire November 20, 2000. Negotiations have begun between management and unions, and agreements are expected during fiscal year 2001.

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 initial transfer of assets and subsequent cash contributions totaled approximately \$3 billion. The U.S. government remained responsible for all the liabilities attributable to operations of the former Post Office Department. However, under the Balanced Budget Act of 1997, the remaining liability for certain Post Office Department costs was transferred to the Postal Service.

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

We maintain our accounting records and prepare our financial statements on the accrual basis of accounting. This basis conforms to accounting principles generally accepted in the United States. Following these principles, we made estimates and assumptions that affect the amounts reported in the financial statements and notes. Actual results may differ from our estimates.

Cash Equivalents

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

Current Values of Financial Instruments

The current value of our debt is what it would cost us to pay off the debt if we used the current yield on equivalent U.S. Treasury debt.

Supplies, Advances and Prepayments

Supplies, advances and prepayments are primarily composed of our inventories of supplies, motor vehicle parts, repairable parts for mail processing equipment, and advances to employees for annual leave. We value our inventories at the lower of average cost or current market price. Total inventories amounted to \$173 million at the end of 2000 and \$172 million at the end of 1999.

United States Postal Service

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

We record property and equipment at what it costs 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 \$49 million in 2000, \$59 million in 1999 and \$44 million in 1998.

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.

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 and Costs

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 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% interest. We account for our participation in the U.S. government sponsored retirement plans as participation in a multi-employer plan arrangement.

United States Postal Service

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

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 the estimated present value of the total amounts we expect to pay in the future for postal workers injured through the end of fiscal year 2000. 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 1.4% for medical expenses and 3.0% for compensation claims.

In fiscal year 1999, we changed the net discount rate used in determining the present value of estimated future workers' compensation payments for medical claims. The net discount rate for medical claims was changed from 0.1% to 1.4%. The effect of the adoption of this rate has been accounted for as a change in accounting estimate. It resulted in a decrease of \$131 million in the fiscal year 1999 compensation and benefits expense. In management's opinion, this net discount rate better reflects the excess of rates of return on government debt instruments of comparable terms relative to expected future medical inflation.

In fiscal year 2000, we refined our methodology used to estimate the present value of the total amounts we expect to pay for current Postal Service workers' compensation claims. The major refinement is the use of a life table that reflects long-term experience with a disabled population to estimate mortality rates of our permanently disabled population. Previously, we had used a life table that reflected experience with the general United States population. In management's opinion, the refinements result in a better estimation of our liability for future outlays on behalf of Postal Service workers' compensation claimants. The effect of the refinements was a reduction of \$423 million in the fiscal year 2000 compensation and benefits expense.

United States Postal Service

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Workers' Compensation Costs (continued)

At the end of 2000, we estimate our total liability for future workers' compensation costs, excluding Post Office Department (POD) liability, at \$5,560 million. At the end of 1999, this liability was \$5,306 million. In 2000, we recorded \$911 million in workers' compensation expense, compared to the \$603 million we recorded in 1999 and the \$760 million we recorded in 1998. Our liability for future workers' compensation costs for POD claims was \$193 million in 2000 and \$210 million in 1999. In 2000, we recorded an expense of \$14 million, compared to the \$11 million we recorded in 1999 and \$8 million in 1998.

Research and Development Costs

We record research and development costs as expenses when we incur them. These costs were \$42 million in 2000, \$67 million in 1999 and \$77 million in 1998.

Advertising

We record advertising costs as expenses when we incur them. These costs were \$151 million in 2000, \$241 million in 1999 and \$301 million in 1998.

Reclassification of Prior Years Amounts

Certain prior years amounts have been reclassified to conform to the 2000 presentation.

3. Post-Retirement Health Benefit Programs

Employees of the Postal Service who participate in the Federal Employees Health Benefits Program (FEHBP) for at least the five years immediately before their retirement may participate in the FEHBP 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 \$744 million in 2000, \$593 million in 1999, and \$581 million in 1998. We include these costs in our compensation and benefits expense.

United States Postal Service

Notes to Financial Statements (continued)

4. 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. No material impairments were recorded in 2000, 1999 and 1998.

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):

Year	Amount
2001	\$6,814
2002	—
2003	200
2004	—
2005	—
After 2005	2,302

We paid in cash \$263 million in interest in 2000, \$202 million in interest in 1999 and \$236 million in 1998.

The current estimated market value of our debt is \$9,316 million in 2000 and \$6,877 million in 1999 (Note 2). All notes payable to the Federal Financing Bank (FFB) 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 FFB 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:

Interest Rate %	Terms*	September 30,	
		2000	1999
		(dollars in millions)	
Notes Payable to the Federal Financing Bank (FFB):			
8.075	Payable \$32 million each year to May 31, 2000	\$ —	\$ 32
7.800	Payable \$15 million each year to May 31, 2001	15	30
8.760 **	Payable \$36 million each year to May 31, 2001	36	72
6.274	Payable May 16, 2005	—	500
6.350 ***	Overnight revolving credit facility; final maturity date October 2, 2000	262	279
5.084	Payable March 30, 2000	—	500
4.977	Payable March 31, 2034; repurchasable at par December 31, 1999 and every March 31, June 30, September 30, and December 31 thereafter	—	750
6.323 ****	Short-term revolving credit facility; final maturity date October 2, 2000	3,400	2,500
6.323	Payable August 31, 2001; repurchasable at par November 30, 2000; February 28, and May 31, 2001	1,000	—
6.323	Payable December 28, 2000	800	—
6.333	Payable March 1, 2001	500	—
6.183	Payable May 31, 2001	800	—
5.568	Payable December 31, 2002	200	200
5.688	Payable August 15, 2007	400	400
5.546	Payable August 15, 2007	150	150
5.959	Payable November 15, 2027	400	400
5.726	Payable November 15, 2027	100	100
5.606	Payable November 15, 2027	300	300
5.426	Payable May 15, 2008	200	200
4.981	Payable May 15, 2008	200	200
4.910	Payable May 15, 2008	200	200
4.836	Payable November 15, 2027	100	100
6.299	Payable May 15, 2030	250	—
		9,313	6,913
Mortgage Notes Payable:			
5.00 to	Maturing from fiscal years 2001 through 2039		
9.25	secured by land, buildings and equipment with a carrying amount of \$31 million.		
		3	4
		9,316	6,917
Less current portion of debt		6,814	3,363
		\$2,502	\$3,554

* All debt is repurchasable at any time at a price determined by then current FFB rates.

** Weighted average interest rate; prior year's weighted average interest rate was 8.761%.

*** Prior year rate was 5.002%.

**** Prior year rate was 4.971%.

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. Effective January 1, 2000, participating employees contribute 7.4% of their basic pay to the CSRDF. Effective January 1, 1999, participating employees contributed 7.25% of their basic pay. Prior to January 1, 1999, participating employees contributed 7% of their basic pay. We contribute an amount equal to 7% of each 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% of the employee's basic pay to the CSRDF. Effective January 1, 2000, participating employees contribute 1.20% of their basic pay. Effective January 1, 1999, participating employees contributed 1.05% of their basic pay. Prior to January 1, 1999, participating employees contributed 0.8% of their 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.

United States Postal Service

Notes to Financial Statements (continued)

6. Retirement Programs (continued)

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, 1988 and 1998 to participate in the FERS. This System consists of Social Security, a basic annuity plan, and a Thrift Savings Plan.

We contributed to the basic annuity plan 10.7% of each employee's basic pay in 2000, 1999 and 1998. Effective January 1, 2000, participating employees contribute 1.20% of their basic pay. Effective January 1, 1999, participating employees contributed 1.05% of their basic pay. Prior to January 1, 1999, participating employees contributed 0.8% of their basic pay. 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% per year of the basic pay of employees covered by this System. We also match a voluntary employee contribution up to 3% of the employee's basic pay, and 50% of a contribution between 3 and 5% of basic pay.

The number of employees enrolled in each of the retirement plans at the end of 2000, 1999 and 1998 is as follows:

	2000	1999*	1998
CSRS	263,383	281,062	298,827
Dual CSRS/Social Security	12,021	12,598	13,418
FERS	510,509	503,233	479,069

* From July 1998 to December 1998, workers covered by CSRS were allowed to switch to FERS. During this period only 3,436, or less than 1.2%, of our employees chose to change plans.

Deferred Retirement Costs

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

	2000	1999
CSRS basic pay increases	\$25,857	\$25,545
CSRS retirees' and survivors' cost of living adjustments	6,326	5,952
Total	\$32,183	\$31,497

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 CSRS employees' current basic pay, we are liable for the additional deferred retirement liability. 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% 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 \$1,635 million in 2000, \$930 million in 1999 and \$836 million in 1998.

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% per year.

The increase in our deferred liability for our retirees' COLAs was \$1,056 million in 2000, \$537 million in 1999 and \$790 million in 1998.

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, 2000 are as follows (dollars in millions):

United States Postal Service

Notes to Financial Statements (continued)

6. Retirement Programs (continued)

Future Minimum Payments (continued)

Year	Amount
2001	\$ 3,580
2002	3,508
2003	3,429
2004	3,308
2005	3,218
After 2005	<u>31,630</u>
	\$48,673
Less amount representing interest	<u>16,485</u>
Total future minimum payments	\$32,188
Less: Portion classified as a current liability in compensation and benefits	1,976
Long-term portion of future minimum payments	<u>\$30,212</u>

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 2000, 1999 and 1998 (dollars in millions):

	2000	1999	1998
CSRS	\$ 800	\$ 816	\$ 849
FERS	1,944	1,824	1,640
FERS—Thrift Savings Plan	750	681	608
Dual CSRS/Social Security	35	35	36
Social Security	1,427	1,337	1,241
Amortization of deferred cost:			
CSRS	1,322	1,214	1,142
Annuitant COLAs	683	602	569
Interest expense on deferred liabilities	1,568	1,592	1,613
Total retirement expense	<u>\$8,529</u>	<u>\$8,101</u>	<u>\$7,698</u>

United States Postal Service

Notes to Financial Statements (continued)

6. Retirement Programs (continued)

Expense Components (continued)

Employer cash contributions to retirement plans were \$7,084 million in 2000, \$6,756 million in 1999 and \$6,647 million in 1998. These amounts do not include Social Security and Medicare contributions.

7. Revenue Forgone

Our operating revenue includes accruals for revenue forgone. Revenue is forgone when Congress mandates that we provide free or reduced mail rates for certain mailers. The difference between the price Congress has mandated and the price we would have charged the mailer determines the amount of forgone revenue. Congress appropriates money to reimburse us for only a portion of the revenue forgone that we have incurred in past years. In our operating revenue, we have included as revenue the amounts appropriated by Congress for revenue forgone of \$64 million for 2000, \$71 million for 1999, and \$67 million for 1998. Legislation that was passed during 2000 appropriated the \$64 million for 2000 but delayed the payment until fiscal year 2001. Accordingly, we have recorded this as a receivable.

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.

The Revenue Forgone Reform Act of 1993 authorized a total of \$1.218 billion in payments. We calculated the present value of these future reimbursements to be approximately \$390 million at 7% interest. We recognized the \$390 million as revenue during fiscal years 1991 through 1998. The amounts receivable as of September 30, 2000 and 1999 were \$375 million and \$378 million, respectively. We recognized no revenue in 2000 and 1999 and \$10 million in 1998.

8. Commitments

At September 30, 2000, we estimate our financial commitment for approved Postal Service capital projects in progress to be approximately \$3,641 million.

United States Postal Service

Notes to Financial Statements (continued)

8. Commitments (continued)

In addition, we are in negotiations for the buy out of certain assets and leases associated with the processing and transportation of Priority Mail.

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

	2000	1999	1998
Non-cancelable real estate leases including related taxes	\$ 806	\$ 766	\$711
Facilities leased from General Services Administration subject to 120-day notice of cancellation	39	36	37
Equipment and other short-term rentals	254	431	234
Total	<u>\$1,099</u>	<u>\$1,233</u>	<u>\$982</u>

At September 30, 2000, our future minimum lease payments for all non-cancelable leases are as follows (dollars in millions):

Year	Operating	Capital
2001	\$ 755	\$ 83
2002	722	83
2003	682	83
2004	643	83
2005	593	83
After 2005	5,641	531
	<u>\$9,036</u>	<u>\$946</u>
Less: Interest at 6.5%		279
Total capital lease obligations		<u>667</u>
Less: Short-term portion of capital lease obligations		41
Long-term portion of capital lease obligations		<u>\$626</u>

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

United States Postal Service

Notes to Financial Statements (continued)

8. Commitments (continued)

Capital leases included in buildings were \$772 million in 2000 and \$663 million in 1999. Total accumulated amortization is \$161 million in 2000 and \$122 million in 1999. Amortization expense for assets recorded under capital leases is included in depreciation expense.

9. Contingent Liabilities

Each quarter we review litigation pending against us. As a result of this review, we classify and adjust our contingencies for claims that 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. Additionally, we evaluate the materiality of cases determined to have a reasonably possible chance of adverse outcome. Such cases are immaterial to our financial statements taken as a whole.

As a part of our continuing evaluation of estimates required in the preparation of our financial statements, we recorded approximately a \$63 million increase in liabilities in 2000 to recognize changes in the estimated cost of litigation and claims asserted prior to 2000. We recognized settlements 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 that may become due under the suits, claims, and proceedings we have discussed here.

**Report on Compliance and on Internal Control Over Financial Reporting
Based on an Audit of the Financial Statements in Accordance
With *Government Auditing Standards***

Board of Governors
United States Postal Service

We have audited the financial statements of the United States Postal Service as of and for the year ended September 30, 2000, and have issued our report thereon dated November 10, 2000. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the United States Postal Service's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the United States Postal Service's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we will report to management of the United States Postal Service in a separate letter.

This report is intended solely for the information and use of the Board of Governors and management of the United States Postal Service and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

November 10, 2000

INDEX OF TESTIMONIES/DOCKET NO. R2001-1

WITNESS	TESTIMONY	EXHIBITS			WORKPAPERS	ATTORNEY
		TITLE	NUMBER			
Mr. Shaw	USPS-T-1					Ken Hollies (202) 268-3083
Ms. Xie	USPS-T-2					Ken Hollies (202) 268-3083
Mr. Pafford	USPS-T-3					Ken Hollies (202) 268-3083
Mr. Hunter	USPS-T-4					Ken Hollies (202) 268-3083
Mr. Harahush	USPS-T-5					Richard Cooper (202) 268-2993

		EXHIBITS			
WITNESS	TESTIMONY	TITLE	NUMBER	WORKPAPERS	ATTORNEY
Mr. Tayman	USPS-T-6	Statement of Revenue and Expense FY 2000- Test Year After Rates	A		Scott Reiter (202) 268-2999
		Rollforward Source of Change Summaries FY 2000 Through the Test Year after Rates	B		
		Mail Volume, FY 2000 Through the Test Year After Rates	C		
		Mail and Special Services Revenue, FY 2000 Through the Test Year After Rates	D		
		Appropriation Revenue, FY 2000 Through the Test Year	E		
		Statement of Cash Flows, FY 2000 Through the Test Year After Rates	F		
		Interest Income, FY 2000 Through the Test Year After Rates	G		
		Revenue Requirement, Summary Analysis of Income and Expenses	H		
		Comparative Statement of Revenue and Expense, Test Year vs. Actual (Docket R200-1)	I		
		Computation of Weighted Average Percentage Revenue and Cost Variables	J		

WITNESS	TESTIMONY	EXHIBITS			WORKPAPERS	ATTORNEY
		TITLE	NUMBER			
Mr. Tayman (cont)	USPS-T-6	Omnibus Budget Reconciliation Act (OBRA) Costs	K			Scott Reiter (202) 268-2999
		Summary of Net Income (Loss) & Equity	L			
		Summary of Changes in Accrued Costs by Source	M			
		Net Income (Loss) Gap from Equity Restoration Target	N			
		Summary of Unit Labor Costs for Major Employee Groups	O			
		Summary of Changes in Workyears by Source	P			
		Analysis of Changes in Personnel Costs	Q			
		Adjustment of Rollforward Costs for Workyear Mix and Final Adjustments	R			
		Workers' Compensation Discount Rate Analyses	S			
		FY History of Key Operating and Cost Level Indicators	T			
Mr. Tolley	USPS-T-7					Eric Koetting (202)268-2992

WITNESS	TESTIMONY	EXHIBITS			WORKPAPERS	ATTORNEY
		TITLE	NUMBER			
Mr. Thress	USPS-T-8					Eric Koetting (202) 268-2992
Mr. Musgrave	USPS-T-9					Eric Koetting (202) 268-2992
Mr. Bernstein	USPS-T-10					Eric Koetting (202) 268-2992
Ms. Meehan	USPS-T-11	Cost Segments and Components, BY 2000	A		WP-A-Bas Year 2000 Reports	Susan Duchek (202) 268-2990
		Final Adjustments, BY 2000	B		WP-B-Bas Year 2000 Cost Segment Spreadsheets (1-	
		Cost and Revenue Analysis, BY 2000	C		20)	

WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
Mr. Patelunas	USPS-T-12	Rollforward Factors	A	WPA-Fiscal Year 2001 Before Workyear Mix Adjustment	Susan Duchek (202) 268-2990
		Cost Segments and Components FY 2001 After Workyear Mix Adjustment	B	WP-B-Fiscal Year 2001 After Workyear Mix Adjustment	
		Final Adjustments, FY 2001	C	WP-C-Fiscal Year 2002 Before Workyear Mix Adjustment	
		Cost Segments and Components FY 2002 After Workyear Mix Adjustment	D	WP-D-Fiscal Year 2002 After Workyear Mix Adjustment	
		Final Adjustments, FY 2002	E	WP-E-Test Year 2003 Before Workyear Mix Adjustment (Current Rates)	
		Cost Segments and Components RY 2003BR After Workyear Mix Adjustment	F	WP-F-Test Year 2003 After Workyear Mix Adjustment (Current Rates)	
		Final Adjustments, TY 2003BR	G	WP-G-Test Year 2003 Before Workyear Mix Adjustment (Proposed Rates)	
		Cost Segments and Components TY 2003AR After Workyear Mix Adjustment	H	WP-H-Test Year 2003 After Workyear Mix Adjustment (Proposed Rates)	
		Final Adjustments, TY 2003AR	I		

WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
Ms. Van-Ty-Smith	USPS-13				Frank Heselton (202) 268-4823
Dr. Bozzo	USPS-14				Frank Heselton (202) 268-4823
Mr. Smith	USPS-T-15				Frank Heselton (202) 268-4823
Dr. Bradley	USPS-T-16				Richard Cooper (202) 268-2993
Mr. Pickett	USPS-T-17				Susan Duchek (202) 268-2990
Mr. Hatfield	USPS-T-18				Susan Duchek (202) 268-2990
Mr. Takis	USPS-T-19				Susan Duchek (202) 268-2990
Mr. Spatola	USPS-T-20				Eric Koetting (202) 268-2992
Ms. Kay	USPS-T-21			Workpapers in Support of Testimony Volumes I and II	Eric Koetting (202) 268-2992

WITNESS	TESTIMONY	EXHIBITS		WORKPAPERS	ATTORNEY
		TITLE	NUMBER		
Mr. Miller- I	USPS-T-22 (Incremental Costs)				Michael Tidwell (202) 268-2998
Ms. Mayes	USPS-T-23				Anthony Alverno (202) 268-2997
Mr. Miller-II	USPS-T-24				Anthony Alverno (202) 268-2997
Ms. Eggleston	USPS-T-25				Brian Reimer (202) 268-3037
Ms. Nieto	USPS-T-26				David Rubin (202) 268-2986
Ms. Rothschild	USPS-T-27				David Rubin (202) 268-2986 Ken Hollies (202) 268-3083
Mr. Moeller	USPS-T-28				Michael Tidwell (202) 268-2998
Ms. Robinson	USPS-T-29				Michael Tidwell (202) 268-2998

		EXHIBITS			
WITNESS	TESTIMONY	TITLE	NUMBER	WORKPAPERS	ATTORNEY
Mr. Scherer	USPS-T-30				Richard Cooper (202) 268-2993
Ms. Hope	USPS-T-31				Anthony Alverno (202) 268-2997
Mr. Moeller	USPS-T-32				Anthony Alverno (202) 268-2997
Mr. Kiefer	USPS-T-33				Scott Reiter (202) 268-2999
Mr. Taufique	USPS-T-34				David Rubin (202) 268-2986
Ms. Mayo (Express Mail fees)	USPS-T-35				Joseph Moore (202) 268-3078
Ms. Mayo (Special Services fees)	USPS-T-36	Insurance cost and Indemnity Analysis	A		David Rubin (202) 268-2986
		Special Service Eligibility and Options	B		
		Comparison of Selected Special Services	C		

		EXHIBITS			
WITNESS	TESTIMONY	TITLE	NUMBER	WORKPAPERS	ATTORNEY
Mr. Koroma	USPS-T-37				David Rubin (202) 268-2986
Mr. Kaneer	USPS-T-38				David Rubin (202) 268-2986 Ken Hollies (202) 268-3083
Ms. Kingsley	USPS-T-39				Joseph Moore (202) 268-3078
Mr. Cochrane	USPS-T-40				Richard Cooper (202) 268-2993
Mr. Loetscher	USPS-T-41				Brian Reimer (202) 268-3037
Mr. Abdirahman	USPS-T-42				Nan Mckenize (202) 268-3089
Ms. Schenk	USPS-T-43				Nan McKenize (202) 268-3089
Mr. Koroma	USPS-T-44				Scott Reiter (202) 268-2999

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 reflect the costing principles applied by the Postal Service to the base year in this case. Estimates for the Test Year applying these costs are described in the testimony and workpapers of Mr. Patelunas and Ms. Kay. Alternate cost information is found in Library References J-78-89 and J-99, 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) and Motion Requesting Waiver of the Commission's Rules with Respect to Category 5 Library References. Other information pertaining to the Postal Service's distributions of costs can be found in the testimonies and workpapers of Dr. Bozzo, Ms. Van-Ty-Smith, Dr. Bradley, Mr. Pickett, Mr. Smith, Mr. Hatfield, Mr. Takis, and Mr. Moeller.

RULE: 54(b) (1), (2), (4)

REQUIREMENTS: These Rules require the submission of the schedule of the existing effective rates of postage and fees for all postal service and those rates and fees as proposed to be changed or adjusted. The schedule must

- specify the full rates and, where applicable, the phased rates under section 3626 of title 39 U.S.C., and any proposed adjustment to such phased rates under section 3627 of title 39 U.S.C., indicated by the circumstances known at the time of the filing;
- be presented in summary fashion and tariff-like form (e.g., there shall be a specification of those rules, regulations and practices which established conditions of mailability and standards of service.);
- address such functions as mail pickup and delivery, process, and other similar functions;
- be accompanied by identification of all non postal services.

Attachment 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, Mr. Thress, and Mr. Bernstein. The nature of substitutability is also discussed in the testimony of Mr. Moeller, and in the rate design testimonies of, Ms. Robinson, Mr. Scherer, Mr. Taufique, Mr. Moeller, Ms. Hope, Dr. Kiefer, Ms. Mayo, Mr. Koroma 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, Mr. Bernstein, Mr. Moeller, Ms. Robinson, Mr. Taufique, Mr. Scherer, Ms. Hope, Dr. Kiefer, Ms. Mayo, Mr. Koroma ,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. Patelunas. Further information describing the various classes and subclasses of mail and special services is contained in the rate and fee design testimonies of Ms. Robinson, Mr. Taufique, Mr. Moeller, Ms. Hope, Mr. Scherer, Dr. Kiefer, Ms. Mayo, Mr. Koroma, 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

ALL ORIGIN	PQ	ALL	PFY	2000		
			TYPE	OF	MAIL	
CLASS OF MAIL:	LETTERS	CARDS	IPPS	FLATS	PARCELS	TOTAL
FIRST	312175148	18117100	875060	20126088	930017	352223412
PERIODICALS	1369114	12180	89598	29759412	94327	31324631
PRIORITY	71124	5206	277247	1436033	2672225	4461836
STANDARD B	2039	466	67342	17252	1126524	1213622
OTHER STND B	45659	1788	153689	933068	1453378	2587581
STND A SNGL PIECE	171260	16940	11449	193371	18653	411673
STND A BULK RATE	110851397	3670231	992845	91095552	1656629	208266655
STND A NON PROFIT	31933079	920267	92018	8318614	85506	41349484
TOTAL	456618820	22744179	2559248	151879389	8037258	641838893

REPORT HSA360P1

ORIGIN-DESTINATION INFORMATION SYSTEM

ORIGIN-DESTINATION VOLUME SUMMARY REPORT

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

		PQ ALL		PFY 2000			
ALL DESTINATION							
				TYPE OF MAIL			
CLASS OF MAIL:	LETTERS	CARDS	IPPS	FLATS	PARCELS	TOTAL	
FIRST	312175148	18117100	875060	20126088	930017	352223412	
PERIODICALS	1369114	12180	89598	29759412	94327	31324631	
PRIORITY	71124	5206	277247	1436033	2672225	4461836	
STANDARD B	2039	466	67342	17252	1126524	1213622	
OTHER STND B	45659	1788	153689	933068	1453378	2587581	
STND A SNGL PIECE	171260	16940	11449	193371	18653	411673	
STND A BULK RATE	110851397	3670231	992845	91095552	1656629	208266655	
STND A NON PROFIT	31933079	920267	92018	8318614	85506	41349484	
TOTAL	456618820	22744179	2559248	151879389	8037258	641838893	

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. Patelunas, and Mr. Moeller, 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 2000.

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

REQUIREMENT: This rule requires:

- for the year in which the filing is made (FY2001) estimates of the total actual accrued costs of the Postal Service, assuming the prefiling (existing) rates and fees;
- for the year in which the filing is made (FY2001), 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 (FY2003), 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 (FY2003), estimates of the total actual accrued costs of the Postal Service, assuming the proposed rates and fees.

Mr. Patelunas's testimony presents FY2001 estimated total actual accrued costs assuming prefiling rates and fees ("Before-Rates"). Mr. Patelunas's testimony also presents estimated total actual accrued costs for FY 2003, the year which forms the basis for the Postal Service's proposals, assuming prefiling ("Test Year Before Rates") and proposed ("Test Year After Rates") rates and fees.

RULE:54(f)(2) (Methods and Procedures)

REQUIREMENT: For the estimated total accrued costs specified in this provision, the rule requires an explanation of the methods and procedures used for the cost projections, including

- an explanation of the projection of total volumes;
- an explanation of the effect of the projected volume levels on estimated total costs;
- specification of the cost savings which will be realized from gains and improvements in total productivity, indicating such factors as operational and technological advances and innovations;
- identification of abnormal costs which are expected to be incurred in the test year.

The testimonies of Dr. Tolley and Dr. Musgrave explain the methods and procedures by which volumes were estimated. Mr. Patelunas's testimony addresses the effect of projected volume levels on estimated costs. Mr. Tayman's testimony specifies the cost savings resulting from cost reduction programs, which are incorporated in Mr. Patelunas's roll-forward projections. The presence or absence of abnormal costs is addressed in Mr. Tayman's testimony.

RULE:54(f)(3)(i) and (ii) (Operating Costs)

REQUIREMENT: For the basic cost submissions required in Rule 54(f)(1) and (2), this rule requires a statement and explanation of

- operating costs in detail as to their accounting and functional classifications;
- the cost amounts for depreciation on capital facilities and equipment, debt service, contingencies, and extraordinary or nonrecurring expenses.

These financial data are presented in the testimony and workpapers of Mr. Tayman.

RULE:54(f)(3)(iii) (Cost Assignment and Distribution)

REQUIREMENT: For the basic cost submissions required in Rule 54(f)(1) and (2), this rule requires, assignment and distribution of costs to each of the functions comprising "the mail process." This presentation shall include

- an itemization of costs by the major accounts as reflected by the Service's books of accounts for all cost segments;
- an itemization of costs by functions such as collection, acceptance, general overheads, etc.;
- an assignment and distribution of the costs by account, together with related mail volumes, for each function;
- an assignment and distribution of the costs by account, together with related mail volumes, to "such subfunctions within each category for which information is available or can be developed;
- an explanation of the method by which the costs by accounts are assigned and distributed to functions.

For the development of base year cost estimates, 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 Dr. Bozzo, Ms. Van-Ty-Smith, Dr. Bradley, Mr. Pickett, Mr. Smith, Mr. Hatfield, Ms. Kay, and Mr. Takis. 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 2000 are presented in the Cost and Revenue Analysis (CRA) Reports on file with the Commission. Actual accrued costs for FY 2000 are also 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. Patelunas's testimony and 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, Mr. Patelunas's, and Mr. Moeller's exhibits. Identifiable costs reported for some other nonpostal, non-eCommerce, services (such as retail products, passport applications, Migratory Bird stamps, and phone cards) were approximately \$49.7 million in FY 2000. Revenue associated with provision of these nonpostal, non-eCommerce, services totaled approximately \$87.6 million in FY 2000. Similarly, identifiable costs associated with nonpostal eCommerce services were approximately \$24.0 million in FY 2000, with associated revenues of approximately \$7.5 million. Considering all nonpostal services, eCommerce and non-eCommerce (but excluding those such as C.O.D., insurance, and money orders already included in the exhibits of Ms. Meehan, etc.), the difference between costs and revenues of approximately \$21.5 million reduced the institutional costs borne by postal services by that amount in FY 2000.

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

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

IDENTIFICATION OF NONPOSTAL SERVICES AND THEIR COST ELEMENTS:

SERVICE	COST ELEMENTS
eCommerce	Cost of programs
Non-eCommerce:	
Insurance	See Ms. Meehan's, Ms. Kay's and Mr. Patelunas's Exhibits
COD	See Ms. Meehan's, Ms. Kay's and Mr. Patelunas's Exhibits
Money Orders	See Ms. Meehan's, Ms. Kay's and Mr. Patelunas's Exhibits
Sale of Philatelic Products	Window service clerk costs; possibly postal service penalty mail costs and certain supply 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; advertising costs, possibly some postal service penalty mail costs
Photo Copy Service	None
Vending Stands and Vending Machines	None
Draft Registration	Window service clerk costs
Phone Cards	Costs of items sold, window service clerk costs, and programs 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 2000.² See also the testimonies, exhibits, and workpapers of witnesses Moeller, Kay, and Patelunas for information for FY 2000, FY 2001, FY 2002 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. Patelunas, Ms. Kay, Dr. Bozzo, Ms. Van-Ty-Smith, Dr. Bradley, Mr. Pickett, Mr. Smith, Mr. Hatfield, and Mr. Takis. See also the testimony Mr. Moeller. 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. Patelunas, Dr. Bozzo, 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 Ms. Mayes, Mr. Miller, Ms. Eggleston, Mr. Abdirahman, Ms. Nieto, Ms. Schenk, and Mr. Loetscher.

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. Patelunas'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. Patelunas, Mr. Smith, 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 benefited.

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 "benefited."

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 Regular mail are not listed as benefiting 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 Regular mail. Window service activities also include the sale of precanceled stamps, setting of postage meters for use on Standard Regular mail, and general delivery service for all types of mail. Consequently, the fact that a class is not listed as benefiting 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 benefiting from a particular cost activity does not mean that a substantial portion of the class benefits, but only that given the characteristics of that class, some pieces of that class will of necessity require handlings contained within that cost component.

INSTITUTIONAL COSTS THAT BENEFIT MORE THAN
ONE TYPE OF MAIL BUT NOT ALL TYPES

<u>Type of Cost</u>	<u>Types Primarily Benefited</u>
Segments 2 and 3: Clerks-Window Service plus related supervision, primarily the institutional portion of stamps, rate, and Express Mail.	First-Class Mail, Priority mail, Standard single piece, zone-rated parcels, non-presorted Media Mail, cards and meters rate, library
Segments 6 and 7: City carriers-institutional portion of collection plus related supervision	First-Class Mail, Priority mail, Standard single piece, zone-rated parcels, non-presorted Media Mail, library rate, and Express Mail.
City carriers-institutional portion of parcel delivery plus related supervision	Package Services, free mail for the blind and handicapped, Priority Mail, Express Mail, First-Class Mail. Standard

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 Mr. Moeller, Ms. Robinson, Mr. Taufique, Mr. Scherer, Ms. Hope, Dr. Kiefer, Ms. Mayo, Mr. Koroma, 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

- FY 2000, assuming prefiling (existing) rates and fees;
- test year (FY 2003), assuming prefiling (existing) rates and fees;
- test year (FY 2003), 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 2000 are provided by Ms. Meehan. Revenues for the test year are provided by Mr. Patelunas and can be found in Mr. Moeller's workpapers.

These revenue estimates relate to volume and revenues per piece which are presented in the testimonies of Ms. Robinson, Mr. Taufique, Mr. Moeller, Ms. Hope, Mr. Scherer, Dr. Kiefer, Ms. Mayo, Mr. Koroma, and Mr. Kaneer.

FY 2001 and FY 2002 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 FY2000 are presented in Ms. Meehan's exhibits. Volumes for FY 2001 through the test year (FY2003) are provided in the testimonies of Drs. Tolley and Musgrave. For purposes of this rule, the Postal Service's forecasts of volumes for FY2004 are shown in USPS-LR-J-125.

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, Mr. Bernstein and Mr. Thress, and related library references.

RULE:54(k)

REQUIREMENT: This rule covers basic financial statement information. It requires the submission, for FY1999 and FY 2000 (the two fiscal years immediately preceding the year in which the request is filed), the Balance Sheet, the Statement of Income and Expense, basic statistical information, and the Statement of Income and Expense by budget category. The request must include data with respect to the following:

- Balance Sheet and a supporting schedule for each item appearing thereon;
- Statement of Income and Expense and a supporting schedule for each item appearing thereon;
- as appropriate, statistical data with respect to revenue, pieces (by physical attributes, showing separately amounts of mail identified as stamped, metered, and imprinted, or other), weight, distance, postal employees (number, total payroll, productivity, etc.), postal space, post offices (numbers, classes, etc.), and any other pertinent factors which have been utilized in the development of the proposed rate schedule;
- Statement of Income and Expense by cost segment.

A reconciliation of the budgetary information with actual accrued costs must be provided for the most recent fiscal year.

If the fiscal information for FY 2000 (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, and in material supported by Mr. Loetscher's testimony.

Information concerning postal employees (number, total payroll, productivity) is included in Mr. Tayman's workpapers.

Mr. Moeller' testimony and workpapers furnish other "statistical data" referred to by this rule.

RULE:54(l)(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 Moeller, Robinson, Scherer, Hope, Keifer, Taufique, Mayo, Koroma, and Kaneer.

RULE:54(l)(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 J-112.

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, Ms. Hope, Dr. Kiefer, and Mr. Taufique reflect preferred rate calculations, and incorporate issues related to phasing of rates. See also Attachment B. There are no phased domestic rates.

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	2nd Day	3rd Day	4th Day	5th Day	6th Day	7th Day	8th Day	9th Day	10th 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 FY 2000 are filed in this proceeding as USPS Library Reference J-137.

RULE:54(o)

REQUIREMENT: This rule requires the Postal Service to file workpapers providing detailed descriptions and explanations related to the submissions supporting its Request and proposals.

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 1999 and 2000 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 Ms. Robinson, Mr. Taufique, Mr. Moeller, Ms. Hope, Mr. Scherer, Dr. Kiefer, Ms. Mayo, Mr. Koroma, 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 Mr. Moeller, Ms. Robinson, Mr. Taufique, Mr. Moeller, Ms. Hope, Mr. Scherer, Dr. Keifer, Ms. Mayo, Mr. Koroma, 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 Mr. Moeller, Ms. Robinson, Mr. Taufique, Ms. Hope, Mr. Scherer, Dr. Kiefer, Ms. Mayo, Mr. Koroma, and Mr. Kaneer. Physical attributes of mail are addressed in the response to Rule 54(d), 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 Mr. Moeller, Ms. Robinson, Mr. Taufique, Ms. Hope, Mr. Scherer, Dr. Keifer, Ms. Mayo, Mr. Koroma, and Mr. Kaneer. Ms. Kay, Mr. Patelunas, and Mr. Moeller 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 Mr. Moeller, Ms. Robinson, Mr. Taufique, Ms. Hope, Mr. Scherer, Dr. Keifer, Ms. Mayo, Mr. Koroma, and Mr. Kaneer provide reasons for the proposed changes.

Rule: 64(h)

REQUIREMENT: This rule provides that the requirements of Rule 54 apply in certain cases involving classification changes having rates, fee, or total cost change implications.

The Rule 54 compliance statements, which include the response to this requirement, are incorporated here by reference.

