

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

MOTION OF THE UNITED STATES POSTAL SERVICE
SUBMITTING REVISED STIPULATION AND AGREEMENT
(December 26, 2001)

The Postal Service hereby submits for consideration and further proceedings a revised Stipulation and Agreement for settlement of the instant docket. On December 17, 2001, the Postal Service filed this Stipulation and Agreement, together with a motion for the establishment of preliminary procedures and a schedule.¹ Since then, the Postal Service, with the concurrence of its Board of Governors, has agreed to changes in the terms of the Stipulation and Agreement.² Specifically, the Postal Service is changing paragraph 4 of Part II ("Terms and Conditions") to specify June 30, 2002, rather than June 2, 2002. The Postal Service has also changed the proposed rates for intra- and inter-BMC parcel post back to the rates originally proposed in its Request filed September 24, 2001. The other revisions to parcel post rates incorporated in the Stipulation and Agreement filed December 17, 2001, have not been changed, and remain as revised on December 17.

¹ Motion of the United States Postal Service Submitting Stipulation and Agreement and for the Establishment of a Preliminary Procedural Mechanism and Schedule, Docket No. R2001-1 (Dec. 17, 2001)

² See attached Letter from John E. Potter to All Parties of Record, Docket No. R2001-1 (Dec. 26, 2001).

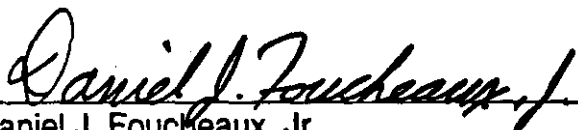
To date, no party has submitted its signature to the Stipulation and Agreement filed December 17, 2001. The Postal Service has attached its executed signature page to the revised Stipulation and Agreement, and hereby revokes its signature of the Stipulation and Agreement filed December 17, 2001. The revised Stipulation and Agreement thus entirely supplants the Stipulation and Agreement filed December 17, 2001, which is now void insofar as it has been revised.

The Postal Service's motion filing the Stipulation and Agreement on December 17, 2001, indicated that the Board of Governors had established December 28, 2001, as the deadline for submission of signatures accepting this settlement agreement. The Board has agreed to extend that deadline until January 3, 2002. Parties intending to adhere to the revised Stipulation and Agreement must submit executed signature pages to the Postal Service by January 3, 2002. The Postal Service will file signatures with the Commission.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:


Daniel J. Fouchaux, Jr.
Chief Counsel, Ratemaking

JOHN E. POTTER
POSTMASTER GENERAL, CEO



December 26, 2001

ALL PARTIES OF RECORD, DOCKET NO. R2001-1

SUBJECT: Settlement

On Monday of last week the Postal Service filed its proposal to settle the pending rate case. The other members of the Board of Governors and I believe that the terms of this proposed settlement are reasonable and prudent, in light of the Postal Service's financial situation and all other factors that must be considered. Among the proposals set forth, the settlement agreement indicates that the Board would consider setting an effective date for the settlement rates no sooner than June 2, 2002. We regard early implementation to be a critical element of the settlement proposal.

Since filing the proposed agreement I have had the opportunity to talk with several representatives of the mailing community and with the officers and staff within the Postal Service concerning settlement. I am aware that many participants in the rate case believe very strongly that it is important that we agree to implement no sooner than June 30, 2002. I understand that the views of several organizations are influenced, among other things, by the financial impacts of the rate and fee increases in current adverse economic conditions.

We have a critical need to resolve this issue and conclude the pending case, so that we may turn our attentions to other important matters that have challenged all of us in these extraordinary times. I am therefore directing the Postal Service to refile its settlement agreement incorporating a proposal to implement no sooner than June 30, 2002. The refiled agreement will also include a minor change restoring the Postal Service's original September 24, 2001, proposal for intra- and inter-BMC parcel post rates. The other revisions to the parcel post rates that we announced on Monday will not be changed.

This is the Postal Service's final position on the issue of implementation. Furthermore, I must emphasize that it is imperative that parties intending to settle notify the Postal Service as soon as possible. The Board of Governors has agreed to extend the original deadline of December 28, 2001, to January 3, 2002, to determine, one way or the other, whether settlement will be accepted. If it does not appear at that time that a settlement is viable, the Board will proceed at once to consider other options, including taking steps to ensure that the rate case record reflects the Postal Service's enhanced revenue needs in the future.

In this regard, I am aware that many parties have expressed a need to know with greater certainty what plans the Postal Service might have for initiating the next rate case. As you all know, the decision on whether to request the Postal Rate Commission to recommend increases in rates and fees is reserved for the Board of Governors, based on its assessment of the Postal Service's financial requirements and the public interest. It would be premature to speculate when the Board might determine that new rates would be needed, especially when the pending rate case, and this settlement, have not been concluded. The economy continues to evolve in ways that are not precisely predictable. If recent events prove anything, they show that unforeseen and unfathomable circumstances can occur at any time. What I can say now is that the Postal Service currently has no plans to initiate a subsequent rate case. Furthermore, if a settlement is achieved enabling the Postal Service to increase revenues, I would prefer not to have to begin

the process of seeking further increases during Fiscal Year 2002. The Board of Governors will make that determination, but I am certain it will seek to defer the next filing until it determines that it is necessary, in light of all relevant considerations. I intend to work hard to lead the Postal Service to continue to reduce costs, improve productivity, and promote growth of mail business to ensure that we can continue to support our universal service mandate.


John E. Potter

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

Postal Rate and Fee Changes, 2001

Docket No. R2001-1

STIPULATION AND AGREEMENT

This Stipulation and Agreement is submitted pursuant to Rule 29 of the Postal Rate Commission's Rules of Practice and Procedure, by and between the undersigned parties, through their respective attorneys, and represents a negotiated settlement of the Postal Service's Request for recommendations on changes of postal rates, fees, and classifications. The undersigned parties hereby stipulate and agree to the following:

I. BACKGROUND

On September 24, 2001, the Postal Service filed with the Postal Rate Commission a Request for a recommended decision on new rates and fees, pursuant to 39 U.S.C. § 3622(a). The Postal Service's Request was based on cost, volume and revenue projections using FY 2000 as a Base Year, and a Test Year running from October 1, 2002 through September 30, 2003. The Postal Service proposed rate and fee increases for existing classes of mail and special services, and proposed changes in the Domestic Mail Classification Schedule (DMCS). The Postal Service's Request was supported by the written direct testimonies of 40 witnesses and numerous other documents submitted pursuant to the Commission's Rules.

On September 26, 2001, the Commission issued Order Nos. 1324 and 1325

noticing the Postal Service's Request and designating the instant proceeding as Docket No. R2001-1. The Commission gave interested parties until October 24, 2001, to intervene in the proceeding. Shelley S. Dreifuss, Acting Director of the Office of the Consumer Advocate, was designated as the representative of the general public. Fifty-eight parties have intervened in this proceeding.

On October 25, 2001, during the Prehearing Conference, the Presiding Officer directed the participants to consider the possibilities for settlement. Noting the extraordinary national events experienced during September, and the potential effects that changed circumstances might have on the Postal Service's Request, Chairman Omas requested all participants to consider whether substantial agreement on issues and objectives might permit a beneficial resolution of the proceeding. He asked the intervenors to consider his remarks, and asked the Postal Service to consult with them and report on whether a settlement might be possible.

Counsel for the Postal Service, the Office of the Consumer Advocate, and participating intervenors have discussed the issues presented by this case at conferences, on October 30, and November 16, 2001, to which all intervenors and the Office of the Consumer Advocate were invited. The Postal Service has also consulted with intervenors individually and in smaller groups. The undersigned parties believe that this case can be completed most expeditiously and economically, if the Commission adopts this Stipulation and Agreement as the basis for its recommended decision to the Governors.

II. TERMS AND CONDITIONS

1. Settlement discussions open to all participants have been held concerning

the matters provided for herein.

2. This Stipulation and Agreement represents a negotiated settlement of the Request of the United States Postal Service for a Recommended Decision on Changes in Rates of Postage and Fees for Postal Services, filed September 24, 2001.

3. For purposes of this proceeding only, the undersigned parties agree that, taken in their entirety, the Request, testimony, and materials filed on behalf of the Postal Service in this docket provide substantial evidence for establishing rates and fees, as agreed to herein and set forth in Attachment B to the Postal Service's Request, as revised, and for establishing the classification changes set forth in Attachment A to the Request, as revised.¹ The undersigned parties stipulate that the Request, the attachments thereto (as revised), and the accompanying testimony and exhibits, to whatever extent not entered into evidence during hearings, be entered into evidence in this proceeding, pursuant to this Stipulation and Agreement.

4. The undersigned parties agree that the rates, fees, and classification changes adopted in this agreement will be implemented no sooner than June 30, 2002. They further agree not to take any action intended to prevent rates, fees, and classification changes that might be recommended and approved pursuant to this agreement from taking effect, as determined by the Postal Service Board of Governors.

5. For purposes of this proceeding only, the undersigned parties agree that, as discussed in USPS-T-28 through T-38, the rates and fees set forth in Attachment B of

¹ A copy of Attachment A (revised on November 7, 2001), and a copy of Attachment B (revised on November 7 and 21, 2001), which are appended to the Postal Service's Request, filed September 24, 2001, are hereby incorporated in this Stipulation and Agreement. Revised pages in accordance with this Stipulation and Agreement are

the Postal Service's Request, as revised, and the classification changes set forth in Attachment A of the Request, as revised, are in accordance with the policies of Title 39, United States Code, and, in particular, the criteria and factors of 39 U.S.C §§ 3622 & 3623.

6. This Stipulation and Agreement is offered in total and final settlement of this docket. The undersigned parties agree that they will file no pleadings or testimony that opposes this agreement, or that proposes or advocates terms other than those embodied in it.

7. Each signatory reserves the right to withdraw from this Stipulation and Agreement under one or more of the following conditions:

- (a) If the Postal Service withdraws from this Stipulation and Agreement;
- (b) If the Postal Service alters the proposed rates, fees, and classification changes set forth in Attachments A and B, as revised, appended to this Stipulation and Agreement;
- (c) If the Commission fails to issue a Recommended Decision based on the Stipulation and Agreement by March 25, 2002;
- (d) If the Commission adopts a Recommended Decision that deviates from the rates, fees, and classification changes set forth in Attachments A and B, as revised, appended to this Stipulation and Agreement; or
- (e) If the Governors of the Postal Service fail to approve a Commission Recommended Decision adopting the rates, fees, and classification changes set forth in Attachments A and B, as revised, appended to this Stipulation and

attached.

Agreement.

Any signatory withdrawing under the terms of this paragraph must provide written notice of withdrawal to all parties within five (5) business days of the occurrence of the specified event giving rise to the right to withdraw. Any exercise of such right by one or more signatories shall not affect the operation of this Stipulation and Agreement as to other signatories.

8. The signatories expect the Presiding Officer and the Commission to establish a procedural mechanism and schedule to consider the Postal Service's Request, in light of this Stipulation and Agreement. Each signatory reserves the right to withdraw from this Stipulation and Agreement on February 4, 2002, under the following conditions:

- (a) If the Presiding Officer or the Commission, by January 31, 2002, fails to issue a final ruling establishing procedures and a schedule governing proceedings requested by participants who oppose this Stipulation and Agreement, including participants not adhering to the agreement who propose changes not embodied in this Stipulation and Agreement; or
- (b) If the signatory concludes that its interests are not furthered by settlement under the terms embodied in the Stipulation and Agreement.

Any signatory, other than the Postal Service, intending to withdraw on February 4, 2002, under this paragraph must give notice of its intention no later than January 31, 2002, for withdrawal to be effective. The Postal Service's withdrawal will be effective upon notice given on February 4, 2002.

9. This Stipulation and Agreement pertains only to the proposed settlement of the Postal Service's Request in Docket No. R2001-1. By signing, the parties do not

agree with, or concede the applicability of, any ratemaking principle, any method of cost of service determination, any method of cost savings measurement, any principle or method of rate or fee design, any principle or method of mail classification, any terms and conditions of service, or the application of any rule or interpretation of law, that may underlie, or be thought to underlie, this Stipulation and Agreement.

10. In any future negotiation or proceeding (other than any proceeding involving the honoring, enforcement, or construction of this Stipulation and Agreement), the parties shall not be bound or prejudiced by this Stipulation and Agreement. The undersigned parties also agree that, as the matters presented in the Postal Service's Request, in any Commission Recommended Decision, or in any decision of the Governors of the Postal Service in this proceeding have not actually been litigated, they are not entitled to precedential effect in any other proceeding.

11. The undersigned parties request that the Commission expeditiously issue a recommended decision consistent with this Stipulation and Agreement.

12. This Stipulation and Agreement represents the entire agreement of the signatories, and supersedes any understandings or representations not contained herein.

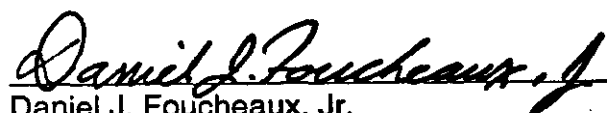
*Signature pages are attached.

Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

SIGNATURE PAGE FOR STIPULATION AND AGREEMENT



Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking
United States Postal Service

Date

12/26/01

Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

SIGNATURE PAGE FOR STIPULATION AND AGREEMENT

Name of Intervenor

Date

[Signature of Representative]

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] that is presented on pallets and [which] meets the preparation requirements specified by the Postal Service.

~~421.49 Dropship Pallet Discount. The dropship pallet discount applies to Outside County subclass nonletter mail that is mailed under section 421.45 is presented on pallets and 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.

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

	<u>Current</u>	<u>Proposed</u>	<u>Settlement</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	0.340
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	0.292
5-digit	0.255	0.280	0.278
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	

**FIRST-CLASS MAIL
RATE SCHEDULE 222
CARDS**

	<u>Current</u>	<u>Proposed</u>	<u>Settlement</u>
Regular			
Single-piece cards	\$0.210	\$0.230	
Qualified Business Reply Mail	0.180	0.205	0.20
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	

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

	<u>Unit</u>	<u>Current</u>	<u>Proposed</u>	<u>Settlement</u>
Outside-County				
Advertising				
Destinating delivery unit	Pound	\$0.153	\$0.160	\$ 0.158
Destinating SCF	Pound	0.195	0.204	\$ 0.203
Destinating ADC	Pound	N/A	0.225	\$ 0.223
Zones 1 & 2	Pound	0.238	0.250	\$ 0.248
Zone 3	Pound	0.253	0.268	\$ 0.267
Zone 4	Pound	0.292	0.317	\$ 0.315
Zone 5	Pound	0.351	0.390	\$ 0.389
Zone 6	Pound	0.413	0.467	\$ 0.466
Zone 7	Pound	0.488	0.560	\$ 0.559
Zone 8	Pound	0.552	0.640	\$ 0.638
Nonadvertising				\$ 0.193
Nonadvertising				
—Destinating delivery unit	Pound	0.179	0.188	
—Destinating SCF	Pound	0.179	0.180	
—Destinating ADC	Pound	0.179	0.184	
—All other zones	Pound	0.179	0.203	
Science-of-Agriculture				
Advertising				
Delivery unit	Pound	0.115	0.120	\$ 0.119
SCF	Pound	0.146	0.153	\$ 0.152
DADC	Pound	N/A	0.168	\$ 0.167
Zones 1 & 2	Pound	0.179	0.187	\$ 0.186
Zone 3	Pound	0.253	0.268	\$ 0.267
Zone 4	Pound	0.292	0.317	\$ 0.315
Zone 5	Pound	0.351	0.390	\$ 0.389
Zone 6	Pound	0.413	0.467	\$ 0.466
Zone 7	Pound	0.488	0.560	\$ 0.559
Zone 8	Pound	0.552	0.640	\$ 0.638
Nonadvertising				\$ 0.193
Nonadvertising				
—Destinating delivery unit	Pound	0.179	0.180	
—Destinating SCF	Pound	0.179	0.186	
—Destinating ADC	Pound	0.179	0.184	
Zones 1 & 2	Pound	0.179	0.187	
All other zones	Pound	0.179	0.203	

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

	<u>Unit</u>	<u>Current</u>	<u>Proposed</u>	<u>Settlement</u>
Outside-County and Science-of-Agriculture				
Basic				
Nonautomation	Piece	\$0.333	\$0.369	\$ 0.373
Automation letter	Piece	0.266	0.277	\$ 0.281
Automation flat	Piece	0.291	0.321	\$ 0.325
3-Digit				
Nonautomation	Piece	0.283	0.320	\$ 0.324
Automation letter	Piece	0.231	0.245	\$ 0.249
Automation flat	Piece	0.248	0.279	\$ 0.283
5-Digit				
Nonautomation	Piece	0.219	0.252	\$ 0.258
Automation letter	Piece	0.178	0.191	\$ 0.195
Automation flat	Piece	0.194	0.222	\$ 0.226
Carrier Route				
Basic	Piece	0.139	0.159	\$ 0.163
High density	Piece	0.113	0.127	\$ 0.131
Saturation	Piece	0.095	0.108	\$ 0.112
Discounts				
Percentage editorial discount	Piece	0.00057	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	
Worksharing dropship pallet discount				\$ 0.010

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

Current

Proposed Settlement

Weight Zones (lbs.) 1 & 2 Zone 3 Zone 4 Zone 5 Zone 6 Zone 7 Zone 8								Weight Zones (lbs.) 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 Settlement

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	25.98	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	20.88	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

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

Current

Proposed Settlement

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	3.66	3.66	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 Settlement

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	6.36	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	11.78	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

**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 Settlement

Weight (lbs.)	Zones 1 & 2	Zone 3	Zone 4	Zone 5
1	\$2.01	\$2.26	\$2.49	\$3.09
2	2.24	2.76	3.19	3.89
3	2.49	3.27	3.84	4.28
4	2.72	3.75	4.41	4.81
5	2.94	4.20	4.82	5.30
6	3.15	4.60	5.16	5.75
7	3.34	4.96	5.47	6.18
8	3.53	5.32	5.76	6.56
9	3.71	5.64	6.05	6.91
10	3.88	5.97	6.71	7.24
11	4.04	6.27	6.96	7.54
12	4.20	6.56	7.22	7.84
13	4.35	6.80	7.46	8.10
14	4.50	6.92	7.71	8.35
15	4.64	7.08	7.92	8.58
16	4.77	7.24	8.13	8.81
17	4.91	7.39	8.35	9.01
18	5.03	7.54	8.53	9.21
19	5.16	7.68	8.72	9.40
20	5.28	7.82	8.88	9.56
21	5.40	7.96	9.02	9.73
22	5.51	8.08	9.17	9.89
23	5.62	8.23	9.31	10.05
24	5.73	8.34	9.43	10.18
25	5.84	8.46	9.55	10.32
26	5.94	8.56	9.67	10.45
27	6.05	8.69	9.78	10.57
28	6.14	8.81	9.88	10.68
29	6.24	8.92	10.00	10.79
30	6.34	9.02	10.09	10.90
31	6.43	9.10	10.17	11.01
32	6.52	9.21	10.27	11.11
33	6.61	9.30	10.36	11.19
34	6.70	9.39	10.43	11.28
35	6.78	9.49	10.52	11.37

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 Settlement

Weight (lbs.)	Zones 1 & 2	Zone 3	Zone 4	Zone 5
36	\$6.87	\$9.94	\$10.60	\$11.45
37	6.95	10.03	10.66	11.53
38	7.03	10.12	10.74	11.60
39	7.11	10.21	10.80	11.68
40	7.19	10.29	10.86	11.74
41	7.27	10.40	10.92	11.80
42	7.34	10.47	10.99	11.87
43	7.42	10.56	11.05	12.16
44	7.49	10.63	11.11	12.45
45	7.56	10.69	11.26	12.76
46	7.63	10.79	11.31	13.06
47	7.70	10.85	11.36	13.37
48	7.77	10.94	11.41	13.69
49	7.84	11.01	11.46	14.01
50	7.91	11.08	11.50	14.35
51	7.97	11.15	11.55	14.68
52	8.04	11.23	11.59	15.02
53	8.10	11.28	11.63	15.38
54	8.16	11.33	11.68	15.74
55	8.23	11.37	11.73	15.89
56	8.29	11.40	11.75	15.96
57	8.35	11.43	11.78	16.06
58	8.41	11.47	11.82	16.14
59	8.47	11.50	11.85	16.21
60	8.52	11.53	11.88	16.30
61	8.58	11.56	11.92	16.38
62	8.64	11.59	11.98	16.44
63	8.69	11.61	12.05	16.52
64	8.75	11.64	12.10	16.59
65	8.80	11.67	12.16	16.65
66	8.86	11.70	12.24	16.74
67	8.91	11.72	12.29	16.79
68	8.96	11.73	12.34	16.86
69	9.01	11.75	12.40	16.93
70	9.06	11.77	12.47	16.99
Oversized	18.14	24.33	32.81	34.10

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


<u>Weight (lbs.)</u>	<u>Current</u>	<u>Proposed Settlement</u>	<u>Weight (lbs.)</u>	<u>Current</u>	<u>Proposed Settlement</u>
1	\$1.71	\$1.53	36	\$4.26	\$4.59
2	1.71	1.71	37	4.30	4.65
3	1.85	1.85	38	4.34	4.70
4	1.99	1.99	39	4.38	4.76
5	2.12	2.12	40	4.42	4.81
6	2.24	2.24	41	4.46	4.86
7	2.35	2.35	42	4.50	4.91
8	2.45	2.45	43	4.53	4.96
9	2.56	2.56	44	4.57	5.01
10	2.65	2.65	45	4.61	5.06
11	2.74	2.74	46	4.64	5.11
12	2.83	2.83	47	4.67	5.16
13	2.92	2.92	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
			<u>Oversized</u>	<u>11.35</u>	<u>11.95</u>

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

Weight (lbs.)	Current	Proposed Settlement	Weight (lbs.)	Current	Proposed Settlement
1	\$1.28	\$1.23	36	\$2.15	2.15
2	1.28	1.28	37	2.16	2.16
3	1.33	1.33	38	2.17	2.17
4	1.38	1.38	39	2.18	2.18
5	1.43	1.43	40	2.19	2.19
6	1.47	1.47	41	2.20	2.20
7	1.51	1.51	42	2.21	2.21
8	1.55	1.55	43	2.22	2.22
9	1.58	1.58	44	2.23	2.23
10	1.62	1.62	45	2.24	2.24
11	1.65	1.65	46	2.25	2.25
12	1.68	1.68	47	2.26	2.26
13	1.71	1.71	48	2.27	2.27
14	1.74	1.74	49	2.28	2.28
15	1.77	1.77	50	2.29	2.29
16	1.79	1.79	51	2.30	2.30
17	1.82	1.82	52	2.31	2.31
18	1.85	1.85	53	2.32	2.32
19	1.87	1.87	54	2.33	2.33
20	1.89	1.89	55	2.34	2.34
21	1.92	1.92	56	2.35	2.35
22	1.94	1.94	57	2.36	2.36
23	1.96	1.96	58	2.37	2.37
24	1.98	1.98	59	2.38	2.38
25	2.00	2.00	60	2.39	2.39
26	2.02	2.02	61	2.40	2.40
27	2.04	2.04	62	2.41	2.41
28	2.06	2.06	63	2.42	2.42
29	2.07	2.07	64	2.43	2.43
30	2.09	2.09	65	2.44	2.44
31	2.10	2.10	66	2.45	2.45
32	2.11	2.11	67	2.46	2.46
33	2.12	2.12	68	2.47	2.47
34	2.13	2.13	69	2.48	2.48
35	2.14	2.14	70	2.49	2.49
			Oversized	6.98	6.98

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


Daniel J. Foucheaux, Jr.

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December 26, 2001