

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

NOTICE OF PRICE ADJUSTMENT

Docket No. R2011-2

UNITED STATES POSTAL SERVICE
NOTICE OF MARKET-DOMINANT PRICE ADJUSTMENT
(January 13, 2011)

Pursuant to section 3622 of title 39 and 39 C.F.R. part 3010, 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 a.m. on April 17, 2011, 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 provided in Attachment A.¹

The Postal Service certifies that it will inform customers of these price adjustments, as required by Rule 3010.14(a)(3). In addition to this Notice, today the Postal Service is publishing notice of these price changes on USPS.com, the Postal Explorer website, the *DMM Advisory*, and the *P&C Weekly*, as well as issuing a Press Release announcing the changes. Thus, widespread notice of these prices is being given more than 45 days before their planned implementation date, consistent with Rule 3010.14(a)(3). Furthermore, the Postal Service plans to provide public notice of these price changes in future issues of the *PCC Insider*, *MailPro*, *Postal Bulletin*, and *Federal Register*. The Postal Service, pursuant to Rule 3010.14(a)(4), identifies Mr. Scott J.

¹ Attachment A also contains the proposed Mail Classification Schedule changes.

Davis as the official who will be available to provide responses to queries from the Commission. Mr. Davis' 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 the "workshare discounts" included in the new prices, and how its prices are consistent with the objectives and factors of section 3622, and the preferential pricing requirements of section 3626. In Part III, the Postal Service describes 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 following section discusses and describes the applicable CPI-U price cap, the amount of unused price adjustment authority available for each class of mail, the percentage change in prices for each class of mail, and the amount of any new unused price adjustment authority generated by this price change.

A. Inflation-Based Price Adjustment Authority

Based on the most recently available data from the Bureau of Labor Statistics, the Postal Service has inflation-based price adjustment authority of 1.741 percent. See Attachment C. This is based on a 12-month moving average of the Consumer Price Index – All Urban Consumers, U.S. All Items (the “CUUR0000SA0” series), and conforms with the calculated percentage currently provided on the Commission’s website.

B. Unused Price Adjustment Authority

The Postal Service does not plan to use any unused price adjustment authority in this docket. The existing unused rate authority, by class, is provided below.²

Table 1
Available Unused Price Adjustment Authority,
By Mail Class

Class	Unused Authority (%)
First-Class Mail	0.044
Standard Mail	0.103
Periodicals	0.015
Package Services	0.025
Special Services	0.137

C. Overall Price Adjustment Authority

In this filing, the Postal Service is opting to use only annual limitation authority and forgoing use of accrued unused authority. Thus, the Postal Service is authorized to raise the prices for each class by the following percentage:

² See Order No. 191 (March 16, 2009) at 3; Order No. 201 (April 9, 2009) at 4.

Table 2
Price Adjustment Authority by Mail Class

Class	Price Adjustment Authority (%)
First-Class Mail	1.741
Standard Mail	1.741
Periodicals	1.741
Package Services	1.741
Special Services	1.741

D. The New Prices

The cap compliance calculation, as defined by the Commission, uses a set of fixed weights applied to the current and new prices to construct a weighted average price change for each market-dominant class. These fixed weights are the most recent twelve months of Postal Service billing determinants, with reasonable adjustments and explanations for those adjustments. For example, these adjustments could include elimination of rate cells active in the previous year, if redefined in this price adjustment, and the consequent assignment of billing determinants to more applicable rate cells. 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 or equal to the Postal Service’s available price adjustment authority in Table 2.

The new prices are in Attachment A. For each class, the Postal Service has prepared workpapers demonstrating how these prices comply with the price cap. Those workpapers are provided to the Commission as part of this filing and are designated as follows:

- | | |
|----------------|------------------|
| USPS-R2011-2/1 | First-Class Mail |
| USPS-R2011-2/2 | Standard Mail |

USPS-R2011-2/3	Periodicals
USPS-R2011-2/4	Package Services
USPS-R2011-2/5	Special Services

Each of these items contains a Preface that explains its contents in detail. The Preface provides an overview of the workpapers, a discussion of any necessary adjustments to the FY 2010 billing determinants, and an explanation of the revenue calculations generated through the billing determinants and the current and new prices.

E. Percentage Change by Mail Class

As demonstrated in the Attachments, the prices for each class comply with the annual limitation price adjustment authority available to the Postal Service. The percentage change by class is as follows:

Table 3
2011 Price Change Percentage by Mail Class

Class	Percent Change
First-Class Mail	1.741
Standard Mail	1.739
Periodicals	1.741
Package Services	1.740
Special Services	1.740

F. Unused Pricing Authority Resulting From this Change

For three of the five classes, this change adds a small amount to the unused pricing authority resulting from prior market-dominant price changes under the price

cap. The Postal Service calculates the unused price adjustment authority that it will have following this price change as follows:³

Table 4
Unused Pricing Authority Available Following this Price Change

Class	Percentage Points
First-Class Mail	
R2009-2 [1]	0.044
3010.26(c) Authority [3]	-0.577
R2011-2 [4]	0.000
Total	-0.533
Standard Mail	
R2009-2 [2]	0.103
3010.26(c) Authority [3]	-0.577
R2011-2 [4]	0.002
Total	-0.472
Periodicals	
R2009-2 [1]	0.015
3010.26(c) Authority [3]	-0.577
R2011-2 [4]	0.000
Total	-0.562
Package Services	
R2009-2 [1]	0.025
3010.26(c) Authority [3]	-0.577
R2011-2 [4]	0.001
Total	-0.551
Special Services	
R2009-2 [2]	0.137
3010.26(c) Authority [3]	-0.577
R2011-2 [4]	0.001
Total	-0.439

[1] See Order No. 191 at 3

[2] See Order No. 201 at 4

[3] Consumer Price Index -- All Urban Consumers, U.S. All Items (the "CUUR0000SA0" series) January 2008- November 2010. The formula in Commission's Rule 3010.26.c.2 applied to these CPI-U values results in the computation of -0.577%. Specifically, the base average of CPI-U at time of current filing (average of 12 CPI-U values from December 2008 to November, 2009) is divided by the recent average from the date of the previous price change (average of 12 CPI-U values from January 2008 to December 2008) and 1 is subtracted from the quotient.

[4] Cap Calculation worksheets (USPS-R2011-2/1 through 5).

³ To the extent that the calculated percentage change for any class is revised during the course of this proceeding from what has been calculated by the Postal Service in this Notice, the Postal Service notes that the unused price adjustment authority should be adjusted, regardless of the figures set forth in this Table.

II. Description of the Prices

In compliance with Rules 3010.14(b)(7) through (8), the Postal Service in this section 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 discusses the workshare discounts included within the planned prices, as required by Rules 3010.14(b)(5) through (6).

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.”⁴

These objectives underlie 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.

In this Notice, the Postal Service indicates its intention to increase its prices as specified in Table 3. With small exceptions, generally associated with rounding, these increases are approximately equal to the calculated CPI-U cap of 1.741 percent. Any price change made pursuant to the price cap structure set forth by section 3622(d) “helps achieve” many of these objectives (e.g., Objective 1, Objective 2, Objective 8).

The objective that the pricing process be transparent (Objective 6) is fundamental to the new regulatory environment, and is achieved through the entirety of the regulatory filings made by the Postal Service throughout a year. In this Notice, the Postal Service demonstrates how its planned price adjustments comply with the price cap limitation, with the workshare standards of section 3622(e), and with the requirements of section 3626. This clearly meets the objective that the pricing process be transparent. Furthermore, the FY 2010 Annual Compliance Report (ACR), filed

⁴ For ease of reference, each objective is referred to according to its placement in section 3622(b). For example, section 3622(b)(1) is referred to as Objective 1. A similar convention is used with respect to the “factors” of section 3622(c) below.

December 29, 2010, sets forth a variety of data concerning costs, revenues, and service quality.

In addition, the Postal Service has considered the current poor economic environment and its effect on both customers and the Postal Service itself. For example, 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. These objectives are fulfilled by the Postal Service’s publicly stated intention to increase prices on an annual, predictable basis, by keeping price changes at appropriate levels.

In addition to the objectives specified and discussed above, section 3622(c) enumerates fourteen factors, or considerations, that must be taken into account, which 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.”

Below, the Postal Service discusses its specific price adjustments by class, including how they comply with the policy considerations set forth in section 3622.⁵ When considering this price change, it is important to consider the long-term, rather than simply focusing on this year’s prices in isolation. This was discussed by the Postal Service in its Docket No. R2008-1 Notice.⁶

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

⁶ Docket No. R2008-1, Notice of Market-Dominant Price Adjustment (Feb. 11, 2008), at 12.

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:

Table 5
First-Class Mail Product Price Changes

Product	Percent Change
Single-Piece Letters & Cards	0.461
Presort Letters & Cards	1.796
Flats	5.343
Parcels	3.753
International	3.974
Overall	1.741

The Postal Service is not increasing the First-Class Mail, first ounce letter price. To meet the cap average increase for First-Class Mail as a whole, the average percentage price increase for presorted mail is higher than the cap. This is a reverse of Docket No. R2009-2, when the presort grouping received a smaller-than-the-cap increase.⁷ In the current price change, the additional ounce price is increased by three cents, thus partially balancing the absence of any increase for the first-ounce price for letters.⁸ Also, the price of a single-piece postcard is increasing from 28 to 29 cents making the overall increase in Single-Piece Letters and Cards 0.461 percent.

⁷ In Docket No. R2009-2, Presorted Letters and Cards had an increase of 3.080 percent, which was below the cap of 3.8 percent. The two-cent stamp increase was 4.8 percent.

⁸ The additional ounce price increases for single-piece letters and flats from 17 cents to 20 cents. All parcel-shaped pieces and Automation Flats will continue to pay 17 cents for each additional ounce. Automation Presort Letters and Nonautomation presort letters will continue to pay 12.5 cents for each additional ounce.

The MCS establishes each shape within First-Class Mail as a distinct product. This price change maintains the per-piece price differential between letters and flats, and increases the price differential between letters and parcels (Factor 1, Factor 2).⁹ These changes result in above-average increases for the Flats and Parcels products.

The prices in Presort Letters and Cards reflect the costs that the Postal Service avoids when customers presort and otherwise prepare their mail for automation processing (Factor 5). Even though the overall increase for Presort Letters & Cards is slightly above average, the increase for 5-Digit Automation Letters is only 0.5 cents, which translates into a 1.5 percent increase (compared with the increase for the class as a whole of 1.741 percent). 5-Digit Automation Letters account for almost 50 percent of the volume of Automation Letters. As most commercial customers are actively seeking to reduce their mailing costs (including moving towards electronic and other mail alternatives), keeping the increase for 5-Digit Automation Letters below the average increase for the class as a whole is important to retain these mailers. In Docket No. R2009-2, the Postal Service made optional some requirements for presortation of automation First-Class Mail. This will continue to give customers more flexibility and choice and may encourage some new, lower-volume customers to use presorted First-Class Mail (Factor 3, Factor 7). This price-change relationship is illustrated in Table 6, below, which compares First-Class Mail first-ounce prices for one ounce-single-piece, automation 3-digit, and automation 5-digit letters.

⁹ The gap between single-piece letters and flats is maintained at 44 cents; the gap between flats and parcels is increased from 78 cents to \$1.27. The letter-flat differential maintains the simplicity of the price structure, since the gap is equivalent to the price of a stamp (Factor 6).

Table 6
First-Class Mail First-Ounce Prices

1-ounce letter	Price per Piece		Change	
	Current	New	Cents per piece	Percent Change
Single Piece	44	44¢	+0.0¢	+0.0 %
Automation 3-digit	35.7¢	36.5¢	+0.8¢	+2.2 %
Automation 5-digit	33.5¢	34.0¢	+0.5¢	+1.5 %

The overall increase for Flats is 5.3 percent with most of the increase due to the 17.6 percent increase in the price of additional ounces, from 17 cents to 20 cents. There is no change in the first-ounce price of single-piece flats, which remains at 88 cents (or the value of two First-Class Mail single-piece stamps). No change in the price of Presort and Mixed ADC Automation Flats, small increases for ADC and 3-Digit Automation Flats, the 1.8 percent reduction in the price of 5-Digit Automation Flats, and the increase in the additional ounce price for single-piece flats collectively lead to the 5.3 percent overall increase for this product.

First-Class Mail parcels receive a 3.8 percent increase, a higher increase than the overall increase for First-Class Mail, but still significantly less than the increase for Standard Mail parcels. There has recently been some erosion of First-Class Mail parcel volumes to Standard Mail, and the Postal Service expects that this relatively lower increase for First-Class Mail parcels, while still above the overall average, will keep First-Class Mail parcels as an attractive shipping option.

The Postal Service makes two changes to the pricing design for First-Class Mail Parcels. First, it is introducing two separate pricing categories for parcels, Commercial Base and Commercial Plus. Commercial Base includes all parcels that are currently included in the Presort parcels category, plus the commercial portion of single-

piece parcels. Single-piece parcels that are the residual of a presorted parcel mailing, and nonpresorted parcels for which the postage is paid by permit imprint, IBI meter, or PC Postage, would be eligible for the Commercial Base single-piece prices. All other single-piece parcels would pay retail prices. This change recognizes that parcels eligible for “commercial” prices avoid entry through the more costly retail channel.

Commercial Plus parcels is a new price category for First-Class Mail parcels that are machinable, and weigh at least 3.5 ounces up to, but not including 16 ounces. These parcels must be entered in bulk (pre-canceled stamps, meter, or permit imprint) with at least 200 pieces or 50 pounds. Except for single-piece, mailings require a minimum of 500 pieces. An annual volume commitment of 5,000 pieces is also required.

The new Commercial Plus First-Class Mail parcels price category does not affect the cap calculation because there is no previous volume or revenue in this category to which the cap could be applied. For the most part, the new category allows volume that, because of its weight, was previously not eligible as First-Class Mail. While the price category is defined to include any machinable parcels, weighing as little as 3.5 ounces, we do not expect any significant volume below 13 ounces, because the Commercial Plus pricing is not favorable at those weights.

In this price adjustment the Postal Service is also treating the first three ounces in each parcel pricing category as a single price cell. For each price category, parcels weighing from 0 to 3 ounces will all pay a single price. The additional ounce price would apply after the first three ounces. This change will improve contribution from a segment

of the First-Class Mail parcel category that has not been providing an adequate contribution.¹⁰

For Outbound Single-piece First-Class Mail International (FCMI), the Postal Service is increasing prices overall by 5.2 percent, which is an adjustment to increase contribution and improve cost coverage (Factor 2, Factor 12). For FCMI Letters, Flats, and Parcels, the overall increases are 1.9 percent, 4.0 percent, and 7.8 percent.

More detail on First-Class Mail price changes is included in USPS-R2011-2/1.

2) Standard Mail

Standard Mail consists of six products: Letters; Flats; Parcels and 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:

Table 7
Standard Mail Product Price Changes

Product	Percent Change
Letters	1.810
Flats	0.835
Parcels and NFMs	11.346
High Density / Saturation Letters	0.615
High Density / Saturation Flats and Parcels	0.403
Carrier Route Letters, Flats and Parcels	1.376
Overall	1.739

The price change for the Flats product is lower than the price cap: 0.835 percent. This continues efforts to moderate the increases for catalog mailers,¹¹ whose volume fell considerably between FY 2008 and FY 2010. Catalog mailers use this

¹⁰ Lightweight parcels are often not able to be processed on machines since they tend to fly off the trays or other conveyors due to their low weight, thus increasing processing costs.

¹¹ See Docket No. R2009-2, Notice of Market Dominant Price Adjustment (Feb. 10, 2009), at 15.

product, as well as the Carrier Route product. (For heavier catalogs, customers use Bound Printed Matter.) Volume decline is due, in part, to the especially difficult economic challenges facing this industry: lower consumer spending attributable to the recession, combined with the aftermath of the 2007 and 2009 price increases. Although FY 2010 data shows that Standard Mail Flats had a cost coverage below 100 percent, the Postal Service is mitigating the price increase to maintain the viability of the catalog industry (Factor 3).

For Standard Mail Flats, a cautious approach is warranted because the catalog industry, which depends heavily on Standard Mail Flats, is in a delicate financial position. Economic activity, particularly retail spending, helps drive catalog volume. Past postage price increases combined with weak retail sales driven by the current economy have placed both cost and market pressures on catalog mailers, resulting in a severe contraction in their business. Over the long run, the Postal Service sees the catalog industry as a growth segment in its business. Catalog shopping is convenient, and the Internet provides customers with an efficient way to order merchandise from a catalog. A turnaround in economic conditions should help this ailing industry to grow once again; however, increasing postage prices too much in the unique circumstances of this set of price adjustments could force vulnerable catalog mailers to cut their customer lists. Once customers are lost, they are much more costly to reacquire.

Both High Density/Saturation product groups have price increases that are lower than the price cap. The Postal Regulatory Commission recently approved an incentive program for Saturation and High Density Mail. Order No. 606 (December 10, 2010). This incentive would provide rebate on incremental mailpieces above a predetermined

volume baseline which, for each participant, equals the aggregate total Saturation and High Density volume in calendar year 2010 plus 5 percent. This new incentive is targeted at encouraging new Saturation mail volumes.

The Postal Service seeks improved contribution for Standard Mail Parcels/NFMs in order to improve the cost coverage of this product (Factor 12). Standard Mail Parcels/NFMs receive an increase of 11.346 percent.

Standard Mail parcel prices increase at above average rates to move them closer to covering their costs, but also to bring their prices more closely in line with the parcel product offerings of our competitors. All parcel-shaped pieces face competition in the market place regardless of how they are classified in the MCS. The Postal Service recently filed a classification change docket (Docket No. MC2010-36, filed August 16, 2010) to transfer Standard Mail parcels to the competitive category, reflecting the realities of market place competition. Consequently, the proposed prices are designed to move this product closer to covering its costs, consistent with the statutory requirements for competitive products.

Carrier Route mail receives an increase below the cap: 1.376 percent. This lower than average increase recognizes in part the significant use of this product by the catalog industry which, as previously discussed, is still experiencing economic difficulties. Consistent with the long-standing effort to encourage 5-digit automation pieces relative to carrier route preparation, the Postal Service has continued to set Carrier Route letters pricing the same as the pricing for Carrier Route flats (Factor 6, Factor 7).

3) Periodicals

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

Table 8
Periodicals Mail Price Changes

Product	Percent Change
Outside County	1.767
Within County	1.093
Overall	1.741

The Periodicals class has been challenged in terms of cost coverage. It did not cover its attributable costs again in FY 2010 (Factor 2, Objective 8). The Postal Service is cognizant of the special situation of Periodicals in terms of both the class' value to the public (Factor 8, Factor 11), and its failure to cover costs. The new prices are designed to balance the effect on individual publications and their readers, while taking advantage of the new price structure to create relationships that will improve the efficiency of the Periodicals products.

In the initial price change under the PAEA, the Postal Service kept increases for all price components within Periodicals as close to the cap as was feasible to minimize the possibility that any group of publications would incur major price changes. This price package refines price relationships to encourage efficiency and containerization, while limiting the price increases for individual publications. The actual price paid by a given publication is the combination of many price elements, so care has been taken to adjust the individual price elements in a manner that limits the resulting postage increases.

More detail on Periodicals price changes is included in USPS-R2011-2/3.

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:

Table 9
Package Services Product Price Changes

Product	Percent Change
Single Piece Parcel Post	1.807
BPM Flats	0.707
BPM Parcels	1.982
Media Mail and Library Mail	1.964
Inbound Surface Parcel Post	1.531 ¹²
Overall	1.740

The Postal Service's overall goal in Package Services is to improve product profitability. In FY 2010, Package Services as a class failed to cover its costs. Consequently, Package Services pricing focuses on increasing the prices of the lowest-performing segments of this group, in terms of cost coverage, while remaining within the overall price cap. However, Media Mail and Library Mail are still priced below other ground parcels, in recognition of their "educational, cultural, scientific, and informational value" (Factor 11).

¹² 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, 2011.

Within Bound Printed Matter there are two products: Flats (primarily heavy catalogs), and Parcels (primarily product order fulfillment). Bound Printed Matter flats already have a healthy cost coverage; therefore, in order to offset the needed higher price increases for the lower-performing products discussed above, the price increase for BPM flats is lower than products with lower cost coverage. This should encourage mailing of lower-cost, flat-shaped, heavy-weight catalogs, and continue the shape-based deaveraging that was begun in Docket No. R2001-1. It reflects the lower costs of processing and delivering flats, compared to parcels.

With the price adjustment for Single-Piece Parcel Post, the Postal Service is proposing to allow prices at the one-pound increment to vary by zone. This releases the pricing constraint for unzoned pricing, which in the past was implemented to avoid having Parcel Post prices exceed Priority Mail prices for the same weight and zone. The release of this pricing constraint at the one-pound weight increment leads to higher prices for more distant zones. It is reasonable to expect long-haul parcels to pay higher prices owing to the greater distances generally transported and, consequently, the higher transportation costs incurred. The limited size of this price increase limits the range of possible price changes. Therefore, most price increases occur in the range of one to five pounds, with the remaining prices remaining nearly unchanged.

More detail on Package Services price changes is included in USPS-R2011-2/4 (SP Parcel Post R2011-2.xls).

5) Special Services

The Special Services class currently contains the following products: Ancillary Services, International Ancillary Services, Address Management 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 Customized Postage. The overall fee increase for all Special Services is 1.740 percent.

For many of the special services, fee increases were generally designed to be close to the cap percentage, while maintaining consistency with historical rounding constraints which often simplify transactions for customers (Factor 3, Factor 6). This approach was followed for Address Correction Service (ACS), Business Reply Mail, Certified Mail, Address Management Services, Applications and Mailing Permits, Parcel Airlift Service, Post Office Boxes, Registered Mail, Return Receipt, Bulk Parcel Return Service, and Shipper Paid Forwarding.

The Account Maintenance fees had an increase of 3.4 percent, greater than the average price increase, reflecting the value of the services the accounting fee supports and the goal of recovering institutional costs (factor 10).

For Insurance, the above-average price increases for the \$50.01 to \$100.00 tier and the \$100.01 to \$200.00 tier are a combination of the nickel rounding constraint and a continuation of the effort to smooth the price relationships among the various increments (Factor 6). The increase in the incremental fee reflects the higher value of service as the value of the item increases (Factor 1).

For Caller Service, the price increases were between 4 and 5 percent to reflect the higher value customers place on this service.

For Post Office Box service, prices were increased only for Size 1 boxes due to the small size of the price cap. Increasing the prices for all the other size boxes by a

minimum of \$1.00 would have exceeded the 1.741 percent price cap. The cap did allow for the increase of Size 1 by \$1.00 in Fee Groups 3 through 7, and also enabled Size 1 in Fee Groups 1 and 2 to be increased by \$2.00, to make the percentage increases more consistent across all the Fee Groups.

For Stamped Envelopes, the overall price increase was 2.5 percent. This reflects the added value presented by having a Forever Stamp option on stamped envelopes. The value of the service continues to be enhanced by the availability of new premium features such as self-adhesive envelopes, and font size and color options which do not have a price increase (Factor 1).

For Stamped Cards, the fee does not change from the current three cents (Factor 3).

The higher than average price increase for Collect on Delivery of 4.2 percent reflects its failure to cover its costs. (Factor 2).

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.

More detail on Special Services price changes is included in USPS-R2011-2/5.

B. Preferred Mail—Rule 3010.14(b)(8)

Section 3626 sets forth pricing requirements for certain preferred categories of mail. In this price change, the Postal Service implements these requirements in the same manner as it did in its Docket No. R2009-2 price change, which the Commission

concluded was an appropriate interpretation of section 3626.¹³ First, section 3626(a)(3) requires that the prices for Within County Periodicals “reflect[] its preferred status” as compared to the prices for regular rate Periodicals.¹⁴ This price adjustment continues to recognize the preferential status of Within County Periodicals, whose prices are 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 rate postage, except for advertising pounds. Consistent with previous practice, the Postal Service maintains this rate 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 rates for DDU, DSCF, DADC, and Zones 1 & 2 that are 75 percent of the advertising pound rates 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. Consistent with the Postal Service’s practice in Dockets No. R2008-1 and R2009-2, the Postal Service has calculated this ratio at the class level. The prices set forth in this Notice achieve a revenue per piece ratio of 60.1 percent. Past practice by the Commission has indicated that it is acceptable to meet the 60 percent

¹³ See Order No. 191 (March 16, 2009) at 34, 44, 57.

¹⁴ 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.

ratio within a few tenths of a percent.¹⁵ Details of the nonprofit-commercial revenue per piece ratio are contained in USPS-R2011-2/2, workbook CAPCALC-STD-FY2009.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. This is achieved by setting each Library Mail price element equal to 95 percent of the corresponding Media Mail price element. 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 implemented a new “limited circulation” discount in 2008, which gives these mailers a discount equivalent to the Nonprofit and Classroom Periodicals discount.

In addition to a discussion of section 3626, Rule 3010.14(b)(8) also 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 alter the free rates; in terms of section 3629, the Postal Service does not change the eligibility requirements for nonprofit prices.

¹⁵ 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. In Docket No. R2009-2, the Commission approved a nonprofit to commercial price ratio of 60.2 percent. Order No. 191 (March 16, 2009) at 44; USPS-R09-2/2, tab “Price Change Summary”.

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

Section 3622(e) requires that the Postal Service justify any worksharing discount that exceeds 100 percent of the avoided costs, by reference to one or more of the exceptions specified in that provision. These exceptions are listed below.

“(2) Scope.— The Postal Regulatory Commission shall ensure that such discounts do not exceed the cost that the Postal Service avoids as a result of workshare activity, unless—

(A) the discount is—

(i) associated with a new postal service, a change to an existing postal service, or with a new work share initiative related to an existing postal service; and

(ii) necessary to induce mailer behavior that furthers the economically efficient operation of the Postal Service and the portion of the discount in excess of the cost that the Postal Service avoids as a result of the workshare activity will be phased out over a limited period of time;

(B) the amount of the discount above costs avoided—

(i) is necessary to mitigate rate shock; and

(ii) will be phased out over time;

(C) the discount is provided in connection with subclasses of mail consisting exclusively of mail matter of educational, cultural, scientific, or informational value; or

(D) reduction or elimination of the discount would impede the efficient operation of the Postal Service.

(3) Limitation.— Nothing in this subsection shall require that a work share discount be reduced or eliminated if the reduction or elimination of the discount would—

(A) lead to a loss of volume in the affected category or subclass of mail and reduce the aggregate contribution to the institutional costs of the Postal Service from the category or subclass subject to the discount below what it otherwise would have been if the discount had not been reduced or eliminated; or

(B) result in a further increase in the rates paid by mailers not able to take advantage of the discount.”

In addition, Rule 3010.14(b)(6) requires the Postal Service to explain discounts that are set “substantially” below 100 percent of avoided costs. The workshare discounts, cost differentials, and passthroughs are shown in Attachment B.¹⁶ These tables have the avoided cost data from the FY 2010 ACR. The discounts in USPS-FY10-3 have been replaced by the discounts included in the new prices. The following sections describe the resulting passthroughs that exceed 100 percent, or that are significantly lower than 100 percent.

First-Class Mail

There are four workshare tables for First-Class Mail. Four passthroughs are over 100 percent while three passthroughs are below 100 percent. Cost avoidances are rounded to the same level as the prices and resulting discounts to avoid calculations that result in passthroughs that are slightly under or over 100 percent simply due to rounding.

Single-Piece Letters and Postcards

The passthroughs of the cost avoidances underlying the discounts for both QBRM Letters and QBRM Postcards are 176.9 percent. The cost avoidance for these

¹⁶ The Excel format of the workshare spreadsheets shown in Attachment B is also being filed electronically with this Notice.

mailpieces compared to the benchmark of handwritten letters and postcards decreased from 2.5 cents (in the most recent Annual Compliance Determination (ACD)) to 1.3 cents. These particular passthroughs in the most recent ACD (ACD FY2009, Tables VII-2 and VII-3, pages 70&71, March 30, 2010) were 92.9 percent. Reducing this discount and raising QBRM prices was not a desirable option from a business perspective, in light of the overall small increase and the constant single-piece stamp price.

QBRM prices, although in the single-piece arena, are paid by bulk mailers in order to generate additional business. In Docket No. R2011-1, the Postal Service requested an incentive for the outgoing QBRM type pieces to ride free, i.e., not to have to pay the additional ounce price if the additional weight was caused by reply piece (envelope or card, up to 0.2 ounces). This was done to add value to the mail-piece and keep bulk-mailers in the mail stream. Raising the QBRM price would undercut this objective. Presort mailers in this docket are receiving an above average increase compared to single-piece. Therefore, in light of the need to mitigate the price increase, the passthrough exceeds 100 percent, pursuant to section 3622(e)(2)(A). The Postal Service will be mindful of this particular cost avoidance in determining the discounts in future price adjustments.

Automation Flats

The passthrough of the avoided cost for the ADC presort level flats is 272.2 percent, an increase from the current 270.6 percent passthrough. One reason for this increase in passthrough is a further decline in the cost avoidance from 4.5 cents to 4.4 cents. The passthrough of cost avoidance for Automation 3-Digit Flats compared to its benchmark of ADC Automation Flats is 103.6 percent. Cost avoidance for this category

declined from 6.4 cents in ACD 2009 (Table VII-2) to 5.6 cents. Even with a reduction in the discount from 6.1 cents to 5.8 cents, the passthrough of cost avoidance is still slightly over 100 percent.

One of the major reasons for the above 100 percent passthroughs for some presort levels of Automation Flats is a change in costing methodology in FY2008. Proposal 8 filed in Docket No. RM2008-2 explains the changed methodology and its impact on cost estimates. Use of a 100 percent passthrough would lead to significantly higher price increases for automation flats. In light of the need to mitigate this price increase, the passthroughs exceed 100 percent, pursuant to section 3622(e)(2)(B). The Postal Service will continue to evaluate these passthroughs in light of new cost information in future price adjustments.

Business Parcels

In ACD 2009 (Table VII-2), the Commission used 14.5 and 41.7 percent passthroughs for the various levels of Presort parcels. The passthroughs used in this price adjustment are higher in both instances, leading to higher than average increase for presort parcels. First-Class Mail Parcels has a cost coverage that is slightly below 100 percent. In light of this cost coverage, there is no compelling reason to bring these passthroughs to 100 percent in the short-run.

Standard Mail

Attachment B contains six 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. For clarity, the discussions below are organized by shape and product.

Standard Mail Letters

There are no worksharing discounts in the Letters product that exceed avoided costs, based on available data.

In the 2009 ACR, the avoided cost for automation Mixed AADC letters compared to nonautomation machinable Mixed ADC letters was negative 0.5 cents. In FY 2010, the estimate increased to a positive 0.6 cents.¹⁷ The Postal Service believes that it would be prudent not to immediately raise the automation discount to the full extent of the new avoided cost. Given the volatility of the avoided cost estimates, indicated by the swing between the 2009 and 2010 numbers, the Postal Service has decided that the best course of action for now would be to maintain price stability, keeping the current level of the discount, and revisiting this discount once the 2011 avoided cost estimates become available.

The Postal Service's mail processing cost model for letters estimates costs only for the combined nonautomation AADC and Mixed AADC categories. For this reason, no avoided cost information is available to compare to the discount. The Postal Service believes that, in theory, nonautomation letters presorted to the AADC should be cheaper to process than essentially unsorted mail (Mixed AADC letters). Nevertheless, absent avoided cost information, the Postal Service is not able to determine whether the proposed discount of 1.6 cents, which is slightly reduced from the current 1.7 cent discount, is above or below the costs avoided by presorting nonautomation machinable letters to AADCs.

¹⁷ Docket No. ACR2009, USPS-FY09-3, Standard Mail Letters tab; Docket No. ACR2010, USPS-FY10-3, Standard Mail Letters tab

Standard Mail Flats

The Flats product has two discounts with passthroughs that significantly exceed 100 percent of avoided costs: the pre-barcoding discount between automation and nonautomation flats, and the presort discount for automation ADC flats, which exceeds the anomalous negative avoided cost estimate.

In the 2009 ACR, the avoided cost for automation ADC flats compared to automation Mixed ADC flats rounded to zero. In FY 2010, the avoided costs declined further to a negative 0.2 cents per piece, indicating that the cost for ADC presorted flats was higher than the cost for Mixed ADC, essentially unsorted, flats.¹⁸ The Postal Service finds these avoided cost data to be anomalous and does not believe that they can reasonably be used in pricing automation flats. To respond to this anomalous cost difference by setting the price for ADC flats above the price for Mixed ADC flats would send an inefficient signal to mailers that they should forgo ADC presorting and instead tender unsorted automation flats to the Postal Service. The Postal Service believes that this would lead to more inefficient operations, and so justifies the proposed discount of 1.0 cents, the same as the current discount, using exception 3622(e)(2)(D), pending resolution of the cost difference anomaly.

In ACR 2009, the pre-barcoding discount had a passthrough of 200 percent. The Postal Service justified this passthrough under section 3622(e)(2)(D) of title 39. A discount exceeding avoided cost is necessary to encourage pre-barcoding of flats, in support of the implementation of the Flats Sequencing System (FSS) program. The

¹⁸ Docket No. ACR2009, USPS-FY09-3, Standard Mail Flats tab; Docket No. ACR2010, USPS-FY10-3, Standard Mail Flats tab.

Commission accepted the Postal Service's justification in ACD 2009.¹⁹ A decrease in the avoided costs between FY 2009 and FY 2010 has increased the passthrough based on the current discount from 200 percent to 248 percent, as reported in the FY 2010 ACR.

The Postal Service believes that it is still necessary to encourage as many flats as possible to be prebarcoded to ensure a successful implementation of the FSS program. Nevertheless, the Postal Service does not believe that a permanent extra incentive will be required to make the FSS program successful, and that it should be possible to gradually eliminate the excess incentive as the FSS program is implemented. Therefore, while justifying the need for a temporary extra barcoding incentive as needed to not impede the efficient operation of the Postal Service, the Postal Service has reduced the discount offered for prebarcoding flats from 6.2 cents to 5.7 cents. This reduction in the discount lowers the passthrough from 248 percent based on the current discount, to 228 percent. The Postal Service intends to revisit the need for this extra incentive again in its next general price adjustment, to see what further progress can be made toward eventually eliminating the added incentive. Until full elimination is possible, the Postal Service continues to justify the extra incentive under section 3622(e)(2)(D).

Standard Mail Flats has three workshare discounts with passthroughs significantly below 100 percent. These are the 5-digit discount for automation flats and the 3-digit and ADC discounts for nonautomation flats.

The Flats product overall was given a low average increase in light of the difficulties facing the catalog industry. Since the overwhelming majority of Flats are in

¹⁹ FY 2009 Annual Compliance Determination (March 29, 2010), at 94.

the 3-digit and 5-digit automation categories, the only way to significantly increase the discount between 3-digit and 5-digit flats would have been to give 5-digit flats price decreases and 3-digit flats above-average increases. The Postal Service believes that under the current circumstances, a more even set of increases would be more beneficial than a more disparate set of increases and decreases. For this reason, the Postal Service allowed the 5-digit discount to increase only moderately, from 7.2 cents to 7.9 cents.

Even with the half-cent reduction in the automation discount, as discussed above, the nonautomation Mixed ADC flats category will still receive a price reduction in this adjustment. Given the already low average increase for Flats, the Postal Service did not want this price reduction to ripple through the remaining presort tiers, believing that a more even sharing of the average price increase would be more beneficial. For this reason it allowed the ADC discount to shrink slightly and the 3-digit discount to experience only a slight increase to ensure that the modest average flats price increase would be shared more evenly among the remaining nonautomation flats categories.

Standard Mail NFMs and Parcels

Five worksharing discounts for Standard Mail NFMs and Parcels exceed a 100 percent passthrough. These are the presort discounts between (1) NDC machinable parcels and mixed NDC machinable parcels, (2) NDC irregular parcels and mixed NDC irregular parcels, (3) SCF irregular parcels and NDC irregular parcels, (4) NDC NFMs and mixed NDC NFMs, and (5) SCF NFMs and NDC NFMs.

In FY 2010, a new cost model for Standard Mail NFMs and Parcels became available. This new model has resulted in significant changes in the avoided cost

estimates for NFMs and Parcels worksharing, and has produced numerous instances where the current discounts exceed 100 percent of avoided costs, as reported in the FY 2010 Annual Compliance Report. In the cases of the current NDC-Mixed NDC presort discounts for irregular parcels and NFMs (discounts (2) and (4), above), the changes in avoided costs produce passthroughs that exceed 200 percent. In these cases, and in the case of the machinable parcels NDC-Mixed-NDC presort discount (discount (1), above), the Postal Service finds that adjusting discounts to the new avoided cost estimates immediately would be unduly disruptive to its operations.

The NDC parcel distribution network has evolved over time, adjusting to the fact that today most parcels within this network are deposited at the destination NDC or deeper into the system.²⁰ In response to this changed pattern of entry, the operating hours and intra-NDC transportation have evolved to reflect this new norm. Although these shifts have been ongoing for several years, operations data have been retained only back to FY 2009. These data show that, since FY 2009 alone, the primary and secondary parcels sorting hours at NDCs have declined 13 percent, though the total volume of parcels within the products that are typically processed on this equipment has declined by less than 2 percent. This is largely due to customers dropping parcels deeper into the system. Similarly the Standard Mail IPP operations at NDCs dropped 25 percent over the same period, again largely for the same reason. These declines in workhours occurred at a time when Priority Mail processing was being added to 17 of 21 NDCs.

²⁰ As evidence of this shift, from FY 2009 to FY 2010 alone, the volume of parcels and NFMs presorted to NDCs dropped by more than 101 million pieces, while at the same time the volume of 5-digit presorted pieces increased by over 128 million pieces. See FY 2009 and FY 2010 Standard Mail billing determinants.

Adjusting the NDC-Mixed-NDC discounts to 100 percent of avoided costs would result in a severe reduction in the discounts, and an abrupt and drastic change in the price signals that have been sent to mailers for several years. The Postal Service would be faced with the risk that many mailers might forgo NDC presorting and drop-shipping, and tender large quantities of formerly workshared parcels as end-to-end non-presorted parcels or NFMs. Confronted with this eventuality, the Postal Service would not be able quickly and efficiently redirect its operations to respond to a reversal of recent trends.

The Postal Service does not intend to maintain these presort discounts permanently above avoided costs, but believes that a transition period will be needed to phase in the pricing structure called for by the new avoided cost estimates. In this price change the Postal Service has reduced the irregular parcel NDC discount from 47.5 cents to 39.1 cents, a reduction of 8.4 cents, or 17.7 percent of the current discount, and has reduced the NFMs NDC discount from 51.9 cents to 41.5 cents, a reduction of 10.4 cents, or 20.0 percent of the current discount. The Postal Service has also kept the NDC discount for machinable parcels close to the current level.

The Postal Service is concerned that a more abrupt transition to the new avoided costs than is reflected in the new prices would be needlessly disruptive to its operations, as it would force attempts to suddenly reverse some of the operational changes put in place over the last several years. The proposed discounts therefore are justified under section 3622(e)(2)(D).

The Postal Service justifies the SCF discounts for irregular parcels and NFMs off the respective NDC prices for the same reasons. The new cost avoidance model has reduced the avoided cost estimates from 98.4 cents (both irregular parcels and NFMs)

in FY 2009 to 31.4 cents (irregular parcels) and 25.2 cents (NFMs). This represents reductions in the estimated avoided costs of more than 68 percent for irregular parcels and 74 percent for NFMs.

As in the case of the NDC discounts, responding to these drastic changes immediately risks causing severe disruptions to Postal Service operations. The trend in the shipping industry has been to move irregular parcels down to at least the SCF level, bypassing manual handling at NDCs.²¹ The Postal Service has responded to industry practice by reducing mail processing operations for irregulars accordingly. Immediately cutting the discounts to match the new estimates for avoided costs would send signals encouraging mailers to decrease SCF presorting, forcing these irregular parcels and NFMs back to the NDCs for processing. Since NDC irregular parcel operations have been severely curtailed (as described above), this pricing signal risks flooding NDC operations with pieces they are currently not equipped to handle efficiently. The Postal Service realizes that it will have to revise its pricing and restructure its NDC operations in response to the new avoided cost estimates, but believes that efficiently responding to these new realities will require a transition period during which the SCF discounts will gradually move closer to avoided costs. At present, to avoid a disruptive change to current NDC operations, the Postal Service believes that keeping the SCF discounts close to current values is justified under section 3622(e)(2)(D), to avoid disrupting NDC operations by a sudden change in irregular parcel and NFM flows.

In these price adjustments the 5-digit presort discounts for machinable and irregular parcels and NFMs pass through a relatively small amount of their respective

²¹ SCF-presorted NFMs are irregulars themselves, since machinable NFMs would have to be presorted to 5 digits if not prepared as NDC-presorted parcels. So the treatment of SCF-presorted irregulars applies to SCF-presorted NFMs as well.

estimated avoided costs. These lower passthroughs reflect two factors at play: (1) the need for increased revenues for the NFMs and Parcels product, given its low cost coverage, and, (2) the intended restructuring of the NFMs and Parcels product into distinct fulfillment parcels and marketing parcels categories. This restructuring was discussed in detail in recent Postal Service filings.²²

The need to increase revenues almost of necessity requires higher price increases for 5-digit parcels, since they constitute the largest single group of parcels within their respective categories (machinable, irregular, NFM). Raising the prices on 5-digit pieces without also raising prices of less presorted pieces at unacceptable rates, results in reduced passthroughs for 5-digit presorted pieces.

The Postal Service intends to restructure its Standard Mail parcel offerings by broad market segment into parcels that are used to fulfill merchandise orders, believed to be less price elastic, and parcels that largely carry marketing messages, believed to be much more sensitive to postage prices. The Postal Service believes that 5-digit presorted parcels, particularly in the NFMs category, are most heavily weighted toward fulfillment parcels, and therefore are able to absorb relatively higher percentage increases than marketing parcels, which are more heavily concentrated at less fine presort tiers. The low passthrough for 5-digit irregular parcels also reflects the Postal Service's implementation of unitary pricing for machinable and irregular parcels at the 5-digit level. These pieces incur the same processing and delivery and so, in the Postal Service's view, should pay the same postage.

²² See Statement of James M. Kiefer on Behalf of the United States Postal Service, Docket No. R2010-4 (July 6, 2010), at 36-37; Docket No. MC2010-36, Request of the United States Postal Service to Transfer Commercial Standard Mail Parcels to the Competitive Product List (August 16, 2010).

The Standard Mail NFMs and Parcels cost model does not estimate costs separately for pre-barcoded and non-barcoded Standard Mail NFMs and Parcels. The model does have an estimate of barcoding savings, but as in the past, that estimate is based on data from the 2008 BPM Parcels model. Based on the estimates developed from BPM Parcels barcoded savings data, the passthrough for the current non-barcoding surcharge is 178 percent. As discussed in the 2009 ACD, the Postal Service justifies the size of this surcharge under section 3622(e)(2)(D), to promote a totally pre-barcoded incoming parcel mailstream, which would allow elimination of keying stations at sorting facilities, and to facilitate implementation of electronic manifesting (a cost savings not incorporated in the barcoding savings estimate). In the 2009 ACD, the Commission found this surcharge to be justified at its present 7.0 cents.²³

The Postal Service believes it is wise to continue to send a strong signal to mailers to barcode all their parcels, given the long-run efficiencies to be had from an all-prebarcoded parcels mail stream, and particularly in light of the limited and indirect cost information used to develop the Standard Mail avoided cost estimate. Nevertheless, the Postal Service believes that it can move the surcharge closer to the 3.9 cent avoided cost estimate, while still sending the necessary signal to mailers. For these reasons the Postal Service is proposing a 6.4 cent nonbarcoded surcharge, which is 164 percent of the avoided cost estimate prepared using the BPM parcels model, justifying the excess passthrough, as formerly, under section 3622(e)(2)(D) as needed to ensure long-run operational efficiency in its parcel mail processing system.

The Postal Service will re-examine this surcharge when it files its next general price adjustment, to determine whether some modification of the surcharge is warranted

²³ FY 2009 Annual Compliance Determination (March 29, 2010), at 95.

in light of the goals of the surcharge as well as the results of the new NFM/Parcels cost model. At this time the Postal Service thinks it is prudent to continue to include the extra incentive in the surcharge, given the goals of the surcharge and the limited and indirect cost information used to develop the Standard Mail avoided costs, under section 3622(e)(2)(D).

Standard Mail High Density Letters

In Docket No. RM2009-3, the Commission determined that High Density letters were a workshared variant of Carrier Route letters. Order No. 536 at 2. Although the Postal Service believes that these two categories serve different markets, it has reported the discount, avoided cost, and passthrough between these two categories as required by the Commission's rules for worksharing discounts.

Because it is the practice of the Postal Service to put all automation compatible letters through delivery point sequencing (DPS), there is no additional value to the Postal Service for basic carrier route presorted automation letters. Indeed, bundled carrier route letters can be more costly to process on DPS machines than trayed 5-digit letters. Therefore it has long been Postal Service pricing policy to price 5-digit automation letters below basic carrier route letters. At this time there are few letters remaining in the Carrier Route product, and these letters are mostly non-automatable and so have to be processed like flats. Consequently the Postal Service gives Carrier Route letters the same price as Carrier Route flats.

The Postal Service believes that High Density letters are appropriately priced. Raising the "discount" between High Density letters and Carrier Route letters to a full

passthrough of the cost difference would therefore require raising the price of Carrier Route letters above the price of Carrier Route flats. The Postal Service does not believe that it is either necessary or appropriate to break the longstanding equivalence of the Carrier Route letters and flats prices at this time.

Standard Mail High Density Flats and Parcels

In Docket No. RM2009-3, the Commission determined that High Density flats and parcels were workshared variants of Carrier Route flats and parcels. Order No. 536 at 2. Although the Postal Service believes that the Carrier Route and High Density categories of mail serve different markets, it has reported the discounts, avoided costs and passthroughs between these categories as required by the Commission's rules for worksharing discounts.

The Postal Service believes that High Density flats are appropriately priced. Raising the "discount" between High Density flats and Carrier Route flats to a full passthrough of the cost difference would therefore require raising the prices of Carrier Route flats higher than those contained in this price adjustment. Because the Carrier Route flats category largely serves the demographically targeted catalog industry, which is currently facing difficult times, the Postal Service determined that it should not ask this category to bear higher increases at this time.

The FY 2010 avoided cost between Carrier Route parcels and High Density parcels was a negative 13.0 cents per piece, meaning that the cost estimate for High Density parcels was 13.0 cents higher than the corresponding cost estimate for Carrier Route parcels. The Postal Service finds this avoided cost figure to be anomalous, and does not believe that it can reasonably be used in pricing either Carrier Route or High

Density parcels. High Density parcels are required to have a minimum density of 125 pieces per route, higher than the 10 piece minimum required for Carrier Route parcels. In addition, High Density parcels are required to be walk-sequenced, whereas Carrier Route parcels can be line of travel sequenced, a less-stringent sequencing requirement. For these reasons, the Postal Service expects that, all else being equal, it should be cheaper to process and deliver High Density parcels than Carrier Route parcels.

The Postal Service believes that pricing High Density higher than Carrier Route parcels would send an inefficient signal to mailers to prepare and enter their parcels as line of travel sequenced Carrier Route parcels, rather than as walk sequenced High Density parcels. Sending this signal to mailers solely on the basis of this anomalous avoided cost figure would lead to more inefficient operations. In this price adjustment, the Postal Service has given both Carrier Route parcels and High Density parcels roughly comparable increases, and this has produced a 13.6 cent “discount” between High Density and Carrier Route parcels, in line with the growth of the prices of the two categories. This discount is reasonable given the absence of a reliable avoided cost estimate, so the Postal Service justifies it using section 3622(e)(2) (D), pending resolution of the cost difference anomaly.

Standard Mail Drop Ship Discounts

All of the Standard Mail drop ship discounts are below their respective avoided costs, most of them substantially so. Since the last price change was made, the Commission approved the use of shape-based avoided costs for drop ship discounts. When the current drop ship discounts were set in Docket No. R2009-2, the Postal Service believed that costs differed by shape, but the same avoided costs were used as

the basis for all drop ship discounts. With the approval of shape-based costs, the Postal Service intends to introduce greater shape-based price differentiation into its drop ship discounts, and has already done so in the case of parcels and NFMs.

In the present price change, however, several factors have combined to produce the unusually low cost recognition found in the new drop ship discounts. First, between FY 2009 and FY 2010, all estimated Standard Mail drop ship avoided costs experienced substantial increases, most of them at double-digit rates. These large increases were a primary factor in pushing down the drop ship passthroughs at current prices, as reported in the FY 2010 ACR. While the Postal Service intends to increase shape-based pricing recognition in its drop ship discounts, it expects, all other conditions being equal, that this will be a more gradual process.

The rather small size of the overall price change also influenced the discount pricing decisions. With a small overall increase, there was less cap room available to accommodate large changes in drop ship discounts. For these reasons, the Postal Service decided to maintain the discounts close to their current levels, and gradually adjust them as feasible in future price adjustments.

Periodicals

Attachment B contains two workshare discount tables for Periodicals. Few passthroughs exceed 100 percent; and they often apply to low volume categories such as automation letters. In addition, the Postal Service is mindful of resulting price swings which would occur if not for these passthroughs. In any event, these passthroughs are justified by section 3622(e)(2)(C).

The Outside County table shows discounts/surcharges, cost differentials, and passthroughs for presorting. The Within County shows the same information for presorting, prebarcoding, and dropship.

The remaining table for Periodicals shows bundle and container pricing which, in Docket No. R2006-1, was developed by passing through part of the respective costs, rather than 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.²⁴

For this price increase, the Postal Service uses the flexibility of the container-bundle-piece price structure to limit the extent to which price increases for individual publications differ from the average. At the same time, incentives for efficient preparation are strengthened by reflecting a higher percentage of costs in prices that had minimal impact on those publications that were likely to experience above-average increases. For example, the percentage of costs reflected in prices was increased for pallets but not for sacks. This helps further the goal of more efficient containerization, while being mindful of the impact on those publications that cannot easily change preparation.

²⁴ The language of section 3622(e) reflects the traditional understanding of passthroughs being based on avoided costs, rather than bottom-up costs.

Package Services

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

Media Mail and Library Mail

The 5-digit presort discounts for both Media Mail and Library Mail exceed 100 percent of estimated avoided costs. The Postal Service justifies these passthroughs pursuant to section 3622(e)(2)(C), since both Media Mail and Library Mail consist entirely of content having ECSI value. While the modest price increase was not large enough to move the passthroughs down to 100 percent, the price adjustments will lower the passthroughs from the levels reported in the FY2010 ACR. .

In this pricing adjustment, the Media Mail/Library Mail workshare 5-digit presort passthrough moved closer to 100 percent, compared to passthrough levels reported in the 2010 ACR. For Media Mail, the passthrough in the ACR was 123.3 percent but fell to 119.2 percent with this price adjustment. For Library Mail, the passthrough fell from 116.7 percent in the ACR to 113.3 percent with this price adjustment. The passthrough was pushed as close to 100 percent as possible, but the relatively small price cap limited how far it could be pushed without causing extreme price swings in other pricing elements.

In this pricing adjustment, the Postal Service maintains the pre-barcoding discounts for Media Mail and Library Mail at their current levels: three cents. The estimated avoided cost was 3.97 cents, which rounds to four cents. The Postal Service has decided, in the interest of pricing stability, not to change the longstanding three-cent

discount in this round of pricing adjustments. The Postal Service will revisit this discount after the next ACR and consider again whether a different pre-barcoding discount is in order.

Bound Printed Matter Flats and Parcels

All workshare discount passthroughs for Bound Printed Matter Flats and Parcels are either at or below 100 percent. The carrier route and barcode discounts remain unchanged in this price adjustment despite increases in their respective avoided costs. The Postal Service will re-evaluate whether these discounts should be increased in its next general price adjustment. In this adjustment, given the modest size of the overall increase, increasing these discounts would have raised the likelihood of creating some categories of mail with price decreases, coupled with other categories with above-average price increases.

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. Attachment A shows the new prices and related product description changes incorporated into a revised draft of the market-dominant section of the MCS.²⁵

Revisions to the MCS are very limited. There are just two substantive changes.

- the First-Class Mail classification changes related to adding a Commercial Plus category for parcels weighing between 13 and 16 ounces (described above); and

²⁵ This draft is the Postal Service's update based on informal discussions between the Postal Service and the Commission in furtherance of the Commission's effort to develop a proposed MCS for public comment. The classification changes are shown in legislative format.

- the elimination of stamped envelopes with Standard Mail denominations (which was proposed earlier in Docket No. R2010-4), in response to available alternatives and reduced customer demand.

Corrections to the MCS are made in several places, including:

- correcting the maximum weight for Presorted Machinable Letters in 1110.5,
- renaming Single-Piece as Retail, and Presorted as Commercial Base, in 1120,
- using a footnote rather than a table to show the nonbarcoded/nonmachinable surcharge in 1120.5,
- clarifying the treatment of letters weighing more than 3.3 ounces in 1205.5 and 1215.5,
- correcting a reference to the incorrect product in the Ride-Along note in 1310.6,
- conforming the Post Office box lock replacement language in 1550.1 to the Competitive MCS (noting that the fee is applied to late payments), and
- correcting a reference to the Republic of Serbia in the country lists in Part D.

Notice of the changes to the DMM implementing the new features will be published in the *Federal Register* shortly.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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MAIL CLASSIFICATION CHANGES

(Additions are underlined and deletions are marked with strike-through)
(All prices are listed in price tables, whether or not they are changing)

Part A

Market Dominant Products

* * * * *

1100 First-Class Mail

* * * * *

1105 Single-Piece Letters/Postcards

* * * * *

1105.5 Prices

Single-Piece Machinable Letters¹

Maximum Weight (ounces)	Machinable Letters (\$)
1	0.44
2	0.64
3	0.84
3.5	1.04

Notes

1. The price for single-piece, first ounce letters also applies to sales of Forever stamps at the time of purchase.

Single-Piece Nonmachinable Letters

Maximum Weight (ounces)	Nonmachinable Letters (\$)
1	0.64
2	0.84
3	1.04
3.5	1.24

Single-Piece QBRM Letters

Maximum Weight (ounces)	QBRM Letters (\$)
1	0.417
2	0.617

Single-Piece Postcards

Maximum Weight (ounces)	Postcards (\$)	Single-Piece Double Card (\$)
not applicable	0.29	0.58

Single-Piece QBRM Postcards

Maximum Weight (ounces)	QBRM Postcards (\$)
not applicable	0.267

1110 Presorted Letters/Postcards

* * * * *

1110.5 Prices

Automation Letters

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)
1	0.340	0.365	0.368	0.390
2	0.465	0.490	0.493	0.515
3	0.590	0.615	0.618	0.640
3.5	0.715	0.740	0.743	0.765

Machinable Letters

Maximum Weight (ounces)	Presorted (\$)
1	0.414
2	0.539
3	0.664
<u>3.5</u>	0.789

Nonmachinable Letters

Maximum Weight (ounces)	Presorted (\$)
1	0.614
2	0.739
3	0.864
3.5	0.989

Letters including a Repositionable Note

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

Full-service Intelligent Mail Option

Subtract \$0.003 for each automation letter that complies with the requirements for the full-service Intelligent Mail option.

Move Update Assessment Charge

Add \$0.07 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Reply Rides Free Program

Provides a per-piece credit (equal to the amount paid for the second ounce) on all qualifying pieces mailed during the program period above an established threshold, for mailers enrolled in the program. Qualifying pieces must be automation First-Class Mail letters mailed under the full-service Intelligent Mail Option and must contain a reply card or envelope, either courtesy reply or business reply.

Automation Postcards

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)
not applicable	0.208	0.222	0.223	0.235

Full-service Intelligent Mail Option

Subtract \$0.003 for each automation postcard that complies with the requirements for the full-service Intelligent Mail option.

Machinable Postcards

Maximum Weight (ounces)	Presorted (\$)
not applicable	0.260

1115 Flats

* * * * *

1115.5 Prices

Automation Flats

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
1	0.373	0.547	0.605	0.725
2	0.543	0.717	0.775	0.895
3	0.713	0.887	0.945	1.065
4	0.883	1.057	1.115	1.235
5	1.053	1.227	1.285	1.405
6	1.223	1.397	1.455	1.575
7	1.393	1.567	1.625	1.745
8	1.563	1.737	1.795	1.915
9	1.733	1.907	1.965	2.085
10	1.903	2.077	2.135	2.255
11	2.073	2.247	2.305	2.425
12	2.243	2.417	2.475	2.595
13	2.413	2.587	2.645	2.765

Full-service Intelligent Mail Option

Subtract \$0.003 for each automation flat that complies with the requirements for the full-service Intelligent Mail option.

Presorted Flats

Maximum Weight (ounces)	Presorted (\$)
1	0.757
2	0.927
3	1.097
4	1.267
5	1.437
6	1.607
7	1.777
8	1.947
9	2.117
10	2.287
11	2.457
12	2.627
13	2.797

Single-Piece Flats

Maximum Weight (ounces)	Single-Piece (\$)
1	0.88
2	1.08
3	1.28
4	1.48
5	1.68
6	1.88
7	2.08
8	2.28
9	2.48
10	2.68
11	2.88
12	3.08
13	3.28

Flats including a Repositionable Note

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

Move Update Assessment Charge

Add \$0.07 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

1120 Parcels

1120.1 Size and Weight Limitations

Parcels Retail (Single-Piece and Mixed-ADG)

	Length	Height	Thickness	Weight
Minimum	large enough to accommodate postage, address, and other required elements on the address side			None
Maximum	108 inches in combined length and girth			13 ounces

Parcels Commercial Base (Single-Piece, ADC, 3-Digit, and 5-Digit)

	Length	Height	Thickness	Weight
Minimum	3.5 inches	3.0 inches	0.05 inch	None
Maximum	18 inches	15 inches	22 inch	13 ounces

Commercial Plus (Single-Piece, ADC, 3-Digit, and 5-Digit)

	<u>Length</u>	<u>Height</u>	<u>Thickness</u>	<u>Weight</u>
<u>Minimum</u>	<u>6 inches</u>	<u>3.0 inches</u>	<u>0.25 inch</u>	<u>13 ounces</u>
<u>Maximum</u>	<u>18 inches</u>	<u>15 inches</u>	<u>22 inch</u>	<u><16 ounces</u>

Parcels (Keys and Identification Devices)

	Length	Height	Thickness	Weight
Minimum	not applicable			None
Maximum	not applicable			2 pounds

1120.2 Minimum Volume Requirements

		Minimum Volume Requirements
Parcels	<u>Single-Piece Retail</u>	None
	<u>Commercial Base</u> <u>Mixed-ADG</u>	None
	<u>Single-Piece</u>	None
	ADC	500 pieces per mailing

3-Digit	500 pieces per mailing
5-Digit	500 pieces per mailing
<u>Commercial Plus</u>	<u>5000 pieces per year commitment</u>
<u>Single-Piece</u>	<u>200 pieces or 50 pounds per mailing</u>
<u>ADC</u>	<u>500 pieces per mailing</u>
<u>3-Digit</u>	<u>500 pieces per mailing</u>
<u>5-Digit</u>	<u>500 pieces per mailing</u>
Keys and Identification Devices	None

1120.3 Price Categories

The following price categories are available for the product specified in this section:

- Commercial Plus
 - 5-Digit
 - 3-Digit
 - ADC
 - Single-Piece
- ~~Presorted~~Commercial Base
 - 5-Digit
 - 3-Digit
 - ADC
 - Single-Piece
- ~~Presorted Nonbarcoded or Nonmachinable (Weighs less than 2 ounces, is not barcoded, or does not meet the machinability requirements)~~
 - ~~3-Digit~~
 - ~~ADC~~
- ~~Retail~~Single-Piece or Mixed ADC
 - Single-Piece
- Keys and Identification Devices (Payment is due on delivery unless an active business reply mail advance deposit account is used)
- Move Update Assessment Charge

* * * * *

1120.5 Prices

Commercial Plus

<u>Weight (ounces)</u>	<u>5-Digit (\$)</u>	<u>3-Digit* (\$)</u>	<u>ADC* (\$)</u>	<u>Single-Piece (\$)</u>
<u>≥3.5 and <16</u>	<u>3.210</u>	<u>3.410</u>	<u>3.610</u>	<u>3.890</u>

* For parcels claiming 3-Digit or ADC prices, a \$0.05 surcharge applies if the parcels are not barcoded.

Commercial Base Presorted Parcels

<u>Maximum Weight (ounces)</u>	<u>5-Digit (\$)</u>	<u>3-Digit* (\$)</u>	<u>ADC* (\$)</u>	<u>Single-Piece (\$)</u>
1	1.122	1.254	1.340	<u>1.56</u>
2	1.122	1.254	1.340	<u>1.56</u>
3	1.122	1.254	1.340	<u>1.56</u>
4	1.292	1.424	1.510	<u>1.73</u>
5	1.462	1.594	1.680	<u>1.90</u>
6	1.632	1.764	1.850	<u>2.07</u>
7	1.802	1.934	2.020	<u>2.24</u>
8	1.972	2.104	2.190	<u>2.41</u>
9	2.142	2.274	2.360	<u>2.58</u>
10	2.312	2.444	2.530	<u>2.75</u>
11	2.482	2.614	2.700	<u>2.92</u>
12	2.652	2.784	2.870	<u>3.09</u>
13	2.822	2.954	3.040	<u>3.26</u>

* For parcels claiming 3-Digit or ADC prices, a \$0.05 surcharge applies if the parcels are not barcoded or are nonmachinable.

Presorted Nonbarcoded or Nonmachinable Parcels

<u>Maximum Weight (ounces)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>
4	0.914	1.000
2	1.084	1.170

Retail Single-Piece and Presorted Mixed ADC Parcels

Maximum Weight (ounces)	Single-Piece (\$)	Mixed ADC (\$)
1	1.71	1.61
2	1.71	1.61
3	1.71	1.61
4	1.88	1.78
5	2.05	1.95
6	2.22	2.12
7	2.39	2.29
8	2.56	2.46
9	2.73	2.63
10	2.90	2.80
11	3.07	2.97
12	3.24	3.14
13	3.41	3.31

Keys and Identification Devices

<u>Maximum Weight</u> <u>(ounces)</u>	<u>Keys and Identification Devices</u> <u>(\$)</u>
<u>1</u>	<u>2.46</u>
<u>2</u>	<u>2.46</u>
<u>3</u>	<u>2.46</u>
<u>4</u>	<u>2.63</u>
<u>5</u>	<u>2.80</u>
<u>6</u>	<u>2.97</u>
<u>7</u>	<u>3.14</u>
<u>8</u>	<u>3.31</u>
<u>9</u>	<u>3.48</u>
<u>10</u>	<u>3.65</u>
<u>11</u>	<u>3.82</u>
<u>12</u>	<u>3.99</u>
<u>13</u>	<u>4.16</u>
<u>1 (pound)</u>	<u>*</u> <u>-</u>
<u>2 (pounds)</u>	<u>*</u> <u>-</u>

*Priority Mail Retail Zone 4 postage, plus \$0.75.

Move Update Assessment Charge

Add \$0.07 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

1125 Outbound Single-Piece First-Class Mail International

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1125.6 Prices

Machinable Letters

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	0.80	0.80	0.98	0.98	0.98	0.98	0.98	0.98	0.98
2	1.08	1.36	1.82	1.82	1.82	1.76	1.76	1.76	1.76
3	1.36	1.92	2.66	2.66	2.66	2.54	2.54	2.54	2.54
3.5	1.64	2.48	3.50	3.50	3.50	3.32	3.32	3.32	3.32

Nonmachinable Letters

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	1.00	1.00	1.18	1.18	1.18	1.18	1.18	1.18	1.18
2	1.28	1.56	2.02	2.02	2.02	1.96	1.96	1.96	1.96
3	1.56	2.12	2.86	2.86	2.86	2.74	2.74	2.74	2.74
3.5	1.84	2.68	3.70	3.70	3.70	3.52	3.52	3.52	3.52

Postcards

Maximum Weight (ounces)	Canada (\$)	Mexico (\$)	All Other Countries (\$)
not applicable	0.80	0.80	0.98

Large Envelopes (Flats)

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	1.08	1.08	1.30	1.30	1.30	1.30	1.30	1.30	1.30
2	1.34	1.65	2.17	2.17	2.17	2.13	2.13	2.13	2.13
3	1.60	2.22	3.04	3.04	3.04	2.96	2.96	2.96	2.96
4	1.86	2.79	3.91	3.91	3.91	3.79	3.79	3.79	3.79
5	2.12	3.36	4.78	4.78	4.78	4.62	4.62	4.62	4.62
6	2.38	3.93	5.65	5.65	5.65	5.45	5.45	5.45	5.45
7	2.64	4.50	6.52	6.52	6.52	6.28	6.28	6.28	6.28
8	2.90	5.07	7.39	7.39	7.39	7.11	7.11	7.11	7.11
12	3.94	6.71	9.18	9.18	9.18	8.86	8.86	8.86	8.86
16	4.98	8.35	10.97	10.97	10.97	10.61	10.61	10.61	10.61
20	6.02	9.99	12.76	12.76	12.76	12.36	12.36	12.36	12.36
24	7.06	11.63	14.55	14.55	14.55	14.11	14.11	14.11	14.11
28	8.10	13.27	16.34	16.34	16.34	15.86	15.86	15.86	15.86
32	9.14	14.91	18.13	18.13	18.13	17.61	17.61	17.61	17.61
36	10.18	16.55	19.92	19.92	19.92	19.36	19.36	19.36	19.36
40	11.22	18.19	21.71	21.71	21.71	21.11	21.11	21.11	21.11
44	12.26	19.83	23.50	23.50	23.50	22.86	22.86	22.86	22.86
48	13.30	21.47	25.29	25.29	25.29	24.61	24.61	24.61	24.61
52	14.34	23.11	27.08	27.08	27.08	26.36	26.36	26.36	26.36
56	15.38	24.75	28.87	28.87	28.87	28.11	28.11	28.11	28.11
60	16.42	26.39	30.66	30.66	30.66	29.86	29.86	29.86	29.86
64	17.46	28.03	32.45	32.45	32.45	31.61	31.61	31.61	31.61

Packages Small Packets, including Rolls

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72
2	1.98	2.29	2.59	2.59	2.59	2.53	2.53	2.53	2.53
3	2.24	2.86	3.46	3.46	3.46	3.34	3.34	3.34	3.34
4	2.50	3.43	4.33	4.33	4.33	4.15	4.15	4.15	4.15
5	2.76	4.00	5.20	5.20	5.20	4.96	4.96	4.96	4.96
6	3.02	4.57	6.07	6.07	6.07	5.77	5.77	5.77	5.77
7	3.28	5.14	6.94	6.94	6.94	6.58	6.58	6.58	6.58
8	3.54	5.71	7.81	7.81	7.81	7.39	7.39	7.39	7.39
12	4.56	7.33	9.60	9.60	9.60	9.14	9.14	9.14	9.14
16	5.58	8.95	11.39	11.39	11.39	10.89	10.89	10.89	10.89
20	6.60	10.57	13.18	13.18	13.18	12.64	12.64	12.64	12.64
24	7.62	12.19	14.97	14.97	14.97	14.39	14.39	14.39	14.39
28	8.64	13.81	16.76	16.76	16.76	16.14	16.14	16.14	16.14
32	9.66	15.43	18.55	18.55	18.55	17.89	17.89	17.89	17.89
36	10.68	17.05	20.34	20.34	20.34	19.64	19.64	19.64	19.64
40	11.70	18.67	22.13	22.13	22.13	21.39	21.39	21.39	21.39
44	12.72	20.29	23.92	23.92	23.92	23.14	23.14	23.14	23.14
48	13.74	21.91	25.71	25.71	25.71	24.89	24.89	24.89	24.89
52	14.76	23.53	27.50	27.50	27.50	26.64	26.64	26.64	26.64
56	15.78	25.15	29.29	29.29	29.29	28.39	28.39	28.39	28.39
60	16.80	26.77	31.08	31.08	31.08	30.14	30.14	30.14	30.14
64	17.82	28.39	32.87	32.87	32.87	31.89	31.89	31.89	31.89

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1200 Standard Mail (Commercial and Nonprofit)

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1205 High Density and Saturation Letters

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1205.5 Prices

Saturation Letters (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.182	0.110
DNDC	0.149	0.077
DSCF	0.139	0.067

High Density Letters (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.195	0.123
DNDC	0.162	0.090
DSCF	0.152	0.080

Pieces weighing more than 3.3 ounces

Automation L-shaped pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the applicable 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 point and density tier. Nonautomation saturation and high-density letters pay prices shown in the applicable 1210.5 flats tables. These letters cannot be entered at DDUs and must be prepared as letters.

Letters including a Repositionable Note

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

Move Update Assessment Charge

Add \$0.07 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Move Update Noncompliance Charge

Add \$0.07 per piece in a mailing that does not comply with the Move Update standards

Forwarding-and-Return Service

If Forwarding-and-Return Service is 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.

Full-service Intelligent Mail Option

Subtract \$0.001 for each letter that complies with the requirements for the full-service Intelligent Mail option.

Saturation and High Density Incentive Program

Commercial Saturation Letters: Provide a per-piece credit of 22 percent of the average revenue per piece during the program period, on incremental volume above an established threshold, for mailers that comply with the enrollment and eligibility requirements of the program.

Nonprofit Saturation Letters: Provide a per-piece credit of 8 percent of the average revenue per piece during the program period, on incremental volume above an established threshold, for mailers that comply with the enrollment and eligibility requirements of the program.

Commercial High Density Letters: Provide a per-piece credit of 13 percent of the average revenue per piece during the program period, on incremental volume above an established threshold, for mailers that comply with the enrollment and eligibility requirements of the program.

Nonprofit High Density Letters: Provide a per-piece credit of 8 percent of the average revenue per piece during the program period, on incremental volume above an established threshold, for mailers that comply with the enrollment and eligibility requirements of the program.

1210 High Density and Saturation Flats/Parcels

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1210.5 Prices

Saturation Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.194	0.120
DNDC	0.161	0.087
DSCF	0.151	0.077
DDU	0.142	0.068

Saturation Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.069	0.030

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.608	0.438
DNDC	0.448	0.278
DSCF	0.400	0.230
DDU	0.358	0.188

Saturation Parcels (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.470	0.338
DNDC	0.427	0.295

DSCF	0.378	0.246
DDU	0.342	0.210

Saturation Parcels (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.299	0.209

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.827	0.627
DNDC	0.619	0.419
DSCF	0.382	0.182
DDU	0.206	0.006

High Density Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.220	0.146
DNDC	0.187	0.113
DSCF	0.177	0.103
DDU	0.168	0.094

High Density Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.095	0.056

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.608	0.438
DNDC	0.448	0.278
DSCF	0.400	0.230
DDU	0.358	0.188

High Density Parcels (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.479	0.347
DNDC	0.436	0.304
DSCF	0.387	0.255
DDU	0.351	0.219

High Density Parcels (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.308	0.218

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.827	0.627
DNDC	0.619	0.419
DSCF	0.382	0.182
DDU	0.206	0.006

Flats including a Repositionable Note

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

Move Update Assessment Charge

Add \$0.07 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Move Update Noncompliance Charge

Add \$0.07 per piece in a mailing that does not comply with the Move Update standards

Pieces including a Detached Address Label

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

Full-service Intelligent Mail Option

Subtract \$0.001 for each high density flat that complies with the requirements for the full-service Intelligent Mail option.

Forwarding-and-Return Service

If used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$1.05 per piece and returned flats the applicable First-Class Mail price. All other pieces 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.

Saturation and High Density Incentive Program

Commercial Saturation Flats: Provide a per-piece credit of 22 percent of the average revenue per piece during the program period, on incremental volume above an established threshold, for mailers that comply with the enrollment and eligibility requirements of the program.

Nonprofit Saturation Flats: Provide a per-piece credit of 8 percent of the average revenue per piece during the program period, on incremental volume above an established threshold, for mailers that comply with the enrollment and eligibility requirements of the program.

Commercial High Density Flats: Provide a per-piece credit of 13 percent of the average revenue per piece during the program period, on incremental volume above an established threshold, for mailers that comply with the enrollment and eligibility requirements of the program.

Nonprofit High Density Flats: Provide a per-piece credit of 8 percent of the average revenue per piece during the program period, on incremental volume above an established threshold, for mailers that comply with the enrollment and eligibility requirements of the program.

1215 Carrier Route

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1215.5 Prices

Carrier Route Letters (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.265	0.191
DNDC	0.232	0.158
DSCF	0.222	0.148

Carrier Route Letters (greater than 3.3 ounces)

Automation letter-shaped pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the applicable 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 point and density tier. Nonautomation basic carrier route letters pay prices shown in 1215.5 carrier route flats tables. These letters cannot be entered at DDUs and must be prepared as letters.

Carrier Route Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.265	0.191
DNDC	0.232	0.158
DSCF	0.222	0.148
DDU	0.213	0.139

Carrier Route Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.122	0.083

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.695	0.525
DNDC	0.535	0.365
DSCF	0.487	0.317
DDU	0.445	0.275

Carrier Route Parcels (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.615	0.518
DNDC	0.572	0.475
DSCF	0.523	0.426
DDU	0.487	0.390

Carrier Route Parcels (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.438	0.378

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.860	0.680
DNDC	0.652	0.472
DSCF	0.415	0.235
DDU	0.239	0.059

Letters and flats including a Repositionable Note

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

Move Update Assessment Charge

Add \$0.07 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Move Update Noncompliance Charge

Add \$0.07 per piece in a mailing that does not comply with the Move Update standards

Flats and Parcels including a Detached Address Label

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

Forwarding-and-Return Service

If used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.35 per piece, forwarded flats pay \$1.05 per piece and returned letters and flats pay the applicable First-Class Mail price. All other pieces 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.

Full-service Intelligent Mail Option

Subtract \$0.001 for each carrier route letter or flat that complies with the requirements for the full-service Intelligent Mail option.

1220 Letters

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1220.5 Prices

Automation Letters (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)
Origin	0.237	0.255	0.257	0.273	0.132	0.150	0.152	0.168
DNDC	0.204	0.222	0.224	0.240	0.099	0.117	0.119	0.135
DSCF	0.194	0.212	0.214	n/a	0.089	0.107	0.109	n/a

Machinable Letters (3.3 ounces or less)

Entry Point	Commercial		Nonprofit	
	AADC (\$)	Mixed AADC (\$)	AADC (\$)	Mixed AADC (\$)
Origin	0.260	0.276	0.158	0.174
DNDC	0.227	0.243	0.125	0.141
DSCF	0.217	n/a	0.115	n/a

Nonmachinable Letters (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.381	0.474	0.512	0.606	0.276	0.369	0.407	0.501
DNDC	0.348	0.441	0.479	0.573	0.243	0.336	0.374	0.468
DSCF	0.338	0.431	0.469	n/a	0.233	0.326	0.364	n/a

Pieces weighing more than 3.3 ounces

Letter-shaped pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the applicable 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 point and density tier.

Letters including a Repositionable Note

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

Move Update Assessment Charge

Add \$0.07 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Move Update Noncompliance Charge

Add \$0.07 per piece in a mailing that does not comply with the Move Update standards

Forwarding-and-Return Service

If Forwarding-and-Return Service is 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.

Full-service Intelligent Mail Option

Subtract \$0.001 for each automation letter that complies with the requirements for the full-service Intelligent Mail option.

1225 Flats

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1225.5 Prices

Automation Flats (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.347	0.426	0.482	0.492	0.213	0.289	0.345	0.355
DNDC	0.314	0.393	0.449	0.459	0.180	0.256	0.312	0.322
DSCF	0.304	0.383	0.439	n/a	0.170	0.246	0.302	n/a

Automation Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Per Piece	0.197	0.276	0.332	0.342	0.083	0.159	0.215	0.225

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.725	0.725	0.725	0.725	0.628	0.628	0.628	0.628
DNDC	0.565	0.565	0.565	0.565	0.468	0.468	0.468	0.468
DSCF	0.517	0.517	0.517	n/a	0.420	0.420	0.420	n/a

Nonautomation Flats (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.382	0.464	0.516	0.549	0.250	0.332	0.379	0.412
DNDC	0.349	0.431	0.483	0.516	0.217	0.299	0.346	0.379
DSCF	0.339	0.421	0.473	n/a	0.207	0.289	0.336	n/a

Nonautomation Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Per Piece	0.232	0.314	0.366	0.399	0.120	0.202	0.249	0.282

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.725	0.725	0.725	0.725	0.628	0.628	0.628	0.628
DNDC	0.565	0.565	0.565	0.565	0.468	0.468	0.468	0.468
DSCF	0.517	0.517	0.517	n/a	0.420	0.420	0.420	n/a

Customized Market Mail Prices

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.460	0.334

Flats including a Repositionable Note

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

Move Update Assessment Charge

Add \$0.07 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Move Update Noncompliance Charge

Add \$0.07 per piece in a mailing that does not comply with the Move Update standards

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$1.05 per piece and returned flats pay the applicable First-Class Mail price. All other flats 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.

Full-service Intelligent Mail Option

Subtract \$0.001 for each automation flat that complies with the requirements for the full-service Intelligent Mail option.

1230 Not Flat-Machinables (NFMs)/Parcels

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1230.5 Prices

Not Flat-Machinables (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	1.045	1.460	n/a	n/a	0.948	1.312
DNDC	0.606	0.630	1.002	n/a	0.548	0.568	0.905	n/a
DSCF	0.557	0.581	n/a	n/a	0.499	0.519	n/a	n/a
DDU	0.521	n/a	n/a	n/a	0.463	n/a	n/a	n/a

Not Flat-Machinables (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial				Nonprofit			
	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Per Piece	0.443	0.467	0.839	1.254	0.403	0.423	0.760	1.124

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	1.000	1.000	n/a	n/a	0.910	0.910
DNDC	0.792	0.792	0.792	n/a	0.702	0.702	0.702	n/a
DSCF	0.555	0.555	n/a	n/a	0.465	0.465	n/a	n/a
DDU	0.379	n/a	n/a	n/a	0.289	n/a	n/a	n/a

Machinable Parcels Prices (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial			Nonprofit		
	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)
Per Piece	0.631	0.978	1.393	0.545	0.798	1.168

b. Per Pound

Entry Point	Commercial			Nonprofit		
	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	1.000	1.000	n/a	0.910	0.910
DNDC	0.792	0.792	n/a	0.702	0.702	n/a
DSCF	0.555	n/a	n/a	0.465	n/a	n/a
DDU	0.379	n/a	n/a	0.289	n/a	n/a

Irregular Parcels (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	1.314	1.705	n/a	n/a	1.093	1.462
DNDC	0.794	0.834	1.271	n/a	0.690	0.703	1.050	n/a
DSCF	0.745	0.785	n/a	n/a	0.641	0.654	n/a	n/a
DDU	0.709	n/a	n/a	n/a	0.605	n/a	n/a	n/a

Irregular Parcels (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Commercial				Nonprofit			
	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Per Piece	0.631	0.671	1.108	1.499	0.545	0.558	0.905	1.274

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	1.000	1.000	n/a	n/a	0.910	0.910
DNDC	0.792	0.792	0.792	n/a	0.702	0.702	0.702	n/a
DSCF	0.555	0.555	n/a	n/a	0.465	0.465	n/a	n/a
DDU	0.379	n/a	n/a	n/a	0.289	n/a	n/a	n/a

Move Update Assessment Charge

Add \$0.07 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

Move Update Noncompliance Charge

Add \$0.07 per piece in a mailing that does not comply with the Move Update standards

Forwarding-and-Return Service

Pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price or Priority Mail price for the piece plus the price multiplied by a factor of 2.472.

Non-barcoded Parcels and Not-Flat Machinable Surcharge

For non-barcoded Parcels and Not-Flat Machinable pieces, add \$0.0647 per piece. The ~~S~~urcharge does not apply to pieces sorted to 5-digit ZIP Codes.

1300 Periodicals

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1305 Within County Periodicals

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1305.6 Prices

Within-County Automation

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Pound Rates (per pound or fraction thereof)

Entry Point	Price (\$)
DDU	0.142
Non-DDU	0.185

b. Piece Rates (per addressed piece)

Presort Level	Letters (\$)	Flats (\$)
5-Digit	0.047	0.100
3-Digit	0.049	0.107
Basic	0.059	0.115

Within-County Nonautomation

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Pound Rates (per pound or fraction thereof)

Entry Point	Price (\$)
DDU	0.142
Non-DDU	0.185

b. Piece Rates (per addressed piece)

Presort Level	Letters, Flats, and Parcels (\$)
Carrier Route Saturation	0.030
Carrier Route High Density	0.044
Carrier Route Basic	0.060
5-Digit	0.106
3-Digit	0.119
Basic	0.131

Worksharing Discount for DDU

Each DDU entered piece receives a discount of-\$0.008.

Within-County Periodicals including a Repositionable Note

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

Full-service Intelligent Mail Option

Subtract \$0.001 for each automation or Carrier Route letter or flat that complies with the requirements for the full-service Intelligent Mail option.

Within-County Periodicals including a Ride-Along piece

Add \$0.165 for a Ride-Along item enclosed with or attached to a Within-County Periodical.

1310 Outside County Periodicals

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1310.6 Prices

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

Pound Rates (per pound or fraction thereof)

Entry Level or Zone	Regular		Science of Agriculture	
	Advertising (\$)	Editorial (\$)	Advertising (\$)	Editorial (\$)
DDU	0.133	0.111	0.100	0.111
DSCF	0.203	0.168	0.152	0.168
DADC	0.215	0.179	0.161	0.179
Zones 1 & 2	0.240	0.200	0.180	0.200
Zone 3	0.263	0.200	0.263	0.200
Zone 4	0.322	0.200	0.322	0.200
Zone 5	0.410	0.200	0.410	0.200
Zone 6	0.503	0.200	0.503	0.200
Zone 7	0.616	0.200	0.616	0.200
Zone 8	0.711	0.200	0.711	0.200

Piece Rate (per addressed piece)

a. Carrier Route Letters, Flats, and Parcels

Bundle Level	Letters, Flats, and Parcels (\$)
Saturation	0.134
High Density	0.153
Basic	0.182

b. Barcoded Letters

Bundle Level	Barcoded Letters (\$)
5-Digit	0.197
3-Digit/SCF	0.258
ADC	0.278
Mixed ADC	0.318

c. Machinable Flats and Nonbarcoded Letters

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Nonbarcoded Letters (\$)
5-Digit	0.280	0.289	0.289
3-Digit/SCF	0.366	0.387	0.387
ADC	0.381	0.404	0.404
Mixed ADC	0.407	0.439	0.439

d. Nonmachinable Flats and Parcels

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Parcels (\$)
5-Digit	0.305	0.306	0.306
3-Digit/SCF	0.413	0.424	0.424
ADC	0.474	0.499	0.499
Mixed ADC	0.570	0.615	0.615

e. Editorial Adjustment

A per piece editorial adjustment is provided by subtracting ~~\$0.00098~~ \$0.00099 for each 1 percent of editorial (nonadvertising) content from the applicable piece rate.

f. Firm Bundle Piece Rate

Firm bundles are charged a single piece price of ~~\$0.178~~ \$0.181.

Bundle Rates (per bundle)

Bundle Level	Container Level			
	Carrier Route/ 5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
Firm	0.078	0.139	0.151	0.182
Carrier Route	0.149	0.283	0.319	
5-Digit	0.142	0.147	0.202	0.280
3-Digit/SFC		0.127	0.186	0.271
ADC			0.113	0.204
Mixed ADC				0.078

Container Rates (per pallet, tray, or sack)

a. Pallet Container

Entry Point	5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)
DDU	1.623		
DSCF	20.696	11.261	
DADC	30.638	21.000	12.580
DNDC	32.363	24.145	22.725
Origin	43.394	34.361	28.840

b. Tray or Sack Container

Entry Point	Carrier Route/ 5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
DDU	0.913			
DSCF	1.319	0.812		
DADC	1.725	1.217	0.812	
DNDC	2.029	1.522	1.420	
Origin	2.739	2.130	2.039	0.426

Outside-County Periodicals including a Repositionable Note
Add \$0.015 for each piece bearing a Repositionable Note.

Outside-County Periodicals including a Ride-Along piece

Add \$0.165 for a Ride-Along item enclosed with or attached to a ~~Within-~~
an Outside County Periodical.

Full-service Intelligent Mail Option

Subtract \$0.001 for each barcoded or Carrier Route letter or flat that
complies with the requirements for the full-service Intelligent Mail option.

Publications eligible for Nonprofit and Classroom price categories

Publications qualified as Nonprofit, Classroom, and Limited Circulation
receive a 5 percent discount on all components of postage except
advertising pounds.

The 5 percent discount does not apply to commingled nonsubscriber,
nonrequestor, complimentary, and sample copies in excess of the 10
percent allowance, or to Science of Agriculture mail.

The advertising pound rate is not applicable to qualifying Nonprofit and
Classroom publications containing 10 percent or less advertising content.

1400 Package Services

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1405.6 Prices

Parcel Post

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)
1	5.10	5.15	5.25	5.30	5.34	5.38	5.41
2	5.15	5.38	5.89	7.35	7.65	7.96	8.67
3	5.65	6.39	7.14	8.23	9.00	9.48	10.69
4	6.10	7.14	7.97	9.30	10.13	10.76	11.77
5	7.23	8.28	9.02	10.12	10.82	11.39	12.29
6	7.92	9.15	9.94	10.94	11.45	12.02	13.03
7	8.37	9.86	10.49	11.80	12.36	13.01	14.15
8	8.70	10.34	10.86	12.17	12.96	13.74	15.03
9	8.95	10.69	11.24	12.55	13.56	14.47	15.90
10	9.18	11.03	11.61	12.92	14.16	15.21	16.77
11	9.49	11.38	11.99	13.29	14.76	15.94	17.65
12	9.80	11.72	12.36	13.66	15.36	16.67	18.52
13	10.11	12.06	12.74	14.03	15.96	17.40	19.39
14	10.42	12.41	13.11	14.40	16.56	18.13	20.27
15	10.73	12.75	13.49	14.77	17.16	18.86	21.14
16	11.04	13.10	13.87	15.14	17.76	19.59	22.01
17	11.34	13.44	14.24	15.51	18.36	20.33	22.89
18	11.65	13.79	14.60	15.99	18.96	21.06	23.76
19	11.96	14.13	14.95	16.47	19.56	21.79	24.64
20	12.27	14.48	15.30	16.94	20.16	22.52	25.51
21	12.58	14.82	15.66	17.42	20.76	23.25	26.38
22	12.89	15.17	16.01	17.89	21.36	23.98	27.26
23	13.20	15.51	16.37	18.37	21.96	24.71	28.13
24	13.51	15.86	16.72	18.84	22.56	25.45	29.00
25	13.82	16.20	17.07	19.32	23.16	26.18	29.88
26	14.13	16.55	17.43	19.80	23.76	26.91	30.75
27	14.44	16.89	17.78	20.27	24.36	27.64	31.63
28	14.75	17.24	18.14	20.75	24.96	28.37	32.50
29	15.06	17.58	18.49	21.22	25.56	29.10	33.37
30	15.37	17.93	18.85	21.70	26.16	29.83	34.25
31	15.68	18.27	19.20	22.17	26.76	30.57	35.12
32	15.99	18.62	19.55	22.65	27.37	31.30	35.99
33	16.30	18.96	19.91	23.13	27.97	32.03	36.87

Parcel Post, continued

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)
34	16.61	19.31	20.26	23.60	28.57	32.76	37.74
35	16.92	19.65	20.62	24.08	29.17	33.49	38.61
36	17.07	20.00	20.97	24.55	29.77	34.22	39.49
37	17.23	20.34	21.33	25.03	30.37	34.95	40.36
38	17.39	20.68	21.68	25.50	30.97	35.69	41.24
39	17.54	21.03	22.03	25.98	31.57	36.42	42.11
40	17.70	21.37	22.39	26.46	32.17	37.15	42.98
41	17.85	21.72	22.74	26.93	32.77	37.88	43.86
42	18.01	22.06	23.10	27.41	33.37	38.61	44.73
43	18.17	22.23	23.45	27.88	33.97	39.34	45.60
44	18.32	22.40	23.81	28.36	34.57	40.07	46.48
45	18.48	22.57	24.16	28.83	35.17	40.81	47.35
46	18.64	22.74	24.51	29.31	35.77	41.54	48.23
47	18.79	22.91	24.87	29.79	36.37	42.27	49.10
48	18.95	23.08	25.22	30.26	36.97	43.00	49.97
49	19.11	23.25	25.58	30.74	37.57	43.73	50.85
50	19.26	23.42	25.93	31.21	38.17	44.46	51.72
51	19.42	23.59	26.29	31.69	38.77	45.19	52.59
52	19.58	23.76	26.64	32.16	39.37	45.93	53.47
53	19.73	23.93	26.99	32.64	39.97	46.66	54.34
54	19.89	24.10	27.35	33.12	40.57	47.39	55.21
55	20.05	24.27	27.70	33.59	41.17	48.12	56.09
56	20.20	24.44	28.06	34.07	41.77	48.85	56.96
57	20.36	24.61	28.41	34.54	42.37	49.58	57.84
58	20.51	24.78	28.77	35.02	42.97	50.31	58.71
59	20.67	24.95	29.12	35.50	43.57	51.05	59.58
60	20.83	25.12	29.47	35.97	44.17	51.78	60.46
61	20.98	25.29	29.83	36.45	44.77	52.51	61.33
62	21.14	25.46	30.18	36.92	45.37	53.24	62.20
63	21.30	25.63	30.54	37.40	45.97	53.97	63.08
64	21.45	25.80	30.89	37.87	46.57	54.70	63.95
65	21.61	25.97	31.24	38.35	47.17	55.43	64.83
66	21.77	26.14	31.60	38.83	47.77	56.17	65.70
67	21.92	26.31	31.95	39.30	48.37	56.90	66.57
68	22.08	26.48	32.31	39.78	48.97	57.63	67.45
69	22.44	26.89	32.96	40.62	50.02	58.89	68.94
70	22.79	27.30	33.61	41.46	51.07	60.15	70.43
Oversized	61.80	64.65	65.94	67.89	90.92	96.82	107.16

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.

Oversized Pieces

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.

Pickup On Demand

Add \$15.30 for each Pickup On Demand stop

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1415 Bound Printed Matter Flats

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1415.6 Prices

Carrier Route

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Destination Entry

	DDU	DSCF	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.384	0.531	0.972	0.972	0.972	0.972
Per Pound	0.023	0.042	0.064	0.079	0.129	0.185

b. Other Than Destination Entry

	Zones Local 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	1.146	1.146	1.146	1.146	1.146	1.146	1.146
Per Pound	0.137	0.153	0.195	0.248	0.316	0.356	0.475

Presorted

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Destination Entry^{1,2}

	DDU	DSCF	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.482	0.629	1.070	1.070	1.070	1.070
Per Pound	0.023	0.042	0.064	0.079	0.129	0.185

b. Other Than Destination Entry²

	Zones Local 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)
Per Piece	1.244	1.244	1.244	1.244	1.244	1.244	1.244
Per Pound	0.137	0.153	0.195	0.248	0.316	0.356	0.475

Notes

1. DDU price is not available for presorted flats that weigh 1 pound or less.
2. For barcoded automation-compatible flats prepared in mailings of at least 50 pieces, deduct \$0.03 per piece for the barcode discount. The barcode discount is not available for flats mailed at presorted DDU prices.

Nonpresorted¹

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)
1	1.84	1.89	1.95	2.04	2.14	2.20	2.40
1.5	1.84	1.89	1.95	2.04	2.14	2.20	2.40
2	1.93	1.99	2.07	2.19	2.33	2.41	2.67
2.5	2.02	2.10	2.20	2.35	2.52	2.62	2.95
3	2.11	2.20	2.32	2.50	2.71	2.83	3.22
3.5	2.20	2.31	2.45	2.66	2.90	3.04	3.50
4	2.29	2.41	2.57	2.81	3.09	3.25	3.77
4.5	2.38	2.52	2.70	2.97	3.28	3.46	4.05
5	2.47	2.62	2.82	3.12	3.47	3.67	4.32
6	2.65	2.83	3.07	3.43	3.85	4.09	4.87
7	2.83	3.04	3.32	3.74	4.23	4.51	5.42
8	3.01	3.25	3.57	4.05	4.61	4.93	5.97
9	3.19	3.46	3.82	4.36	4.99	5.35	6.52
10	3.37	3.67	4.07	4.67	5.37	5.77	7.07
11	3.55	3.88	4.32	4.98	5.75	6.19	7.62
12	3.73	4.09	4.57	5.29	6.13	6.61	8.17
13	3.91	4.30	4.82	5.60	6.51	7.03	8.72
14	4.09	4.51	5.07	5.91	6.89	7.45	9.27
15	4.27	4.72	5.32	6.22	7.27	7.87	9.82

Notes

1. For barcoded automation-compatible flats prepared in mailings of at least 50 pieces, deduct \$0.03 per piece for the barcode discount.

Full-service Intelligent Mail Option

Subtract \$0.001 for each presorted or Carrier Route barcoded flat that complies with the requirements for the full-service Intelligent Mail option.

1420 Bound Printed Matter Parcels

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1420.6 Prices

Carrier Route

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Destination Entry

	DDU	DSCF	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.591	0.737	1.179	1.179	1.179	1.179
Per Pound	0.026	0.061	0.074	0.102	0.149	0.211

b. Other Than Destination Entry

	Zones Local 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	1.353	1.353	1.353	1.353	1.353	1.353	1.353
Per Pound	0.165	0.196	0.237	0.303	0.374	0.428	0.568

Presorted

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Destination Entry¹

	DDU	DSCF	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.689	0.835	1.277	1.277	1.277	1.277
Per Pound	0.026	0.061	0.074	0.102	0.149	0.211

b. Other Than Destination Entry¹

	Zones Local 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)
Per Piece	1.451	1.451	1.451	1.451	1.451	1.451	1.451
Per Pound	0.165	0.196	0.237	0.303	0.374	0.428	0.568

Notes

- For barcoded machinable parcels prepared in mailings of at least 50 pieces, deduct \$0.03 per piece for the barcode discount. The barcode discount is not available for parcels mailed at presorted DSCF or DDU prices, or DNDC mail entered at an ASF (except Phoenix, AZ, ASF).

Nonpresorted¹

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)
1	2.34	2.38	2.44	2.53	2.64	2.70	2.89
1.5	2.34	2.38	2.44	2.53	2.64	2.70	2.89
2	2.44	2.50	2.58	2.70	2.84	2.92	3.18
2.5	2.55	2.62	2.72	2.87	3.05	3.15	3.47
3	2.65	2.74	2.86	3.04	3.25	3.37	3.76
3.5	2.76	2.86	3.00	3.21	3.46	3.60	4.05
4	2.86	2.98	3.14	3.38	3.66	3.82	4.34
4.5	2.97	3.10	3.28	3.55	3.87	4.05	4.63
5	3.07	3.22	3.42	3.72	4.07	4.27	4.92
6	3.28	3.46	3.70	4.06	4.48	4.72	5.50
7	3.49	3.70	3.98	4.40	4.89	5.17	6.08
8	3.70	3.94	4.26	4.74	5.30	5.62	6.66
9	3.91	4.18	4.54	5.08	5.71	6.07	7.24
10	4.12	4.42	4.82	5.42	6.12	6.52	7.82
11	4.33	4.66	5.10	5.76	6.53	6.97	8.40
12	4.54	4.90	5.38	6.10	6.94	7.42	8.98
13	4.75	5.14	5.66	6.44	7.35	7.87	9.56
14	4.96	5.38	5.94	6.78	7.76	8.32	10.14
15	5.17	5.62	6.22	7.12	8.17	8.77	10.72

Notes

- For barcoded machinable parcels prepared in mailings of at least 50 pieces, deduct \$0.03 per piece for the barcode discount.

1425 Media Mail/Library Mail

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1425.6 Prices

Media Mail

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
1	1.66	2.02	2.41
2	2.07	2.43	2.82
3	2.48	2.84	3.23
4	2.89	3.25	3.64
5	3.30	3.66	4.05
6	3.71	4.07	4.46
7	4.12	4.48	4.87
8	4.51	4.87	5.26
9	4.90	5.26	5.65
10	5.29	5.65	6.04
11	5.68	6.04	6.43
12	6.07	6.43	6.82
13	6.46	6.82	7.21
14	6.85	7.21	7.60
15	7.24	7.60	7.99
16	7.63	7.99	8.38
17	8.02	8.38	8.77
18	8.41	8.77	9.16
19	8.80	9.16	9.55
20	9.19	9.55	9.94
21	9.58	9.94	10.33
22	9.97	10.33	10.72
23	10.36	10.72	11.11
24	10.75	11.11	11.50
25	11.14	11.50	11.89

Media Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
26	11.53	11.89	12.28
27	11.92	12.28	12.67
28	12.31	12.67	13.06
29	12.70	13.06	13.45
30	13.09	13.45	13.84
31	13.48	13.84	14.23
32	13.87	14.23	14.62
33	14.26	14.62	15.01
34	14.65	15.01	15.40
35	15.04	15.40	15.79
36	15.43	15.79	16.18
37	15.82	16.18	16.57
38	16.21	16.57	16.96
39	16.60	16.96	17.35
40	16.99	17.35	17.74
41	17.38	17.74	18.13
42	17.77	18.13	18.52
43	18.16	18.52	18.91
44	18.55	18.91	19.30
45	18.94	19.30	19.69
46	19.33	19.69	20.08
47	19.72	20.08	20.47
48	20.11	20.47	20.86
49	20.50	20.86	21.25
50	20.89	21.25	21.64

Media Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
51	21.28	21.64	22.03
52	21.67	22.03	22.42
53	22.06	22.42	22.81
54	22.45	22.81	23.20
55	22.84	23.20	23.59
56	23.23	23.59	23.98
57	23.62	23.98	24.37
58	24.01	24.37	24.76
59	24.40	24.76	25.15
60	24.79	25.15	25.54
61	25.18	25.54	25.93
62	25.57	25.93	26.32
63	25.96	26.32	26.71
64	26.35	26.71	27.10
65	26.74	27.10	27.49
66	27.13	27.49	27.88
67	27.52	27.88	28.27
68	27.91	28.27	28.66
69	28.30	28.66	29.05
70	28.69	29.05	29.44

Library Mail

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
1	1.58	1.92	2.29
2	1.97	2.31	2.68
3	2.36	2.70	3.07
4	2.75	3.09	3.46
5	3.14	3.48	3.85
6	3.53	3.87	4.24
7	3.92	4.26	4.63
8	4.29	4.63	5.00
9	4.66	5.00	5.37
10	5.03	5.37	5.74
11	5.40	5.74	6.11
12	5.77	6.11	6.48
13	6.14	6.48	6.85
14	6.51	6.85	7.22
15	6.88	7.22	7.59
16	7.25	7.59	7.96
17	7.62	7.96	8.33
18	7.99	8.33	8.70
19	8.36	8.70	9.07
20	8.73	9.07	9.44
21	9.10	9.44	9.81
22	9.47	9.81	10.18
23	9.84	10.18	10.55
24	10.21	10.55	10.92
25	10.58	10.92	11.29

Library Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
26	10.95	11.29	11.66
27	11.32	11.66	12.03
28	11.69	12.03	12.40
29	12.06	12.40	12.77
30	12.43	12.77	13.14
31	12.80	13.14	13.51
32	13.17	13.51	13.88
33	13.54	13.88	14.25
34	13.91	14.25	14.62
35	14.28	14.62	14.99
36	14.65	14.99	15.36
37	15.02	15.36	15.73
38	15.39	15.73	16.10
39	15.76	16.10	16.47
40	16.13	16.47	16.84
41	16.50	16.84	17.21
42	16.87	17.21	17.58
43	17.24	17.58	17.95
44	17.61	17.95	18.32
45	17.98	18.32	18.69
46	18.35	18.69	19.06
47	18.72	19.06	19.43
48	19.09	19.43	19.80
49	19.46	19.80	20.17
50	19.83	20.17	20.54

Library Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
51	20.20	20.54	20.91
52	20.57	20.91	21.28
53	20.94	21.28	21.65
54	21.31	21.65	22.02
55	21.68	22.02	22.39
56	22.05	22.39	22.76
57	22.42	22.76	23.13
58	22.79	23.13	23.50
59	23.16	23.50	23.87
60	23.53	23.87	24.24
61	23.90	24.24	24.61
62	24.27	24.61	24.98
63	24.64	24.98	25.35
64	25.01	25.35	25.72
65	25.38	25.72	26.09
66	25.75	26.09	26.46
67	26.12	26.46	26.83
68	26.49	26.83	27.20
69	26.86	27.20	27.57
70	27.23	27.57	27.94

Barcode Discount

A barcode discount of \$0.03 per piece is available for Single-Piece and Basic, Media Mail and Library Mail, machinable parcels for mailings of at least 50 pieces entered at designated facilities.

1500 Special Services

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1505 Ancillary Services

1505.1 Address Correction Service

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1505.1.2 Prices

	(\$)
Manual correction, each	
First-Class Mail, on-piece correction only	0.00
Other	0.50
Electronic correction, each	
First-Class Mail piece	0.10
Other	0.27
Automated correction (Letters Only)	
First-Class Mail piece	
First two notices, for a given address change, each	0.02
Additional notices, for a given address change, each	0.09
Standard Mail piece	
First two notices, for a given address change, each	0.05
Additional notices, for a given address change, each	0.21
Full-service correction, each	0.00

1505.2 Applications and Mailing Permits

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1505.2.2 Prices

	(\$)
First-Class Mail Presort Mailing Fee (per year)	190.00
Standard Mail Mailing Fee (per year)	190.00
Periodicals Application Fees (one-time only for each)	

A. Original Entry	540.00
B. Additional Entry	85.00
C. Re-entry	65.00
D. Registration for News Agents	55.00
Bound Printed Matter: Destination Entry Mailing Fee (per year)	190.00
Media Mail Presorted Mailing Fee (per year)	190.00
Library Mail Presorted Mailing Fee (per year)	190.00
Parcel Select: Destination Entry Mailing Fee (per year)	190.00
Parcel Return Service Account Maintenance Fee (per year)	605.00
Parcel Return Service Mailing Fee (per year)	190.00
Authorization to Use Permit Imprint (one-time only)	190.00

1505.3 Business Reply Mail

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1505.3.2 Prices

	(\$)
Regular (no account maintenance fee)	
Permit (per year)	190.00
Per-piece charge	0.75
Regular (with account maintenance fee)	
Permit (per year)	190.00
Account maintenance (per year)	605.00
Per-piece charge	0.085
Qualified Business Reply Mail, low-volume	
Permit (per year)	190.00
Account maintenance (per year)	605.00
Per-piece charge	0.055
Qualified Business Reply Mail, high-volume	
Permit (per year)	190.00
Account maintenance (per year)	605.00
Quarterly	1,980.00

Per-piece charge	0.007
<hr/>	
Bulk Weight Averaged (Non-letters only)	
Permit (per year)	190.00
Account maintenance (per year)	605.00
Per-piece charge	0.014
Monthly maintenance	985.00

1505.4 Bulk Parcel Return Service

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1505.4.2 Prices

	(\$)
Permit (per year)	190.00
Account maintenance (per year)	605.00
Per-piece charge	2.55

1505.5 Certified Mail

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1505.5.2 Prices

	(\$)
Per piece	2.85

1505.6 Certificate of Mailing

* * * * *

1505.6.2 Prices

Individual Pieces Prices

	(\$)
Original certificate of mailing, individual article	1.15
Three or more pieces individually listed in a firm mailing book or an approved customer provided manifest (per piece)	0.42
Each additional copy of original Certificate of Mailing or original	1.15

mailing receipt for Registered Mail insured, Certified Mail, and
COD mail (each copy)

Bulk Prices

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

	(\$)
Up to 1,000 pieces (one certificate for total number)	6.50
Each additional 1,000 pieces or fraction	0.75
Duplicate copy	1.15

1505.7 Collect on Delivery

* * * * *

1505.7.2 Prices

(\$)	(\$)	(\$)
Amount to be collected, or insurance coverage desired, whichever is higher:		
0.01	to	50.00
50.01	to	100.00
100.01	to	200.00
200.01	to	300.00
300.01	to	400.00
400.01	to	500.00
500.01	to	600.00
600.01	to	700.00
700.01	to	800.00
800.01	to	900.00
900.01	to	1,000.00
Notice of nondelivery		3.90
Alteration of COD charges		3.90
Designation of new addressee		3.90
Registered COD		5.00

1505.8 Delivery Confirmation

* * * * *

1505.8.2 Prices

	(\$)
First-Class Mail Parcels	
Electronic	0.19
Retail	0.80
Standard Mail Parcels	
Electronic	0.19
Package Services	
Electronic	0.19
Retail	0.80
Priority Mail	
Electronic	0.00
Retail	0.70
Parcel Select	
Electronic – Destination Entry only	0.00
Electronic – All other	0.19

1505.9 Insurance

* * * * *

1505.9.2 Prices

Regular Insurance

	(\$)	(\$)	(\$)
Merchandise coverage:			
0.01	to	50.00	1.80
50.01	to	100.00	2.30
100.01	to	200.00	2.85
200.01	to	300.00	4.75
300.01	to	400.00	5.80
400.01	to	500.00	6.85

500.01	to	600.00	7.90
600.01	to	5,000.00	7.90 plus 1.05 for each 100.00 or fraction thereof over 600.00

Bulk Insurance

			(\$)
Amount of coverage:			
	0.01	to	50.00
	50.01	to	100.00
	100.01	to	200.00
	200.01	to	300.00
	300.01	to	5,000.00
			1.00
			1.50
			2.05
			3.95
			3.95 plus 1.05 for each 100.00 or fraction thereof over 300.00

Express Mail Insurance

			(\$)
Merchandise coverage:			
	0.01	to	100.00
	100.01	to	200.00
	200.01	to	500.00
	500.01	to	5,000.00
			0.00
			0.80
			2.20
			2.20 plus 1.45 for each 500.00 or fraction thereof over 500.00
Document reconstruction coverage:			
	0.01	to	100.00
			0.00

1505.10 Merchandise Return Service

* * * * *

1505.10.2 Prices

	(\$)
Permit (per year)	190.00
Account maintenance (per year)	605.00
Per piece	0.00

1505.11 Parcel Airlift (PAL)

* * * * *

1505.11.2 Prices

	(\$)
For pieces weighing:	
Not more than 2 pounds	0.55
Over 2 but not more than 3 pounds	1.15
Over 3 but not more than 4 pounds	1.60
Over 4 but not more than 30 pounds	2.20

1505.12 Registered Mail

* * * * *

1505.12.2 Prices

	(\$)	(\$)	(\$)
Declared Value:			
0.00			10.75
0.01	to	100.00	11.50
100.01	to	500.00	13.25
500.01	to	1,000.00	14.65
1,000.01	to	2,000.00	16.05
2,000.01	to	3,000.00	17.45

Registered Mail Prices (Continued)

	(\$)		(\$)		(\$)
Declared Value:					
	3,000.01	to	4,000.00		18.85
	4,000.01	to	5,000.00		20.25
	5,000.01	to	6,000.00		21.65
	6,000.01	to	7,000.00		23.05
	7,000.01	to	8,000.00		24.45
	8,000.01	to	9,000.00		25.85
	9,000.01	to	10,000.00		27.25
	10,000.01	to	11,000.00		28.65
	11,000.01	to	12,000.00		30.05
	12,000.01	to	13,000.00		31.45
	13,000.01	to	14,000.00		32.85
	14,000.01	to	15,000.00		34.25
	15,000.01	to	16,000.00		35.65
	16,000.01	to	17,000.00		37.05
	17,000.01	to	18,000.00		38.45
	18,000.01	to	19,000.00		39.85
	19,000.01	to	20,000.00		41.25
	20,000.01	to	21,000.00		42.65
	21,000.01	to	22,000.00		44.05
	22,000.01	to	23,000.00		45.45
	23,000.01	to	24,000.00		46.85
	24,000.01	to	25,000.00		48.25
	25,000.01	to	15,000,000.00		48.25 plus 1.40 per additional 1,000.00 of value

Greater than

15,000,000.00

21,013.25
plus amount
determined by
the Postal
Service based
on weight,
space, and
value

1505.13 Return Receipt

* * * * *

1505.13.2 Prices

	(\$)
Original signature	2.30
Copy of signature (electronic)	1.15
Requested after mailing	4.70

1505.14 Return Receipt for Merchandise

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1505.14.2 Prices

	(\$)
Per Piece (Requested at time of mailing)	3.85

1505.15 Restricted Delivery

* * * * *

1505.15.2 Prices

	(\$)
Per Piece	4.50

1505.16 Shipper-Paid Forwarding

* * * * *

1505.16.2 Prices

	(\$)
Account Maintenance Fee (per year)	605.00

1505.17 Signature Confirmation

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1505.17.2 Prices

	(\$)
Electronic	2.05
Retail	2.45

1505.18 Special Handling

* * * * *

1505.18.2 Prices

Weight	(\$)
Not more than 10 pounds	7.55
More than 10 pounds	10.60

1505.19 Stamped Envelopes

1505.19.1 Description

Plain Stamped Envelopes and Personalized Stamped Envelopes are envelopes with imprinted or impressed First-Class Mail ~~or Standard Mail~~ postage. Personalized Stamped Envelopes and their premium options may be obtained by special request.

1505.19.2 Prices

	(\$)
Plain stamped envelopes	
Basic, size 6-3/4, each	0.10
Basic, size 6-3/4, 500	16.00

Basic, over size 6-3/4, each	0.10
Basic, over size 6-3/4, 500	18.25
Personalized stamped envelopes	
Basic, size 6-3/4, 50	4.90
Basic, size 6-3/4, 500	24.75
Basic, over size 6-3/4, 50	4.90
Basic, over size 6-3/4, 500	28.00
Shipping	
Boxes of 50	
1 box	5.00
2 boxes	6.50
3 boxes	7.50
4 boxes	8.50
5 boxes	10.50
6 boxes	11.00
7 boxes	12.00
8 boxes	12.75
9 or more boxes	13.50
Boxes of 500	
1 box	9.00
2 or more boxes	13.50
Premium Options for 50 personalized stamped envelopes	
	Additional Charge (\$)
Color Other Than White	1.00
Pressure-Sensitive Sealing	5.00
Font size, Font style, and/or Ink Color (for one, two, or all three)	1.00
Monogram	5.00
Premium Options for 500 personalized stamped envelopes	
Color Other Than White	2.00
Pressure-Sensitive Sealing	15.00
Font size, Font style, and/or Ink Color (for one, two, or all three)	2.10
Monogram	7.00
4-Color Logo for 500 Envelopes (5,000 envelope minimum)	45.00

1505.20 Stamped Cards

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1505.20.2 Prices

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

1505.21 Premium Stamped Stationery

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1505.21.2 Prices

Per Unit	(\$)
Minimum	2 times the First-Class Mail price imprinted on the stationery
Maximum	3 times the First-Class Mail price imprinted on the stationery

1505.22 Premium Stamped Cards

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1505.22.2 Prices

Per Card	(\$)
Minimum	1 times the First-Class Mail price imprinted on the card
Maximum	3 times the First-Class Mail price imprinted on the card

1510 International Ancillary Services

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1510.1 International Certificate of Mailing

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1510.1.2 Prices

Individual Piece Prices

	(\$)
Original certificate of mailing for listed pieces of ordinary Single-Piece First-Class Mail International items	1.15
Three or more pieces individually listed in a firm mailing book or an approved customer provided manifest (per piece)	0.42
Each additional copy of original certificate of mailing or firm mailing bills (each copy)	1.15

Multiple Piece Prices

Identical pieces of ordinary Single-Piece First-Class Mail International paid with regular stamps, precanceled stamps, or meter stamps are subject to the following fees:

	(\$)
Up to 1,000 pieces (one certificate for total number)	6.50
Each additional 1,000 pieces or fraction	0.75
Duplicate copy	1.15

1510.2 International Registered Mail

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1510.2.2 Prices

Outbound International Registered Mail Prices

	(\$)
Per Piece	11.50

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1510.3 International Return Receipt

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1510.3.2 Prices

Outbound International Return Receipt Prices

	(\$)
Per Piece	2.30

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1510.4 International Restricted Delivery

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1510.4.2 Prices

Outbound International Restricted Delivery Prices

	(\$)
Per Piece	4.50

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1510.6 Customs Clearance and Delivery Fee

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Fee

\$5.35 per dutiable item.

1515 Address Management Services

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1515.2 Prices

	(\$)
Address Sequencing	
Per correction (removal of each undeliverable address, or addition of each missing or new address)	0.36 ¹
¹ When rural routes have been consolidated or changed to another post office, there is no charge for correction if the list contains only names of persons residing on the routes involved.	
Insertion of blanks	0.00
AEC II Service	
1-100 records resolved, minimum fee	26.00
Additional records resolved, per record	0.26
AIS (Address Information Systems) Viewer (per year, per operating system)	
City State Delivery Type	55.00
County Name Retrieval	55.00
Delivery Statistic Retrieval	80.00
ZIP + 4 Retrieval	55.00
Barcode Certification	
Per Certification Test	525.00
CRIS Route (per year)	
CD-ROM per state	23.00*
CD-ROM All States	925.00*
CASS Certification	
Cycle Testing: (for next cycle) August-January	200.00
Cycle Testing: February, March	500.00
Cycle Testing: April	600.00
Cycle Testing: May	700.00
Cycle Testing: June	800.00
Cycle Testing: July	900.00
Cycle Testing: (for current cycle) After July 31st	1,000.00
Change-of-Address Information for Election Boards and Registration Commissions	
Per change of address	0.36

City State (per year) CD-ROM All States	360.00*
CDS (per address, per year)	0.007
Minimum (per year)	35.00
(For CDS No Stat, the minimum does not apply in 2010, but will be applied separately starting January 1, 2011.)	
Correction of Address Lists Per submitted address	0.36
Minimum charge per list (30 items)	10.80
Delivery Statistics (per year) CD-ROM All States	360.00*
DMM Labeling Lists	60.00
DPV (per year)	10,250.00
Fees are prorated for first year based on the month the agreement is executed.	
DSF ² Service (per year)	102,000.00
Each additional location per year	51,000.00
Each additional platform per location per year	51,000.00
Initial fee is prorated for first year based on the month the agreement is executed. There is no proration for additional locations or platforms.	
eLOT Service (per year) CD-ROM per state	30.00*
CD-ROM All States	825.00*
FASTforward MLOCR (per year)	5,000.00
Each additional site per year	5,000.00
Each additional platform per year	5,000.00
Audit Fee (after third failed process audit)	2,600.00
Five-Digit ZIP (per year) CD-ROM All States	510.00*
LACS ^{Link} Interface Developer (First Year)	1,025.00 ²
Interface Developer (each one-year extension)	310.00 ²
² Interface Developer fees are waived for certified CASS and NCOA ^{Link} Full Service Provider distributors fulfilling requirement to provide users access to LACS ^{Link}	
Interface Distributor (per year)	1,225.00 ³
³ Interface Distributor fee are waived for certified CASS distributor who provides End Users of LACS ^{Link} Distributor products with access to LACS ^{Link} System	
Data Distributor (per year)	310.00
End User (per year)	310.00 ⁴
⁴ End User fee is waived for certified NCOA ^{Link} Full Service Providers who fulfill requirement to offer LACS ^{Link} as component of its products and services	
Fees are prorated for first year for LACS ^{Link} Interface Distributor, Data Distributor, and End User based on month the Postal Service certifies system. Interface Developer test fees are waived if part of CASS certification; otherwise,	

CASS test fees apply for stand-alone testing.	
MASS Certification	
MASS Manufacturers (MLOCR)	
Cycle Testing: (for next cycle) November – June	500.00
Cycle Testing: July	1,000.00
Cycle Testing: (for current cycle) After July 31st	1,500.00
MASS End-Users (MLOCR)	
Cycle Testing: (for next cycle) March – June	500.00
Cycle Testing – July	1,000.00
Cycle Testing: (current cycle) After July 31st	1,500.00
MASS Manufacturers (Encoder)	
Cycle Testing: (for next cycle) November – June	300.00
Cycle Testing – July	750.00
Cycle Testing: (for current cycle) After July 31st	1,000.00
MASS End-Users (Encoder)	
Cycle Testing: (for next cycle) March – June	300.00
Cycle Testing – July	750.00
Cycle Testing: After July 31st	1,000.00
NCOA ^{Link} Service	
Initial Interface Developer (first year fee)	5,200.00
Interface Developer (per each one year extension)	1,025.00
Interface Distributor (per year)	25,750.00
Full Service Provider (per year)	175,000.00
Full Service Provider Each Additional Site (per year)	88,000.00
Limited Service Provider (per year)	15,250.00
Limited Service Provider (per each one year extension)	
One Site only	15,500.00
Each additional site	7,750.00
ANK ^{Link} Service Option (per year)	3,600.00
End User (first year)	
	7,750.00
End User (each renewal year)	
One site	7,750.00
Each additional site	3,800.00
ANK ^{Link} Service Option (per year)	
	775.00
NCOA ^{Link} fees (excluding Interface Developer) prorated for first year based on month Postal Service certifies system. No proration for fees for additional sites.	
NCOA ^{Link} Test, Audit (each)	
	1,025.00
Official National Zone Charts (per year)	
Software CD-ROM	60.00
Matrix	50.00
RDI Service (per year)	
	310.00
First year pro-rated based on date of execution of license	
Z4 Change (per year)	
CD-ROM All States	3,100.00*
ZIP + 4 Service (per year)	

CD-ROM per state	23.00*
CD-ROM All States	900.00
ZIP Code Sortation of Address Lists Per 1,000 addresses, or fraction	125.00
ZIP Move (per year) CD-ROM All States	105.00*
99 Percent Accurate Method (per 1,000 addresses per year) Minimum (per year)	1.05 105.00

AMS Price Table for Additional Copies Address Management Services with an asterisk allow copying for an additional fee. The fee is calculated by multiplying the list price by a factor based on the total number of copies to be made, as shown below.

$$\begin{array}{r}
 \text{Price* (per year, from above)} \\
 \times \text{ Factor corresponding to number of copies (far right column below):} \\
 \hline
 \$ \quad = \text{ Total Price (per year)}
 \end{array}$$

Number of Copies	*Price (from above)	Multiply by	Factor
1-100	*Price	x	0.5
101-200	*Price	x	1.0
201-300	*Price	x	1.5
301-400	*Price	x	2.0
401-500	*Price	x	2.5
501-600	*Price	x	3.0
601-700	*Price	x	3.5
701-800	*Price	x	4.0
801-900	*Price	x	4.5
901-1000	*Price	x	5.0
1001-10,000	*Price	x	6.5
10,001 – 20,000	*Price	x	8.0
20,001 – 30,000	*Price	x	9.5
30,001 and over	*Price	x	11.0
Unlimited quantity of any of the following: Five-Digit ZIP, City State, CRIS, Delivery Statistics, eLot, ZIPMove, ZIP + 4	\$10,000.00	--	--

1520 Caller Service

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1520.2 Prices

	(\$)
Groups based on Post Office location (Semi-Annual):	
Group 1	690.00
Group 2	605.00
Group 3	545.00
Group 4	535.00
Group 5	525.00
Group 6	470.00
Group 7	430.00
Call Number Reservation (Annual)	42.00

1525 Change-of-Address Credit Card Authentication

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1525.2 Prices

	(\$)
Requests submitted over the Internet or by telephone. (Per credit card authentication)	1.00

1530 Confirm Service

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1530.2 Prices

	(\$)
Bronze	
Subscription (12 months)	1,025.00
Additional Scans (block of 10,000)	250.00
Silver	

Subscription (3 months)	2,050.00
Additional Scans (block of 2 million)	500.00
<hr/>	
Gold	
Subscription (12 months)	7,750.00
Additional Scans (block of 6 million)	800.00
<hr/>	
Platinum	
Subscription (12 months)	26,000.00
<hr/>	
Additional ID Codes	
Annual	2,500.00
Quarterly	900.00
<hr/>	

1535 International Reply Coupon Service

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1535.2 Prices

	(\$)
International Reply Coupons	2.10

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1540 International Business Reply Mail

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1540.2 Prices

	(\$)
International Business Reply Card	0.95
International Business Reply Envelope	1.45

* * * * *

1545 Money Orders

* * * * *

1545.2 Prices

	(\$)		(\$)	(\$)
Domestic	0.01	to	500.00	1.10
Domestic	500.01	to	1,000.00	1.55
APO/FPO	0.01	to	1,000.00	0.30
Inquiry, including a copy of paid money order				5.40

1550 Post Office Box Service

1550.1 Description

- a. Post Office Box service provides the customer with a locked receptacle for the receipt of mail during specified hour of access to the receptacle.
- b. Two box keys are available upon payment of a refundable deposit. Additional keys, including replacement keys, will be provided upon payment of the key duplication or replacement fee. Changing the lock on a box is available upon request of the primary box customer and payment of the lock replacement fee. The lock replacement fee may also be charged as a late payment fee, regardless of whether the lock is changed.

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1550.3 Prices

Regular and No Fee

Box Size	Semi-annual Fee Groups (Groups based on Post Office location) (\$)							
	1	2	3	4	5	6	7	E ¹
1	48.00	38.00	31.00	23.00	21.00	15.00	13.00	0.00
2	70.00	58.00	48.00	35.00	28.00	22.00	18.00	0.00
3	125.00	100.00	88.00	55.00	50.00	38.00	30.00	0.00
4	255.00	195.00	160.00	110.00	90.00	65.00	50.00	0.00
5	410.00	350.00	270.00	205.00	155.00	115.00	90.00	0.00

Notes

- When the Postal Service determines not to provide carrier delivery to a customer's physical address or business location that constitutes a potential carrier delivery point, as defined by the Postal Service, that customer becomes eligible for one post office box at the Group E fee.

Postal Facilities Primarily Serving Academic Institutions or Their Students

Period of box use (days)	Price
95 or less	½ semiannual price
96 to 140	¾ semiannual price
141 to 190	Semiannual price
191 to 230	1 ¼ semiannual price
231 to 270	1 ½ semiannual price
271 to full year	Two times semiannual price

Ancillary Post Office Box Services

	(\$)
Key duplication or replacement	6.00
Lock replacement	15.00
Key deposit	3.00

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XXXX Customized Postage

* * * * *

XXXX.2 Prices

	(\$)
Annual Participation Fee (up to two printing facilities)	300,000.00
Additional Printing Sites (3-50 sites, each site)	50,000.00
Over 50 Printing Sites (each site)	5,000.00

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PART D

COUNTRY PRICE LISTS FOR INTERNATIONAL MAIL

4000 COUNTRY PRICE LISTS FOR INTERNATIONAL MAIL

Country	Market Dominant SPFCMI ¹	Competitive			
		International Expedited Services		International Packages	IPA & ISAL ⁵
		GXG ²	EMI ³	PMI ⁴	

Serbia, Republic of Montenegro (Yugoslavia)	5	4	5	5	12
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Workshare Discounts and Benchmarks--Single Piece Letters and Postcards

Type of Worksharing	Benchmark	Discount[1]	Avoided Cost[2]	Passthrough
First-Class Mail Single Piece Letters				
Qualified Business Reply Mail Barcoding				
QBRM	Handwritten Reply Mail	0.023	0.013	176.9%
First-Class Mail Single Piece Postcards				
Qualified Business Reply Mail Barcoding				
QBRM	Handwritten Reply Cards	0.023	0.013	176.9%

Notes

- [1] Source of Discounts: Docket No. R2011-2, Notice of Price Adjustment, Attachment A, Schedule 1105
Discounts are calculated by subtracting the price in question from the benchmark price
- [2] QBRM Cost Differences--Source: USPS-FY10-21, QBRM and BRM FeesFinal.xls, Tab: QBRM Cost Avoidance Summary

Workshare Discounts and Benchmarks--First-Class Mail Bulk Letters and Postcards 1

Type of Worksharing	Benchmark	Discount[1]	Avoided Cost[2]	Passthrough
First-Class Mail Bulk Letters--Automation				
Barcoding & Presorting (\$ / piece)				
Automation AADC Letters	Automation Mixed AADC Letters	0.022	0.022	100.0%
Automation 3-digit Letters	Automation AADC Letters	0.003	0.003	100.0%
Automation 5-digit Letters	Automation 3-digit Letters	0.025	0.026	96.2%

First-Class Mail Bulk Cards--Automation

Barcoding & Presorting (\$ / piece)				
Automation Mixed AADC Cards	Nonautomation Presort Cards	0.025	0.025	100.0%
Automation AADC Cards	Automation Mixed AADC Cards	0.012	0.012	100.0%
Automation 3-digit Cards	Automation AADC Cards	0.001	0.001	100.0%
Automation 5-digit Cards	Automation 3-digit Cards	0.014	0.014	100.0%

Notes

- [1] Source of Discounts: Docket No. R2011-2, Notice of Price Adjustment, Attachment A, Schedule 1110
 Discounts are calculated by subtracting the price in question from the benchmark price
- [2] Letters and Cards Presorting and Pre-barcoding Cost Differences--Source: USPS-FY10-10 FCM Prst Letters MPFinal.xls, Tab: Summary

Workshare Discounts and Benchmarks--First-Class Mail Flats

Type of Worksharing	Benchmark	Discount[1]	Avoided Cost[2]	Passthrough
First-Class Mail Flats--Automation				
Barcoding & Presorting (\$ / piece)				
Automation ADC Flats	Automation Mixed ADC Flats	0.120	0.044	272.7%
Automation 3-digit Flats	Automation ADC Flats	0.058	0.056	103.6%
Automation 5-digit Flats	Automation 3-digit Flats	0.174	0.174	100.0%

Notes

- [1] Source of Discounts: Docket No. R2011-2, Notice of Price Adjustment, Attachment A, Schedule 1115
Discounts are calculated by subtracting the price in question from the benchmark price
- [2] Flats Presorting and Pre-barcoding Cost Differences--Source: USPS-FY10-11, FCM flat costs 2010.xls, Tab: CRA ADJ UNIT COSTS

Workshare Discounts and Benchmarks--First-Class Mail Parcels

Type of Worksharing	Benchmark	Discount[1]	Avoided Cost[2]	Passthrough
First-Class Mail Presorted/Business Parcels				
Barcoding & Presorting (\$ / piece)				
Presort 3-digit Parcels	Presort ADC Parcels	0.086	0.229	37.6%
Presort 5-digit Parcels	Presort 3-digit Parcels	0.132	0.142	93.0%

Notes

- [1] Source of Discounts: Docket No. R2011-2, Notice of Price Adjustment, Attachment A, Schedule 1120
Discounts are calculated by subtracting the price in question from the benchmark price
- [2] Parcels Presorting and Pre-barcoding Cost Differences--Source: USPS-FY10-11, FCM flat costs 2010.xls, Tab: BUNDLE OPS SUMARRY

Workshare Discounts and Benchmarks--Standard Mail Letters (Commercial and Nonprofit)

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Standard Mail Letters--Automation				
Presorting (dollars / piece)				
Automation AADC Letters	Automation Mixed AADC Letters	\$0.016	\$0.016	100.0%
Automation 3-digit Letters	Automation AADC Letters	\$0.002	\$0.002	100.0%
Automation 5-digit Letters	Automation 3-digit Letters	\$0.018	\$0.019	94.7%
Pre-barcoding (dollars / piece)				
Automation Mixed AADC Letters	Nonautomation Machinable Mixed ADC Letters	\$0.003	\$0.006	50.0% See Note [3]
Standard Mail Letters--Nonautomation				
Presorting (dollars / piece)^[3]				
Nonautomation AADC Machinable Letters	Nonautomation Mixed AADC Machinable Letters	\$0.016	\$0.000	See Note [3]
Nonautomation ADC Nonmachinable Letters	Nonautomation Mixed ADC Nonmachinable Letters	\$0.094	\$0.094	100.0%
Nonautomation 3-digit Nonmachinable Letters	Nonautomation ADC Nonmachinable Letters	\$0.038	\$0.038	100.0%
Nonautomation 5-digit Nonmachinable Letters	Nonautomation 3-digit Nonmachinable Letters	\$0.093	\$0.093	100.0%
Standard Mail Letters				
Drop Ship (dollars / pound)				
DNDC Letters	Origin Letters	\$0.160	\$0.256	62.5%
DSCF Letters	Origin Letters	\$0.208	\$0.307	67.8%

Notes

- [1] Source of Discounts: Docket No. R2011-2, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1220
- [2] Drop Ship Cost Differences--Source:USPS-FY10-13, STD DEST ENT TOTAL.xls, Summary All Shapes page
Letters Presorting and Pre-barcoding Cost Differences--Source: USPS-FY10-10, STD PRST LETTERS MPFinal.xls, Presort Letters Sum page
Delivery Cost Differences--Source: USPS-FY10-19, Table 1deliverycosts2010.xls, Sheet 1page, Table 1
- [3] The Postal Service letters mail processing cost model only estimates costs for the combined nonautomation machinable AADC and Mixed AADC categories.

Workshare Discounts and Benchmarks--Standard Mail Flats (Commercial and Nonprofit)

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost[2]	Passthrough
Standard Mail Flats--Automation				
Presorting (dollars / piece)				
Automation ADC Flats	Automation Mixed ADC Flats	\$0.010	-\$0.002	-500.0%
Automation 3-digit Flats	Automation ADC Flats	\$0.056	\$0.056	100.0%
Automation 5-digit Flats	Automation 3-digit Flats	\$0.079	\$0.129	61.2%
Pre-barcoding (dollars / piece)				
Automation Mixed ADC Flats	Nonautomation Mixed ADC Flats	\$0.057	\$0.025	228.0%
Standard Mail Flats--Nonautomation				
Presorting (dollars / piece)				
Nonautomation ADC Flats	Nonautomation Mixed ADC Flats	\$0.033	\$0.055	60.0%
Nonautomation 3-digit Flats	Nonautomation ADC Flats	\$0.052	\$0.061	85.2%
Nonautomation 5-digit Flats	Nonautomation 3-digit Flats	\$0.082	\$0.082	100.0%
Standard Mail Flats				
Drop Ship (dollars / pound)				
DNDC Flats	Origin Flats	\$0.160	\$0.230	69.6%
DSCF Flats	Origin Flats	\$0.208	\$0.262	79.4%

Notes

[1] Source of Discounts: Docket No. R2011-2, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1225
 [2] Drop Ship Cost Differences--Source:USPS-FY10-13, STD DEST ENT TOTAL.xls, Summary All Shapes page
 Flats Presorting and Pre-barcoding Cost Differences--Source: USPS-FY10-11, STD_Reg_flt2010.xls, CRA ADJ UNIT COSTS page (for presorting); Presort LEVELS HELD CONSTANT page (for pre-barcoding)
 Delivery Cost Differences--Source: USPS-FY10-19, Table1deliverycosts2010.xls, Sheet 1 page, Table 1

Workshare Discounts and Benchmarks--Standard Mail Parcels and NFMs (Commercial and Nonprofit)

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Standard Mail Parcels				
Presorting (dollars / piece)				
NDC Machinable Parcels	Mixed NDC Machinable Parcels	\$0.415	\$0.365	113.7%
5-digit Machinable Parcels	NDC Machinable Parcels	\$0.347	\$0.635	54.6%
NDC Irregular Parcels	Mixed NDC Irregular Parcels	\$0.391	\$0.131	298.5%
SCF Irregular Parcels	NDC Irregular Parcels	\$0.437	\$0.314	139.2%
5-digit Irregular Parcels	SCF Irregular Parcels	\$0.040	\$0.413	9.7%
Pre-barcoding (dollars / piece)^[3]				
Mixed NDC Machinable Barcoded Parcels	Mixed NDC Machinable Nonbarcoded Parcels	\$0.064	See Note [3]	
Mixed NDC Irregular Barcoded Parcels	Mixed NDC Irregular Nonbarcoded Parcels	\$0.064	See Note [3]	
Standard Mail NFMs				
Presorting (dollars / piece)				
NDC NFMs (Irregular Parcels)	Mixed NDC NFMs (Irregular Parcels)	\$0.415	\$0.215	193.0%
SCF NFMs (Irregular Parcels)	NDC NFMs (Irregular Parcels)	\$0.372	\$0.252	147.6%
5-digit NFMs (Irregular Parcels)	SCF NFMs (Irregular Parcels)	\$0.024	\$0.414	5.8%
Pre-barcoding (dollars / piece)^[3]				
Mixed NDC Barcoded NFMs	Mixed NDC Nonbarcoded NFMs	\$0.064	See Note [3]	
Standard Mail Machinable Parcels				
Drop Ship (dollars / pound)				
DNDC Machinable Parcels	Origin Machinable Parcels	\$0.208	\$0.895	23.2%
DSCF Machinable Parcels	Origin Machinable Parcels	\$0.445	\$1.155	38.5%
DDU Machinable Parcels	Origin Machinable Parcels	\$0.621	\$1.259	49.3%
Standard Mail Irregular Parcels, NFMs				
Drop Ship (dollars / pound)				
DNDC Irregular Parcels, NFMs	Origin Irregular Parcels, NFMs	\$0.208	\$0.895	23.2%
DSCF Irregular Parcels, NFMs	Origin Irregular Parcels, NFMs	\$0.445	\$1.155	38.5%
DDU Irregular Parcels, NFMs	Origin Irregular Parcels, NFMs	\$0.621	\$1.259	49.3%

Notes

- [1] Source of Discounts: Docket No. R2011-2, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1230
- [2] Drop Ship Cost Differences--Source:USPS-FY10-13, STD DEST ENT TOTAL.xls, Summary All Shapes page
Parcels / NFMs Presorting Cost Differences--Source: USPS-FY10-12, STD PARCEL-NFM MP MODEL.xls, MP Summary page
Delivery Cost Differences--Source: USPS-FY10-19, Table1deliverycosts2010.xls, Sheet 1 page, Table 1
- [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 BPM Parcels, the non-barcoded surcharge for Standard Mail parcels and NFMs implies a passthrough of 164%

Workshare Discounts and Benchmarks--Standard Mail Carrier Route Letters, Flats, Parcels (Commercial and Nonprofit)

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Standard Mail CR Letters, Flats, Parcels				
Drop Ship (dollars / pound)				
DNDC Letters	Origin Letters	0.160	\$0.256	62.5%
DSCF Letters	Origin Letters	0.208	\$0.307	67.8%
DNDC Flats	Origin Flats	0.160	\$0.230	69.6%
DSCF Flats	Origin Flats	0.208	\$0.262	79.4%
DDU Flats	Origin Flats	0.250	\$0.301	83.1%
DNDC Parcels	Origin Parcels	0.208	\$0.895	23.2%
DSCF Parcels	Origin Parcels	0.445	\$1.155	38.5%
DDU Parcels	Origin Parcels	0.621	\$1.259	49.3%

Notes

- [1] Source of Discounts: Docket No. R2011-2, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1215
 [2] Drop Ship Cost Differences--Source:USPS-FY10-13, STD DEST ENT TOTAL.xls, Summary All Shapes page

Workshare Discounts and Benchmarks--Standard Mail High Density and Saturation Letters (Commercial and Nonprofit)

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Standard Mail HD / Saturation Letters				
Presorting (dollars / piece)				
High Density Letters	Carrier Route Letters	0.070	\$0.2250	31.1%
Drop Ship (dollars / pound)				
DNDC Letters	Origin Letters	0.160	\$0.256	62.5%
DSCF Letters	Origin Letters	0.208	\$0.307	67.8%

Notes

- [1] Source of Discounts: Docket No. R2011-2, Notice of Market-Dominant Price Adjustment, Attachment A, Schedules 1205, 1215
- [2] Drop Ship Cost Differences--Source:USPS-FY10-13, STD DEST ENT TOTAL.xls, Summary All Shapes page

Workshare Discounts and Benchmarks--Standard Mail High Density and Saturation Flats and Parcels (Commercial and Nonprofit)

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Standard Mail HD / Saturation Flats and Parcels				
Presorting (dollars / piece)				
High Density Flats	Carrier Route Flats	0.045	\$0.0520	86.5%
High Density Parcels	Carrier Route Parcels	0.136	-\$0.1300	-104.6%
Drop Ship (dollars / pound)				
DNDC Flats	Origin Flats	0.160	\$0.230	69.6%
DSCF Flats	Origin Flats	0.208	\$0.262	79.4%
DDU Flats	Origin Flats	0.250	\$0.301	83.1%
DNDC Parcels	Origin Parcels	0.208	\$0.895	23.2%
DSCF Parcels	Origin Parcels	0.445	\$1.155	38.5%
DDU Parcels	Origin Parcels	0.621	\$1.259	49.3%

Notes

- [1] Source of Discounts: Docket No. R2011-2, Notice of Market-Dominant Price Adjustment, Attachment A, Schedules 1210, 1215; Docket No. R2009-4, Notice of Market-Dominant Price Adjustment, R09_Price_Charts.doc, Schedule 1210
- [2] Drop Ship Cost Differences--Source:USPS-FY10-13, STD DEST ENT TOTAL.xls, Summary All Shapes page
No Carrier Route or High Density parcel delivery costs are available; Regular Parcels delivery costs are used.

Workshare Discounts and Benchmarks--Media Mail and Library Mail

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Media Mail				
Presorting (dollars / piece)				
Basic	Single Piece	0.39	0.44	88.6%
5-digit	Basic	0.36	0.30	119.2%
Pre-barcoding (dollars / piece)				
Single Piece Barcoded	Single Piece Non-barcoded	0.03	0.04	75.0%
Library Mail				
Presorting (dollars / piece)				
Basic	Single Piece	0.37	0.44	84.1%
5-digit	Basic	0.34	0.30	113.3%
Pre-barcoding (dollars / piece)				
Single Piece Barcoded	Single Piece Non-barcoded	0.03	0.04	75.0%

Workshare Discounts and Benchmarks--Bound Printed Matter Flats

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
BPM Flats				
Presorting (dollars / piece)^[3]				
Basic Flats	Single Piece Flats	0.354	See Note [3]	
Carrier Route Flats	Basic Flats	0.098	0.154	63.6%
Presorting (dollars / pound)^[3]				
Basic, Carrier Route Flats	Single Piece Flats			
Zone 1&2	Zones 1&2	0.043	See Note [3]	
Zone 3	Zone 3	0.057	See Note [3]	
Zone 4	Zone 4	0.055	See Note [3]	
Zone 5	Zone 5	0.062	See Note [3]	
Zone 6	Zone 6	0.064	See Note [3]	
Zone 7	Zone 7	0.064	See Note [3]	
Zone 8	Zone 8	0.075	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	0.174	0.174	100.0%
Basic, Carrier Route DSCF Flats	Basic Origin Flats	0.615	0.636	96.7%
Basic, Carrier Route DDU Flats	Basic Origin Flats	0.762	0.762	100.0%

Notes

- [1] Source of Discounts: Docket No. R2009-2, Notice of Market-Dominant Price Adjustment, Appendix A, Schedule 1415
- [2] Presorting and Pre-barcoding Cost Differences (Per Piece)--Source:USPS-FY10-15, BPM MP .xls, Summary page
Drop Ship Cost Differences (Per Piece)--Source:USPS-FY10-15, BPM MP .xls, Summary 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 BPM Parcels, the pre-barcoding discount for BPM flats implies a passthrough of 76.9%

Workshare Discounts and Benchmarks--Bound Printed Matter Parcels

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
BPM Parcels / IPPs				
Presorting (dollars / piece)^[3]				
Basic Parcels / IPPs	Single Piece Parcels / IPPs	0.569	See Note [3]	
Carrier Route Parcels / IPPs	Basic Parcels / IPPs	0.098	0.154	63.6%
Presorting (dollars / pound)^[3]				
Basic, Carrier Route Parcels / IPPs	Single Piece Parcels / IPPs			
Zones 1&2	Zones 1&2	0.045	See Note [3]	
Zone 3	Zone 3	0.044	See Note [3]	
Zone 4	Zone 4	0.043	See Note [3]	
Zone 5	Zone 5	0.037	See Note [3]	
Zone 6	Zone 6	0.036	See Note [3]	
Zone 7	Zone 7	0.022	See Note [3]	
Zone 8	Zone 8	0.012	See Note [3]	
Pre-barcoding (dollars / piece)				
Single Piece Barcoded Parcels / IPPs	Single Piece Nonbarcoded Parcels / IPPs	0.030	0.039	76.9%
Basic Barcoded Parcels / IPPs	Basic Nonbarcoded Parcels / IPPs	0.030	0.039	76.9%
Carrier Route Barcoded Parcels / IPPs	Carrier Route Nonbarcoded Parcels / IPPs	0.030	0.039	76.9%
Drop Ship (dollars / piece)				
Basic, Carrier Route DBMC Parcels / IPPs	Basic Origin Parcels / IPPs	0.174	0.174	100.0%
Basic, Carrier Route DSCF Parcels / IPPs	Basic Origin Parcels / IPPs	0.616	0.636	96.9%
Basic, Carrier Route DDU Parcels / IPPs	Basic Origin Parcels / IPPs	0.762	0.762	100.0%

Workshare Discounts and Benchmarks--Periodicals Outside County Mail

Type of Worksharing	Benchmark	Discount / (Surcharge) ^[1]	Avoided Cost ^[2,3,4]	Passthrough
Periodicals Outside County Mail				
Presorting (dollars / piece)				
Machinable Nonautomation ADC Flats	Machinable Nonautomation MADC Flats	\$0.035	\$0.049	71.4%
Machinable Nonautomation 3D/SCF Flats	Machinable Nonautomation ADC Flats	\$0.017	\$0.043	39.5%
Machinable Nonautomation 5D Flats	Machinable Nonautomation 3D/SCF Flats	\$0.098	\$0.113	86.7%
CR Basic	Machinable Nonautomation 5D Flats	\$0.107	\$0.169	63.3%
High Density	CR Basic	\$0.029	\$0.030	96.7%
Saturation	High Density	\$0.019	\$0.028	67.9%
Machinable Automation ADC Flats	Machinable Automation MADC Flats	\$0.026	\$0.042	61.9%
Machinable Automation 3D/SCF Flats	Machinable Automation ADC Flats	\$0.015	\$0.041	36.6%
Machinable Automation 5D Flats	Machinable Automation 3D/SCF Flats	\$0.086	\$0.105	81.9%
Nonmachinable Nonauto ADC Flats	Nonmachinable Nonauto MADC Flats	\$0.116	\$0.158	73.4%
Nonmachinable Nonauto 3D/SCF Flats	Nonmachinable Nonauto ADC Flats	\$0.075	\$0.055	136.4%
Nonmachinable Nonauto 5D Flats	Nonmachinable Nonauto 3D/SCF Flats	\$0.118	\$0.258	45.7%
Nonmachinable Automation ADC Flats	Nonmachinable Automation MADC Flats	\$0.096	\$0.161	59.6%
Nonmachinable Automation 3D/SCF Flats	Nonmachinable Automation ADC Flats	\$0.061	\$0.052	117.3%
Nonmachinable Automation 5D Flats	Nonmachinable Automation 3D/SCF Flats	\$0.108	\$0.234	46.2%
Pre-barcoding (dollars / piece)				
Machinable Automation MADC Flats	Machinable Nonautomation MADC Flats	\$0.032	\$0.027	118.5%
Nonmachinable Automation MADC Flats	Nonmachinable Nonauto MADC Flats	\$0.045	\$0.022	204.5%
Presorting Automation Letters (dollars/piece)				
ADC Automation Letter	Mixed ADC Automation Letter	\$0.040	0.016	250.0%
3-Digit Automation Letter	ADC Automation Letter	\$0.020	0.005	400.0%
5-Digit Automation Letter	3-Digit Automation Letter	\$0.061	0.019	321.1%

Notes

- [1] Source of Discounts: Docket No. R2011-2, Notice of Market Dominant Price Adjustment, Appendix A, Schedule 1310
Discounts are calculated by subtracting the price in question from the benchmark price.
- [2] Presorting and Barcoding Cost Differences --Sources: USPS-FY10-11, PERACR2010.xls, Tab: SUMMARY
Delivery cost differences are added to presorting and barcoding differences - Source USPS-FY-10-19, Unit Delivery Cost Model 10.xls Tab: Table 1
- [3] Also mail processing costs for Carrier Route High Density and Saturation Mail is not calculated for Periodicals flats. Proxy data for delivery is used to calculate the cost avoidances for High Density and Saturation rate cells. Source: USPS-FY-10-19, Unit Delivery Cost Model 10.xls Tab: Table 1
- [4] Letters Presorting and Pre-barcoding Cost Differences--Proxy for Letter Cost Differences STD Letters, Source: USPS-FY10-10 STD Reg Letter Costs Final.xls, Tab: Presort Letters SUM
Proxy for Delivery cost differences are added to presorting and barcoding differences - Source USPS-FY-10-19, Unit Delivery Cost Model 10.xls Tab: Table 1

Periodicals Bundle and Container Pricing^[1]

Bundle Pricing by Container Level

Container Level	Bundle Level	Price ^[2]	Bottom-up Cost ^[3]	Price as Percent of Cost
Mixed ADC	MADC	\$0.078	\$0.185	42.2%
	ADC	\$0.204	\$0.496	41.1%
	3-D/SCF	\$0.271	\$0.641	42.3%
	5-D	\$0.280	\$0.687	40.8%
	Firm Bundle	\$0.182	\$0.918	19.8%
ADC	ADC	\$0.113	\$0.280	40.4%
	3-D/SCF	\$0.186	\$0.432	43.1%
	5-D	\$0.202	\$0.478	42.3%
	CR	\$0.319	\$0.733	43.5%
	Firm Bundle	\$0.151	\$0.733	20.6%
3-D/SCF	3-D/SCF	\$0.127	\$0.278	45.7%
	5-D	\$0.147	\$0.332	44.3%
	CR	\$0.283	\$0.565	50.1%
	Firm Bundle	\$0.139	\$0.565	24.6%
5-D/CR	5-D	\$0.142	\$0.321	44.2%
	CR	\$0.149	\$0.321	46.4%
	Firm Bundle	\$0.078	\$0.321	24.3%

Pallet Pricing by Entry Point

Pallet Level	Entry Point	Price	Bottom-up Cost	Price as Percent of Cost
ADC	OSCF	\$28.840	\$66.786	43.2%
	OADC	\$28.840	\$59.829	48.2%
	OBMC	\$28.840	\$52.605	54.8%
	DBMC	\$22.725	\$44.303	51.3%
	DADC	\$12.580	\$24.872	50.6%
3-D/SCF	OSCF	\$34.361	\$79.054	43.5%
	OADC	\$34.361	\$73.465	46.8%
	OBMC	\$34.361	\$61.227	56.1%
	DBMC	\$24.145	\$47.911	50.4%
	DADC	\$21.000	\$42.416	49.5%
5-D/CR	DSCF	\$11.261	\$23.164	48.6%
	OSCF	\$43.394	\$100.806	43.0%
	OADC	\$43.394	\$88.550	49.0%
	OBMC	\$43.394	\$77.309	56.1%
	DBMC	\$32.363	\$64.991	49.8%
DDU	DADC	\$30.638	\$62.045	49.4%
	DSCF	\$20.696	\$42.508	48.7%
	DDU	\$1.623	\$3.420	47.5%

Sack Pricing by Entry Point

Sack Level	Entry Point	Price	Bottom-up Cost	Price as Percent of Cost
Mixed ADC	OSCF	\$0.426	\$2.657	16.0%
	OADC	\$0.426	\$2.152	19.8%
ADC	OSCF	\$2.039	\$6.112	33.4%
	OADC	\$2.039	\$5.955	34.2%
	OBMC	\$2.039	\$5.241	38.9%
	DBMC	\$1.420	\$3.912	36.3%
	DADC	\$0.812	\$2.152	37.7%
3-D/SCF	OSCF	\$2.130	\$6.551	32.5%
	OADC	\$2.130	\$6.245	34.1%
	OBMC	\$2.130	\$5.445	39.1%
	DBMC	\$1.522	\$4.030	37.8%
	DADC	\$1.217	\$3.387	35.9%
5-D/CR	DSCF	\$0.812	\$2.152	37.7%
	OSCF	\$2.739	\$8.537	32.1%
	OADC	\$2.739	\$7.867	34.8%
	OBMC	\$2.739	\$7.112	38.5%
	DBMC	\$2.029	\$5.743	35.3%
DDU	DADC	\$1.725	\$4.987	34.6%
	DSCF	\$1.319	\$3.841	34.3%
	DDU	\$0.913	\$2.676	34.1%

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.
- [2] Source of Bundles & Container Prices: Docket No. R2011-2, Notice of Market Dominant Price Adjustment, Appendix A, Schedule 1310
- [3] Bundle & Container Cost --Source: USPS-FY10-11, PERACR2010.xls, Tab: SUMMARY

Workshare Discounts and Benchmarks--Periodicals Within County Mail

Type of Worksharing	Benchmark	Discount / (Surcharge) ^[1]	Avoided Cost ^{[2][3]}	Passthrough
Periodicals Within County Mail				
Presorting (dollars / piece)				
3-Digit Presort	Basic Presort	\$0.012	\$0.063	19.0%
5-Digit Presort	3-Digit Presort	\$0.013	\$0.163	8.0%
CR Basic	5-Digit Presort	\$0.046	\$0.173	26.6%
High Density	CR Basic	\$0.016	\$0.030	53.3%
Saturation	High Density	\$0.014	\$0.028	50.0%
3-Digit Automation Letter	Basic Automation Letter	\$0.010	\$0.010	100.0%
5-Digit Automation Letter	3-Digit Automation Letter	\$0.002	\$0.019	10.5%
Pre-barcoding (dollars / piece)				
Basic Automation Flats	Basic Nonautomation	\$0.016	\$0.084	19.0%
3-Digit Automation Flats	3-Digit Nonautomation	\$0.012	\$0.065	18.5%
5-Digit Automation Flats	5-Digit Nonautomation Flats	\$0.006	\$0.014	42.9%
Dropship (dollars/piece)				
DDU Dropship	All other zones	\$0.008	\$0.029	27.6%

Notes

- [1] Source of Discounts: Docket No. R2011-2, Notice of Market Dominant Price Adjustment, Appendix A, Schedule 1305
Discounts are calculated by subtracting the price in question from the benchmark price.
- [2] Postal Service cost models do not provide cost data specific to Within County.
Presorting and Prebarcoding cost differences are proxies used from Outside County Cost Models. Tab 'Worksheet WC' provides the sources of data for cost avoidances.
- [3] Basic Letters Mail Processing and Delivery Cost is the weighted average of MAADC and AADC costs utilized

ATTACHMENT C

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-07	202.416				
Feb-07	203.499				
Mar-07	205.352				
Apr-07	206.686				
May-07	207.949				
Jun-07	208.352				
Jul-07	208.299				
Aug-07	207.917				
Sep-07	208.490				
Oct-07	208.936				
Nov-07	210.177				
Dec-07	210.036				
Jan-08	211.080	4.3%	2496.8	208.0644	
Feb-08	211.693	4.0%	2505.0	208.7473	
Mar-08	213.528	4.0%	2513.1	209.4286	
Apr-08	214.823	3.9%	2521.3	210.1067	
May-08	216.632	4.2%	2530.0	210.8303	
Jun-08	218.815	5.0%	2540.4	211.7022	
Jul-08	219.964	5.6%	2552.1	212.6743	
Aug-08	219.086	5.4%	2563.3	213.6050	
Sep-08	218.783	4.9%	2573.6	214.4628	
Oct-08	216.573	3.7%	2581.2	215.0992	
Nov-08	212.425	1.1%	2583.4	215.2865	
Dec-08	210.228	0.1%	2583.6	215.3025	
Jan-09	211.143	0.0%	2583.7	215.3078	3.481%
Feb-09	212.193	0.2%	2584.2	215.3494	3.163%
Mar-09	212.709	-0.4%	2583.4	215.2812	2.795%
Apr-09	213.240	-0.7%	2581.8	215.1493	2.400%
May-09	213.856	-1.3%	2579.0	214.9179	1.939%
Jun-09	215.693	-1.4%	2575.9	214.6578	1.396%
Jul-09	215.351	-2.1%	2571.3	214.2733	0.752%
Aug-09	215.834	-1.5%	2568.0	214.0023	0.186%
Sep-09	215.969	-1.3%	2565.2	213.7678	-0.324%
Oct-09	216.177	-0.2%	2564.8	213.7348	-0.634%
Nov-09	216.330	1.8%	2568.7	214.0603	-0.570%
Dec-09	215.949	2.7%	2574.4	214.5370	-0.356%
Jan-10	216.687	2.6%	2580.0	214.9990	-0.143%
Feb-10	216.741	2.1%	2584.5	215.3780	0.013%
Mar-10	217.631	2.3%	2589.5	215.7882	0.236%
Apr-10	218.009	2.2%	2594.2	216.1856	0.482%
May-10	218.178	2.0%	2598.5	216.5458	0.757%
Jun-10	217.965	1.1%	2600.8	216.7351	0.968%
Jul-10	218.011	1.2%	2603.5	216.9568	1.252%
Aug-10	218.312	1.1%	2606.0	217.1633	1.477%
Sep-10	218.439	1.1%	2608.4	217.3691	1.685%
Oct-10	218.711	1.2%	2611.0	217.5803	1.799%
Nov-10	218.803	1.1%	2613.4	217.7863	1.741%

[1] Consumer Price Index -- All Urban Consumers, U.S. All Items (the "CUUR000SA0" 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