

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

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POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

NOTICE OF THE UNITED STATES POSTAL SERVICE WITHDRAWING PROPOSALS
AND SUBMITTING REVISED STIPULATION AND AGREEMENT
(February 13, 2002)

The United States Postal Service hereby gives notice that it is withdrawing from its Request, and from the Stipulation and Agreement in this case, certain proposed changes to the Domestic Mail Classification Schedule (DMCS) concerning listings of combinations of special services. These proposals were addressed by the Commission in Notice of Inquiry No. 1, issued February 1, 2002.¹ The Postal Service further submits a third, revised Stipulation and Agreement that does not include these proposals, but makes no other changes.²

In its Request filed September 24, 2001, the Postal Service proposed amending the DMCS to remove listings of special services that may be combined for particular mailings.³ For example, section 932.41 lists Certificate of Mailing, Insurance,

¹ Notice of Inquiry No. 1 Concerning Proposed DMCS Changes, Docket No. R2001-1 (Feb. 1, 2002) (NOI No. 1).

² On January 17, 2002, the Postal Service filed a second, revised Stipulation and Agreement for settlement of the instant docket. Motion of the United States Postal Service Submitting Second Revised Stipulation and Agreement, Docket No. R2001-1 (Jan. 17, 2002). To date, 56 parties have adhered to the revised agreement. Only one party, American Postal Workers Union, has opposed.

³ The Postal Service proposed amending the following sections of the DMCS: 932.41, 935.41, 936.41, 941.51, 942.51, 943.251, 944.51, 945.41, 946.21, 947.51, 951.51, and 952.51. The specific changes are described in the direct testimony of witness Susan W.

(continued...)

Registered Mail, and Special Handling as special services that may be purchased in conjunction with Merchandise Return Service. The Postal Service proposed replacing the listings with general language stating: "Other services may be available in conjunction with [each service], as specified by the Postal Service." The Postal Service noted that current listings of combinations would continue to be maintained in the Domestic Mail Manual (DMM). *Id.* at 87-88. The proposed changes would not affect any rates or fees, or the DMCS language defining each special service, such as the listing of its prerequisites.

In NOI No. 1, the Commission observed that "eliminating the special service combinations from the DMCS reduces the ability of the Commission to exercise review jurisdiction over possible special service combinations, and infringes on the Commission's jurisdiction over the DMCS contents." NOI No. 1, at 1. The Commission also expressed concern that removing the lists would impair a public information role fulfilled by the DMCS. *Id.* at 2-3. In accord with these views, the Commission gave notice that it intended to retain the existing special service combination listings by not recommending the pertinent proposals in the Postal Service's Request that had been incorporated in the settlement agreement. *Id.* at 3.

NOI No. 1 also discussed at length the desirability of additional changes in DMCS language that would clarify and expand the descriptions of special services with

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Mayo, USPS-T-36, at 87-95. The Postal Service proposed a new section 945.241 with similar language for Return Receipt for Merchandise. The proposed change for Restricted Delivery was inadvertently included in section 946.21, instead of section 946.41. The changes in the Request removing these proposals are reflected in the pages here attached to the revised Stipulation and Agreement.

regard to prerequisites and combinations. The NOI presented an alternative approach, detailed in Attachment A, that would update existing lists of combinations,⁴ as well as add some new details about availability, modify other language, and change formatting. *Id.* at 3-10, Attachment A. The Commission concluded by inviting parties to comment on the suggestions outlined in NOI No. 1, and on “future modifications to simplify, clarify, and otherwise improve the value of the DMCS descriptions of special services.” *Id.* at 10-11. It indicated that it would only consider incorporating the alternate solution in Attachment A in its Recommended Decision, if participants expressed support for Attachment A, and there were no substantive objection to its implementation.

The Postal Service continues to believe that its proposals to remove listings of special service combinations from the DMCS are justified. It agrees, furthermore, that some of the changes outlined in Attachment A have merit, although it has concerns about other changes. On balance, the Postal Service would oppose incorporating the substance of the Attachment A changes as a result of the instant proceeding. In this regard, we believe that these proposals, as well as the Postal Service’s views, raise significant issues that should be explored in a constructive dialogue in a future case, either before or during the next omnibus rate case.

Rather than encumber the settlement with these issues, the Postal Service has concluded that the simplest course would be for it to withdraw the proposals affecting the DMCS special service combination listings, and to revise the Stipulation and Agreement accordingly. The Postal Service is therefore refiling the Stipulation and

⁴ The Postal Service agrees with the Commission that the current listings in the DMCS are out of date, and reflect the decision in Docket No. R97-1 not to include a list of
(continued...)

Agreement, which has not changed, except insofar as the attached pages of the DMCS reflect withdrawal of the Postal Service's proposals in question.⁵ The Postal Service appreciates the effort embodied in the discussion in NOI No. 1, and in the Attachment A suggestions, and it welcomes the opportunity in a future proceeding to express its views on all aspects of its and the Commission's proposals for change.

The revised Stipulation and Agreement attached here supplants the Stipulation and Agreement filed January 17, 2002, only insofar as the Postal Service's proposals have been withdrawn. In all other respects, the Stipulation and Agreement remains the same. No other proposals for rates, fees, or classifications are changed. The Postal Service intends to remain a party to this agreement, as here revised.

The Postal Service is currently still waiting for receipt of all original signatures to the Stipulation and Agreement filed December 26, 2001, as revised on January 17, 2002. New procedures for screening and treating mail addressed to federal government agencies have delayed delivery of mail to Postal Service Headquarters considerably. As such, we are still receiving signatures mailed as early as the first week in January. Once we receive all of the original signatures to the agreements, we will file them with the Commission.

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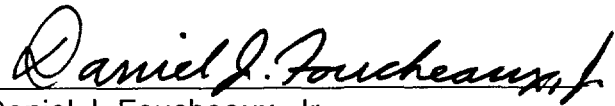
special service combinations for the then new Delivery Confirmation service.

⁵ We have attached all pages between 78-105 from Attachment A, although not every page reflects an addition or deletion in the proposed text. As a result of reinserting text, the pagination in that range changes. In addition, we have attached two pages from Attachment B (Schedule 322 notes, Schedule 324 notes). These are included to correct typographical errors and incorrect page numbers filed in an erratum on January 18, 2002. No substantive changes are reflected on those pages.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

A handwritten signature in black ink, reading "Daniel J. Foucheaux, Jr." with a stylized flourish at the end.

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-268-2989, Fax -5402
February 13, 2002

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.

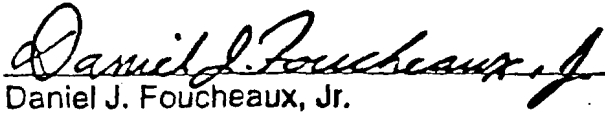
*Signature pages are attached.

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, Rate-making
United States Postal Service

Date

12/26/01

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:

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:

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:

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:

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, upon request, 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 filled 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:

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.

943.14 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:

	Service	Fee Schedule
a.	Parcel Airlift	951
b.	Restricted Delivery (for items insured for	946

- more than \$50)
- 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:

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	

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

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 Reserved

945.3 Fees

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

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:

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:

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:

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:

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~~ Mixed AADC
- c. First-Class Mail Letters and Sealed Parcels Automation Flats ~~Basic~~
Mixed ADC

- d. First-Class Mail Cards Automation [Basic] Mixed AADC
- e. First-Class Mail Single-Piece Priority Mail
- f. Standard Mail Regular Automation [Basic] Mixed AADC Letters
- g. Standard Mail Regular Automation Basic Flats
- h. Standard Mail Nonprofit Automation Letters Mixed AADC [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.

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.
4. Pieces that otherwise meet the requirements for basic automation, high density, and saturation letter rates 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 density tier.

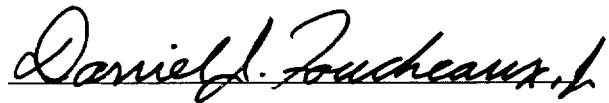
SCHEDULE 324

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]mailer pays either the minimum piece rate or the pound rate, whichever is higher.
4. Pieces that otherwise meet the requirements for basic automation, high density and saturation letter rates 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 density tier.

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.

A handwritten signature in black ink, reading "Daniel J. Foucheaux, Jr.", written in a cursive style.

Daniel J. Foucheaux, Jr.

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-268-2989, Fax -5402
February 13, 2002