

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

NOTICE OF PRICE ADJUSTMENT

Docket No. R2008-1

UNITED STATES POSTAL SERVICE
NOTICE OF MARKET-DOMINANT PRICE ADJUSTMENT
(February 11, 2008)

Pursuant to section 3622(d)(1)(C) of title 39 and Part 3010 of the Commission's Rules of Practice and Procedure, the Postal Service hereby provides notice that the Governors have authorized the Postal Service to adjust the prices for its market-dominant products. This adjustment will take effect at 12:01 AM on May 12, 2008, and affects all the market-dominant classes. In this Notice, the Postal Service provides the information required by Rule 3010.14, including a schedule of the new prices (which is attached as Appendix A).¹

In accordance with Rule 3010.14(a)(3), the Postal Service certifies that it will inform the mailing community of these price adjustments within the specified timeframe. In addition to this Notice, today the Postal Service is publishing notice of these price changes on USPS.com, the Postal Explorer website (www.pe.usps.com), the *DMM Advisory*, and the *P&C Weekly*. The Postal Service is also today issuing a Press Release announcing the changes. Thus, widespread notice of these prices is being given 90 days prior to their planned implementation date. Furthermore, the Postal

¹ The Postal Service believes that it has complied with all of the requirements of the Commission's Rules. To the extent that the Commission concludes that the Postal Service has not fully complied with one or more of the provisions of its Rules, the Postal Service respectfully moves for a waiver of the provision(s).

Service plans to provide public notice of these price changes in future issues of the *PCC Insider*, *MailPro* (the March/April issue), and the *Postal Bulletin*.

The Postal Service, pursuant to Rule 3010.14(a)(4), identifies Mr. Joseph D. Moeller as the official who will be available to provide responses to queries from the Commission. Mr. Moeller's contact information is as follows:

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The remainder of this Notice is structured as follows. In Part I, the Postal Service discusses its compliance with the price cap, which limits the average percentage price increase for each class of mail. In Part II, the Postal Service provides a more detailed discussion of its prices, including a discussion of the "workshare discounts" included in the new prices, a discussion of how its prices are consistent with the "objectives" and "factors" of section 3622, and a discussion of how its prices are consistent with the preferential pricing requirements of section 3626. In Part III, the Postal Service sets forth the changes to the Mail Classification Schedule (MCS) that are necessitated by this price change.

I. Price Cap Compliance

In compliance with Rules 3010.14(b)(1) through (4), the Postal Service in this Part sets forth the amount of the applicable price cap, the percentage change in prices for each class of mail, the amount of any unused price adjustment authority available for each class of mail, and the amount of any unused price adjustment authority generated by this price change.

A. The Price Cap

Based on the most recently available data from the Bureau of Labor Statistics, the price cap is 2.9 percent. The cap is based on a 12-month moving average of the Consumer Price Index – All Urban Consumers, U.S. All Items (the “CUUR0000SA0” series).²

B. The New Prices

The cap compliance calculation, as defined by the Commission, uses a set of fixed-volume weights, based on the most recent twelve months of data, applied to the current and new prices to construct a weighted average price change for each market-dominant class. For each of the five classes (First-Class Mail, Standard Mail, Periodicals, Package Services, and Special Services), the resulting price change, on average, must be less than the CPI-U cap.

The new prices are set forth in Appendix A.³ For each class, the Postal Service has prepared workbooks demonstrating how these prices comply with the price cap.

These workbooks are set forth in Attachments designated as follows:

USPS-R2008-1/1	First-Class Mail Cap Compliance
USPS-R2008-1/2	Standard Mail Cap Compliance
USPS-R2008-1/3	Periodicals Cap Compliance
USPS-R2008-1/4	Package Services Cap Compliance
USPS-R2008-1/5	Special Services Cap Compliance

² The price cap calculation is shown in Appendix D, which is filed in PDF format. An Excel version of this spreadsheet is also being filed with the Commission electronically.

³ Appendix A is in PDF format. A Word version of the new price schedules is also being filed with the Commission electronically.

Each Attachment contains a preface that identifies its contents, including an overview of the workpapers within the Attachment, an explanation of any necessary adjustments to the FY 2007 billing determinants, and an explanation of the revenue calculations generated through the billing determinants and the current and new prices.

The Postal Service is also filing an Attachment, USPS-R2008-1/NP1, for which it requests confidentiality. Section 410(c)(2) of title 39 provides that “information of a commercial nature...which under good business practice would not be publicly disclosed” is exempt from mandatory disclosure under the PAEA.⁴ Here, USPS-R2008-1/NP1 contains the detailed cap compliance calculations for inbound First-Class Mail International (Letter-Post), which is part of the First-Class Mail class for purposes of cap compliance. These calculations reveal billing determinants and SDR rates from Canada Post for inbound Letter-Post items. This inbound mail is handled under a negotiated agreement between the Postal Service and Canada Post. Both postal administrations consider details of this agreement to be confidential. The Postal Service’s negotiating position with other foreign posts on appropriate inbound charges would be severely compromised if the inbound rates agreed to with Canada Post and the details behind them were made public. Aggregate volume and revenue figures, comprising data from Canada Post and the rest of the world, are publicly provided in USPS-R2008-1/1, First-Class Mail Cap Compliance.

C. Percentage Change by Class

As demonstrated in the Attachments, the prices for each class comply with the price cap. The percentage change by class is as follows:

⁴ See 39 U.S.C. § 504(g)(1).

Class	Percent Change
First-Class Mail	2.889%
Standard Mail	2.875%
Periodicals	2.710%
Package Services	2.876%
Special Services	2.848%

D. Unused Pricing Authority

The Postal Service has no unused price adjustment authority available for use in this price change. While it was the general intention of the Postal Service to fully use its authority under the cap in this price change, the Postal Service has not met the cap percentage precisely, largely due to rounding. Therefore, the Postal Service is “banking” the residual amount below 2.9 percent for each class. The Postal Service calculates this residual amount by class as follows:⁵

Class	Percent Change
First-Class Mail	0.011%
Standard Mail	0.025%
Periodicals	0.190% ⁶
Package Services	0.024%
Special Services	0.052%

II. Description of the Prices

In compliance with Rules 3010.14(b)(7) and (8), the Postal Service in this Part discusses 1) how its planned prices “help achieve” the objectives of section 3622(b) and “properly take into account” the factors of section 3622(c); and 2) how its planned prices are consistent with sections 3626, 3627, and 3629. In addition, the Postal Service

⁵ To the extent that the calculated percentage change for any class is revised during the course of this proceeding, the Postal Service wishes to “bank” the full amount by which that revised percentage change deviates from 2.9 percent, regardless of the figures set forth in this Table.

⁶ The increase for Periodicals is discussed in Part II.A.3 of this Notice.

discusses the workshare discounts included within the planned prices, as required by Rules 3010.14(b)(5) and (6).⁷

A. Objectives and Factors—Rule 3010.14(b)(7)

The objectives of section 3622(b) are as follows:

“(b) Objectives—Such system shall be designed to achieve the following objectives, each of which shall be applied in conjunction with the others:

- (1) To maximize incentives to reduce costs and increase efficiency.
- (2) To create predictability and stability in rates.
- (3) To maintain high quality service standards established under section 3691.
- (4) To allow the Postal Service pricing flexibility.
- (5) To assure adequate revenues, including retained earnings, to maintain financial stability.
- (6) To reduce the administrative burden and increase the transparency of the ratemaking process.
- (7) To enhance mail security and deter terrorism.
- (8) To establish and maintain a just and reasonable schedule for rates and classifications, however the objective under this paragraph shall not be construed to prohibit the Postal Service from making changes of unequal magnitude within, between, or among classes of mail.
- (9) To allocate the total institutional costs of the Postal Service appropriately between market-dominant and competitive products.”⁸

⁷ This price change does not include any “new workshare discounts,” within the meaning of Rule 3010.14(c).

These objectives are the fundamental principles underlying Congress' mandate that there be a new, "modern system for regulating rates and classes for market-dominant products," to replace the prior system of the Postal Reorganization Act (PRA). These principles are largely achieved through the design of the new regulatory system itself, rather than through the particulars of any one pricing change made pursuant to that system. Therefore, the Postal Service's use of the new regulatory system's flexibilities to improve the efficiency and attractiveness of the mail, while adhering to the limitations that the system imposes, serves to "help achieve" many of the "objectives."

For instance, this price adjustment is consistent with Objective 4, the "pricing flexibility" objective, because the Postal Service has used its authority under the Postal Accountability and Enhancement Act (PAEA) and the Commission's rules (Part 3010) to change its prices on the basis of its business judgment, subject to the limitation of the cap. Similarly, the Postal Service's promulgation of prices under the new regulatory system, which provides not only increased authority on the part of the Postal Service to set its prices, but also for a shorter period of prior review, advances the related objective that "the administrative burden...of the ratemaking process" be reduced (Objective 6).

Consideration of the context in which this price adjustment occurs, as the first of the annual price changes contemplated by the new pricing system, illustrates how it furthers the achievement of other objectives. In this Notice, the Postal Service has indicated its general intent to fully use its pricing authority under the cap.⁹ Indeed, as

⁸ For ease of reference, each objective is referred to according to its placement in section 3622(b). For example, section 3622(b)(5), which sets forth the objective that that the new regulatory system "assure adequate revenues, including retained earnings, to maintain financial stability," is referred to as Objective 5. A similar convention is used with respect to the "factors" of section 3622(c) below.

⁹ As indicated above, however, it was not possible to raise the prices for each class precisely to the cap percentage, meaning the Postal Service will "bank" a small amount of pricing authority.

indicated in the “Schedule for Regular and Predictable Price Changes,” also filed today in compliance with Rule 3010.7, the Postal Service’s current expectation is that it will similarly use its full pricing authority under the cap for the foreseeable future. This plan, coupled with the Postal Service’s continued efforts to aggressively reduce costs and increase operational efficiency, should help the Postal Service accrue “adequate revenues, including retained earnings, to maintain financial stability” (Objective 5). In turn, achieving that objective should give the Postal Service the resources necessary to provide postal services adapted to the needs of the United States, including services that are consistent with the high-quality standards recently established under section 3691 (Objective 3), and services that protect the security of the mail (Objective 7).

The objective that the pricing process be transparent (Objective 6) is also achieved when one considers this price adjustment notice as one in a series of regulatory filings that will occur each year under the new market-dominant regulatory system.¹⁰ In this Notice, the Postal Service transparently demonstrates how its planned price adjustments comply with the price cap limitation, the workshare standards of section 3622(e), and the requirements of section 3626. In addition, the Postal Service recently filed its Annual Compliance Report for FY 2007, which sets forth a variety of up-to-date cost, revenue, and service quality data. As the Commission has noted, the transparency objective is served by the entirety of the regulatory structure, including the Annual Compliance Report.¹¹

¹⁰ Objective (9), meanwhile, is achieved through the Commission’s requirement in Part 3015 that competitive products cover at least 5.5 percent of the Postal Service’s institutional costs.

¹¹ See Order No. 43 at 17-18.

Finally, several objectives speak to how pricing has changed under the new regulatory system, which replaces the cost-of-service “rate case” system of the PRA with a price cap system. Objective 1 states that the new regulatory system should “maximize incentives to reduce costs and increase efficiency.” Objective 2 requires that the regulatory system create “predictability and stability” in prices. Objective 8 requires that Postal Service’s prices fall within a zone of reasonableness, in which prices are neither less than compensatory nor excessive. Any price change made pursuant to the price cap structure set forth by the PAEA “helps achieve” these objectives. A price cap necessarily limits the size of available price increases, thus giving the Postal Service strong incentives to reduce costs and operate more efficiently. Moreover, a price cap allows prices to be changed more efficiently, and thus in a more gradual, incremental, and market-friendly manner. In addition, price adjustments, like this one, that result in prices that are consistent with business needs, and that seek to improve the efficiency of the mailstream, “help achieve” these objectives.

While the “objectives” are the foundational principles of the new pricing regime, the “factors” of section 3622(c) are a list of considerations that “must be taken into account” in the new regulatory system. The “factors” are as follows:

“(c) Factors—In establishing or revising such system, the Postal Regulatory Commission shall take into account—

(1) the value of the mail service actually provided each class or type of mail service to both the sender and the recipient, including but not limited to the collection, mode of transportation, and priority of delivery;

- (2) the requirement that each class of mail or type of mail service bear the direct and indirect postal costs attributable to each class or type of mail service through reliably identified causal relationships plus that portion of all other costs of the Postal Service reasonably assignable to such class or type;
- (3) the effect of rate increases upon the general public, business mail users, and enterprises in the private sector of the economy engaged in the delivery of mail matter other than letters;
- (4) the available alternative means of sending and receiving letters and other mail matter at reasonable costs;
- (5) the degree of preparation of mail for delivery into the postal system performed by the mailer and its effect upon reducing costs to the Postal Service;
- (6) simplicity of structure for the entire schedule and simple, identifiable relationships between the rates or fees charged the various classes of mail for postal services;
- (7) the importance of pricing flexibility to encourage increased mail volume and operational efficiency;
- (8) the relative value to the people of the kinds of mail matter entered into the postal system and the desirability and justification for special classifications and services of mail;
- (9) the importance of providing classifications with extremely high degrees of reliability and speed of delivery and of providing those that do not require high degrees of reliability and speed of delivery;

(10) the desirability of special classifications for both postal users and the Postal Service in accordance with the policies of this title, including agreements between the Postal Service and postal users, when available on public and reasonable terms to similarly situated mailers, that—

(A) either—

(i) improve the net financial position of the Postal Service through reducing Postal Service costs or increasing the overall contribution to the institutional costs of the Postal Service; or

(ii) enhance the performance of mail preparation, processing, transportation, or other functions; and

(B) do not cause unreasonable harm to the marketplace.

(11) the educational, cultural, scientific, and informational value to the recipient of mail matter;

(12) the need for the Postal Service to increase its efficiency and reduce its costs, including infrastructure costs, to help maintain high quality, affordable postal services;

(13) the value to the Postal Service and postal users of promoting intelligent mail and of secure, sender-identified mail; and

(14) the policies of this title as well as such other factors as the Commission determines appropriate.”

Many of the factors are identical to provisions that governed pricing and classification decisions under the old PRA regime.¹² Though, as a legal matter, their

¹² Other factors are similar to one or more of the objectives. For example, Factor 7 is similar to Objective 4.

role in pricing has been reduced under the PAEA, as a practical matter it is only natural that the Postal Service would keep the various policy considerations set forth in section 3622(c) in mind when pricing, since they are generally relevant to the management of a product-and-price-structure adapted to the postal needs of the United States. These considerations include, for example, the need to take the demand for a service into account when pricing (Factor 1), the need to maintain simple, identifiable relationships between the prices charged for different services (Factor 6), and the need to recognize the educational, cultural, scientific, and informational value of certain mail matter (Factor 11). Factor 2, meanwhile, which is styled as a “requirement,” sets forth the expectation that each market-dominant class of mail should cover its attributable costs.

Section 3622(c) sets forth a variety of relevant pricing and classification considerations that are sometimes in tension. An individual factor may be particularly important in one year, and relatively less important in other years, based on the circumstances and the Postal Service’s business needs. In this new regulatory regime, where the Postal Service has the ability to implement its pricing strategy on an incremental basis, rather than through less frequent rate cases, it is appropriate to consider whether the factors are being “properly taken into account” over the long-term, through a series of price adjustments, rather than in any one individual price change.

Below, the Postal Service discusses its specific price adjustments by class, including how they take into account the policy considerations set forth in section 3622.¹³

¹³ Workshare discounts, which implicate Factor 5 and Factor 12, are discussed extensively in Part II.C of this Notice.

1) First-Class Mail

In the First-Class Mail class, there are six products: Single-piece Letters/Postcards, Presorted Letters/Postcards, Flats, Parcels, Outbound Single-piece First-Class Mail International, and Inbound Single-piece First-Class Mail International. The prices for these products change as follows:

Product	Percent Change
Single-Piece Letters & Cards	2.50%
Presort Letters & Cards	3.55%
First-Class Flats	1.93%
First-Class Parcels	2.18%
International	3.09% ¹⁴
Overall	2.889%

A major driver of the overall increase for First-Class Mail is the price of a stamp for one-ounce, single-piece letters. This price increases by 1 cent (or 2.44 percent), a percentage increase slightly less than CPI. This increase reflects the integer rounding constraint traditionally applied to this price (Factor 6). The Presort letters/postcard product has a modest above-the-cap increase as a result.

The Postal Service also only modestly increases the recognition of shape in First-Class Mail flats and parcels on a per-piece basis, in light of the recent large increases for those shapes in Docket No. R2006-1 (Factor 3).

The Postal Service has set the nonmachinable surcharge for single-piece and non-automation presort letters at 20 cents to increase the recognition of nonmachinability in the prices (Factor 12).

¹⁴ This includes Inbound and Outbound Single-piece First-Class Mail International. Prices for Inbound Single-piece First-Class Mail International (Inbound FCMI) are set by the Universal Postal Union, with the exception of Inbound FCMI received from Canada Post (which are set through a bilateral agreement). Prices are adjusted on a calendar basis. The most recent change took place on January 1, 2008.

The Postal Service has reduced the additional-ounce price applicable to presorted letters (currently 17 cents) to the price charged for automation letters (12.5 cents). This alignment eliminates extra mail preparation work by customers, and simplifies the Postal Service's postage verification procedures (Factor 6). This change results in some relatively large price reductions for heavier presorted pieces, which comprise a very small portion of First Class Mail volume.

For Outbound First-Class Mail International, there are several classification changes. First, the number of price groups is increased to nine, thus aligning the First-Class Mail groups with those of Priority Mail International (PMI) and Express Mail International (EMI) (Factor 6). Second, shaped-based prices are introduced. In the old price structure, the additional-ounce price covered the higher cost of handling non-letter shapes, as well as additional weight. The Postal Service now plans to introduce separate prices for First-Class Mail International letters, large envelopes (flats), and packages (small packets). This change serves to align this price structure with that for domestic First-Class Mail (Factor 6). It also allows prices to better reflect the higher costs of processing non-letter pieces (Factor 8, Factor 12), which justifies the large increases for lower-weight large envelopes (flats) and packages (small packets) (Objective 2, Factor 3). In addition, while lighter-weight large envelopes (flats) and packages (small packets) do experience large increases as a result of this change, the introduction of shape-based pricing allows for the reduction in the additional-ounce price, which moderates the price increases for heavier pieces in these categories (Factor 3). Finally, the nonmachinable surcharge will now apply to nonmachinable

international letters regardless of weight, which aligns with the domestic approach (Factor 6, Factor 12).

2) Standard Mail

The Standard Mail class consists of six products: Letters; Flats; Parcels and Not-Flat Machinables (NFMs); High Density and Saturation Letters; High Density and Saturation Flats and Parcels; and Carrier Route Letters, Flats, and Parcels. Within the class, Standard Mail product prices increase as follows:

Product	Percent Change
Letters	3.39%
Flats	0.86%
Parcels and NFMs	9.66%
High Density / Saturation Letters	1.66%
High Density / Saturation Flats and Parcels	2.09%
Carrier Route Letters, Flats and Parcels	2.99%
Overall	2.875%

The price changes for the Letters and Flats products reflect the Postal Service's decision to moderate the increases for catalogs and other flats mailers due to the large price increases they experienced last year (Factor 3). To moderate the price increases for Flats, the Postal Service has increased the prices for Letters slightly more than the cap. The prices for the Flats product increase by less than the increase in CPI-U (0.86 percent). When combined with the change for Carrier Route, which increases 2.99 percent, flats as a whole increase by 1.67 percent.

The Postal Service is also reducing the Flats pound price slightly in absolute terms, which should provide some additional relief for catalogs. In some instances, more highly presorted catalogs weighing more than the break point will experience

modest price reductions. By lowering the marginal cost of adding pages, the pound price reduction will also encourage catalog mailers to add content to their catalogs.

Standard Mail parcels, meanwhile, experience relatively large price increases. This reflects the higher costs of processing parcels as compared to other shapes (Factor 12), and will help bolster their contribution. Also, the current price structure leads to less efficient transportation and entry practices. The new prices move toward providing parcels with better cost coverage and encourage efficient dropship behavior by increasing the incentive to take parcels to the delivery unit (Factor 5). The pricing for parcels is also a further step in the Postal Service's ongoing harmonization of all of its parcels offerings (Factor 6).

The Postal Service has only modestly raised the pound price for Carrier Route mail, which, overall, receives an increase very close to the cap. Carrier Route mail tends to have market characteristics that are more similar to non-carrier route Standard Mail than to the saturation mail with which it was formerly grouped. With the advent of delivery point sequencing of letters, and with the expected implementation of the Flats Sequencing System (FSS), the relationship between carrier route and less-dense preparation will remain important. The Postal Service expects to continue monitoring the pricing of flats mail as FSS advances, and will make adjustments as necessary to take full advantage of FSS operations (Factor 12), while considering the implications for customers.

The Postal Service plans modest, below-cap increases for Saturation and High Density Standard Mail. The pound price decreases slightly, which is consistent with recent Postal Service pricing proposals for saturation-type mail. While the Postal

Service believes that further consideration of the pound price is warranted, it has chosen to make a small, incremental reduction this year. A lower pound price should help to encourage saturation mailers to increase their content, since it is the price that mailers use when deciding whether it is economical to put additional inserts and weight into saturation mailings.

The new Standard Mail prices embody several additional adjustments that are designed to improve mail processing efficiency (Factor 12). Some of these, like the increased dropship discounts for parcels and the increased incentives for automation, are discussed in more detail in Part II.C of this Notice. The Postal Service also widens the gap between saturation letters and flats brought to the Destination Sectional Center Facility (DSCF). This change will reduce the incentive for some mailers to convert letter-size mail pieces to flats, which are not as efficient to process and deliver.

3) Periodicals

The Periodicals class consists of two products: Within County Periodicals, and Outside County Periodicals. The prices for these products change as follows:

Product	Percent Change
Outside County	2.713%
Within County	2.630%
Overall	2.710%

Last July, Outside County Periodicals prices were significantly restructured, resulting in large price increases for some customer groups, particularly smaller publications. The Postal Service has therefore sought to limit the degree to which the increase for any one price element varies from the average increase for this product, so as to reduce the possibility of substantially greater-than-average price increases for any

one publication (Factor 3). Periodicals efficiency incentives have generally been maintained at their current levels. This will allow Periodicals mailers to continue adjusting to the new framework, while allowing the Postal Service to continue studying the effect of the new structure on mailers. In future price adjustments, the Postal Service will be able to use this information about the new price structure, as well as the extra pricing authority generated by this increase (0.190 percent), in its pricing decisions to improve the profitability of Periodicals.

The FY 2007 Annual Compliance Report indicated that Periodicals was the only class of mail that did not cover its attributable costs in the last fiscal year (Factor 2). However, the new price structure for Periodicals was only in effect for a small part of FY 2007. The cost coverage calculated for FY 2007 is therefore based primarily on the costs and revenues that resulted from the Docket No. R2005-1 prices. The new price structure is expected to have cost-savings benefits as mailers respond to the incentives it creates. An increase in May of this year, in conjunction with the increase of last July and with increased mailer response to the incentives created by the new structure, should help move Periodicals towards cost-compensatory status (Factor 2, Objective 8). The Postal Service is also working to further understand and reduce Periodicals costs, and has assembled a task force for that purpose, consistent with section 708 of the PAEA.

4) Package Services

The Package Services class consists of five products: Single-Piece Parcel Post, Bound Printed Matter Flats, Bound Printed Matter Parcels, Media Mail/Library Mail, and

Inbound Surface Parcel Post (at UPU rates). The prices for these products increase as follows:

Product	Percent Change
Single-Piece Parcel Post	3.30%
BPM Flats	0.42%
BPM Parcels	2.10%
Media Mail and Library Mail	4.54%
Inbound Surface Parcel Post	2.62% ¹⁵
Overall	2.876%

In Package Services, the Postal Service has focused on improving the profitability of Media Mail/Library Mail and Single-Piece Parcel Post. Media Mail/Library Mail has a very low cost coverage, as indicated in the most recent Annual Compliance Report (Factor 2). The Postal Service therefore increases the prices for this product by an overall percentage greater than the cap (4.54 percent). The prices for this product remain relatively low, in recognition of its “educational, scientific, cultural, and informational value” (Factor 11). Within this product, the prices for the 5-Digit presort categories increase by greater than the product average. These categories receive discounts that exceed avoided costs by more than is necessary; the discounts are accordingly reduced (Factor 5, Factor 12).

The Postal Service also raises the prices for Single-Piece Parcel Post slightly above the cap in order to improve its cost coverage. Within this product, and consistent with the Postal Service’s approach in Docket No. R2006-1, the Postal Service has increased Intra-BMC prices by more, on average, than Inter-BMC prices. The overall

¹⁵ Prices for Inbound Surface Parcel Post (at UPU rates) are determined by the Universal Postal Union and are not under the control of the Postal Service. These prices are adjusted on a calendar basis. The most recent price change took place on January 1, 2008.

average price increase is 5.79 percent for Intra-BMC and 2.56 percent for Inter-BMC. The combined average increase is 3.30 percent.

In line with its higher overall average price increase, Intra-BMC is accorded slightly more price-change range: individual prices are allowed to increase by up to 9.5 percent, compared to 8.5 percent for Inter-BMC. No Intra-BMC base (machinable) prices decrease, while a handful of Inter-BMC base prices decrease, by up to 5 percent (Oversized, Zone 8). Also, because non-machinable Parcel Post parcels were on average smaller in FY 2007 than in previous years,¹⁶ both the Intra-BMC and Inter-BMC non-machinable surcharges are reduced by 5 percent.

To offset these larger increases and remain below the price cap, prices on Bound Printed Matter have been set below the cap. Within Bound Printed Matter, the Postal Service increases the prices for flats (which are primarily heavy catalogs) by a lesser percentage than parcels (which primarily represent product order fulfillment). This continues, but does not conclude, the shape-based de-averaging that was begun in Docket No. R2001-1. It reflects the overall lower costs of processing and delivering flats, as opposed to parcels, and is designed to encourage increased volume of lower-cost, flat-shaped catalogs (Factor 12).

The Postal Service has also increased the pound prices for both parcels and flats to ensure better coverage of transportation costs, particularly for short-distance mail pieces, and to harmonize the BPM pricing structure with other Package Services prices (Factor 6, Factor 12). These changes lead to larger price increases for heavier-weight pieces, and for closer-in zones, and relatively smaller increases for some lighter pieces and pieces going to farther zones.

¹⁶ See Docket No. ACR2007, USPS-FY07-15, page 8, column 13.

Finally, the Postal Service has reduced the dropship discounts for Destination Bulk Mail Center (DBMC) and Destination Sectional Center Facility (DSCF), and increased the discount for Destination Delivery Unit (DDU), in order to provide more efficient price signals (Factor 5). The first two discounts are too heavily discounted relative to their avoided costs, while the incentive for dropshipping at the delivery unit needs to be increased.

5) Special Services

The Special Services class currently contains the following products: Ancillary Services, International Ancillary Services, Address List Services, Caller Service, Change-of-Address Credit Card Authentication, Confirm, International Reply Coupon Service, International Business Reply Mail Service, Money Orders, Post Office Box Service, and Premium Forwarding Service. The overall fee increase for all Special Services is 2.848 percent.

For many of the special services, fee increases were generally designed to be close to the percentage increase in CPI-U, while maintaining consistency with historical rounding constraints (Factor 3, Factor 6). This approach was followed with respect to, for example, Business Reply Mail, Certified Mail, Caller Service, Address List Services (e.g., List Correction, ZIP Coding of Mailing Lists), Account Maintenance, Application and Mailing Permit fees, Parcel Airlift Service, Post Office Boxes, Return Receipt (the Green Card),¹⁷ electronic Signature Confirmation, Shipper Paid Forwarding, and Special Handling.

¹⁷ The greater increases for Electronic Return Receipt and Return Receipt After Mailing reflect their high value of service (Factor 1).

Certified Mail has a significant effect on the percentage increase for this class. The Certified Mail fee, with a nickel rounding constraint, increases by 5 cents, or 1.9 percent. This was chosen rather than the alternative increase of 10 cents, or 3.8 percent, because a 3.8 percent increase for Certified Mail, coupled with its relatively large size, would have required many other fees within this class to be priced well below the cap, contrary to the high value many of these services provide (Factor 1).

For Address Correction Service (ACS), price increases are designed to address increased costs and reflect the value the service provides (Factor 1). Two of the fees (the One Code ACS “additional notices” fee for First-Class Mail letters, and the One Code ACS “first two notices” fee for Standard Mail letters) increase by \$0.01. The additional notice fee for Standard Mail increases by \$0.03, thus paralleling the percentage increase for First-Class Mail (Factor 6). No price changes are made to the Manual and Electronic “Other” fees, to encourage better addresses.

For Certificate of Mailing, the fees for Individual Pieces were designed to increase by a percentage as close to the cap percentage as possible, consistent with the historical nickel rounding constraint for this special service. On the other hand, the fees for Certificates of Mailing for Bulk Pieces are increased slightly above the cap to reflect its low price when compared to its high value of service (Factor 1).

For Confirm, there has been a recent decrease in the number of end user subscribers. Nonetheless, the new prices retain the existing unlimited scan option, though that tier receives a larger increase to reflect the changing subscriber base.

For Insurance, the above-average price increases for the \$50.01 to \$100 fee and the \$100.01 to \$200 fee are intended to smooth the price relationships among the

various increments (Factor 6). The increase in the incremental fee reflects the increased value of service provided as the item's value increases (Factor 1).

For Registered Mail, fees increase by an average of 7.3 percent to reflect the high value of service offered, and to improve its very low cost coverage (Factor 1, Factor 2).

For Stamped Envelopes, the fees for single-piece stamped envelopes do not increase in recognition of the users of these envelopes (Factor 3). The fees for plain envelopes in packs of 500 are kept as close to the cap as was possible within the rounding constraints. The fees for personalized envelopes, meanwhile, increase by more than the cap to reflect the convenience provided by this service (Factor 1).

For Stamped Cards, the fee for a single Stamped Card increases by the minimum amount of \$0.01, which is a 50 percent increase. The other Stamped Cards fees also increase by 50 percent (Factor 6).

For Bulk Parcel Return Service, the increase in the per-piece fee is similar to the general increase for Standard Mail parcels, which comprise this category.

The larger-than-average fee increases for Restricted Delivery, Collect on Delivery Notice of Nondelivery and Alteration of Charges, and Money Order Inquiries reflect their high value of service (Factor 1).

Finally, the Postal Service's general approach to international special services has been to set fees for those services that are similar to the fees for the equivalent domestic service (Factor 6). This approach has been followed for International Certificates of Mailing, International Registered Mail, International Return Receipts, and International Restricted Delivery.

B. Preferred Mail—Rule 3010.14(b)(8)

Section 3626 sets forth pricing requirements for certain preferred categories of mail. First, section 3626(a)(3) requires that the prices for Within County Periodicals “reflect[] its preferred status” as compared to the prices for regular Periodicals.¹⁸ This price adjustment continues to recognize the preferential status of Within County Periodicals, whose prices continue to fall well below those of regular Outside County Periodicals.

Second, section 3626(a)(4)(A) requires that Nonprofit and Classroom Periodicals receive, as nearly as practicable, a 5 percent discount from regular postage, except for advertising pounds. Consistent with previous practice, the Postal Service maintains this preference by giving Nonprofit and Classroom pieces a 5 percent discount on all components of postage except for advertising pounds and ride-along postage.

Third, section 3626(a)(5) requires that Science of Agriculture Periodicals be given preferential treatment for its advertising pounds. Consistent with past practice, the Postal Service continues to provide these publications with advertising pound prices for DDU, DSCF, DADC, and Zones 1 & 2 that are 75 percent of the advertising pound prices applicable to regular Periodicals.

Fourth, section 3626(a)(6) requires that Nonprofit Standard Mail prices be set to achieve an average revenue per piece that is 60 percent of the commercial average revenue per piece. Previously, this ratio was calculated at the subclass level. Since subclasses no longer exist in the new pricing system, the Postal Service has now calculated this ratio at the class level. The prices set forth in this Notice achieve a

¹⁸ This general standard replaces the “50-percent mark-up rule” that previously governed the setting of prices for Within County Periodicals. See H.R. REP. NO. 109-66, pt. 1, at 67-68.

revenue per piece ratio of 60.1 percent. Past practice by the Commission has indicated that it is acceptable to meet the 60 percent ratio within a few tenths of a percent.¹⁹

Details of the nonprofit-commercial revenue per piece ratio are contained in Attachment USPS-R2008-1/2, workbook CAPCALC-STD-FY2008.xls, worksheet "Price Change Summary."

Fifth, section 3626(a)(7) requires that the prices for Library Mail be equal, as nearly as practicable, to 95 percent of the prices for Media Mail. Past practice has been to set each Library Mail price equal to 95 percent of the corresponding Media Mail price. The Postal Service has followed this approach in setting its new prices.

Finally, section 3626(g)(4) requires that preferential treatment be accorded to the Outside County pieces of a Periodicals publication having fewer than 5,000 Outside County pieces, and at least one Within County piece. In conformance with this requirement, the Postal Service implements a new "limited circulation" discount, which gives these mailers a discount equivalent to the Nonprofit and Classroom Periodicals discount. This discount is discussed further in Part III of this Notice.

In addition to a discussion of section 3626, Rule 3010.14(b)(8) requires the Postal Service to discuss how its planned prices are consistent with sections 3627 and 3629. Neither section is implicated by this price change. In terms of section 3627, the Postal Service does not seek to adjust the free rates. In terms of section 3629, the Postal Service does not change the eligibility requirements for nonprofit prices.

¹⁹ For example, the Commission recommended prices in Docket No. R2005-1 that produced nonprofit-to-commercial average price ratios of 59.7 percent for Standard Mail Regular and 59.8 percent for Standard Mail ECR.

C. Workshare Discounts—Rules 3010.14(b)(5) and (6)

The workshare discounts, cost differentials, and passthroughs are shown in Appendix B.²⁰ These tables have the avoided cost data set forth in the FY 2007 Annual Compliance Report (USPS-FY07-3), although the tables have been slightly rearranged for clarity and easier printing.²¹ The discounts in USPS-FY07-3 have been replaced by the discounts present in the new prices. The following sections describe the resulting passthroughs or levels of cost recognition.

1) First-Class Mail

There are two workshare tables for First-Class Mail. Over half of the discounts have an effective passthrough of 100 percent; some may appear to be slightly under or over due to the fact that the discounts are rounded to three digits (that is, tenths-of-a-cent), and the cost differentials are not rounded.²² The discounts that vary from 100 percent (for reasons other than this rounding phenomenon) are addressed below.

Automation Letters

The 5-Digit Automation Letter passthrough is 103.3 percent. This is due in part to rounding, but also reflects the Postal Service's decision to maintain the existing discount of 2.2 cents. The Postal Service justifies this small deviation from 100 percent on the basis that it is necessary to induce mailer behavior that furthers the economically

²⁰ The Excel format of the workshare spreadsheets shown in Appendix B is also being filed electronically with this Notice.

²¹ In Docket No. ACR2007, several parties suggest that the avoided costs figures from the Annual Compliance Report should be inflated in this Notice. This seems to be inconsistent, however, with the Commission's description of Rule 3010.14(b)(5). See Order No. 26 at 23 (noting that the discounts should be compared to the "historical, Commission reviewed cost avoidances of the last Annual Compliance Review").

²² The passthrough percentages that are effectively 100 percent are Automation AADC Letters, Automation 3-Digit Letters, Nonautomation Presort Letters, QBRM, Automation AADC Cards, Automation 3-Digit Cards, Automation 5-Digit Cards, and QBRM Cards.

efficient operation of the Postal Service through an incentive to create more efficiently-handled mailings.

Automation Flats

The passthroughs for automation presort flats at all levels (*i.e.*, ADC, 3-Digit, and 5-Digit) are 95 percent of the avoided costs. These passthroughs are not substantially below the avoided costs, and, in any event, result in slight price reductions from the current price for 3-Digit and 5-Digit flats.

Business Parcels

The discounts for various levels of presort parcels maintain passthroughs similar to those recommended by the Commission (33 percent) in Docket No. R2006-1. Even with these relatively low passthroughs, the percentage changes for these categories are below the cap level.

Nonautomation Presort Cards

The “discount” (as displayed in the table) between Nonautomation Presort Cards and Mixed AADC Automation Cards reflects the additional cost of the former versus the latter. The selected passthrough results in a price that is only slightly increased (0.4 percent) over the current price. The current gap between these prices is 2.1 cents, and the new prices narrow that gap to 1.9 cents. Any lower passthrough would narrow that gap further and result in an actual price reduction for the non-automation category. Even with a passthrough over 100 percent, there is a reduction in the discount, so there is movement toward a closer alignment with the cost difference. Although the gap is reduced, it still reflects the Postal Service policy of promoting automation.

2) Standard Mail

Appendix B contains eight tables of workshare discounts, cost avoidances, and passthroughs for Standard Mail. The cost avoidances and the discounts are the same for the commercial and nonprofit pricing categories. Many of the discounts have an effective passthrough of 100 percent; some may appear to be slightly under or over due to the fact that the discounts are often rounded to three digits and the cost differentials are not rounded.²³ The remaining discounts are addressed below.

Automation Mixed AADC letters (Commercial and Nonprofit)

The discount for Automation Mixed AADC Letters exceeds 100 percent of estimated pre-barcoding avoided costs. When compared to the cost for Nonautomation Mixed AADC Letters, the cost avoidance for Mixed AADC Letters is 0.3 cents. The Postal Service has observed that, with the effective incremental automation discount of only 0.3 cents (which was a reduction from the 5.1 cents in effect prior to May 14, 2007), some mailers have an incentive to forgo that small discount and present letters that are not automation-compatible. In this price change the effective incremental discount is being raised to 1.4 cents, which should encourage mailers to pre-barcode their mail, improve address hygiene, and make pieces more machinable. This behavior will further the economically efficient operation of the Postal Service.

The discount of 1.4 cents yields a high passthrough of 558 percent, because the base of only 0.3 cents is so low. In any event, this effective passthrough has very little impact in terms of number of pieces. In FY2007, automation letters outnumbered

²³ The discounts with passthrough percentages that are effectively 100 percent are automation AADC, 3-Digit and 5-Digit letters (commercial and nonprofit); the nonautomation ADC, 3-Digit, and 5-Digit nonmachinable letters (commercial and nonprofit); ADC and 3-Digit nonautomation flats (commercial and nonprofit).

nonautomation letters by a ratio of 30 to 1.²⁴ Therefore, widening the gap, while achieving the same revenue or percentage increase target, tends to increase the non-automation prices rather than lower the automation prices. The Postal Service does not want that ratio to erode by continuing the very narrow gap between automation and non-automation, though it is cognizant of the resulting passthrough using the measured cost avoidances.

Automation Mixed-ADC flats (Commercial and Nonprofit)

As with letters, the automation discount for Standard Mail Flats exceeds 100 percent of estimated pre-barcoding avoided costs. The Postal Service has observed that the current incremental automation discount (relative to simple presort) of only 3.8 cents, which was a reduction from the previous discount, creates an incentive for some mailers to forgo that relatively small discount and present flats that are not automation-compatible. In this price change the effective incremental discount is being raised to 6.4 cents, which yields a passthrough of 265.2 percent. This incentive will encourage mailers not only to pre-barcode their mail but also to meet other address hygiene and machinability requirements for automation flats. The resulting behavior will further the economically efficient operation of the Postal Service.

As with letters, the volume affected by this passthrough is relatively small. Automation flats outnumber non-automation flats by a ratio of 15 to 1.²⁵ Therefore, widening the gap, while achieving the same revenue or percentage increase target, would tend to increase the non-automation prices rather than lower the automation

²⁴ FY2007 Billing Determinants, G1-1 and G1-2.

²⁵ FY2007 Billing Determinants, G1-3 and G1-4.

prices. The Postal Service does not want that ratio to erode by continuing a narrower gap between automation and non-automation.

Automation Flats and Nonautomation 5-Digit Flats (Commercial and Nonprofit)

The three tiers of Standard Mail Automation Flats (ADC, 3-digit, and 5-digit), along with Nonautomation 5-Digit Flats, include eight presort discounts (commercial and nonprofit) that are less than 100 percent of the avoided cost differential.²⁶ Although not necessarily deemed “substantially below 100 percent,” these passthroughs were limited to avoid giving these price categories increases that are believed to be too large relative to the overall price increase for flats.

Dropship Discounts for Flats and Letters

The DBMC, DSCF, and DDU dropship discounts for Standard Mail flats and letters have passthroughs of 86 percent, 90 percent, and 93 percent, respectively.²⁷ These passthroughs were slightly reduced to maintain the current level of dropship discounts. At this time, the Postal Service does not believe that Standard Mail dropship discounts should be increased for flats and letters, especially since these discounts were increased significantly in the last price adjustment. For example, the per-piece discount for DBMC (relative to no dropship) increased by 50 percent, from 2.2 cents to 3.3 cents. Furthermore, it should be noted that the passthrough was calculated based on the “breakpoint” weight which exceeds three ounces. As was mentioned by the Governors in Docket No. R2006-1, this result reflected an effective passthrough that

²⁶ These are the presort discounts between automation mixed ADC and ADC flats (commercial and nonprofit); the presort discounts between automation ADC and 3-Digit flats (commercial and nonprofit); the presort discounts between automation 3-Digit and 5-Digit flats (commercial and nonprofit); and the presort discounts between nonautomation 3-Digit and 5-Digit flats (commercial and nonprofit).

²⁷ These include letters and flats (commercial and nonprofit) in the Flats, Letters, High Density and Saturation Letters, High Density and Saturation Flats and Parcels, and Carrier Route products.

exceeds 100 percent for letters that weigh, on average, less than one ounce.²⁸

Therefore, in light of the minimum per-piece price design, the Postal Service believes that sub-100 percent passthroughs for these categories are reasonable since they help mitigate the effective passthrough that the Governors noted.

Dropship Discounts (DBMC and DSCF) for Parcels and NFM

The Standard Mail Parcels and NFM, High Density and Saturation parcels, and Carrier Route parcels (commercial and nonprofit) have dropship discounts for DBMC and DSCF that are below 100 percent of estimated avoided cost differentials. In another section, the higher passthroughs for DDU discounts are justified by reference to the efficiency benefits of having mailers take parcels and NFM to delivery units. The below-100-percent passthroughs for DBMC and DSCF identified in this section are intended to have the same effect. In other words, they are set below 100 percent to effectively increase the incentive to take parcels and NFM to the DDU, rather than only part way, such as to the DBMC or DSCF.

Presort Discounts for Irregular Parcels and NFM

Standard Mail irregular parcels and NFM (commercial and nonprofit) each have six presort discounts with passthroughs significantly below 100 percent.²⁹ All of these passthroughs were limited to avoid giving these price categories increases that deviate too much from the overall price increases for irregular parcels and NFM. Cost

²⁸ See Decision of the Governors of the United States Postal Service on the Opinion and Recommended Decision of the Postal Regulatory Commission on Changes in Postal Rates and Fees, Docket No. R2006, at 12 (March 19, 2007).

²⁹ These are the presort discounts between mixed ADC and ADC irregular parcels (commercial and nonprofit); the presort discounts between ADC and 3-Digit irregular parcels (commercial and nonprofit); the presort discounts between 3-Digit and 5-Digit irregular parcels (commercial and nonprofit); the presort discounts between mixed BMC/ADC and BMC/ADC NFM (commercial and nonprofit); the presort discounts between BMC/ADC and 3-Digit NFM (commercial and nonprofit); and the presort discounts between 3-Digit and 5-Digit NFM (commercial and nonprofit).

avoidance information in the worksharing tables was developed by assembling several parcel processing pathways from proxy components. Therefore, the Postal Service believes that pricing decisions for these parcel and NFM presort discounts should not depend on maintaining 100 percent passthroughs, without taking consideration of the impact on specific price categories. The Postal Service believes that the “avoided costs” shown in the table are approximations that should serve as guidelines to develop reasonable irregular parcel and NFM pricing.

Machinable Parcels Presort Discounts (Commercial and Nonprofit) and DDU Dropship Discounts for Parcels and NFMs (Commercial and Nonprofit)

The presort discounts for machinable parcels between Mixed BMC and BMC, and between BMC and 5-Digit presort levels, both have passthroughs of approximately 116 percent of modeled avoided costs. Cost avoidance information in the worksharing tables was developed by assembling several parcel processing pathways from proxy components. Therefore, the Postal Service believes that the “avoided costs” shown in the tables are approximations that should serve as guidelines to develop reasonable parcel prices.

The Postal Service believes that the most efficient way to process Standard Mail parcels is to have as many as possible sorted to 5-Digit or finer, and entered at delivery units. Consequently, the Postal Service has increased the incentives for finer presorting of parcels, and has also increased the passthrough for DDU dropshipping above 100 percent. Parcels and NFMs have DDU discounts that represent 124 percent of the estimated cost difference (for all shapes combined) between origin entry and DDU entry. As the Postal Service noted in Docket No. R2006-1, the dropship cost avoidance estimates, which are developed for Standard Mail as a whole, understate the costs

avoided by parcels compared to physically-denser letters and flats, and that the dropship discounts for parcels should be larger than for flats and letters.³⁰ The Postal Service continues to believe that larger dropship discounts are necessary to induce Standard Mail parcel mailers to enter their parcels and NFMs at the DDU—the most efficient processing path. The goal is reflected in the passthroughs represented in the discounts established in the current price change notice. In the Postal Service’s judgment, these prices are necessary to induce more efficient mailer behavior and postal operations.

Pre-barcoding discount (or non-barcoded surcharge) for Parcels and NFMs

While the Postal Service does not have models that directly estimate the costs avoided by pre-barcoding Standard Mail parcels or NFMs, there is a cost saving estimate for parcel barcoding available from the Parcel Post model. Using this cost differential as a reference point, the five-cent non-barcoded surcharge would have a passthrough that exceeds 100 percent. The Postal Service believes that pre-barcoding all Standard Mail parcels or NFMs that are not already 5-Digit presorted would have substantial efficiency benefits, and that a significant surcharge is needed to induce mailers to ensure that most, if not all, of parcels and NFMs are appropriately barcoded. Therefore, the surcharges, at their present price, are justified because they further the economically efficient operation of the Postal Service, and reducing or eliminating them would impede the efficient operation of the Postal Service.

³⁰ See USPS-T-36 at 18-19.

3) Periodicals

Appendix B contains two workshare discount tables for Periodicals. The Outside County table shows discounts/surcharges, cost differentials, and passthroughs for presorting. The Within County table shows the same information for presorting, prebarcoding, and dropship.

The remaining four tables for Periodicals show bundle and container pricing which, in Docket No. R2006-1, was developed by passing-through part of the respective costs, not cost differentials. The tables show the bottom-up costs and the price as a percentage of costs. This reflects the price structure in Periodicals, which implicitly includes many incentives for cost-reducing mail preparation behavior, but has many elements that cannot be viewed as traditional “passthroughs,” even though percentages are used to describe how much of a cost is recognized in a given price element.³¹

In any event, for Periodicals the overriding objective was to avoid large price increases for all publications. The only way to achieve this objective was to change each price element roughly by the amount of the cap, which overrides any individual decisions about passthroughs or cost recognition. The Postal Service further justifies the passthroughs by noting that section 3622(e) exempts passthroughs for discounts “provided in connection with subclasses of mail consisting exclusively of mail matter of educational, cultural, scientific, or informational value.”³²

³¹ The language of section 3626(e) reflects the traditional understanding of passthroughs being based on avoided costs, rather than bottom-up costs.

³² See 39 U.S.C. § 3622(e)(2)(C).

4) Package Services

Appendix B contains three tables of workshare discounts, cost avoidances, and passthroughs for Package Services. There are no workshare discounts in Single-Piece Parcel Post or Inbound Surface Parcel Post.

BPM Flats and Parcels

In these tables, only the dropship and Carrier Route discounts have passthroughs that exceed 100 percent. Of those, the Carrier Route discount (for both flats and parcels) and the flats DDU discount exceed 100 percent because of rounding to the nearest tenth of a cent. The remaining passthroughs (DBMC and DSCF for both flats and parcels) are lower than those reported in the Docket No. ACR2007, reflecting the Postal Service's attempt to better align these incentives with their estimated avoided costs. The Postal Service believes that these passthroughs are justified because adjusting the passthroughs all the way to 100 percent in this round of price adjustments would cause excessively high increases for DBMC and DSCF flats and parcels. The Postal Service intends to move these passthroughs closer to 100 percent over time.

At the same time, the discount for DDU parcels has a passthrough of 110 percent, higher than in the Annual Compliance Report. The Postal Service believes that the most efficient way to process BPM parcels is to have as many as possible sorted to 5-Digits and entered at delivery units. For this reason, the Postal Service has increased the passthrough for the DDU parcel discount. The Postal Service believes that larger dropship discounts are necessary to induce BPM parcel mailers to enter their parcels at the DDU—the most efficient processing path. Therefore, the Postal Service justifies setting the parcel DDU dropship discount passthrough above 100 percent because it is

necessary to induce mailer behavior that furthers the economically efficient operation of the Postal Service; and the reduction of the discount would impede the efficient operation of the Postal Service.

The only BPM discounts that fall below a 100 percent passthrough are the pre-barcoding discounts for Flats and Parcels, which do so because of the usual whole-cent rounding constraint. None fall substantially below 100 percent.

Media Mail and Library Mail

In this table, only the 5-Digit presort discounts for both Media Mail and Library Mail have passthroughs that exceed 100 percent. The passthroughs are lower than the comparable passthroughs in Docket No. ACR2007 because the Postal Service has reduced the discounts to bring them closer to avoided costs. The Postal Service believes that these passthroughs are justified because adjusting them to 100 percent in this round of price adjustments would generate excessively high increases for 5-Digit presorted Media Mail and Library Mail.³³ The Postal Service intends to move these passthroughs closer to 100 percent over time.

The passthrough for Library Mail's Basic Presort discount falls below 100 percent because cost avoidances are estimated for Media Mail and Library Mail combined, and the pricing elements for Library Mail are set equal to 95 percent of the corresponding Media Mail pricing elements. This effect of a less than 100 percent passthrough for Library Mail Basic Presort and the more than 100 percent passthrough for 5-digit Presort leads to a larger price difference between the Basic and 5-digit levels than would occur had both passthroughs been 100 percent. The only other deviations of

³³ This is similar to the approach taken in Docket No. R2006-1. See PRC Op., R2006, at 413.

Media Mail or Library Mail worksharing discount passthroughs from 100 percent are due to the convention of rounding prices to the nearest whole cent, and are not substantial.³⁴

III. MCS Product Description Changes

Rule 3010.14(b)(9) requires that this Notice include all the changes to the product descriptions within the MCS that are necessitated by the planned price adjustments. A final, complete version of the MCS has not yet been promulgated by the Commission, nor has a draft version been issued for public comment pursuant to Rule 3020.11. The changes set forth herein are therefore based on the draft MCS submitted by the Postal Service on September 24, 2007 (and supplemented on November 20, 2007). The proposed MCS revisions are provided in Appendix C.

Revisions to the MCS are made in Outbound Single-Piece First-Class Mail International and in Outside County Periodicals. With respect to the former, the MCS revisions reflect changes to the International Mail Manual (IMM) that 1) expand the number of country groups for First-Class Mail International to nine; 2) implement the new shape-based prices for letters, large envelopes (flats), and packages (small packets); and 3) apply the nonmachinable surcharge to all nonmachinable letters, regardless of weight. Notice of these IMM changes is being placed on USPS.com, and will be published in the *Federal Register* shortly.

With respect to Outside County Periodicals, the MCS revisions reflect the changes to the Domestic Mail Manual (DMM) required to implement section 3626(g)(4). That section requires that a discount be provided for the Outside County pieces of a Periodicals publication having fewer than 5,000 Outside County pieces, and at least one

³⁴ These include the Media Mail Basic presort, and Media Mail and Library Mail barcode discounts.

Within County piece. Notice of the DMM changes implementing this new discount is being placed on USPS.com, and will be published in the *Federal Register* shortly.

Respectfully submitted,

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LIST OF APPENDICES

- Appendix A: New Prices and Fees
- Appendix B: Worksharing Passthrough Tables
- Appendix C: Changes to (Proposed) Mail Classification Schedule Language
- Appendix D: Price Cap Calculation

LIST OF ATTACHMENTS

- USPS-R2008-1/1: First-Class Mail Cap Compliance
- USPS-R2008-1/2: Standard Mail Cap Compliance
- USPS-R2008-1/3: Periodicals Cap Compliance
- USPS-R2008-1/4: Package Services Cap Compliance
- USPS-R2008-1/5: Special Services Cap Compliance

Non-Public Attachment

- USPS-R2008-1/NP1: Inbound Single-Piece First-Class Mail International – Letter-Post (Input to Attachment USPS-R2008-1/1)

FIRST-CLASS MAIL

1105 Single-Piece Letters / Postcards

Prices:

Letters

Weight Not Over (ounces)	Machinable Letters	Nonmachinable Letters	Qualified Business Reply Mail (QBRM)
1	\$0.42	\$0.62	\$0.397
2	0.59	0.79	0.567
3	0.76	0.96	--
3.5	0.93	1.13	--

The one-ounce machinable letter price also applies to the Forever Stamp.

Postcards

Single Piece	\$0.27
QBRM	\$0.247

FIRST-CLASS MAIL
1110 Presorted Letters / Postcards

Prices:

Letters

Weight Not Over (ounces)	Automation				Machinable
	5-Digit	3-Digit	AADC	Mixed AADC	Presorted
1	\$0.324	\$0.346	\$0.351	\$0.369	\$0.394
2	0.449	0.471	0.476	0.494	0.519
3	0.574	0.596	0.601	0.619	0.644
3.5	0.699	0.721	0.726	0.744	0.769

Weight Not Over (ounces)	Nonmachinable Presorted
1	\$0.594
2	0.719
3	0.844
3.5	0.969

Add 0.005 for each piece bearing a Repositionable Note.

Postcards

Automation				Machinable
5-Digit	3-Digit	AADC	Mixed AADC	Presorted
\$0.199	\$0.210	\$0.213	\$0.223	\$0.242

FIRST-CLASS MAIL**1115 Flats****Prices:**

Weight Not Over (ounces)	Single Piece
1	\$0.83
2	1.00
3	1.17
4	1.34
5	1.51
6	1.68
7	1.85
8	2.02
9	2.19
10	2.36
11	2.53
12	2.70
13	2.87

Weight Not Over (ounces)	Automation				Presorted
	5-Digit	3-Digit	ADC	Mixed ADC	
1	\$0.364	\$0.479	\$0.570	\$0.702	\$0.727
2	0.534	0.649	0.740	0.872	0.897
3	0.704	0.819	0.910	1.042	1.067
4	0.874	0.989	1.080	1.212	1.237
5	1.044	1.159	1.250	1.382	1.407
6	1.214	1.329	1.420	1.552	1.577
7	1.384	1.499	1.590	1.722	1.747
8	1.554	1.669	1.760	1.892	1.917
9	1.724	1.839	1.930	2.062	2.087
10	1.894	2.009	2.100	2.232	2.257
11	2.064	2.179	2.270	2.402	2.427
12	2.234	2.349	2.440	2.572	2.597
13	2.404	2.519	2.610	2.742	2.767

Add \$0.005 for each piece bearing a Repositionable Note.

FIRST-CLASS MAIL**1120 Parcels****Prices:**

Weight Not Over (ounces)	Single Piece
1	\$1.17
2	1.34
3	1.51
4	1.68
5	1.85
6	2.02
7	2.19
8	2.36
9	2.53
10	2.70
11	2.87
12	3.04
13	3.21

Presorted

Weight Not Over (ounces)	5-Digit	3-Digit	ADC
1	\$0.711	\$0.858	\$0.918
2	0.881	1.028	1.088
3	1.051	1.198	1.258
4	1.221	1.368	1.428
5	1.391	1.538	1.598
6	1.561	1.708	1.768
7	1.731	1.878	1.938
8	1.901	2.048	2.108
9	2.071	2.218	2.278
10	2.241	2.388	2.448
11	2.411	2.558	2.618
12	2.581	2.728	2.788
13	2.751	2.898	2.958

For presorted parcels claiming 3-digit or ADC prices, a \$0.05 surcharge applies if the parcels weigh less than 2 ounces, are not barcoded, or are nonmachinable.

FIRST-CLASS MAIL

1125 Outbound Single-piece First-Class Mail International

Postcards

Canada and Mexico	0.72
All Other Countries	0.94

Letters

Weight Not Over (ounces)	RATE GROUP									
	1	2	3	4	5	6	7	8	9	
1	\$0.72	\$0.72	\$0.94	\$0.94	\$0.94	\$0.94	\$0.94	\$0.94	\$0.94	\$0.94
2	\$0.96	\$1.27	\$1.74	\$1.74	\$1.74	\$1.69	\$1.69	\$1.69	\$1.69	\$1.69
3	\$1.20	\$1.82	\$2.54	\$2.54	\$2.54	\$2.44	\$2.44	\$2.44	\$2.44	\$2.44
3.5	\$1.44	\$2.37	\$3.34	\$3.34	\$3.34	\$3.19	\$3.19	\$3.19	\$3.19	\$3.19

A \$0.20 per piece nonmachinable surcharge applies to all letters, regardless of weight, not meeting the machinability and other requirement specified in the International Mail Manual.

Large Envelopes (Flats)

Weight Not Over (ounces)	RATE GROUP									
	1	2	3	4	5	6	7	8	9	
1	\$0.98	\$0.98	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20
2	\$1.22	\$1.53	\$2.00	\$2.00	\$2.00	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95
3	\$1.46	\$2.08	\$2.80	\$2.80	\$2.80	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70
4	\$1.70	\$2.63	\$3.60	\$3.60	\$3.60	\$3.45	\$3.45	\$3.45	\$3.45	\$3.45
5	\$1.94	\$3.18	\$4.40	\$4.40	\$4.40	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20
6	\$2.18	\$3.73	\$5.20	\$5.20	\$5.20	\$4.95	\$4.95	\$4.95	\$4.95	\$4.95
7	\$2.42	\$4.28	\$6.00	\$6.00	\$6.00	\$5.70	\$5.70	\$5.70	\$5.70	\$5.70
8	\$2.66	\$4.83	\$6.80	\$6.80	\$6.80	\$6.45	\$6.45	\$6.45	\$6.45	\$6.45
12	\$3.61	\$6.33	\$8.45	\$8.45	\$8.45	\$8.05	\$8.05	\$8.05	\$8.05	\$8.05
16	\$4.56	\$7.83	\$10.10	\$10.10	\$10.10	\$9.65	\$9.65	\$9.65	\$9.65	\$9.65
20	\$5.51	\$9.33	\$11.75	\$11.75	\$11.75	\$11.25	\$11.25	\$11.25	\$11.25	\$11.25
24	\$6.46	\$10.83	\$13.40	\$13.40	\$13.40	\$12.85	\$12.85	\$12.85	\$12.85	\$12.85
28	\$7.41	\$12.33	\$15.05	\$15.05	\$15.05	\$14.45	\$14.45	\$14.45	\$14.45	\$14.45
32	\$8.36	\$13.83	\$16.70	\$16.70	\$16.70	\$16.05	\$16.05	\$16.05	\$16.05	\$16.05
36	\$9.31	\$15.33	\$18.35	\$18.35	\$18.35	\$17.65	\$17.65	\$17.65	\$17.65	\$17.65
40	\$10.26	\$16.83	\$20.00	\$20.00	\$20.00	\$19.25	\$19.25	\$19.25	\$19.25	\$19.25
44	\$11.21	\$18.33	\$21.65	\$21.65	\$21.65	\$20.85	\$20.85	\$20.85	\$20.85	\$20.85
48	\$12.16	\$19.83	\$23.30	\$23.30	\$23.30	\$22.45	\$22.45	\$22.45	\$22.45	\$22.45
52	\$13.11	\$21.33	\$24.95	\$24.95	\$24.95	\$24.05	\$24.05	\$24.05	\$24.05	\$24.05
56	\$14.06	\$22.83	\$26.60	\$26.60	\$26.60	\$25.65	\$25.65	\$25.65	\$25.65	\$25.65
60	\$15.01	\$24.33	\$28.25	\$28.25	\$28.25	\$27.25	\$27.25	\$27.25	\$27.25	\$27.25
64	\$15.96	\$25.83	\$29.90	\$29.90	\$29.90	\$28.85	\$28.85	\$28.85	\$28.85	\$28.85

Packages (Small Packets)

Weight Not Over (ounces)	RATE GROUP									
	1	2	3	4	5	6	7	8	9	
1	\$1.18	\$1.18	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
2	\$1.42	\$1.73	\$2.20	\$2.20	\$2.20	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15
3	\$1.66	\$2.28	\$3.00	\$3.00	\$3.00	\$2.90	\$2.90	\$2.90	\$2.90	\$2.90
4	\$1.90	\$2.83	\$3.80	\$3.80	\$3.80	\$3.65	\$3.65	\$3.65	\$3.65	\$3.65
5	\$2.14	\$3.38	\$4.60	\$4.60	\$4.60	\$4.40	\$4.40	\$4.40	\$4.40	\$4.40
6	\$2.38	\$3.93	\$5.40	\$5.40	\$5.40	\$5.15	\$5.15	\$5.15	\$5.15	\$5.15
7	\$2.62	\$4.48	\$6.20	\$6.20	\$6.20	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90
8	\$2.86	\$5.03	\$7.00	\$7.00	\$7.00	\$6.65	\$6.65	\$6.65	\$6.65	\$6.65
12	\$3.81	\$6.53	\$8.65	\$8.65	\$8.65	\$8.25	\$8.25	\$8.25	\$8.25	\$8.25
16	\$4.76	\$8.03	\$10.30	\$10.30	\$10.30	\$9.85	\$9.85	\$9.85	\$9.85	\$9.85
20	\$5.71	\$9.53	\$11.95	\$11.95	\$11.95	\$11.45	\$11.45	\$11.45	\$11.45	\$11.45
24	\$6.66	\$11.03	\$13.60	\$13.60	\$13.60	\$13.05	\$13.05	\$13.05	\$13.05	\$13.05
28	\$7.61	\$12.53	\$15.25	\$15.25	\$15.25	\$14.65	\$14.65	\$14.65	\$14.65	\$14.65
32	\$8.56	\$14.03	\$16.90	\$16.90	\$16.90	\$16.25	\$16.25	\$16.25	\$16.25	\$16.25
36	\$9.51	\$15.53	\$18.55	\$18.55	\$18.55	\$17.85	\$17.85	\$17.85	\$17.85	\$17.85
40	\$10.46	\$17.03	\$20.20	\$20.20	\$20.20	\$19.45	\$19.45	\$19.45	\$19.45	\$19.45
44	\$11.41	\$18.53	\$21.85	\$21.85	\$21.85	\$21.05	\$21.05	\$21.05	\$21.05	\$21.05
48	\$12.36	\$20.03	\$23.50	\$23.50	\$23.50	\$22.65	\$22.65	\$22.65	\$22.65	\$22.65
52	\$13.31	\$21.53	\$25.15	\$25.15	\$25.15	\$24.25	\$24.25	\$24.25	\$24.25	\$24.25
56	\$14.26	\$23.03	\$26.80	\$26.80	\$26.80	\$25.85	\$25.85	\$25.85	\$25.85	\$25.85
60	\$15.21	\$24.53	\$28.45	\$28.45	\$28.45	\$27.45	\$27.45	\$27.45	\$27.45	\$27.45
64	\$16.16	\$26.03	\$30.10	\$30.10	\$30.10	\$29.05	\$29.05	\$29.05	\$29.05	\$29.05

STANDARD MAIL**1205 High Density and Saturation Letters****Prices:****Commercial**

Entry Point	Saturation	High Density
Origin	\$0.179	\$0.190
DBMC	0.146	0.157
DSCF	0.137	0.148

Nonprofit

Entry Point	Saturation	High Density
Origin	\$0.108	\$0.119
DBMC	0.075	0.086
DSCF	0.066	0.077

Pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the flats piece and pound rate but receive a discount off the piece rate equal to the minimum flats per piece rate minus the minimum letter per piece rate corresponding to the applicable entry and density tier.

Add \$0.015 for each letter bearing a Repositionable Note.

Forward and Return Service - If used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.35 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

STANDARD MAIL**1210 High Density and Saturation Flats / Parcels****Prices:****Commercial Flats and Parcels (3.3 ounces or less)**

Entry Point	Flats		Parcels	
	Saturation	High Density	Saturation	High Density
Origin	\$0.191	\$0.210	\$0.389	\$0.405
DBMC	0.158	0.177	0.356	0.372
DSCF	0.149	0.168	0.346	0.362
DDU	0.140	0.159	0.321	0.337

Commercial Flats and Parcels (over 3.3 ounces)

Entry point	Flats		Parcels	
	Saturation	High Density	Saturation	High Density
Origin	per pound \$0.604	per pound \$0.604	per pound \$0.604	per pound \$0.604
DBMC	0.445	0.445	0.445	0.445
DSCF	0.401	0.401	0.395	0.395
DDU	0.356	0.356	0.273	0.273
Plus (all points)	per piece \$0.066	per piece \$0.085	per piece \$0.264	per piece \$0.280

Nonprofit Flats and Parcels (3.3 ounces or less)

Entry Point	Flats		Parcels	
	Saturation	High Density	Saturation	High Density
Origin	\$0.118	\$0.137	\$0.300	\$0.316
DBMC	0.085	0.104	0.267	0.283
DSCF	0.076	0.095	0.257	0.273
DDU	0.067	0.086	0.232	0.248

Nonprofit Flats and Parcels (over 3.3 ounces)

Entry point	Flats		Parcels	
	Saturation	High Density	Saturation	High Density
Origin	per pound \$0.415	per pound \$0.415	per pound \$0.415	per pound \$0.415
DBMC	0.256	0.256	0.256	0.256
DSCF	0.212	0.212	0.206	0.206
DDU	0.167	0.167	0.084	0.084
Plus (all points)	per piece 0.032	per piece 0.051	per piece 0.214	per piece 0.230

Add \$0.015 for each flat bearing a Repositionable Note.

Add \$0.017 for each piece addressed using a Detached Address Label.

STANDARD MAIL
1215 Carrier Route

Prices:**Letters, Flats, and Parcels (3.3 ounces or less)**

Entry Point	Commercial			Nonprofit		
	Letters	Flats	Parcels	Letters	Flats	Parcels
Origin	\$0.234	\$0.255	\$0.519	\$0.159	\$0.185	\$0.449
DBMC	0.201	0.222	0.486	0.126	0.152	0.416
DSCF	0.192	0.213	0.476	0.117	0.143	0.406
DDU	--	0.204	0.451	--	0.134	0.381

Flats and Parcels (over 3.3 ounces)

Entry point	Commercial		Nonprofit	
	Flats	Parcels	Flats	Parcels
Origin	per pound \$0.635	per pound \$0.635	per pound \$0.446	per pound \$0.446
DBMC	0.476	0.476	0.287	0.287
SCF	0.432	0.426	0.243	0.237
DDU	0.387	0.304	0.198	0.115
plus (all points)	per piece 0.124	per piece 0.388	per piece 0.093	per piece 0.357

Pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the flats piece and pound rate but receive a discount off the piece rate equal to the minimum flats per piece rate minus the minimum letter per piece rate corresponding to the applicable entry and density tier.

Add \$0.015 for each letter or flat bearing a Repositionable Note.

Add \$0.017 for each piece addressed using a Detached Address Label.

Forward and Return Service - If used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.35 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

STANDARD MAIL

1220 Letters

Prices:

	5-Digit			
	Commercial		Nonprofit	
Entry Point	Auto	Nonmachinable	Auto	Nonmachinable
Origin	\$0.225	\$0.343	\$0.127	\$0.245
DBMC	0.192	0.310	0.094	0.212
DSCF	0.183	0.301	0.085	0.203

	3-Digit			
	Commercial		Nonprofit	
Entry Point	Auto	Nonmachinable	Auto	Nonmachinable
Origin	\$0.241	\$0.438	\$0.143	\$0.340
DBMC	0.208	0.405	0.110	0.307
DSCF	0.199	0.396	0.101	0.298

	AADC/ADC					
	Commercial			Nonprofit		
Entry Point	Auto	Machinable	Nonmachinable	Auto	Machinable	Nonmachinable
Origin	\$0.244	\$0.258	\$0.461	\$0.146	\$0.160	\$0.363
DBMC	0.211	0.225	0.428	0.113	0.127	0.330
DSCF	0.202	0.216	0.419	0.104	0.118	0.321

	Mixed AADC/ADC					
	Commercial			Nonprofit		
Entry Point	Auto	Machinable	Nonmachinable	Auto	Machinable	Nonmachinable
Origin	\$0.257	\$0.271	\$0.561	\$0.159	\$0.173	\$0.463
DBMC	0.224	0.238	0.528	0.126	0.140	0.430

Add \$0.015 for each piece bearing a Repositionable Note.

Forward and Return Service - If used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.35 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

Pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the flats piece and pound rate but receive a discount off the piece rate equal to the minimum flats per piece rate minus the minimum letter per piece rate corresponding to the applicable entry and density tier.

STANDARD MAIL**1225 Flats****Prices:**

Entry Point	5-Digit (3.3 ounces or less)			
	Commercial		Nonprofit	
	Auto	Non-Auto	Auto	Non-Auto
Origin	\$0.339	\$0.366	\$0.206	\$0.233
DBMC	0.306	0.333	0.173	0.200
DSCF	0.297	0.324	0.164	0.191

Entry point	5-Digit (over 3.3 ounces)			
	Commercial		Nonprofit	
	Auto	Non-Auto	Auto	Non-Auto
Origin	per pound \$0.733	per pound \$0.733	per pound \$0.632	per pound \$0.632
DBMC	0.574	0.574	0.473	0.473
DSCF	0.530	0.530	0.429	0.429
plus (all points)	per piece 0.188	per piece 0.215	per piece 0.076	per piece 0.103

Entry Point	3-Digit (3.3 ounces or less)			
	Commercial		Nonprofit	
	Auto	Non-Auto	Auto	Non-Auto
Origin	\$0.400	\$0.451	\$0.267	\$0.318
DBMC	0.367	0.418	0.234	0.285
DSCF	0.358	0.409	0.225	0.276

Entry point	3-Digit (over 3.3 ounces)			
	Commercial		Nonprofit	
	Auto	Non-Auto	Auto	Non-Auto
Origin	per pound \$0.733	per pound \$0.733	per pound \$0.632	per pound \$0.632
DBMC	0.574	0.574	0.473	0.473
DSCF	0.530	0.530	0.429	0.429
plus (all points)	per piece 0.249	per piece 0.300	per piece 0.137	per piece 0.188

STANDARD MAIL

1225 Flats

Prices:

Entry Point	ADC (3.3 ounces or less)			
	Commercial		Nonprofit	
	Auto	Non-Auto	Auto	Non-Auto
Origin	\$0.436	\$0.483	\$0.303	\$0.350
DBMC	0.403	0.450	0.270	0.317
DSCF	0.394	0.441	0.261	0.308

Entry point	ADC (over 3.3 ounces)			
	Commercial		Nonprofit	
	Auto	Non-Auto	Auto	Non-Auto
Origin	per pound \$0.733	per pound \$0.733	per pound \$0.632	per pound \$0.632
DBMC	0.574	0.574	0.473	0.473
DSCF	0.530	0.530	0.429	0.429
plus (all points)	per piece 0.285	per piece 0.332	per piece 0.173	per piece 0.220

Entry Point	Mixed ADC (3.3 ounces or less)			
	Commercial		Nonprofit	
	Auto	Non-Auto	Auto	Non-Auto
Origin	\$0.489	\$0.553	\$0.356	\$0.420
DBMC	0.456	0.520	0.323	0.387

Entry point	Mixed ADC (over 3.3 ounces)			
	Commercial		Nonprofit	
	Auto	Non-Auto	Auto	Non-Auto
Origin	per pound \$0.733	per pound \$0.733	per pound \$0.632	per pound \$0.632
DBMC	0.574	0.574	0.473	0.473
plus (all points)	per piece 0.338	per piece 0.402	per piece 0.226	per piece 0.290

	Customized Market Mail	
	Commercial	Nonprofit
Per Piece	\$0.460	\$0.334

Add \$0.015 for each flat bearing a Repositionable Note.

Forward and Return Service - If used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.35 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472

STANDARD MAIL

1230 Not Flat-Machinable (NFM) / Parcels

Prices:

Commercial Not Flat-Machinable (3.3 ounces or less)

Entry Point	5-Digit	3-Digit	ADC/BMC	Mixed ADC/Mixed BMC
Origin	\$0.519	\$0.580	\$0.871	\$1.183
DBMC	0.486	0.547	0.838	1.150
DSCF	0.476	0.537	0.828	
DDU	0.451			

Commercial Not Flat-Machinable (over 3.3 ounces)

Entry point	5-Digit	3-Digit	ADC/BMC	Mixed ADC/Mixed BMC
	per pound	per pound	per pound	per pound
Origin	\$0.733	\$0.733	\$0.733	\$0.733
DBMC	0.574	0.574	0.574	0.574
DSCF	0.524	0.524	0.524	
DDU	0.402			
Plus	per piece	per piece	per piece	per piece
(all points)	0.368	0.429	0.720	1.032

Nonprofit Not Flat-Machinable (3.3 ounces or less)

Entry Point	5-Digit	3-Digit	ADC/BMC	Mixed ADC/Mixed BMC
Origin	\$0.353	\$0.414	\$0.705	\$1.017
DBMC	0.320	0.381	0.672	0.984
DSCF	0.310	0.371	0.662	
DDU	0.285			

Nonprofit Not Flat-Machinable (over 3.3 ounces)

Entry point	5-Digit	3-Digit	ADC/BMC	Mixed ADC/Mixed BMC
	per pound	per pound	per pound	per pound
Origin	\$0.633	\$0.633	\$0.633	\$0.633
DBMC	0.474	0.474	0.474	0.474
DSCF	0.424	0.424	0.424	
DDU	0.302			
Plus	per piece	per piece	per piece	per piece
(all points)	0.222	0.283	0.574	0.886

Nonbarcoded Surcharge \$0.050

STANDARD MAIL**1230 Not Flat-Machinable / Parcels****Prices:****Commercial Parcels (3.3 ounces or less)**

Entry Point	Machinable			Irregular			
	5-Digit	BMC	Mixed BMC	5-Digit	3-Digit	ADC	Mixed ADC
Origin	--	--	--	\$0.708	\$0.761	\$1.080	\$1.330
DBMC	--	--	--	0.675	0.728	1.047	1.297
DSCF	--	--	--	0.665	0.718	1.037	
DDU	--	--	--	0.640			

Commercial Parcels (over 3.3 ounces)

Entry point	Machinable			Irregular			
	5-Digit	BMC	Mixed BMC	5-Digit	3-Digit	ADC	Mixed ADC
Origin	per pound	per pound	per pound	per pound	per pound	per pound	per pound
DBMC	\$0.733	\$0.733	\$0.733	\$0.733	\$0.733	\$0.733	\$0.733
DSCF	0.574	0.574		0.574	0.574	0.574	0.574
DDU	0.524			0.524	0.524	0.524	
DDU	0.402			0.402			
plus	per piece	per piece	per piece	per piece	per piece	per piece	per piece
(all points)	0.400	0.799	1.007	0.557	0.610	.0929	1.179

Nonprofit Parcels (3.3 ounces or less)

Entry Point	Machinable			Irregular			
	5-Digit	BMC	Mixed BMC	5-Digit	3-Digit	ADC	Mixed ADC
Origin	--	--	--	\$0.528	\$0.581	\$0.900	\$1.150
DBMC	--	--	--	0.495	0.548	0.867	1.117
DSCF	--	--	--	0.485	0.538	0.857	
DDU	--	--	--	0.460			

Nonprofit Parcels (over 3.3 ounces)

Entry point	Machinable			Irregular			
	5-Digit	BMC	Mixed BMC	5-Digit	3-Digit	ADC	Mixed ADC
Origin	per pound	per pound	per pound	per pound	per pound	per pound	per pound
DBMC	\$0.633	\$0.633	\$0.633	\$0.633	\$0.633	\$0.633	\$0.633
DSCF	0.474	0.474		0.474	0.474	0.474	0.474
DSCF	0.424			0.424	0.424	0.424	
DDU	0.302			0.302			
plus	per piece	per piece	per piece	per piece	per piece	per piece	per piece
(all points)	0.280	0.679	0.887	0.397	0.450	0.769	1.019

Nonbarcoded Surcharge \$0.050

PERIODICALS
1305 In-County

Prices:

Pound Rates - per pound or fraction

Entry Point	Rate
DDU	\$0.136
Non-DDU	0.176

Piece Rates - per addressed piece

Presort Level	Automation		Nonautomation
	Letters	Flats	Letters, Flats, Parcels
Carrier Route Saturation High Density Basic			\$0.029 0.042 0.057
5-Digit	\$0.045	\$0.095	0.101
3-Digit	0.047	0.102	0.113
Basic	0.056	0.110	0.125

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

For a Ride-Along item enclosed with or attached to a Periodical, add \$0.159 per copy.

Add \$0.015 for each letter or flat bearing a Repositionable Note.

Destination Delivery Unit dropship discount (per piece) \$0.008

PERIODICALS
1310 Outside County

Prices:

Pound Rates (per pound or fraction)

Entry Level	Regular		Science of Agriculture	
	Advertising	Editorial	Advertising	Editorial
DDU	\$0.165	\$0.137	\$0.124	\$0.137
DSCF	0.215	0.179	0.162	0.179
DADC	0.225	0.187	0.169	0.187
Zones 1 & 2	0.246	0.205	0.184	0.205
Zone 3	0.265	0.205	0.265	0.205
Zone 4	0.312	0.205	0.312	0.205
Zone 5	0.383	0.205	0.383	0.205
Zone 6	0.459	0.205	0.459	0.205
Zone 7	0.550	0.205	0.550	0.205
Zone 8	0.628	0.205	0.628	0.205

Piece Rates (per addressed piece)

Bundle Level	Letters		Machinable Flats		Nonmachinable Flats		Parcels
	Bar-coded	Nonbarcoded	Bar-coded	Nonbarcoded	Bar-coded	Nonbarcoded	
CR Saturation	\$0.135	\$0.135	\$0.135	\$0.135	\$0.135	\$0.135	\$0.135
CR High Density	0.153	0.153	0.153	0.153	0.153	0.153	0.153
CR Basic	0.174	0.174	0.174	0.174	0.174	0.174	0.174
5-Digit	0.217	0.284	0.276	0.284	0.293	0.298	0.298
3-Digit/SCF	0.283	0.358	0.341	0.358	0.373	0.384	0.384
ADC	0.298	0.381	0.360	0.381	0.424	0.445	0.445
Mixed ADC	0.337	0.444	0.416	0.444	0.519	0.550	0.550

Editorial (nonadvertising) adjustment factor for each 1% of editorial (nonadvertising) content: \$0.00094
 Firm bundle pays a single piece charge: \$0.174

Bundle Rate (per bundle)

Bundle Level	Container level			
	CR/5-Digit	3-Digit/SCF	ADC	Mixed ADC
Firm	\$0.028	\$0.046	\$0.049	\$0.081
Carrier Route	0.040	0.098	0.107	
5-Digit	0.008	0.086	0.098	0.166
3-Digit/SCF		0.040	0.065	0.138
ADC			0.039	0.133
Mixed ADC				0.103

Container Rate (per pallet, sack, or tray)

Entry	Pallet			Tray/Sack			
	5-Digit	3-Digit/SCF	ADC	CR/5-Digit	3-Digit/SCF	ADC	Mixed ADC
DDU	\$1.236			\$0.721			
DSCF	8.237	\$6.898		0.927	\$0.618		
DADC	15.959	12.561	\$9.163	1.338	1.030	\$0.618	
DBMC	18.018	14.826	13.385	1.544	1.236	1.132	
Origin	27.748	23.660	19.161	2.306	1.956	1.853	\$0.432

PERIODICALS

1310 Outside-County

Charges are computed by adding the appropriate per piece charge, per bundle charge, per sack, and per pallet charge to the sum of the editorial (non-advertising) pound portion and the advertising pound portion, as applicable.

For a Ride-Along item enclosed with or attached to a Periodical, add \$0.159 per copy.

Add \$0.015 for each letter or flat bearing a Repositionable Note.

Publications qualified as eligible for Nonprofit, and Classroom, and Limited Circulation price categories receive a 5% discount on all components of postage except advertising pounds.

PACKAGE SERVICES

1405 Single-Piece Parcel Post

Prices:

Intra-BMC										
Machinable					Weight Not Over (pounds)	Nonmachinable				
Local Zone	Zones 1 & 2	Zone 3	Zone 4	Zone 5		Local Zone	Zones 1 & 2	Zone 3	Zone 4	Zone 5
\$3.67	\$4.02	\$4.05	\$4.14	\$4.33	1	\$6.40	\$6.75	\$6.78	\$6.87	\$7.06
4.11	4.50	4.80	4.89	5.16	2	6.84	7.23	7.53	7.62	7.89
4.51	5.00	5.48	5.60	5.97	3	7.24	7.73	8.21	8.33	8.70
4.88	5.70	6.11	6.23	6.71	4	7.61	8.43	8.84	8.96	9.44
5.21	6.29	6.65	6.80	7.40	5	7.94	9.02	9.38	9.53	10.13
5.51	6.67	7.15	7.30	8.01	6	8.24	9.40	9.88	10.03	10.74
5.74	7.03	7.60	7.77	8.60	7	8.47	9.76	10.33	10.50	11.33
5.93	7.61	8.03	8.21	9.13	8	8.66	10.34	10.76	10.94	11.86
6.13	7.93	8.42	8.65	9.62	9	8.86	10.66	11.15	11.38	12.35
6.32	8.27	8.84	9.34	10.08	10	9.05	11.00	11.57	12.07	12.81
6.49	8.56	9.18	9.70	10.50	11	9.22	11.29	11.91	12.43	13.23
6.67	8.87	9.52	10.05	10.90	12	9.40	11.60	12.25	12.78	13.63
6.84	9.07	9.82	10.38	11.28	13	9.57	11.80	12.55	13.11	14.01
7.00	9.24	10.10	10.74	11.62	14	9.73	11.97	12.83	13.47	14.35
7.15	9.41	10.39	11.03	11.94	15	9.88	12.14	13.12	13.76	14.67
7.31	9.57	10.69	11.31	12.26	16	10.04	12.30	13.42	14.04	14.99
7.45	9.77	10.96	11.62	12.54	17	10.18	12.50	13.69	14.35	15.27
7.59	9.91	11.22	11.87	12.81	18	10.32	12.64	13.95	14.60	15.54
7.72	10.07	11.49	12.13	13.07	19	10.45	12.80	14.22	14.86	15.80
7.87	10.24	11.75	12.35	13.30	20	10.60	12.97	14.48	15.08	16.03
7.99	10.36	11.99	12.58	13.53	21	10.72	13.09	14.72	15.31	16.26
8.12	10.53	12.23	12.82	13.74	22	10.85	13.26	14.96	15.55	16.47
8.25	10.64	12.48	13.06	13.97	23	10.98	13.37	15.21	15.79	16.70
8.38	10.79	12.71	13.30	14.16	24	11.11	13.52	15.44	16.03	16.89
8.50	10.91	12.93	13.52	14.36	25	11.23	13.64	15.66	16.25	17.09
8.61	11.06	13.14	13.75	14.52	26	11.34	13.79	15.87	16.48	17.25
8.73	11.18	13.37	13.97	14.69	27	11.46	13.91	16.10	16.70	17.42
8.84	11.29	13.59	14.17	14.88	28	11.57	14.02	16.32	16.90	17.61
8.96	11.42	13.80	14.38	15.10	29	11.69	14.15	16.53	17.11	17.83
9.08	11.54	13.99	14.57	15.30	30	11.81	14.27	16.72	17.30	18.03
9.18	11.66	14.17	14.77	15.52	31	11.91	14.39	16.90	17.50	18.25
9.26	11.78	14.38	14.97	15.70	32	11.99	14.51	17.11	17.70	18.43
9.38	11.89	14.55	15.14	15.90	33	12.11	14.62	17.28	17.87	18.63
9.45	12.00	14.67	15.33	16.09	34	12.18	14.73	17.40	18.06	18.82
9.53	12.10	14.84	15.51	16.27	35	12.26	14.83	17.57	18.24	19.00
9.61	12.20	14.96	15.67	16.45	36	12.34	14.93	17.69	18.40	19.18
9.67	12.33	15.09	15.84	16.62	37	12.40	15.06	17.82	18.57	19.35
9.73	12.43	15.23	16.01	16.80	38	12.46	15.16	17.96	18.74	19.53
9.83	12.54	15.37	16.16	16.96	39	12.56	15.27	18.10	18.89	19.69
9.92	12.61	15.48	16.33	17.13	40	12.65	15.34	18.21	19.06	19.86
10.01	12.76	15.65	16.43	17.29	41	12.74	15.49	18.38	19.16	20.02

PACKAGE SERVICES

1405 Single-Piece Parcel Post

Prices:

Intra-BMC										
Machinable					Weight Not Over (pounds)	Nonmachinable				
Local Zone	Zones 1 & 2	Zone 3	Zone 4	Zone 5		Local Zone	Zones 1 & 2	Zone 3	Zone 4	Zone 5
\$10.07	\$12.82	\$15.76	\$16.55	\$17.44	42	\$12.80	\$15.55	\$18.49	\$19.28	\$20.17
10.16	12.91	15.88	16.62	17.60	43	12.89	15.64	18.61	19.35	20.33
10.26	13.03	16.00	16.71	17.74	44	12.99	15.76	18.73	19.44	20.47
10.33	13.10	16.10	16.95	17.88	45	13.06	15.83	18.83	19.68	20.61
10.38	13.24	16.23	17.03	18.14	46	13.11	15.97	18.96	19.76	20.87
10.48	13.34	16.33	17.11	18.57	47	13.21	16.07	19.06	19.84	21.30
10.54	13.41	16.46	17.17	19.02	48	13.27	16.14	19.19	19.90	21.75
10.61	13.52	16.57	17.24	19.45	49	13.34	16.25	19.30	19.97	22.18
10.68	13.57	16.67	17.30	19.91	50	13.41	16.30	19.40	20.03	22.64
10.77	13.70	16.75	17.38	20.37	51	13.50	16.43	19.48	20.11	23.10
10.82	13.80	16.91	17.44	20.86	52	13.55	16.53	19.64	20.17	23.59
10.90	13.84	16.98	17.48	21.35	53	13.63	16.57	19.71	20.21	24.08
10.99	13.92	17.04	17.55	21.85	54	13.72	16.65	19.77	20.28	24.58
11.06	14.01	17.11	17.62	22.06	55	13.79	16.74	19.84	20.35	24.79
11.10	14.10	17.17	17.70	22.15	56	13.83	16.83	19.90	20.43	24.88
11.18	14.20	17.19	17.73	22.30	57	13.91	16.93	19.92	20.46	25.03
11.26	14.28	17.26	17.78	22.40	58	13.99	17.01	19.99	20.51	25.13
11.33	14.37	17.30	17.84	22.51	59	14.06	17.10	20.03	20.57	25.24
11.36	14.46	17.33	17.87	22.63	60	14.09	17.19	20.06	20.60	25.36
11.49	14.55	17.40	17.94	22.73	61	14.22	17.28	20.13	20.67	25.46
11.52	14.63	17.44	18.02	22.83	62	14.25	17.36	20.17	20.75	25.56
11.61	14.71	17.47	18.12	22.92	63	14.34	17.44	20.20	20.85	25.65
11.67	14.79	17.50	18.21	23.03	64	14.40	17.52	20.23	20.94	25.76
11.73	14.88	17.55	18.30	23.11	65	14.46	17.61	20.28	21.03	25.84
11.77	14.98	17.59	18.40	23.23	66	14.50	17.71	20.32	21.13	25.96
11.89	15.06	17.62	18.51	23.31	67	14.62	17.79	20.35	21.24	26.04
11.95	15.09	17.65	18.56	23.40	68	14.68	17.82	20.38	21.29	26.13
11.96	15.20	17.68	18.66	23.49	69	14.69	17.93	20.41	21.39	26.22
11.97	15.28	17.73	18.76	23.58	70	14.70	18.01	20.46	21.49	26.31
31.56	45.75	46.18	47.10	48.49	Oversized	31.56	45.75	46.18	47.10	48.49

Regardless of weight, any piece that measures more than 108 inches (but not more than 130 inches) in combined length plus girth must pay the oversized price.

Balloon Rate: Pieces exceeding 84 inches in length and girth combined and weighing less than 20 pounds are subject to a price equal to that for a 20-pound parcel for the zone to which the parcel is addressed.

For each Pickup On Demand stop, add \$14.75.

PACKAGE SERVICES**1405 Single-Piece Parcel Post****Prices:**

Inter-BMC - Machinable							
Weight Not Over (pounds)	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
1	\$4.55	\$4.55	\$4.55	\$4.55	\$4.55	\$4.55	\$4.55
2	4.55	4.85	5.35	5.94	6.13	6.35	6.67
3	5.05	5.70	6.60	6.94	7.22	7.52	8.12
4	5.75	6.75	7.55	7.88	8.23	8.62	9.38
5	6.40	7.70	8.37	8.76	9.19	9.67	10.58
6	7.00	8.60	9.15	9.61	10.11	10.66	11.72
7	7.55	9.34	9.89	10.42	10.98	11.60	12.81
8	8.00	9.70	10.61	11.19	11.82	12.51	13.85
9	8.40	10.06	11.30	11.94	12.63	13.39	14.86
10	8.80	11.20	11.96	12.66	13.40	14.23	15.83
11	9.15	11.60	12.60	13.35	14.16	15.04	16.76
12	9.50	11.90	13.22	14.02	14.88	15.83	17.67
13	9.90	12.17	13.82	14.67	15.59	16.59	18.55
14	10.11	12.51	14.41	15.30	16.27	17.33	19.40
15	10.29	12.79	14.97	15.92	16.93	18.05	20.22
16	10.44	13.06	15.52	16.51	17.58	18.75	21.03
17	10.63	13.29	16.06	17.09	18.21	19.43	21.81
18	10.77	13.54	16.58	17.66	18.82	20.10	22.57
19	10.96	13.79	17.09	18.21	19.42	20.74	23.32
20	11.09	14.02	17.59	18.75	20.00	21.37	24.04
21	11.25	14.26	18.08	19.27	20.57	21.99	24.75
22	11.38	14.44	18.47	19.79	21.12	22.59	25.44
23	11.53	14.70	18.80	20.29	21.67	23.18	26.12
24	11.64	14.89	19.07	20.78	22.20	23.76	26.78
25	11.79	15.08	19.37	21.26	22.72	24.32	27.43
26	11.90	15.27	19.64	21.73	23.23	24.87	28.07
27	12.07	15.46	19.89	22.19	23.73	25.41	28.69
28	12.16	15.65	20.18	22.64	24.22	25.94	29.30
29	12.30	15.84	20.44	23.09	24.70	26.46	29.90
30	12.41	15.99	20.67	23.52	25.17	26.97	30.48
31	12.55	16.16	20.91	23.95	25.63	27.47	31.06
32	12.64	16.33	21.15	24.37	26.07	27.97	31.62
33	12.75	16.50	21.39	24.78	26.50	28.45	32.18
34	12.88	16.61	21.57	25.18	26.92	28.92	32.72
35	12.99	16.80	21.80	25.58	27.33	29.39	33.26
36	13.09	16.94	22.04	25.97	27.73	29.84	33.78
37	13.19	17.07	22.20	26.35	28.12	30.29	34.30
38	13.29	17.25	22.39	26.73	28.51	30.73	34.81
39	13.41	17.35	22.58	27.10	28.90	31.17	35.31
40	13.51	17.52	22.79	27.46	29.28	31.60	35.80
41	13.64	17.66	22.95	27.82	29.65	32.02	36.28

PACKAGE SERVICES**1405 Single-Piece Parcel Post****Prices:**

Inter-BMC - Machinable							
Weight Not Over (pounds)	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
42	\$13.73	\$17.78	\$23.13	\$28.17	\$30.02	\$32.43	\$36.76
43	13.79	17.91	23.32	28.52	30.39	32.84	37.23
44	13.90	18.01	23.47	28.86	30.75	33.24	37.69
45	14.00	18.16	23.65	29.20	31.10	33.64	38.14
46	14.09	18.28	23.83	29.53	31.44	34.02	38.59
47	14.21	18.42	23.97	29.86	31.79	34.41	39.03
48	14.29	18.53	24.15	30.18	32.14	34.79	39.47
49	14.35	18.66	24.29	30.50	32.46	35.16	39.89
50	14.44	18.75	24.41	30.81	32.80	35.53	40.32
51	14.56	18.89	24.59	31.12	33.13	35.89	40.73
52	14.63	19.00	24.73	31.43	33.45	36.24	41.14
53	14.75	19.09	24.82	31.73	33.77	36.60	41.55
54	14.81	19.24	25.00	32.02	34.08	36.94	41.95
55	14.89	19.28	25.14	32.21	34.39	37.29	42.34
56	14.99	19.45	25.26	32.38	34.70	37.62	42.73
57	15.08	19.54	25.40	32.52	35.00	37.96	43.11
58	15.15	19.64	25.52	32.67	35.31	38.29	43.49
59	15.24	19.74	25.66	32.81	35.61	38.61	43.86
60	15.33	19.83	25.80	32.95	35.90	38.93	44.23
61	15.45	19.97	25.90	33.08	36.20	39.25	44.60
62	15.52	20.04	26.03	33.22	36.48	39.56	44.96
63	15.57	20.16	26.15	33.34	36.76	39.87	45.31
64	15.65	20.22	26.25	33.47	37.04	40.17	45.66
65	15.73	20.34	26.38	33.60	37.32	40.48	46.01
66	15.84	20.44	26.47	33.71	37.61	40.77	46.35
67	15.93	20.54	26.60	33.84	37.88	41.07	46.69
68	15.98	20.63	26.73	33.95	38.15	41.36	47.02
69	16.05	20.69	26.83	34.07	38.42	41.64	47.35
70	16.16	20.82	26.94	34.17	38.68	41.93	47.68
Oversized	54.84	59.88	63.23	75.30	89.24	94.83	120.88

Regardless of weight, any piece that measures more than 108 inches (but not more than 130 inches) in combined length plus girth must pay the oversized price.

Balloon Rate: Pieces exceeding 84 inches in length and girth combined and weighing less than 20 pounds are subject to a price equal to that for a 20-pound parcel for the zone to which the parcel is addressed.

For each Pickup On Demand stop, add \$14.75.

PACKAGE SERVICES

1405 Single-Piece Parcel Post

Prices:

Inter-BMC Nonmachinable							
Weight Not Over (pounds)	Zones						
	1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
1	\$8.25	\$8.25	\$8.25	\$8.25	\$8.25	\$8.25	\$8.25
2	8.25	8.55	9.05	9.64	9.83	10.05	10.37
3	8.75	9.40	10.30	10.64	10.92	11.22	11.82
4	9.45	10.45	11.25	11.58	11.93	12.32	13.08
5	10.10	11.40	12.07	12.46	12.89	13.37	14.28
6	10.70	12.30	12.85	13.31	13.81	14.36	15.42
7	11.25	13.04	13.59	14.12	14.68	15.30	16.51
8	11.70	13.40	14.31	14.89	15.52	16.21	17.55
9	12.10	13.76	15.00	15.64	16.33	17.09	18.56
10	12.50	14.90	15.66	16.36	17.10	17.93	19.53
11	12.85	15.30	16.30	17.05	17.86	18.74	20.46
12	13.20	15.60	16.92	17.72	18.58	19.53	21.37
13	13.60	15.87	17.52	18.37	19.29	20.29	22.25
14	13.81	16.21	18.11	19.00	19.97	21.03	23.10
15	13.99	16.49	18.67	19.62	20.63	21.75	23.92
16	14.14	16.76	19.22	20.21	21.28	22.45	24.73
17	14.33	16.99	19.76	20.79	21.91	23.13	25.51
18	14.47	17.24	20.28	21.36	22.52	23.80	26.27
19	14.66	17.49	20.79	21.91	23.12	24.44	27.02
20	14.79	17.72	21.29	22.45	23.70	25.07	27.74
21	14.95	17.96	21.78	22.97	24.27	25.69	28.45
22	15.08	18.14	22.17	23.49	24.82	26.29	29.14
23	15.23	18.40	22.50	23.99	25.37	26.88	29.82
24	15.34	18.59	22.77	24.48	25.90	27.46	30.48
25	15.49	18.78	23.07	24.96	26.42	28.02	31.13
26	15.60	18.97	23.34	25.43	26.93	28.57	31.77
27	15.77	19.16	23.59	25.89	27.43	29.11	32.39
28	15.86	19.35	23.88	26.34	27.92	29.64	33.00
29	16.00	19.54	24.14	26.79	28.40	30.16	33.60
30	16.11	19.69	24.37	27.22	28.87	30.67	34.18
31	16.25	19.86	24.61	27.65	29.33	31.17	34.76
32	16.34	20.03	24.85	28.07	29.77	31.67	35.32
33	16.45	20.20	25.09	28.48	30.20	32.15	35.88
34	16.58	20.31	25.27	28.88	30.62	32.62	36.42
35	16.69	20.50	25.50	29.28	31.03	33.09	36.96
36	16.79	20.64	25.74	29.67	31.43	33.54	37.48
37	16.89	20.77	25.90	30.05	31.82	33.99	38.00
38	16.99	20.95	26.09	30.43	32.21	34.43	38.51
39	17.11	21.05	26.28	30.80	32.60	34.87	39.01
40	17.21	21.22	26.49	31.16	32.98	35.30	39.50
41	17.34	21.36	26.65	31.52	33.35	35.72	39.98

PACKAGE SERVICES**1405 Single-Piece Parcel Post****Prices:**

Inter-BMC - NonMachinable							
Weight Not Over (pounds)	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
42	\$17.43	\$21.48	\$26.83	\$31.87	\$33.72	\$36.13	\$40.46
43	17.49	21.61	27.02	32.22	34.09	36.54	40.93
44	17.60	21.71	27.17	32.56	34.45	36.94	41.39
45	17.70	21.86	27.35	32.90	34.80	37.34	41.84
46	17.79	21.98	27.53	33.23	35.14	37.72	42.29
47	17.91	22.12	27.67	33.56	35.49	38.11	42.73
48	17.99	22.23	27.85	33.88	35.84	38.49	43.17
49	18.05	22.36	27.99	34.20	36.16	38.86	43.59
50	18.14	22.45	28.11	34.51	36.50	39.23	44.02
51	18.26	22.59	28.29	34.82	36.83	39.59	44.43
52	18.33	22.70	28.43	35.13	37.15	39.94	44.84
53	18.45	22.79	28.52	35.43	37.47	40.30	45.25
54	18.51	22.94	28.70	35.72	37.78	40.64	45.65
55	18.59	22.98	28.84	35.91	38.09	40.99	46.04
56	18.69	23.15	28.96	36.08	38.40	41.32	46.43
57	18.78	23.24	29.10	36.22	38.70	41.66	46.81
58	18.85	23.34	29.22	36.37	39.01	41.99	47.19
59	18.94	23.44	29.36	36.51	39.31	42.31	47.56
60	19.03	23.53	29.50	36.65	39.60	42.63	47.93
61	19.15	23.67	29.60	36.78	39.90	42.95	48.30
62	19.22	23.74	29.73	36.92	40.18	43.26	48.66
63	19.27	23.86	29.85	37.04	40.46	43.57	49.01
64	19.35	23.92	29.95	37.17	40.74	43.87	49.36
65	19.43	24.04	30.08	37.30	41.02	44.18	49.71
66	19.54	24.14	30.17	37.41	41.31	44.47	50.05
67	19.63	24.24	30.30	37.54	41.58	44.77	50.39
68	19.68	24.33	30.43	37.65	41.85	45.06	50.72
69	19.75	24.39	30.53	37.77	42.12	45.34	51.05
70	19.86	24.52	30.64	37.87	42.38	45.63	51.38
Oversized	54.84	59.88	63.23	75.30	89.24	94.83	120.88

Regardless of weight, any piece that measures more than 108 inches (but not more than 130 inches) in combined length plus girth must pay the oversized price.

Balloon Rate: Pieces exceeding 84 inches in length and girth combined and weighing less than 20 pounds are subject to a price equal to that for a 20-pound parcel for the zone to which the parcel is addressed.

For each Pickup On Demand stop, add \$14.75.

PACKAGE SERVICES**1415 Bound Printed Matter Flats****Prices:**

Nonpresorted							
Weight Not Over (pounds)	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
1.0	\$1.89	\$1.93	\$1.99	\$2.08	\$2.19	\$2.25	\$2.44
1.5	1.89	1.93	1.99	2.08	2.19	2.25	2.44
2.0	1.98	2.04	2.12	2.24	2.38	2.46	2.72
2.5	2.08	2.15	2.25	2.40	2.58	2.68	3.00
3.0	2.17	2.26	2.38	2.56	2.77	2.89	3.28
3.5	2.27	2.37	2.51	2.72	2.97	3.11	3.56
4.0	2.36	2.48	2.64	2.88	3.16	3.32	3.84
4.5	2.46	2.59	2.77	3.04	3.36	3.54	4.12
5.0	2.55	2.70	2.90	3.20	3.55	3.75	4.40
6.0	2.74	2.92	3.16	3.52	3.94	4.18	4.96
7.0	2.93	3.14	3.42	3.84	4.33	4.61	5.52
8.0	3.12	3.36	3.68	4.16	4.72	5.04	6.08
9.0	3.31	3.58	3.94	4.48	5.11	5.47	6.64
10.0	3.50	3.80	4.20	4.80	5.50	5.90	7.20
11.0	3.69	4.02	4.46	5.12	5.89	6.33	7.76
12.0	3.88	4.24	4.72	5.44	6.28	6.76	8.32
13.0	4.07	4.46	4.98	5.76	6.67	7.19	8.88
14.0	4.26	4.68	5.24	6.08	7.06	7.62	9.44
15.0	4.45	4.90	5.50	6.40	7.45	8.05	10.00

Presorted and Carrier Route				
Each piece is subject to both a per piece rate and a per pound rate.	Carrier Route		Presorted	
	Rate per piece	Rate per pound	Rate per piece	Rate per pound
Zone Local 1 & 2	\$1.146	\$0.136	\$1.253	\$0.136
Zone 3	1.146	0.169	1.253	0.169
Zone 4	1.146	0.209	1.253	0.209
Zone 5	1.146	0.268	1.253	0.268
Zone 6	1.146	0.337	1.253	0.337
Zone 7	1.146	0.380	1.253	0.380
Zone 8	1.146	0.507	1.253	0.507
DBMC Zone 1 & 2	\$0.876	\$0.098	\$0.983	\$0.098
DBMC Zone 3	0.876	0.126	0.983	0.126
DBMC Zone 4	0.876	0.174	0.983	0.174
DBMC Zone 5	0.876	0.233	0.983	0.233
DSCF	0.486	0.082	0.593	0.082
DDU	0.402	0.039	0.509	0.039

For barcode discount, deduct \$0.03 per piece (non-Carrier Route, non-DDU, automation flats only). DDU price is not available for flats that weigh 1 pound or less.

PACKAGE SERVICES**1420 Bound Printed Matter Parcels****Prices:**

Nonpresorted							
Weight Not Over (pounds)	Zones						
	1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
1.0	\$2.15	\$2.19	\$2.25	\$2.34	\$2.45	\$2.51	\$2.70
1.5	2.15	2.19	2.25	2.34	2.45	2.51	2.70
2.0	2.24	2.30	2.38	2.50	2.64	2.72	2.98
2.5	2.34	2.41	2.51	2.66	2.84	2.94	3.26
3.0	2.43	2.52	2.64	2.82	3.03	3.15	3.54
3.5	2.53	2.63	2.77	2.98	3.23	3.37	3.82
4.0	2.62	2.74	2.90	3.14	3.42	3.58	4.10
4.5	2.72	2.85	3.03	3.30	3.62	3.80	4.38
5.0	2.81	2.96	3.16	3.46	3.81	4.01	4.66
6.0	3.00	3.18	3.42	3.78	4.20	4.44	5.22
7.0	3.19	3.40	3.68	4.10	4.59	4.87	5.78
8.0	3.38	3.62	3.94	4.42	4.98	5.30	6.34
9.0	3.57	3.84	4.20	4.74	5.37	5.73	6.90
10.0	3.76	4.06	4.46	5.06	5.76	6.16	7.46
11.0	3.95	4.28	4.72	5.38	6.15	6.59	8.02
12.0	4.14	4.50	4.98	5.70	6.54	7.02	8.58
13.0	4.33	4.72	5.24	6.02	6.93	7.45	9.14
14.0	4.52	4.94	5.50	6.34	7.32	7.88	9.70
15.0	4.71	5.16	5.76	6.66	7.71	8.31	10.26

Presorted and Carrier Route				
Each piece is subject to both a per piece rate and a per pound rate.	Carrier Route		Presorted	
	Rate per piece	Rate per pound	Rate per piece	Rate per pound
Zone Local 1 & 2	\$1.306	\$0.137	\$1.413	\$0.137
Zone 3	1.306	0.170	1.413	0.170
Zone 4	1.306	0.210	1.413	0.210
Zone 5	1.306	0.269	1.413	0.269
Zone 6	1.306	0.338	1.413	0.338
Zone 7	1.306	0.381	1.413	0.381
Zone 8	1.306	0.508	1.413	0.508
DBMC Zone 1 & 2	1.032	0.099	1.139	0.099
DBMC Zone 3	1.032	0.127	1.139	0.127
DBMC Zone 4	1.032	0.175	1.139	0.175
DBMC Zone 5	1.032	0.234	1.139	0.234
DSCF	0.658	0.089	0.765	0.089
DDU	0.487	0.039	0.594	0.039

For barcode discount, deduct \$0.03 per piece (non-Carrier Route machinable parcels only).
Barcode discount not available for parcels entered at DDU or DSCF prices or DBMC mail entered at an ASF (except Phoenix ASF).

PACKAGE SERVICES**1425 Media Mail / Library Mail****Prices:**

Weight Not Over (pounds)	Media Mail			Library Mail		
	5-Digit	Basic	Single- Piece	5-Digit	Basic	Single- Piece
1	\$1.42	\$1.90	\$2.23	\$1.35	\$1.81	\$2.12
2	1.77	2.25	2.58	1.68	2.14	2.45
3	2.12	2.60	2.93	2.01	2.47	2.78
4	2.47	2.95	3.28	2.34	2.80	3.11
5	2.82	3.30	3.63	2.67	3.13	3.44
6	3.17	3.65	3.98	3.00	3.46	3.77
7	3.52	4.00	4.33	3.33	3.79	4.10
8	3.87	4.35	4.68	3.66	4.12	4.43
9	4.22	4.70	5.03	3.99	4.45	4.76
10	4.57	5.05	5.38	4.32	4.78	5.09
11	4.92	5.40	5.73	4.65	5.11	5.42
12	5.27	5.75	6.08	4.98	5.44	5.75
13	5.62	6.10	6.43	5.31	5.77	6.08
14	5.97	6.45	6.78	5.64	6.10	6.41
15	6.32	6.80	7.13	5.97	6.43	6.74
16	6.67	7.15	7.48	6.30	6.76	7.07
17	7.02	7.50	7.83	6.63	7.09	7.40
18	7.37	7.85	8.18	6.96	7.42	7.73
19	7.72	8.20	8.53	7.29	7.75	8.06
20	8.07	8.55	8.88	7.62	8.08	8.39
21	8.42	8.90	9.23	7.95	8.41	8.72
22	8.77	9.25	9.58	8.28	8.74	9.05
23	9.12	9.60	9.93	8.61	9.07	9.38
24	9.47	9.95	10.28	8.94	9.40	9.71
25	9.82	10.30	10.63	9.27	9.73	10.04
26	10.17	10.65	10.98	9.60	10.06	10.37
27	10.52	11.00	11.33	9.93	10.39	10.70
28	10.87	11.35	11.68	10.26	10.72	11.03
29	11.22	11.70	12.03	10.59	11.05	11.36
30	11.57	12.05	12.38	10.92	11.38	11.69
31	11.92	12.40	12.73	11.25	11.71	12.02
32	12.27	12.75	13.08	11.58	12.04	12.35
33	12.62	13.10	13.43	11.91	12.37	12.68
34	12.97	13.45	13.78	12.24	12.70	13.01
35	13.32	13.80	14.13	12.57	13.03	13.34
36	13.67	14.15	14.48	12.90	13.36	13.67
37	14.02	14.50	14.83	13.23	13.69	14.00
38	14.37	14.85	15.18	13.56	14.02	14.33
39	14.72	15.20	15.53	13.89	14.35	14.66
40	15.07	15.55	15.88	14.22	14.68	14.99
41	15.42	15.90	16.23	14.55	15.01	15.32

PACKAGE SERVICES**1425 Media Mail / Library Mail****Prices:**

Weight Not Over (pounds)	Media Mail			Library Mail		
	5-Digit	Basic	Single- Piece	5-Digit	Basic	Single- Piece
42	\$15.77	\$16.25	\$16.58	\$14.88	\$15.34	\$15.65
43	16.12	16.60	16.93	15.21	15.67	15.98
44	16.47	16.95	17.28	15.54	16.00	16.31
45	16.82	17.30	17.63	15.87	16.33	16.64
46	17.17	17.65	17.98	16.20	16.66	16.97
47	17.52	18.00	18.33	16.53	16.99	17.30
48	17.87	18.35	18.68	16.86	17.32	17.63
49	18.22	18.70	19.03	17.19	17.65	17.96
50	18.57	19.05	19.38	17.52	17.98	18.29
51	18.92	19.40	19.73	17.85	18.31	18.62
52	19.27	19.75	20.08	18.18	18.64	18.95
53	19.62	20.10	20.43	18.51	18.97	19.28
54	19.97	20.45	20.78	18.84	19.30	19.61
55	20.32	20.80	21.13	19.17	19.63	19.94
56	20.67	21.15	21.48	19.50	19.96	20.27
57	21.02	21.50	21.83	19.83	20.29	20.60
58	21.37	21.85	22.18	20.16	20.62	20.93
59	21.72	22.20	22.53	20.49	20.95	21.26
60	22.07	22.55	22.88	20.82	21.28	21.59
61	22.42	22.90	23.23	21.15	21.61	21.92
62	22.77	23.25	23.58	21.48	21.94	22.25
63	23.12	23.60	23.93	21.81	22.27	22.58
64	23.47	23.95	24.28	22.14	22.60	22.91
65	23.82	24.30	24.63	22.47	22.93	23.24
66	24.17	24.65	24.98	22.80	23.26	23.57
67	24.52	25.00	25.33	23.13	23.59	23.90
68	24.87	25.35	25.68	23.46	23.92	24.23
69	25.22	25.70	26.03	23.79	24.25	24.56
70	25.57	26.05	26.38	24.12	24.58	24.89

For barcode discount, deduct \$0.03 per piece (Single-Piece and Basic machinable parcels only).

SPECIAL SERVICES**1505 Ancillary Services****1505.1 Address Correction Service****Fees:**

Manual correction, each	\$0.50
Electronic correction, each	
First-Class Mail piece	0.08
Other	0.25
Automated correction (Letters Only)	
First-Class Mail piece	
First two notices, for a given address change, each	0.00
Additional notices, for a given address change, each	0.06
Standard Mail piece	
First two notices, for a given address change, each	\$0.03
Additional notices, for a given address change, each	\$0.18

1505.2 Applications and Mailing Permits**Fees:**

First-Class Mail Presort Mailing Permit Fee (per year)	\$180.00
Standard Mail Mailing Permit Fee (per year)	180.00
Periodicals Application Fees (one time only for each)	
A. Original Entry	510.00
B. Additional Entry	80.00
C. Reentry	60.00
D. Registration for News Agents	50.00
Bound Printed Matter: Destination Entry Mailing Permit Fee (per year)	180.00
Media Mail Presorted Mailing Permit Fee (per year)	180.00
Library Mail Presorted Mailing Permit Fee (per year)	180.00
Parcel Select: Destination Entry Mailing Permit Fee (per year)	180.00
Parcel Return Service Account Maintenance Fee (per year)	565.00
Parcel Return Service Mailing Permit Fee (per year)	180.00
Authorization to Use Permit Imprint (one-time only)	180.00

1505.3 Business Reply Mail

Fees:

Regular (no account maintenance fee)	
Permit (per year)	\$ 180.00
Per-piece charge	0.72
Regular (with account maintenance fee)	
Permit (per year)	180.00
Account maintenance (per year)	565.00
Per-piece charge	0.08
Qualified Business Reply Mail, low-volume	
Permit (per year)	180.00
Account maintenance (per year)	565.00
Per-piece charge	0.05
Qualified Business Reply Mail, high-volume	
Permit (per year)	180.00
Account maintenance (per year)	565.00
Quarterly	1855.00
Per-piece charge	0.006
Bulk Weight Averaged (Non-letters only)	
Permit (per year)	180.00
Account maintenance (per year)	565.00
Per-piece charge	0.012
Monthly maintenance	930.00

1505.4 Bulk Parcel Return Service

Fees:

Permit (per year)	\$180.00
Account maintenance (per year)	565.00
Per-piece charge	2.25

1505.5 Certified Mail

Fee:

Per piece	\$2.70
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1505.6 Certificate Of Mailing**Fees:****Individual Pieces**

Original certificate of mailing for listed pieces of all classes of ordinary mail	\$1.10
Three or more pieces individually listed in a firm mailing book or an approved customer provided manifest (per piece)	0.40
Each additional copy of original certificate of mailing or original mailing receipt for Registered Mail, insured, certified, and COD mail (each copy)	1.10

Bulk

Identical First-Class and Standard Mail pieces paid with ordinary stamps, pre-canceled stamps, or meter stamps are subject to the following fees:

Up to 1,000 pieces (one certificate for total number)	6.00
Each additional 1,000 pieces or fraction	0.70
Duplicate copy	1.10

1505.7 Collect On Delivery**Fees:**

Amount to be collected,
or insurance coverage desired,
whichever is higher:

0.01 to 50	\$5.25
50.01 to 100	6.45
100.01 to 200	7.65
200.01 to 300	8.85
300.01 to 400	10.05
400.01 to 500	11.25
500.01 to 600	12.45
600.01 to 700	13.65
700.01 to 800	14.85
800.01 to 900	16.05
900.01 to 1,000	17.25
Notice of non-delivery	3.70
Alteration of COD charges	3.70
Designation of new addressee	3.70
Registered COD	4.65

1505.8 Delivery Confirmation**Fees:**

First-Class Mail Parcels	
Electronic	\$0.18
Retail	0.75
Standard Mail Parcels	
Electronic	0.18
Package Services	
Electronic	0.18
Retail	0.75
Priority Mail	
Electronic	0.00
Retail	0.65
Parcel Select	
Electronic	0.00

1505.9 Insurance**Fees:**

Regular Insurance	
Merchandise coverage	
0.01 to 50.00	\$1.70
50.01 to 100.00	2.15
100.01 to 200.00	2.60
200.01 to 300.00	4.60
300.01 to 400.00	5.55
400.01 to 500.00	6.60
500.01 to 600.00	7.55
600.01 to 5,000.00	8.50 plus 0.95 for each 100 or fraction thereof over 600.00
Bulk Insurance	
Amount of coverage	
0.01 to 50.00	0.90
50.01 to 100.00	1.35
100.01 to 200.00	1.80
200.01 to 300.00	3.80
300.01 to 5,000.00	3.80 plus 0.95 for each 100 or fraction thereof over 300.00
Express Mail Insurance	
Merchandise coverage	
0.01 to 100.00	\$0.00
100.01 to 200.00	0.75
200.01 to 500.00	2.10
500.01 to 5,000.00	2.10 plus 1.35 for each 500 or fraction thereof over 500.00
Document reconstruction coverage	
0.00 to 100.00	0.00

1505.10 Merchandise Return Service

Fees:

Permit (per year)	\$180.00
Account maintenance (per year)	565.00
Per piece	0.00

1505.11 Parcel Airlift (PAL)

Fees:

For pieces weighing:	
Not more than 2 pounds	\$0.50
Over 2 but not more than 3 pounds	1.05
Over 3 but not more than 4 pounds	1.50
Over 4 but not more than 30 pounds	2.05

1505.12 Registered Mail

Fees:

Declared Value		
from	to	
0.00		\$10.00
0.01	100	10.80
100.01	500	12.10
500.01	1,000	13.30
1,000.01	2,000	14.50
2,000.01	3,000	15.70
3,000.01	4,000	16.90
4,000.01	5,000	18.10
5,000.01	6,000	19.30
6,000.01	7,000	20.50
7,000.01	8,000	21.70
8,000.01	9,000	22.90
9,000.01	10,000	24.10
10,000.01	11,000	25.30
11,000.01	12,000	26.50
12,000.01	13,000	27.70
13,000.01	14,000	28.90
14,000.01	15,000	30.10
15,000.01	16,000	31.30
16,000.01	17,000	32.50
17,000.01	18,000	33.70
18,000.01	19,000	34.90
19,000.01	20,000	36.10
20,000.01	21,000	37.30
21,000.01	22,000	38.50
22,000.01	23,000	39.70
23,000.01	24,000	40.90
24,000.01	25,000	42.10
25,000.01	15,000,000	42.10 plus 1.20 per additional 1000 of value
Greater than 15,000,000		18,012.15 plus amount determined by the Postal Service based on weight, space, and value.

1505.13 Return Receipt

Fees:

Original signature	\$2.20
Copy of signature (electronic)	1.00
Requested after mailing	4.35

1505.14 Return Receipt For Merchandise

Fees:

Requested at time of mailing	\$3.60
Delivery record	4.00

1505.15 Restricted Delivery

Fees:

Per piece	4.30
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1505.16 Shipper Paid Forwarding

Fees:

Account maintenance (per year)	\$565.00
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1505.17 Signature Confirmation

Fees:

Electronic	\$1.80
Retail	2.20

1505.18 Special Handling

Fees:

For pieces weighing:	
Not more than 10 pounds	\$7.10
More than 10 pounds	9.90

1505.19 Stamped Envelopes**Fees:**

Plain stamped envelopes	
Basic, size 6-3/4, each	\$0.09
Basic, size 6-3/4, 500	14.90
Basic, size 10, each	0.09
Basic, size 10, 500	16.95
Personalized stamped envelopes	
Basic, size 6-3/4, 50	\$4.60
Basic, size 6-3/4, 500	22.00
Basic, size 10, 50	4.60
Basic, size 10, 500	25.00

1505.20 Stamped Cards**Fees:**

Single card	0.03
Double reply-paid card	0.06
Sheet of 40 cards (uncut)	1.20

1510 International Ancillary Services And Fees

	Fees
1510.1 International Certificate of Mailing	
Regular	
Each	\$1.10
Each, for firm mailing books	\$0.40
For a duplicate copy	\$1.10
Multiple Pieces	
For the first 1,000 pieces	\$6.00
For each additional 1,000 pieces	\$0.70
For a duplicate copy	\$1.10
1510.2 International Registered Mail	\$10.80
1510.3 International Return Receipt	\$2.20
1510.4 International Restricted Delivery	\$4.30

1510.6 Customs Clearance and Delivery Fee	\$5.35

1535 International Reply Coupon Service \$2.10

1540 International Business Reply Mail Service

Card \$0.95

Envelope (up to 2 oz.) \$1.45

First-Class Mail Letters, Flats, and Parcels
Workshare Discounts and Benchmarks

Type of Worksharing	Benchmark	Discount [1]	Cost Differential[2]	Pass-through
First-Class Mail Automation Letters				
Barcoding & Presorting (\$ / piece)				
Automation AADC Letters	Automation Mixed AADC Letters	0.018	0.018	98.0%
Automation 3-digit Letters	Automation AADC Letters	0.005	0.005	105.7%
Automation 5-digit Letters	Automation 3-digit Letters	0.022	0.021	103.3%
First-Class Mail Automation Flats				
Barcoding & Presorting (\$ / piece)				
Automation ADC Flats	Automation Mixed ADC Flats	0.132	0.139	94.8%
Automation 3-digit Flats	Automation ADC Flats	0.091	0.096	95.2%
Automation 5-digit Flats	Automation 3-digit Flats	0.115	0.121	94.9%
First-Class Mail Presorted/Business Parcels				
Barcoding & Presorting (\$ / piece)				
Presort 3-digit Parcels	Presort ADC Parcels	0.060	0.199	30.2%
Presort 5-digit Parcels	Presort 3-digit Parcels	0.147	0.484	30.3%
First-Class Mail Nonautomation Letters & Flats				
Barcoding (\$ / piece)^[3]				
Nonautomation Presort Letters	Automation Mixed AADC Letters	0.025	0.025	98.5%
Qualified Business Reply Mail				
Barcoding				
QBRM	Single Piece Letters 1st Oz. Price	0.023	0.023	98.8%

Notes

[1] Price differentials calculated from prices in Appendix A, Tables 1110, 1115, 1120, 1105

[2] Letters Presorting and Pre-barcoding Cost Differences--Source: USPS-FY07-10 FCM Letters Costs-Final.xls
 Flats Presorting and Pre-barcoding Cost Differences--Source: USPS-FY07-11, FCM Prsrt Flats 07ACRv121807.xls
 QBRM Cost Differences--Source: USPS-FY07-21

[3] Nonautomation Presort Letters price and cost differentials are surcharges over the price and cost of Automation Mixed AADC letters
 Source: USPS-FY07-10 FCM Letters Costs-Final.xls, Tab: NONAUTO MACH SUM

First-Class Mail Postcards
Workshare Discounts and Benchmarks

Type of Worksharing	Benchmark	Discount [1]	Cost Differ- ential[2]	Pass- through
First-Class Mail Automation Cards				
Barcoding & Presorting (\$ / piece)				
Automation AADC Cards	Automation Mixed AADC Cards	0.010	0.010	98.7%
Automation 3-digit Cards	Automation AADC Cards	0.003	0.003	117.5%
Automation 5-digit Cards	Automation 3-digit Cards	0.011	0.011	96.9%
First-Class Mail Nonautomation Cards				
Barcoding (\$ / piece)^[3]				
Nonautomation Presort Cards	Automation Mixed AADC Cards	0.019	0.012	157.2%
Qualified Business Reply Mail				
Barcoding				
QBRM	Single Piece Cards Price	0.023	0.023	98.8%

Notes

- [1] Price differentials calculated from prices in Appendix A, Tables 1110, 1105
- [2] Cards Presorting and Pre-barcoding Cost Differences--Source: USPS-FY07-10 FCM Letters Costs-Final.xls
 QBRM Cost Differences--Source: USPS-FY07-21
- [3] Nonautomation Presort Cards price and cost differentials are surcharges over the price and cost of Automation Mixed AADC cards
 Source: USPS-FY07-10 FCM Letters Costs-Final.xls, Tab: NONAUTO MACH SUM

Standard Mail Letters
Workshare Discounts and Benchmarks

Type of Worksharing	Benchmark	Discount ^[1]	Cost Differential ^[2]	Passthrough
Standard Mail Regular Automation Letters				
Presorting (dollars / piece)				
Automation AADC Letters	Automation Mixed AADC Letters	\$0.013	\$0.0134	97.0%
Automation 3-digit Letters	Automation AADC Letters	\$0.003	\$0.0034	87.5%
Automation 5-digit Letters	Automation 3-digit Letters	\$0.016	\$0.0158	101.6%
Pre-barcoding (dollars / piece)				
Automation Mixed AADC Letters	Nonautomation Machinable Mixed AADC Letters	\$0.014	\$0.0025	557.8%
Standard Mail Regular Nonautomation Letters				
Presorting (dollars / piece)^[3]				
Nonautomation AADC Machinable Letters	Nonautomation Mixed AADC Machinable Letters	\$0.013	See Note [3]	
Nonautomation ADC Nonmachinable Letters	Nonautomation Mixed ADC Nonmachinable Letters	\$0.100	\$0.1001	99.9%
Nonautomation 3-digit Nonmachinable Letters	Nonautomation ADC Nonmachinable Letters	\$0.023	\$0.0230	99.9%
Nonautomation 5-digit Nonmachinable Letters	Nonautomation 3-digit Nonmachinable Letters	\$0.095	\$0.0948	100.2%
Standard Mail Regular Letters				
Drop Ship (dollars / pound)				
DBMC Letters	Origin Letters	\$0.159	\$0.1855	85.7%
DSCF Letters	Origin Letters	\$0.203	\$0.2253	90.1%

Notes

- [1] Source of Discounts: CAPCALC-STD-FY2008.xls, Worksheet "L-F-P New Prices": Benchmark piece or pound rate minus discounted piece or pound rate. Prices also available in Appendix A, Table 1220
- [2] Drop Ship Cost Differences--Source:USPS-FY07-13, STD DEST ENT.xls, Summary page
 Letters Presorting and Pre-barcoding Cost Differences--Source: USPS-FY07-10, STD Letter Costs-Final.xls, Presort Letters Sum page
 Delivery Cost Differences--Source: USPS-FY07-19
- [3] The Postal Service letters mail processing cost model only estimates costs for the combined nonautomation machinable AADC and Mixed AADC categories.

Standard Mail Flats
Workshare Discounts and Benchmarks

Type of Worksharing	Benchmark	Cost		
		Discount ^[1]	Differential ^[2]	Passthrough
Standard Mail Regular Automation Flats				
Presorting (dollars / piece)				
Automation ADC Flats	Automation Mixed ADC Flats	\$0.053	\$0.0661	80.2%
Automation 3-digit Flats	Automation ADC Flats	\$0.036	\$0.0550	65.4%
Automation 5-digit Flats	Automation 3-digit Flats	\$0.061	\$0.1012	60.3%
Pre-barcoding (dollars / piece)				
Automation Mixed ADC Flats	Nonautomation Mixed ADC Flats	\$0.064	\$0.0241	265.2%
Standard Mail Regular Nonautomation Flats				
Presorting (dollars / piece)				
Nonautomation ADC Flats	Nonautomation Mixed ADC Flats	\$0.070	\$0.0699	100.2%
Nonautomation 3-digit Flats	Nonautomation ADC Flats	\$0.032	\$0.0317	100.9%
Nonautomation 5-digit Flats	Nonautomation 3-digit Flats	\$0.085	\$0.0871	97.6%
Standard Mail Regular Flats				
Drop Ship (dollars / pound)				
DBMC Flats	Origin Flats	\$0.159	\$0.1855	85.7%
DSCF Flats	Origin Flats	\$0.203	\$0.2253	90.1%

Notes

- [1] Source of Discounts: CAPCALC-STD-FY2008.xls, Worksheet "L-F-P New Prices": Benchmark piece or pound rate minus discounted piece or pound rate. Prices also available in Appendix A, Table 1225.
- [2] Drop Ship Cost Differences--Source:USPS-FY07-13, STD DEST ENT.xls, Summary page
 Flats Presorting and Pre-barcoding Cost Differences--Source: USPS-FY07-11, Std Reg Flats 07ACRv121807.xls, CRA Adj Unit Costs page (for presorting); Presort Levels Held Constant page (for pre-barcoding)
 Delivery Cost Differences--Source: USPS-FY07-19

**Standard Mail Parcels and NFMs
Workshare Discounts and Benchmarks**

Type of Worksharing	Benchmark	Discount ^[1]	Cost	
			Differential ^[2]	Passthrough
Standard Mail Regular Parcels				
Presorting (dollars / piece)				
BMC Machinable Parcels	Mixed BMC Machinable Parcels	\$0.208	\$0.1794	115.9%
5-digit Machinable Parcels	BMC Machinable Parcels	\$0.399	\$0.3440	116.0%
ADC Irregular Parcels	Mixed ADC Irregular Parcels	\$0.250	\$1.0401	24.0%
3-digit Irregular Parcels	ADC Irregular Parcels	\$0.319	\$1.0401	30.7%
5-digit Irregular Parcels	3-digit Irregular Parcels	\$0.053	\$0.1756	30.2%
Pre-barcoding (dollars / piece)^[3]				
Mixed BMC Machinable Barcoded Parcels	Mixed BMC Machinable Nonbarcoded Parcels	\$0.050	See Note [3]	
Mixed ADC Irregular Barcoded Parcels	Mixed ADC Irregular Nonbarcoded Parcels	\$0.050	See Note [3]	
Standard Mail Regular NFMs				
Presorting (dollars / piece)				
BMC/ADC NFMs (Irregular Parcels)	Mixed BMC/ADC NFMs (Irregular Parcels)	\$0.312	\$1.0401	30.0%
3-digit NFMs (Irregular Parcels)	BMC/ADC NFMs (Irregular Parcels)	\$0.291	\$1.0401	28.0%
5-digit NFMs (Irregular Parcels)	3-digit NFMs (Irregular Parcels)	\$0.061	\$0.1756	34.7%
Pre-barcoding (dollars / piece)^[3]				
Mixed ADC Barcoded NFMs	Mixed ADC Nonbarcoded NFMs	\$0.050	See Note [3]	
Standard Mail Regular Parcels, NFMs				
Drop Ship (dollars / pound)				
DBMC Parcels, NFMs	Origin Parcels, NFMs	\$0.159	\$0.1855	85.7%
DSCF Parcels, NFMs	Origin Parcels, NFMs	\$0.209	\$0.2253	92.8%
DDU Parcels, NFMs	Origin Parcels, NFMs	\$0.331	\$0.2672	123.9%

Notes

- [1] Source of Discounts: CAPCALC-STD-FY2008.xls, Worksheet "L-F-P New Prices": Benchmark piece or pound rate minus discounted piece or pound rate. Prices also available in Appendix A, Table 1230.
- [2] Drop Ship Cost Differences--Source:USPS-FY07-13, STD DEST ENT.xls, Summary page
Parcels / NFMs Presorting Cost Differences--Source: USPS-FY07-12, STD NFM PARCEL.xls, Additional Cost Summary page
Delivery Cost Differences--Source: USPS-FY07-19
- [3] The Postal Service Standard Mail NFM / Parcel mail processing cost model does not estimate costs separately for pre-barcoded and non-barcoded pieces. Based on the cost savings for Parcel Post Parcels, the non-barcoded surcharge for Standard Mail parcels and implies a passthrough of 161.3%

**Standard Mail Carrier Route and High-Density/Saturation
Workshare Discounts and Benchmarks**

Type of Worksharing	Benchmark	Cost		
		Discount ^[1]	Differential ^[2]	Passthrough
Standard Mail Letters, Flats, Parcels				
Drop Ship (dollars / pound)				
DBMC Letters	Origin Letters	0.159	\$0.186	85.7%
DSCF Letters	Origin Letters	0.203	\$0.225	90.1%
DDU Letters	Origin Letters	0.248	\$0.267	92.8%
DBMC Flats	Origin Flats	0.159	\$0.186	85.7%
DSCF Flats	Origin Flats	0.203	\$0.225	90.1%
DDU Flats	Origin Flats	0.248	\$0.267	92.8%
DBMC Parcels	Origin Parcels	0.159	\$0.186	85.7%
DSCF Parcels	Origin Parcels	0.209	\$0.225	92.8%
DDU Parcels	Origin Parcels	0.331	\$0.267	123.9%

Notes

- [1] Source of Discounts: CAPCALC-STD-FY2008.xls, Worksheet "HD-Sat-CR New Prices": Benchmark pound rate minus discounted piece or pound rate. Prices also available in Appendix A, Table 1210. Formulas that calculate the discounts use High-Density/Saturation prices, but discounts apply to Carrier Route also.
- [2] Source: USPS-FY07-13, STD DEST ENT.xls, Summary page

**Standard Mail (Nonprofit) Letters
Workshare Discounts and Benchmarks**

Type of Worksharing	Benchmark	Discount ^[1]	Cost Differential ^[2]	Passthrough
Standard Mail Nonprofit Regular Automation Letters				
Presorting (dollars / piece)				
Automation AADC Letters	Automation Mixed AADC Letters	\$0.013	\$0.0134	97.0%
Automation 3-digit Letters	Automation AADC Letters	\$0.003	\$0.0034	87.5%
Automation 5-digit Letters	Automation 3-digit Letters	\$0.016	\$0.0158	101.6%
Pre-barcoding (dollars / piece)				
Automation Mixed AADC Letters	Nonautomation Machinable Mixed AADC Letters	\$0.014	\$0.0025	557.8%
Standard Mail Nonprofit Regular Nonautomation Letters				
Presorting (dollars / piece)^[3]				
Nonautomation AADC Machinable Letters	Nonautomation Mixed AADC Machinable Letters	\$0.013	See Note [3]	
Nonautomation ADC Nonmachinable Letters	Nonautomation Mixed ADC Nonmachinable Letters	\$0.100	\$0.1001	99.9%
Nonautomation 3-digit Nonmachinable Letters	Nonautomation ADC Nonmachinable Letters	\$0.023	\$0.0230	99.9%
Nonautomation 5-digit Nonmachinable Letters	Nonautomation 3-digit Nonmachinable Letters	\$0.095	\$0.0948	100.2%
Standard Mail Nonprofit Regular Letters				
Drop Ship (dollars / pound)				
DBMC Letters	Origin Letters	0.159	\$0.186	85.7%
DSCF Letters	Origin Letters	0.203	\$0.225	90.1%

Notes

- [1] Source of Discounts: CAPCALC-STD-FY2008.xls, Worksheet "L-F-P New Prices": Benchmark piece or pound rate minus discounted piece or pound rate. Prices also available in Appendix A, Table 1220.
- [2] Drop Ship Cost Differences--Source:USPS-FY07-13, STD DEST ENT.xls, Summary page
Letters Presorting and Pre-barcoding Cost Differences--Source: USPS-FY07-10, STD Letter Costs-Final.xls, Presort Letters Sum page
Delivery Cost Differences--Source: USPS-FY07-19
- [3] The Postal Service letters mail processing cost model only estimates costs for the combined nonautomation machinable AADC and Mixed AADC categories.

Standard Mail (Nonprofit) Flats
Workshare Discounts and Benchmarks

Type of Worksharing	Benchmark	Discount ^[1]	Cost Differential ^[2]	Passthrough
Standard Mail Nonprofit Regular Automation Flats				
Presorting (dollars / piece)				
Automation ADC Flats	Automation Mixed ADC Flats	\$0.053	\$0.0661	80.2%
Automation 3-digit Flats	Automation ADC Flats	\$0.036	\$0.0550	65.4%
Automation 5-digit Flats	Automation 3-digit Flats	\$0.061	\$0.1012	60.3%
Pre-barcoding (dollars / piece)				
Automation Mixed ADC Flats	Nonautomation Mixed ADC Flats	\$0.064	\$0.0241	265.2%
Standard Mail Nonprofit Regular Nonautomation Flats				
Presorting (dollars / piece)				
Nonautomation ADC Flats	Nonautomation Mixed ADC Flats	\$0.070	\$0.0699	100.2%
Nonautomation 3-digit Flats	Nonautomation ADC Flats	\$0.032	\$0.0317	100.9%
Nonautomation 5-digit Flats	Nonautomation 3-digit Flats	\$0.085	\$0.0871	97.6%
Standard Mail Nonprofit Regular Flats				
Drop Ship (dollars / pound)				
DBMC Flats	Origin Flats	0.159	\$0.186	85.7%
DSCF Flats	Origin Flats	0.203	\$0.225	90.1%

Notes

- [1] Source of Discounts: CAPCALC-STD-FY2008.xls, Worksheet "L-F-P New Prices": Benchmark piece or pound rate minus discounted piece or pound rate. Prices also available in Appendix A, Table 1225.
- [2] Drop Ship Cost Differences--Source:USPS-FY07-13, STD DEST ENT.xls, Summary page
 Flats Presorting and Pre-barcoding Cost Differences--Source: USPS-FY07-11, Std Reg Flats 07ACRv121807.xls, CRA Adj Unit Costs page (for presorting); Presort Levels Held Constant page (for pre-barcoding)
 Delivery Cost Differences--Source: USPS-FY07-19

**Standard Mail (Nonprofit) Parcels and NFMs
Workshare Discounts and Benchmarks**

Type of Worksharing	Benchmark	Discount ^[1]	Cost	
			Differential ^[2]	Passthrough
Standard Mail Nonprofit Regular Parcels				
Presorting (dollars / piece)				
BMC Machinable Parcels	Mixed BMC Machinable Parcels	0.208	\$0.1794	115.9%
5-digit Machinable Parcels	BMC Machinable Parcels	0.399	\$0.3440	116.0%
ADC Irregular Parcels	Mixed ADC Irregular Parcels	0.250	\$1.0401	24.0%
3-digit Irregular Parcels	ADC Irregular Parcels	0.319	\$1.0401	30.7%
5-digit Irregular Parcels	3-digit Irregular Parcels	0.053	\$0.1756	30.2%
Pre-barcoding (dollars / piece)^[3]				
Mixed BMC Machinable Barcoded Parcels	Mixed BMC Machinable Nonbarcoded Parcels	0.050	See Note [3]	
Mixed ADC Irregular Barcoded Parcels	Mixed ADC Irregular Nonbarcoded Parcels	0.050	See Note [3]	
Standard Mail Nonprofit Regular NFMs				
Presorting (dollars / piece)				
BMC/ADC Machinable Parcels	Mixed BMC/ADC Machinable Parcels	0.312	\$1.0401	30.0%
3-digit NFMs	BMC/ADC Machinable Parcels	0.291	\$1.0401	28.0%
5-digit NFMs	3-digit NFMs	0.061	\$0.1756	34.7%
Pre-barcoding (dollars / piece)^[3]				
Mixed ADC Barcoded NFMs	Mixed ADC Nonbarcoded NFMs	0.050	See Note [3]	
Standard Mail Nonprofit Regular Parcels, NFMs				
Drop Ship (dollars / pound)				
DBMC Parcels, NFMs	Origin Parcels, NFMs	0.159	\$0.186	85.7%
DSCF Parcels, NFMs	Origin Parcels, NFMs	0.209	\$0.225	92.8%
DDU Parcels, NFMs	Origin Parcels, NFMs	0.331	\$0.267	123.9%

[1] Source of Discounts: CAPCALC-STD-FY2008.xls, Worksheet "L-F-P New Prices": Benchmark piece or pound rate minus discounted piece or pound rate. Prices also available in Appendix A, Table 1230.

[2] Drop Ship Cost Differences--Source:USPS-FY07-13, STD DEST ENT.xls, Summary page
Parcels / NFMs Presorting Cost Differences--Source: USPS-FY07-12, STD NFM PARCEL.xls, Additional Cost Summary page
Delivery Cost Differences--Source: USPS-FY07-19

[3] The Postal Service Standard Mail NFM / Parcel mail processing cost model does not estimate costs separately for pre-barcoded and non-barcoded pieces. Based on the cost savings for Parcel Post Parcels, the non-barcoded surcharge for Standard Mail parcels and NFMs implies a passthrough of 161.3%

**Standard Mail (Nonprofit) Carrier Route and High-Density/Saturation
Workshare Discounts and Benchmarks**

Type of Worksharing	Benchmark	Discount ^[1]	Cost Differential ^[2]	Passthrough
Standard Mail Nonprofit Letters, Flats, Parcels				
Drop Ship (dollars / pound)				
DBMC Letters	Origin Letters	0.159	\$0.186	85.7%
DSCF Letters	Origin Letters	0.203	\$0.225	90.1%
DDU Letters	Origin Letters	0.248	\$0.267	92.8%
DBMC Flats	Origin Flats	0.159	\$0.186	85.7%
DSCF Flats	Origin Flats	0.203	\$0.225	90.1%
DDU Flats	Origin Flats	0.248	\$0.267	92.8%
DBMC Parcels	Origin Parcels	0.159	\$0.186	85.7%
DSCF Parcels	Origin Parcels	0.209	\$0.225	92.8%
DDU Parcels	Origin Parcels	0.331	\$0.267	123.9%

Notes

- [1] Source of Discounts: CAPCALC-STD-FY2008.xls, Worksheet "HD-Sat-CR New Prices": Benchmark pound rate minus discounted piece or pound rate. Prices also available in Appendix A, Table 1210. Formulas that calculate the discounts use High-Density/Saturation prices, but discounts apply to Carrier Route also.
- [2] Source: USPS-FY07-13, STD DEST ENT.xls, Summary page

**Periodicals Within County Mail
Workshare Discounts and Benchmarks**

Type of Worksharing	Benchmark	Discount / Surcharge [1]	Cost Differential [2]	Pass- through
Periodicals Within County Mail				
Presorting (dollars / piece)				
3-Digit Presort	Basic Presort	\$0.012	\$0.078	15.4%
5-Digit Presort	3-Digit Presort	\$0.012	\$0.113	10.6%
CR Basic	5-Digit Presort	\$0.044	\$0.107	41.0%
High Density	CR Basic	\$0.015	\$0.025	60.7%
Saturation	CR Basic	\$0.028	\$0.020	138.0%
3-Digit Automation Letter	Basic Automation Letter	\$0.009	\$0.010	91.0%
5-Digit Automation Letter	3-Digit Automation Letter	\$0.002	\$0.016	12.7%
Pre-barcoding (dollars / piece)				
Basic Automation Flats	Basic Nonautomation	\$0.015	\$0.094	15.9%
3-Digit Automation Flats	3-Digit Nonautomation	\$0.011	\$0.058	19.1%
5-Digit Automation Flats	5-Digit Nonautomation Flats	\$0.006	\$0.014	42.5%
Dropship (dollars/piece)				
DDU Dropship	All other zones	\$0.008	\$0.016	48.6%

Notes

[1] Price differentials calculated from prices in Appendix A, Table 1305.

[2] Postal Service cost models do not provide cost data specific to Within County. This table provides cost differences based on adjusted Outside County costs. Adjustment methodology is discussed below.
 The piece cost for the Basic Nonauto are the direct mail processing piece costs from to Outside County Periodicals USPS FY07-11, ADC bundles plus the Periodicals delivery costs from USPS FY07-19 with machinable and non-machinable weighted together using Outside County ADC non-barcoded Piece volumes.
 The piece cost for the 3-Digit Nonauto are the direct mail processing piece costs from to Outside County Periodicals 3D bundles plus the Periodicals delivery costs from exhibit 19 with machinable and non-machinable weighted together using Outside County 3D non-barcoded Piece volumes.
 The piece cost for the 5-Digit Nonauto are the direct mail processing piece costs from to Outside County Periodicals 5D bundles plus the Periodicals delivery costs from exhibit 19 with machinable and non-machinable weighted together using Outside County 5D non-barcoded Piece volumes.
 The piece cost for the Basic Auto are the direct mail processing piece costs from to Outside County Periodicals ADC bundles plus the Periodicals delivery costs from exhibit 19 with machinable and non-machinable weighted together using Outside County ADC barcoded Piece volumes.
 The piece cost for the 3-Digit Auto are the direct mail processing piece costs from to Outside County Periodicals 3D bundles plus the Periodicals delivery costs from exhibit 19 with machinable and non-machinable weighted together using Outside County 3D barcoded Piece volumes.
 The piece cost for the 5-Digit Auto are the direct mail processing piece costs from to Outside County Periodicals 5D bundles plus the Periodicals delivery costs from exhibit 19 with machinable and non-machinable weighted together using Outside County 5D barcoded Piece volumes.

**Periodicals Outside County
Workshare Discounts and Benchmarks**

Type of Worksharing	Benchmark	Discount / Surcharge [1]	Cost Differential [2]	Pass- through
Periodicals Outside County Mail				
Presorting (dollars / piece)				
Machinable Nonautomation ADC Flats	Machinable Nonautomation MADC Flats	\$0.063	\$0.056	112.9%
Machinable Nonautomation 3D/SCF Flats	Machinable Nonautomation ADC Flats	\$0.023	\$0.024	94.1%
Machinable Nonautomation 5D Flats	Machinable Nonautomation 3D/SCF Flats	\$0.074	\$0.067	110.1%
CR Basic	Machinable Nonautomation 5D Flats	\$0.110	\$0.095	116.0%
High Density	CR Basic	\$0.021	\$0.025	85.0%
Saturation	High Density	\$0.018	\$0.020	88.7%
Machinable Automation ADC Flats	Machinable Automation MADC Flats	\$0.056	\$0.047	118.6%
Machinable Automation 3D/SCF Flats	Machinable Automation ADC Flats	\$0.019	\$0.021	88.9%
Machinable Automation 5D Flats	Machinable Automation 3D/SCF Flats	\$0.065	\$0.058	111.8%
Nonmachinable Nonauto ADC Flats	Nonmachinable Nonauto MADC Flats	\$0.105	\$0.094	112.2%
Nonmachinable Nonauto 3D/SCF Flats	Nonmachinable Nonauto ADC Flats	\$0.061	\$0.063	96.8%
Nonmachinable Nonauto 5D Flats	Nonmachinable Nonauto 3D/SCF Flats	\$0.086	\$0.147	58.6%
Nonmachinable Automation ADC Flats	Nonmachinable Automation MADC Flats	\$0.095	\$0.084	112.7%
Nonmachinable Automation 3D/SCF Flats	Nonmachinable Automation ADC Flats	\$0.051	\$0.054	94.8%
Nonmachinable Automation 5D Flats	Nonmachinable Automation 3D/SCF Flats	\$0.080	\$0.112	71.2%
ADC Automation Letter	Mixed ADC Automation Letter	\$0.039	\$0.013	290.9%
3-Digit Automation Letter	ADC Automation Letter	\$0.015	\$0.003	437.3%
5-Digit Automation Letter	3-Digit Automation Letter	\$0.066	\$0.016	418.9%

[1] Price differentials calculated from prices in Appendix A, Table 1310.

[2] Presorting and Pre-barcoding Cost Differences--Sources: USPS-FY07-11 spreadsheet errata, PER OC flats 07ACRv011508 errata.xls

Cost differentials are based on mail processing and delivery costs. - Delivery costs for Periodicals flats are not calculated for Carrier Route & Non-Carrier Route pieces.

Also mail processing costs for Carrier Route High Density and Saturation Mail is not calculated for Periodicals flats. This table provides information with Proxy data for delivery from USPS-FY-07-19, UDC Model 07211.xls, 1. Table 1. High Density and Saturation Cost Differential are based on Delivery Cost Differential only.

Letters Presorting and Pre-barcoding Cost Differences--Source: USPS-FY07-10, STD Letter Costs-Final.xls, Presort Letters Sum page

Periodicals Bundle and Container Pricing[1]

Bundle Pricing by Container Level

Container Level	Bundle Level	Price [2]	Bottom-up Cost	Price as Percent of Cost
Mixed ADC	MADC	\$0.103	\$0.363	28.4%
	ADC	\$0.133	\$0.584	22.8%
	3-D/SCF	\$0.138	\$0.633	21.8%
	5-D	\$0.166	\$0.599	27.7%
	Firm Bundle	\$0.081	\$0.718	11.3%
ADC	ADC	\$0.039	\$0.225	17.4%
	3-D/SCF	\$0.065	\$0.353	18.4%
	5-D	\$0.098	\$0.317	30.9%
	CR	\$0.107	\$0.451	23.7%
	Firm Bundle	\$0.049	\$0.446	11.0%
3-D/SCF	3-D/SCF	\$0.040	\$0.217	18.4%
	5-D	\$0.086	\$0.276	31.1%
	CR	\$0.098	\$0.414	23.7%
	Firm Bundle	\$0.046	\$0.407	11.3%
5-D/CR	5-D	\$0.008	\$0.184	4.4%
	CR	\$0.040	\$0.184	21.8%
	Firm Bundle	\$0.028	\$0.183	15.3%

Notes

[1] Based on Docket No. R2006-1, PRC-LR-14. Outside County Periodicals bundle and container rates were developed by passing through part of the respective costs, not cost differentials.

Bundle & Container Cost --Sources: USPS-FY07-10 FCM Letters Costs-Final.xls,

[2] Prices from Appendix A, Table 1310

Periodicals Bundle and Container Pricing[1]

Sack Pricing by Entry Point

Sack Level	Entry Point	Price [2]	Bottom-up Cost	Price as Percent of Cost
Mixed ADC				
	OSCF	\$0.432	\$2.29	18.8%
	OADC	\$0.432	\$1.90	22.7%
ADC				
	OSCF	\$1.853	\$5.27	35.2%
	OADC	\$1.853	\$5.13	36.1%
	OBMC	\$1.853	\$4.53	40.9%
	DBMC	\$1.132	\$3.40	33.3%
	DADC	\$0.618	\$1.90	32.5%
3-D/SCF				
	OSCF	\$1.956	\$5.64	34.7%
	OADC	\$1.956	\$5.38	36.4%
	OBMC	\$1.956	\$4.70	41.6%
	DBMC	\$1.236	\$3.50	35.3%
	DADC	\$1.030	\$2.95	34.9%
	DSCF	\$0.618	\$1.90	32.5%
5-D/CR				
	OSCF	\$2.306	\$7.09	32.5%
	OADC	\$2.306	\$6.52	35.3%
	OBMC	\$2.306	\$5.88	39.2%
	DBMC	\$1.544	\$4.72	32.7%
	DADC	\$1.338	\$4.07	32.9%
	DSCF	\$0.927	\$3.10	29.9%
	DDU	\$0.721	\$2.10	34.3%

Notes

[1] Bundle & Container Cost --Sources: USPS-FY07-10 FCM Letters Costs-Final.xls,

[2] Prices from Appendix A, Table 1310

Periodicals Bundle and Container Pricing[1]

Pallet Pricing by Entry Point

Pallet Level	Entry Point	Price [2]	Bottom-up Cost	Price as Percent of Cost
ADC	OSCF	\$19.161	\$57.61	33.3%
	OADC	\$19.161	\$51.45	37.2%
	OBMC	\$19.161	\$45.43	42.2%
	DBMC	\$13.385	\$37.81	35.4%
	DADC	\$9.163	\$19.97	45.9%
3-D/SCF	OSCF	\$23.660	\$69.88	33.9%
	OADC	\$23.660	\$64.93	36.4%
	OBMC	\$23.660	\$54.30	43.6%
	DBMC	\$14.826	\$42.08	35.2%
	DADC	\$12.561	\$36.56	34.4%
	DSCF	\$6.898	\$19.59	35.2%
5-D/CR	OSCF	\$27.748	\$88.79	31.3%
	OADC	\$27.748	\$77.94	35.6%
	OBMC	\$27.748	\$68.23	40.7%
	DBMC	\$18.018	\$56.92	31.7%
	DADC	\$15.959	\$53.67	29.7%
	DSCF	\$8.237	\$36.38	22.6%
	DDU	\$1.236	\$3.55	34.8%

Notes

[1] Bundle & Container Cost --Sources: USPS-FY07-10 FCM Letters Costs-Final.xls,

[2] Prices from Appendix A, Table 1310

**Media Mail and Library Mail
Workshare Discounts and Benchmarks**

Type of Worksharing	Benchmark	Discount ^[1]	Cost Differential ^[2]	Passthrough
Media Mail				
Presorting (dollars / piece)				
Basic	Single Piece	0.33	0.3343	98.7%
5-digit	Basic	0.48	0.1816	264.3%
Pre-barcoding (dollars / piece)				
Single Piece Barcoded	Single Piece Non-barcoded	0.03	0.031	96.8%
Library Mail				
Presorting (dollars / piece)				
Basic	Single Piece	0.31	0.3343	92.7%
5-digit	Basic	0.46	0.1816	253.3%
Pre-barcoding (dollars / piece)				
Single Piece Barcoded	Single Piece Non-barcoded	0.03	0.031	96.8%

Notes

- [1] Source of Discounts: CAPCALC-PSVC-FY2008.xls, Worksheet "MM & LM New Prices": Benchmark first pound rate element minus workshared first pound rate element. Prices also available in Appendix A, Table 1425.
- [2] Presorting Cost Differences--Source:USPS-FY07-15, Media Mail MP.xls, Summary page
Pre-barcoding Cost Differences--Source:USPS-FY07-15, Parcel Post MP.xls, Summary page

Bound Printed Matter Flats
Workshare Discounts and Benchmarks

Type of Worksharing	Benchmark	Discount ¹	Cost Differential ²	Pass-through
BPM Flats				
Presorting (dollars / piece)³				
Basic Flats	Single Piece Flats	0.347	See Note [3]	
Carrier Route Flats	Basic Flats	0.107	0.1069	100.1%
Presorting (dollars / pound)³				
Basic, Carrier Route Flats	Single Piece Flats			
Zones 1&2	Zones 1&2	0.054	See Note [3]	
Zone 3	Zone 3	0.051	See Note [3]	
Zone 4	Zone 4	0.051	See Note [3]	
Zone 5	Zone 5	0.052	See Note [3]	
Zone 6	Zone 6	0.053	See Note [3]	
Zone 7	Zone 7	0.050	See Note [3]	
Zone 8	Zone 8	0.053	See Note [3]	
Pre-barcoding (dollars / piece)⁴				
Single Piece Automatable Flats	Single Piece Nonautomatable Flats	0.030	See Note [4]	
Basic Automatable Flats	Basic Nonautomatable Flats	0.030	See Note [4]	
Carrier Route Automatable Flats	Carrier Route Nonautomatable Flats	0.030	See Note [4]	
Drop Ship (dollars / piece)				
Basic, Carrier Route DBMC Flats	Basic Origin Flats	0.270	0.1873	144.2%
Basic, Carrier Route DSCF Flats	Basic Origin Flats	0.660	0.5728	115.2%
Basic, Carrier Route DDU Flats	Basic Origin Flats	0.744	0.7436	100.1%

Notes

- [1] Source of Discounts: CAPCALC-PSVC-FY2008.xls, Worksheets "New BPM SP Flats Prices" and "New BPM Presort Flats Prices." Benchmark piece or pound rate element minus workshared piece or pound rate element. Prices also available in Appendix A, Table 1415.
- [2] Presorting Cost Differences (Per Piece)--Source:USPS-FY07-15, BPM MP.xls, Results page
 Drop Ship Cost Differences (Per Piece)--Source:USPS-FY07-15, BPM MP.xls, Results page
 Pre-barcoding Cost Differences (Parcels/IPPS)--Source:USPS-FY07-15, Parcel Post MP.xls, Summary page
 Drop Ship Cost Differences (Per Pound)--Source:USPS-FY07-16, BPM TRANS.xls, Cost-Sum page
- [3] The BPM cost model does not estimate cost differences between single piece and presorted BPM. Single piece BPM is a residual category with low volume and adequate data are not available. Previously, rate differences between single piece and presorted BPM were based on an assumption that unit mail processing costs for single piece BPM were twice that of presorted BPM. See Docket No R2006-1, USPS-T-38, p. 8.
- [4] Separate estimates of pre-barcoding cost savings are not available for BPM flats. Based on the cost savings for Parcel Post parcels, the pre-barcoding discount for BPM flats implies a passthrough of 96.8%

**Bound Printed Matter Parcels
Workshare Discounts and Benchmarks**

Type of Worksharing	Benchmark	Discount ^[1]	Cost Differential ^[2]	Pass-through
BPM Parcels / IPPs				
Presorting (dollars / piece)^[3]				
Basic Parcels / IPPs	Single Piece Parcels / IPPs	0.447	See Note [3]	
Carrier Route Parcels / IPPs	Basic Parcels / IPPs	0.107	0.1069	100.1%
Presorting (dollars / pound)^[3]				
Basic, Carrier Route Parcels / IPPs Zones 1&2	Single Piece Parcels / IPPs Zones 1&2	0.053	See Note [3]	
Zone 3	Zone 3	0.050	See Note [3]	
Zone 4	Zone 4	0.050	See Note [3]	
Zone 5	Zone 5	0.051	See Note [3]	
Zone 6	Zone 6	0.052	See Note [3]	
Zone 7	Zone 7	0.049	See Note [3]	
Zone 8	Zone 8	0.052	See Note [3]	
Pre-barcoding (dollars / piece)				
Single Piece Barcoded Parcels / IPPs	Single Piece Nonbarcoded Parcels / IPPs	0.03	0.031	96.8%
Basic Barcoded Parcels / IPPs	Basic Nonbarcoded Parcels / IPPs	0.03	0.031	96.8%
Carrier Route Barcoded Parcels / IPPs	Carrier Route Nonbarcoded Parcels / IPPs	0.03	0.031	96.8%
Drop Ship (dollars / piece)				
Basic, Carrier Route DBMC Parcels/IPP	Basic Origin Parcels / IPPs	0.274	0.1873	146.3%
Basic, Carrier Route DSCF Parcels/IPP	Basic Origin Parcels / IPPs	0.648	0.5728	113.1%
Basic, Carrier Route DDU Parcels/IPP	Basic Origin Parcels / IPPs	0.819	0.7436	110.1%

Notes

- [1] Source of Discounts: CAPCALC-PSVC-FY2008.xls, Worksheets "New BPM SP Parcels Prices" and "New BPM Presort Parcels Prices." Benchmark piece or pound rate element minus workshared piece or pound rate element. Prices also available in Appendix A, Table 1420.
- [2] Presorting Cost Differences (Per Piece)--Source:USPS-FY07-15, BPM MP.xls, Results page
Drop Ship Cost Differences (Per Piece)--Source:USPS-FY07-15, BPM MP.xls, Results page
Pre-barcoding Cost Differences (Parcels/IPP)--Source:USPS-FY07-15, Parcel Post MP.xls, Summary page
Drop Ship Cost Differences (Per Pound)--Source:USPS-FY07-16, BPM TRANS.xls, Cost-Sum page
- [3] The BPM cost model does not estimate cost differences between single piece and presorted BPM. Single piece BPM is a residual category with low volume and adequate data are not available. Previously, rate differences between single piece and presorted BPM were based on an assumption that unit mail processing costs for single piece BPM were twice that of presorted BPM. See Docket No R2006-1, USPS-T-38, p. 8.

FIRST-CLASS MAIL

1125 Outbound Single-Piece First-Class Mail International

Outbound Single-Piece First-Class Mail International are consists of outbound international mailpieces that are subject to the provisions of the Universal Postal Union Convention and encompass all of the items of international letter-post mail (i.e., letter and letter packages, postcards, printed matter, and small packets). Matter containing personal information, partially or wholly hand-written or typewritten matter, or bills or statements of account must be mailed as First-Class Mail International unless mailed as Global Express Guaranteed, Express Mail International, Priority Mail flat-rate envelope, International Priority Airlift or International Surface ~~Airlift~~ Airmail. First-Class Mail International is sealed against postal inspection and shall not be opened except as authorized by law. It is entitled to be returned to the sender or forwarded as specified in the International Mail Manual.

Size and Weight for Postcards:

	Length	Height	Thickness	Weight
Minimum	5.5 inches	3.5 inches	0.007 inch	none
Maximum	6 inches	4.25 inches	0.016 inch	not applicable

Size and Weight for Letters /Small Packets / Packages:

	Length	Height	Thickness	Weight
Minimum	5.5 inches	3.5 inches	0.007 inch	none
	Length	Length plus height plus thickness		Weight
Maximum	24 inches	36 inches or less		4 pounds

Size and Weight for Letters:

	Length	Height	Thickness	Weight
Minimum	5.5 inches	3.5 inches	0.007 inch	none
Maximum	11.5 inches	6.125 inches	0.25 inch	3.5 ounces

Size and Weight for Large Envelopes (Flats):

	Length	Height	Thickness	Weight
Minimum ¹	11.5 inches	6.125 inches	0.25 inch	none
	Length	Height	Thickness	Weight
Maximum	15 inches	12 inches	0.75 inch	4 pounds

¹ Every minimum dimension does not have to be met; only one does.

Appendix C, Mail Classification Schedule Changes

Size and Weight for Packages (Small Packets):

	<u>Length</u>	<u>Height</u>	<u>Thickness</u>	<u>Weight</u>
<u>Minimum</u>	<u>Large enough to accommodate postage, address and other required elements on the address side.</u>			<u>none</u>
	<u>Length</u>	<u>Length plus height plus thickness</u>		<u>Weight</u>
<u>Maximum</u>	<u>24 inches</u>	<u>36 inches</u>		<u>4 pounds</u>

Size and Weight for Rolls:

	<u>Length</u>	<u>Length plus twice the diameter</u>	<u>Weight</u>
<u>Minimum</u>	<u>4 inches</u>	<u>6.75 inches</u>	<u>none</u>
<u>Maximum</u>	<u>36 inches</u>	<u>42 inches</u>	<u>4 pounds</u>

Minimum Volume: None

Price Categories:

Postcards – Postcards must be rectangular, made of cardboard or paper, and meet other requirements as specified in the International Mail Manual.

- Canada and Mexico
- ~~Marshall Islands and Micronesia~~
- All Other Countries

Machinable Letters / ~~Small Packets~~ – ~~Weigh 13 ounces or less and m~~ Meet the machinability and other requirements specified in the International Mail Manual. ~~Also includes rolls.~~

- | | |
|---|---|
| <ul style="list-style-type: none"> • Price Group 1 • Price Group 2 • Price Group 3 • Price Group 4 • Price Group 5 | <ul style="list-style-type: none"> • Price Group 6 • <u>Price Group 7</u> • <u>Price Group 8</u> • <u>Price Group 9</u> |
|---|---|

Nonmachinable Letters / ~~Small Packets~~ – ~~Weigh 1 ounce or less and f~~ Fail to meet the machinability requirements specified in the International Mail Manual, regardless of weight.

Large Envelopes (Flats) – Meet the machinability and other requirements specified in the International Mail Manual.

- | | |
|--|--|
| <ul style="list-style-type: none"> • <u>Price Group 1</u> • <u>Price Group 2</u> • <u>Price Group 3</u> • <u>Price Group 4</u> • <u>Price Group 5</u> | <ul style="list-style-type: none"> • <u>Price Group 6</u> • <u>Price Group 7</u> • <u>Price Group 8</u> • <u>Price Group 9</u> |
|--|--|

Appendix C, Mail Classification Schedule Changes

Packages (Small Packets) – ~~Weigh more than 13 ounces and m~~ Meet the preparation and other requirements specified in the International Mail Manual. Also includes rolls.

- Price Group 1
- Price Group 2
- Price Group 3
- Price Group 4
- Price Group 5
- Price Group 6
- Price Group 7
- Price Group 8
- Price Group 9

Undeliverable Mail of Domestic Origin – Establishes a fee equal to the applicable outbound Single-Piece First-Class Mail International price plus any other charges including charges assessed by foreign postal administrations for undeliverable as addressed mail on which outbound postage was not paid to the Postal Service.

Optional Features:

International Ancillary Services

- International Certificate of Mailing
- International Registered Mail
- International Restricted Delivery
- International Return Receipt

PERIODICALS

1310 Outside-County

All Periodicals mail not qualifying as In-County mail pays Outside-County prices. Certain Outside-County mail of limited circulation qualifies for a discount as authorized by law. Some publications are separately authorized as Nonprofit, Classroom, or Science-of-Agriculture publications, as specified in the Domestic Mail Manual. Nonprofit publications are entered by eligible nonprofit organizations or other entities. Classroom publications are religious, educational, or scientific publications designed specifically for use in school classrooms or religious instruction classes. Nonprofit and Classroom publications qualify for a discount on all components of postage except the advertising pound rate, as authorized by law and as specified in the Domestic Mail Manual. Science of Agriculture publications that meet the rural area distribution requirements to qualify for lower advertising pound rates, as authorized by law and as specified in the Domestic Mail Manual.

Country Price Group List for International Mail

Country	Market-Dominant SPFCMI ¹	Competitive			IPA & ISAL ⁵
		International Expedited Services		International Packages	
		GXG ²	EMI ³	PMI ⁴	
A					
Afghanistan	<u>6</u> 5	6	-	<u>6</u> 5	8
Albania	<u>4</u> 5	4	4	4	5
Algeria	<u>8</u> 5	<u>4</u> =	8	8	8
Andorra	<u>5</u> 3	5	5	5	3
Angola	<u>7</u> 5	4	7	7	8
Anguilla	<u>9</u> 5	7	9	9	6
Antigua & Barbuda	<u>9</u> 5	7	-	9	6
Argentina	<u>9</u> 5	8	9	9	6
Armenia	<u>4</u> 5	4	4	4	8
Aruba	<u>9</u> 5	7	9	9	6
Ascension	<u>7</u> 5	-	-	-	5
Australia	<u>3</u> 4	6	3	3	9
Austria	<u>5</u> 3	5	5	5	3
Azerbaijan	<u>4</u> 5	4	4	4	8
B					
Bahamas	<u>9</u> 5	7	9	9	6
Bahrain	<u>8</u> 5	6	8	8	8
Bangladesh	<u>6</u> 5	6	6	6	8
Barbados	<u>9</u> 5	7	9	9	6
Belarus	<u>4</u> 5	4	4	4	5
Belgium	<u>5</u> 3	3	5	5	3
Belize	<u>9</u> 5	8	9	9	6
Benin	<u>7</u> 5	4	7	7	8
Bermuda	<u>9</u> 5	7	9	9	6
Bhutan	<u>6</u> 5	6	6	6	8
Bolivia	<u>9</u> 5	8	9	9	6
Bosnia-Herzegovina	<u>4</u> 5	4	4	4	5
Botswana	<u>7</u> 5	4	7	7	8
Brazil	<u>9</u> 5	8	9	9	6
British Virgin Islands	<u>9</u> 5	7	-	9	6
Brunei Darussalam	<u>6</u> 5	4	6	6	7
Bulgaria	<u>4</u> 5	4	4	4	5
Burkina Faso	<u>7</u> 5	4	7	7	8
Burma (Myanmar)	<u>6</u> 5	-	<u>-</u> 6	6	8
Burundi	<u>7</u> 5	4	7	7	8
C					
Cambodia	<u>6</u> 5	8	6	6	7
Cameroon	<u>7</u> 5	4	7	7	8
Canada	1	1	1	1	1
Cape Verde	<u>7</u> 5	4	7	7	8
Cayman Islands	<u>9</u> 5	7	9	9	6
Central African	<u>7</u> 5	-	7	7	8

Appendix C, Mail Classification Schedule Changes

Country	Market-Dominant SPFCMI ¹	Competitive				IPA & ISAL ⁵
		International Expedited Services		International Packages		
		GXG ²	EMI ³	PMI ⁴		
Republic						
Chad	<u>7</u> 5	4	7	7	8	
Chile	<u>9</u> 5	8	9	9	6	
China	<u>3</u> 5	6	3	3	7	
Colombia	<u>9</u> 5	8	9	9	6	
Comoros	<u>7</u> 5	-	-	7	8	
Congo, Democratic Republic of the	<u>7</u> 5	4	7	7	8	
Congo, Republic of the	<u>7</u> 5	4	7	7	8	
Costa Rica	<u>9</u> 5	8	9	9	6	
Cote d'Ivoire (Ivory Coast)	<u>7</u> 5	4	7	7	8	
Croatia	<u>4</u> 5	4	4	4	5	
Cuba	<u>9</u> 5	-	-	-	6	
Cyprus	<u>4</u> 5	6	4	4	8	
Czech Republic	<u>4</u> 5	4	4	4	5	
D						
Denmark	<u>5</u> 3	5	5	5	3	
Djibouti	<u>7</u> 5	4	7	7	8	
Dominica	<u>9</u> 5	7	9	9	6	
Dominican Republic	<u>9</u> 5	7	9	9	6	
E						
Ecuador	<u>9</u> 5	8	9	9	6	
Egypt	<u>8</u> 5	6	8	8	8	
El Salvador	<u>9</u> 5	8	9	9	6	
Equatorial Guinea	<u>7</u> 5	- 4	7	7	8	
Eritrea	<u>7</u> 5	4	7	7	8	
Estonia	<u>4</u> 5	4	4	4	5	
Ethiopia	<u>8</u> 5	4	8	8	8	
F						
Falkland Islands	<u>9</u> 5	-	-	-	6	
Faroe Islands	<u>5</u> 3	5	5	5	5	
Fiji	<u>6</u> 5	8	6	6	7	
Finland	<u>5</u> 3	5	5	5	3	
France	<u>5</u> 3	3	5	5	3	
French Guiana	<u>9</u> 5	8	9	9	6	
French Polynesia	<u>6</u> 5	4	6	6	7	
G						
Gabon	<u>7</u> 5	4	7	7	8	
Gambia	<u>7</u> 5	4	-	7	8	
Georgia, Republic of	<u>4</u> 5	4	4	4	8	
Germany	<u>5</u> 3	3	5	5	3	
Ghana	<u>7</u> 5	4	7	7	8	
Gibraltar	<u>5</u> 3	4	-	5	3	

Appendix C, Mail Classification Schedule Changes

Country	Market-Dominant SPFCMI ¹	Competitive				IPA & ISAL ⁵
		International Expedited Services		International Packages		
		GXG ²	EMI ³	PMI ⁴		
Great Britain and Northern Ireland	<u>5</u> 3	3	5	5	3	
Greece	<u>5</u> 3	5	5	5	3	
Greenland	<u>5</u> 3	5	-	<u>5</u> 4	3	
Grenada	<u>9</u> 5	7	9	9	6	
Guadeloupe	<u>9</u> 5	7	9	9	6	
Guatemala	<u>9</u> 5	8	9	9	6	
Guinea	<u>7</u> 5	4	7	7	8	
Guinea-Bissau	<u>7</u> 5	-	7	7	8	
Guyana	<u>9</u> 5	8	9	9	6	
H						
Haiti	<u>9</u> 5	7	9	9	6	
Honduras	<u>9</u> 5	8	9	9	6	
Hong Kong	<u>3</u> 5	3	3	3	7	
Hungary	<u>4</u> 5	4	4	4	5	
I						
Iceland	<u>5</u> 3	5	5	5	3	
India	<u>6</u> 5	6	6	6	8	
Indonesia	<u>6</u> 5	6	6	6	7	
Iran	<u>8</u> 5	-	-	8	8	
Iraq	<u>8</u> 5	6	8	8	8	
Ireland (Eire)	<u>5</u> 3	3	5	5	3	
Israel	<u>8</u> 3	6	8	8	3	
Italy	<u>5</u> 3	3	5	5	3	
J						
Jamaica	<u>9</u> 5	7	9	9	6	
Japan	<u>3</u> 4	3	3	3	4	
Jordan	<u>8</u> 5	6	8	8	8	
K						
Kazakhstan	<u>6</u> 5	4	6	6	8	
Kenya	<u>7</u> 5	4	7	7	8	
Kiribati	<u>6</u> 5	-	-	6	7	
Korea, Democratic People's Republic of (North)	<u>6</u> 5	-	-	-	7	
Korea, Republic of (South)	<u>3</u> 5	6	3	3	7	
Kuwait	<u>8</u> 5	6	8	8	8	
Kyrgyzstan	<u>6</u> 5	4	6	6	5	
L						
Laos	<u>6</u> 5	8	6	6	7	
Latvia	<u>4</u> 5	4	4	4	5	
Lebanon	<u>8</u> 5	6	-	8	8	
Lesotho	<u>7</u> 5	4	7	7	8	
Liberia	<u>7</u> 5	4	7	7	8	

Appendix C, Mail Classification Schedule Changes

Country	Market-Dominant SPFCMI ¹	Competitive			
		International Expedited Services		International Packages	IPA & ISAL ⁵
		GXG ²	EMI ³	PMI ⁴	
Libya	<u>8</u> 5	-	-	8	8
Liechtenstein	<u>5</u> 3	5	5	5	3
Lithuania	<u>4</u> 5	4	4	4	5
Luxembourg	<u>5</u> 3	3	5	5	3
M					
Macao	<u>6</u> 5	3	6	6	5
Macedonia, Republic of	<u>4</u> 5	4	4	4	5
Madagascar	<u>7</u> 5	4	7	7	8
Malawi	<u>7</u> 5	4	7	7	8
Malaysia	<u>6</u> 5	6	6	6	7
Maldives	<u>6</u> 5	6	6	6	8
Mali	<u>7</u> 5	4	7	7	8
Malta	<u>5</u> 5	5	5	5	8
Marshall Islands ⁶	<u>6</u>	-	10	10	3
Martinique	<u>9</u> 5	7	9	9	6
Mauritania	<u>7</u> 5	4	7	7	8
Mauritius	<u>7</u> 5	4	7	7	8
Mexico	<u>2</u>	2	2	2	2
Micronesia ⁶	<u>6</u>	-	10	10	3
Moldova	<u>4</u> 5	4	4	4	8
Mongolia	<u>6</u> 5	4	6	6	7
Montserrat	<u>9</u> 5	7	-	9	6
Morocco	<u>8</u> 5	4	8	8	8
Mozambique	<u>7</u> 5	4	7	7	8
N					
Namibia	<u>7</u> 5	4	7	7	8
Nauru	<u>6</u> 5	-	6	6	7
Nepal	<u>6</u> 5	6	6	6	7
Netherlands	<u>5</u> 3	3	5	5	3
Netherlands Antilles	<u>9</u> 5	7	9	9	6
New Caledonia	<u>6</u> 5	8	6	6	7
New Zealand	<u>6</u> 4	6	6	6	4
Nicaragua	<u>9</u> 5	8	9	9	6
Niger	<u>7</u> 5	4	7	7	8
Nigeria	<u>7</u> 5	4	7	7	8
Norway	<u>5</u> 3	5	5	5	3
O					
Oman	<u>8</u> 5	6	8	8	8
P					
Pakistan	<u>6</u> 5	6	6	6	8
Panama	<u>9</u> 5	8	9	9	6
Papua New Guinea	<u>6</u> 5	8	6	6	7
Paraguay	<u>9</u> 5	8	9	9	6
Peru	<u>9</u> 5	8	9	9	6

Appendix C, Mail Classification Schedule Changes

Country	Market-Dominant SPFCMI ¹	Competitive				IPA & ISAL ⁵
		International Expedited Services		International Packages		
		GXG ²	EMI ³	PMI ⁴		
Philippines	<u>6</u> 5	6	6	6	7	
Pitcairn Island	<u>6</u> 5	-	-	6	7	
Poland	<u>4</u> 5	4	4	4	5	
Portugal	<u>5</u> 3	5	5	5	3	
Q						
Qatar	<u>8</u> 5	6	8	8	8	
R						
Reunion	<u>9</u> 5	4	-	9	8	
Romania	<u>4</u> 5	4	4	4	5	
Russia	<u>4</u> 5	4	4	4	5	
Rwanda	<u>7</u> 5	4	7	7	8	
S						
St. Christopher (St. Kitts) & Nevis	<u>9</u> 5	7	9	9	6	
Saint Helena	<u>7</u> 5	-	-	7	8	
Saint Lucia	<u>9</u> 5	7	9	9	6	
Saint Pierre & Miquelon	<u>4</u> 5	-	-	4	6	
Saint Vincent & Grenadines	<u>9</u> 5	7	9	9	6	
San Marino	<u>5</u> 3	3	5	5	3	
Sao Tome & Principe	<u>7</u> 5	-	-	7	5	
Saudi Arabia	<u>8</u> 5	4	8	8	8	
Senegal	<u>7</u> 5	4	7	7	8	
Serbia-Montenegro (Yugoslavia)	<u>5</u> 5	4	5	5	5	
Seychelles	<u>7</u> 5	4	7	7	8	
Sierra Leone	<u>7</u> 5	- 4	7	7	8	
Singapore	<u>6</u> 5	3	6	6	7	
Slovak Republic (Slovakia)	<u>5</u> 5	4	5	5	5	
Slovenia	<u>5</u> 5	4	5	5	5	
Solomon Islands	<u>6</u> 5	-	6	6	7	
Somalia	-	-	-	-	8	
South Africa	<u>7</u> 5	4	7	7	8	
Spain	<u>5</u> 3	5	5	5	3	
Sri Lanka	<u>6</u> 5	6	6	6	8	
Sudan	<u>7</u> 5	-	7	7	8	
Suriname	<u>9</u> 5	8	-	9	6	
Swaziland	<u>7</u> 5	4	7	7	8	
Sweden	<u>5</u> 3	5	5	5	3	
Switzerland	<u>5</u> 3	5	5	5	3	
Syrian Arab Republic (Syria)	<u>8</u> 5	-	8	8	8	

Appendix C, Mail Classification Schedule Changes

T					
Taiwan	<u>6</u> 5	3	6	6	7
Tajikistan	<u>6</u> 5	-	6	6	8
Tanzania	<u>7</u> 5	4	7	7	8
Thailand	<u>6</u> 5	6	6	6	7
Togo	<u>7</u> 5	4	7	7	8
Tonga	<u>6</u> 5	- 4	-	6	7
Trinidad & Tobago	<u>9</u> 5	7	9	9	6
Tristan da Cunha	<u>7</u> 5	-	-	7	8
Tunisia	<u>8</u> 5	4	8	8	8
Turkey	<u>4</u> 5	6	4	4	5
Turkmenistan	<u>6</u> 5	- 4	6	6	5
Turks & Caicos Islands	<u>9</u> 5	7	<u>9</u> -	9	6
Tuvalu	<u>6</u> 5	-	-	6	7
U					
Uganda	<u>7</u> 5	4	7	7	8
Ukraine	<u>4</u> 5	4	4	4	8
United Arab Emirates	<u>8</u> 5	6	8	8	8
Uruguay	<u>9</u> 5	8	9	9	6
Uzbekistan	<u>6</u> 5	4	<u>6</u> -	6	8
V					
Vanuatu	<u>6</u> 5	8	6	6	7
Vatican City	<u>5</u> 3	3	5	5	3
Venezuela	<u>9</u> 5	8	9	9	6
Vietnam	<u>6</u> 5	6	6	6	7
W					
Wallis & Futuna Islands	<u>6</u> 5	4	-	6	7
Western Samoa	<u>6</u> 5	-	6	6	7
Y					
Yemen	<u>8</u> 5	6	8	8	8
Z					
Zambia	<u>7</u> 5	4	7	7	8
Zimbabwe	<u>7</u> 5	4	7	7	8

- 1 - SPFCMI = Single-Piece First-Class Mail International
- 2 - GXG = Global Express Guaranteed
- 3 - EMI = Express Mail International
- 4 - PMI = Priority Mail International
- 5 - IPA = International Priority Airmail Airlift;
ISAL = International Surface Airlift.
ISAL service not available to all countries. See Individual Country Listings for availability.
- 6 - Although international rates for the Marshall Islands and Micronesia currently exist, these locations are in the process of being reverted to "treated as domestic status." Once this process is complete, outbound mail to these locations will travel at the applicable domestic postage rates.

APPENDIX D: PRICE CAP CALCULATION

Calculation of amount of applicable change in CPI-U

12-Month Moving Average Calculations					
	CPI ^[1]	Last 12 Months Point-to-Point ^[2]	12-Month Total ^[3]	12-Month Total Divided by 12 ^[4]	12-Month Moving Average (Price Cap) ^[5]
Jan-04	185.2				
Feb-04	186.2				
Mar-04	187.4				
Apr-04	188				
May-04	189.1				
Jun-04	189.7				
Jul-04	189.4				
Aug-04	189.5				
Sep-04	189.9				
Oct-04	190.9				
Nov-04	191				
Dec-04	190.3				
Jan-05	190.7	3.0%	2272.1	189.3417	
Feb-05	191.8	3.0%	2277.7	189.8083	
Mar-05	193.3	3.1%	2283.6	190.3000	
Apr-05	194.6	3.5%	2290.2	190.8500	
May-05	194.4	2.8%	2295.5	191.2917	
Jun-05	194.5	2.5%	2300.3	191.6917	
Jul-05	195.4	3.2%	2306.3	192.1917	
Aug-05	196.4	3.6%	2313.2	192.7667	
Sep-05	198.8	4.7%	2322.1	193.5083	
Oct-05	199.2	4.3%	2330.4	194.2000	
Nov-05	197.6	3.5%	2337.0	194.7500	
Dec-05	196.8	3.4%	2343.5	195.2917	
Jan-06	198.3	4.0%	2351.1	195.9250	3.5%
Feb-06	198.7	3.6%	2358.0	196.5000	3.5%
Mar-06	199.8	3.4%	2364.5	197.0417	3.5%
Apr-06	201.5	3.5%	2371.4	197.6167	3.5%
May-06	202.5	4.2%	2379.5	198.2917	3.7%
Jun-06	202.9	4.3%	2387.9	198.9917	3.8%
Jul-06	203.5	4.1%	2396.0	199.6667	3.9%
Aug-06	203.9	3.8%	2403.5	200.2917	3.9%
Sep-06	202.9	2.1%	2407.6	200.6333	3.7%
Oct-06	201.8	1.3%	2410.2	200.8500	3.4%
Nov-06	201.5	2.0%	2414.1	201.1750	3.3%
Dec-06	201.8	2.5%	2419.1	201.5917	3.2%
Jan-07	202.416	2.1%	2423.2	201.9347	3.1%
Feb-07	203.499	2.4%	2428.0	202.3346	3.0%
Mar-07	205.352	2.8%	2433.6	202.7973	2.9%
Apr-07	206.686	2.6%	2438.8	203.2294	2.8%
May-07	207.949	2.7%	2444.2	203.6835	2.7%
Jun-07	208.352	2.7%	2449.7	204.1378	2.6%
Jul-07	208.299	2.4%	2454.5	204.5378	2.4%
Aug-07	207.917	2.0%	2458.5	204.8725	2.3%
Sep-07	208.490	2.8%	2464.1	205.3383	2.3%
Oct-07	208.936	3.5%	2471.2	205.9330	2.5%
Nov-07	210.177	4.3%	2479.9	206.6561	2.7%
Dec-07	210.036	4.1%	2488.1	207.3424	2.9%

[1] Consumer Price Index -- All Urban Consumers, U.S. All Items (the "CUUR0000SA0" series)

[2] The current month CPI [Column 1] divided by CPI for same month, previous year

[3] Sum of the most recent 12 months CPI measurements in Column [1]

[4] Column [3] / 12

[5] (The current month value in Column [4] / value from same month, previous year) - 1