

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

MODIFICATION OF MAIL CLASSIFICATION
SCHEDULE REGARDING FIRST-CLASS MAIL
SINGLE-PIECE RESIDUAL PRICE TABLE

Docket No. MC2013-30

RESPONSE OF UNITED STATES POSTAL SERVICE
TO COMMISSION'S INFORMATION REQUEST NO. 1
(January 29, 2013)

The Postal Service hereby files its responses to questions 1-4 of Commission's Information Request No. 1, issued on January 25, 2013. Each question is stated verbatim, and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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1. Under the current rate schedule, mailers tender residual pieces from a First-Class presort letter mailing as Single-Piece First-Class Mail.

a. Please describe the physical steps involved in preparing the residual pieces from a presort mailing for presentation to the Postal Service. In answering, describe any differences among mailings of mixed pieces and those containing only one-ounce or two-ounce presort pieces.

b. Please provide a copy of the forms and/or mailing statements that mailers must submit to the Postal Service with a presort mailing, including any forms and/or mailing statements that are required for residual pieces tendered. In answering, describe any differences among mailings of mixed pieces and those containing only one-ounce or two-ounce presort pieces.

RESPONSE:

(a) For mixed presort mailings, mailers would prepare the residual letters in trays that do not contain any presorted pieces, but present those trays along with the presorted mailing (if the 48-cent price is appropriate and desired). Mailers claiming the Residual price of \$0.48 for pieces up to and including 2 ounces, will prepare the 1 and 2 ounce residual pieces in the same tray, and use the same postage statement as the Presort pieces. Mailers are not expected to incur the cost of separating the residual one-ounce pieces from the two-ounce pieces. But if they do, the separate trays of one-ounce and two-ounce pieces must be entered with a separate postage statement, using retail single-piece prices. Retail prices also apply if a mixed-weight presort mailing is presented with only 2-ounce residual pieces.

Mailers have two options in preparing residual pieces from a pure 1-ounce mailing. Option 1 is to report the residual pieces on the same postage statement as the Presort mailing, and pay the residual price of \$0.48. Option 2 is to enter the residual pieces separately from the Presort mailing, report them on a separate postage statement, and pay the Retail Single-Piece price of \$0.46. In both options, all residual pieces are placed in trays separate from the Presort pieces.

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Mailers have the same options for residual pieces from a pure 2-ounce mailing, but we expect that mailers will choose the 48-cent price, and report the residual pieces on the same postage statement as the Presort mailing.

(b) PS Form 3600 (see next seven pages) is used for all mailings. For the 48-cent price, the residual pieces are included on the same postage statement as the Presort pieces, using line B4. For retail prices (46 cents for one-ounce residuals, and 66 cents for two-ounce residuals), line B5 is used on a separate PS Form 3600 from the Presort pieces. For mixed-weight Presort mailings, line B4 is used unless the residual pieces are in separate trays by weight, in which case line B5 must be used on a separate postage statement.¹

¹ Residual pieces that weigh over 2 ounces will always need to be placed in separate trays by weight. These heavier pieces will be recorded on line B5, but on the same postage statement as the Presort mailing.

Postage Statement—First-Class Mail and First-Class Package Service

Post Office: Note Mail Arrival Date & Time
(Do Not Round-Stamp)

Use this form for First-Class Mail and First-Class Package Service.

Mailer	Permit Holder's Name and Address and Email Address, if Any	Telephone	Name and Address of Mailing Agent (If other than permit holder)	Telephone	Name and Address of Individual or Organization for Which Mailing is Prepared (If other than permit holder)
	CAPS Cust. Ref. No. _____				
	CRID _____		CRID _____		CRID _____

Mailing	Post Office of Mailing	Processing Category	Parcels Only Hold For Pickup (HFPU): No. of Pieces	Mailer's Mailing Date	Federal Agency Cost Code	Statement Seq. No.	No. and type of Containers _____ Sacks _____ 1 ft. Letter Trays _____ 2 ft. Letter Trays _____ EMM Letter Trays _____ Flat Trays _____ Pallets _____ Other
	Type of Postage <input type="checkbox"/> Permit Imprint <input type="checkbox"/> Precanceled Stamps <input type="checkbox"/> Metered	<input type="checkbox"/> Letters <input type="checkbox"/> Flats <input type="checkbox"/> Parcels	Weight of a Single Piece _____ pounds	Combined Mailing <input type="checkbox"/> Single Class	Total Pieces	Customer Generated Electronic Labels <input type="checkbox"/> DelCon <input type="checkbox"/> SigCon	
	Permit # _____	For Mail Enclosed Within Another Class <input type="checkbox"/> Standard Mail <input type="checkbox"/> Bound Printed Matter <input type="checkbox"/> Library Mail <input type="checkbox"/> Media Mail <input type="checkbox"/> Parcel Post			Total Weight		
	For Automation Price Pieces, Enter Date of Address Matching and Coding ____/____/____	Move Update Method: <input type="checkbox"/> Ancillary Service Endorsement <input type="checkbox"/> OneCode ACS <input type="checkbox"/> NCOALink <input type="checkbox"/> ACS <input type="checkbox"/> Alternative Method <input type="checkbox"/> Multiple <input type="checkbox"/> n/a Alternative Address Format					

Postage	Letter or Flat-size mailpieces contain: <input type="checkbox"/> Reply card or reply envelope <input type="checkbox"/> DVD/CD or other disk <input type="checkbox"/> Round Trip ONLY: One DVD/CD or other disk	Parts Completed (Select all that apply) <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> NSA <input type="checkbox"/> F <input type="checkbox"/> S	
		1	Subtotal Postage (Add parts totals)
	2	Price at Which Postage Affixed (Check one). Complete if the mailing includes pieces bearing metered/PC Postage or precanceled stamps. <input type="checkbox"/> Correct <input type="checkbox"/> Lowest <input type="checkbox"/> Neither _____ pcs. x \$ _____ = Postage Affixed	-
	3	Incentive/Discount Flat Dollar Amount	-
	4	Fee Flat Dollar Amount	+
5	Permit # _____	Net Postage Due (Line 1 +/- Lines 2, 3, 4)	

USPS Use	Additional Postage Payment (State reason)	
	For postage affixed add additional payment to net postage due; for permit imprint add additional payment to total postage.	Total Adjusted Postage Affixed
	Postmaster: Report Total Postage in AIC 121	Total Adjusted Postage Permit Imprint

Certification	Incentive/Discount Claimed: _____	Type of Fee _____	
	The mailer's signature certifies acceptance of liability for and agreement to pay any revenue deficiencies assessed on this mailing, subject to appeal. If an agent signs this form, the agent certifies that he or she is authorized to sign on behalf of the mailer and that the mailer is bound by the certification and agrees to pay any deficiencies. In addition, agents may be liable for any deficiencies resulting from matters within their responsibility, knowledge, or control. The mailer hereby certifies that all information furnished on this form is accurate, truthful, and complete; that the mail and the supporting documentation comply with all postal standards and the mailing qualifies for the prices and fees claimed; and that the mailing does not contain any matter prohibited by law or postal regulation. I understand that anyone who furnishes false or misleading information on this form or who omits information requested on this form may be subject to criminal and/or civil penalties, including fines and imprisonment.		
	Privacy Notice: For information regarding our Privacy Policy visit www.usps.com .		
	Signature of Mailer or Agent	Printed Name of Mailer or Agent Signing Form	Telephone

USPS Use Only To be completed in non-PostalOne! sites	Weight of a Single Piece _____ pound	Are postage figures at left adjusted from mailer's entries? If yes, reason: <input type="checkbox"/> Yes <input type="checkbox"/> No	USPS Use Only To be completed in non-PostalOne! sites
	Total Pieces _____ Total Weight _____		
	Total Postage _____	Round Stamp (Required) Payment Date	
	Presort Verification Performed? (If required) <input type="checkbox"/> Yes <input type="checkbox"/> No	Date Mailer Notified _____ Contact _____	
	I CERTIFY that this mailing has been inspected for each item below if required: (1) eligibility for postage prices claimed; (2) proper preparation (and presort where required); (3) proper completion of postage statement; (4) payment of annual fee; and (5) sufficient funds on deposit (if required)	By (Initials) _____ Time _____ AM/PM	
	USPS Employee's Signature _____	Print USPS Employee's Name _____	

First-Class Mail

Part A
Automation Prices

Check box at left if prices are populated in this section.

Postcards <i>(eligible for postcard price)</i>		Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
A1	5-Digit						
A2	3-Digit						
A3	AADC						
A4	Mixed AADC						

Letters		Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
A5	5-Digit						
A6	3-Digit						
A7	AADC						
A8	Mixed AADC						

Flats		Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
A9	5-Digit						
A10	3-Digit						
A11	ADC						
A12	Mixed ADC						

A13	Part A Subtotal <i>(Add lines A1-A12)</i>						
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Full Service Intelligent Mail Option

A14	Postcards - Number of pieces that comply _____ x \$0.003 =	
A15	Letters - Number of pieces that comply _____ x \$0.003 =	
A16	Flats - Number of pieces that comply _____ x \$0.003 =	

A17	Full Service Intelligent Mail Option Subtotal <i>(Add lines A14-A16)</i>						
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Part A Total <i>(Line A13 minus A17)</i>						
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First-Class Mail

Part B
Nonautomation Prices

Check box at left if prices are populated in this section.

Postcards <i>(eligible for postcard price)</i>		Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
B1	Presorted						
B2	Single-Piece						

Letters		Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
B3	Presorted						
B4	Residual Single-Piece <i>From First-Class Mail Mailing (Up to and Including 2 oz.)</i>						
B5	Single-Piece						
B6	Single-Piece <i>From Standard Mail Mailing</i>						

Nonmachinable Letters		Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
B7	Presorted						
B8	Single-Piece						
B9	Single-Piece <i>From Standard Mail Mailing</i>						
B10	Nonmachinable Surcharge * <i>(for presorted letters)</i>						
B11	Nonmachinable Surcharge * <i>(for single-piece letters)</i>						

* Only on FCM letters with one or more nonmachinable characteristics

Flats		Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
B12	Presorted						
B13	Single-Piece						
B14	Single-Piece <i>From Standard Mail Mailing</i>						

Parcels		Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
B15	Single-Piece/Does not meet content stds.						

Permit Reply Mail		Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
B16	Single-Piece Letter <i>(1 oz. or less)</i>						
B17	Single-Piece Letter <i>(over 1 oz. to 3.5 oz.)</i>						
B18	Single-Piece Flat <i>(1 oz. or less)</i>						
B19	Single-Piece Flat <i>(over 1 oz. to 13 oz.)</i>						

Part B Total (Add lines B1-B19)

First-Class Package Service

Part C
Parcels

Check box at left if prices are populated in this section.

Commercial Base Parcels		Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
C1	5-Digit						
C2	3-Digit						
C3	ADC						
C4	Single-Piece/Mixed ADC						
C5	Single Pc/From Std Mail Mailing						
C6	Parcel Surcharge						

Commercial Plus Parcels (3.5 oz. or more but less than 16 oz.)		Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
C7	5-Digit						
C8	3-Digit						
C9	ADC						
C10	Single-Piece/Mixed ADC						
C11	Parcel Surcharge						

Part C Total (Add lines C1-C11)

Roundtrip DVD, CD, or Other Disc Mail

Part D

Check box at left if prices are populated in this section.

Round Trip Mailings that Contain a DVD, CD, or Other Disc

Automation Letters		Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
D1	5-Digit						
D2	3-Digit						
D3	AADC						
D4	Mixed AADC						

Presort Letters		Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
D5	Presorted						
D6	Single-Piece						

Automation Flats		Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
D7	5-Digit						
D8	3-Digit						
D9	ADC						
D10	Mixed ADC						

Presort Flats		Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
D11	Presorted						
D12	Single-Piece						

Permit Reply Mail		Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
D13	Single-Piece Letter (1 oz. or less)						
D14	Single-Piece Flat (2 oz. or less)						

D15	Part D Subtotal (Add lines D1-D14)						
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Full Service Intelligent Mail Option

D16	Letters - Number of pieces that comply _____ x \$0.003 =	
D17	Flats - Number of pieces that comply _____ x \$0.003 =	

Part D Total (Line D15 minus D16 or D17)

Election Mail

Part E

Check box at left if prices are populated in this section.

Automation Election Mail Prices

Letter-size (not over 3 oz.)		Price	No. of Pieces	Subtotal Postage	Discount Total	Fee Total	Total Postage
E1	Letter-size						

E2	Part E Subtotal (Line E1)						
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Full Service Intelligent Mail Option

E3	Letters - Number of pieces that comply _____ x \$0.003 =	
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Part E Total (Line E2 minus E3)

Repositionable Notes (RPN)

Part F
Repositionable Notes

Check box at left if prices are populated in this section.

Price includes only charge for RPN, it does not include postage charges. If using RPNs, all pieces in mailing must include RPNs.

		Price	No. of Pieces	Total Postage
F1	Repositionable Notes			

Part F Total (Line F1)

Extra Services and Fees

Part S
Extra Services

Check box at left if prices are populated in this section.

Items mailed with Extra Services must meet the mailing standards for the extra service.

		Fee	No. of Pieces	Total Postage
S1	Certificate of Mailing (3 or more - Form 3877)	\$0.44		
S2	Certified Mail	3.10		
S3	Collect on Delivery (COD)			
S4	USPS Tracking/Delivery Confirmation*			
S5	Insurance			
S6	Registered Mail			
S7	Restricted Delivery	4.75		
S8	Return Receipt (Electronic)	1.25		
S9	Return Receipt (Form 3811)	2.55		
S11	Signature Confirmation*			
S13	Special Handling			
S17	Picture Permit Imprint**			
S18	Day Certain Delivery			
S19	Certificate of Bulk Mailing (Form 3606)			

* Available for parcels only

** Available for postcards, letters and flats

Part S Total (Add lines S1-S19)

First-Class Mail - Instructions

Use this form for First-Class Mail and First-Class Package Service.

Step 1: Complete Mailer and Mailing sections on page 1.

Step 2: Before you complete the Postage section, go to parts A - F and S. Complete the part(s) that pertain to your mailing.

Part A: Automation prices: All pieces must be reported on the appropriate line at the full published price (not including the Full Service Intelligent Mail incentive). Pieces that comply with the Full Service Intelligent Mail option requirements are additionally reported on the lines provided. The following information will help you determine which parts to complete:

Part A: Automation prices - Enter total in Part A Total box.

Part B: Nonautomation prices - Enter total in Part B Total box.

Part C: Commercial Plus Parcels - Enter total in Part C Total box.

Part D: Roundtrip DVD, CD, or other disc mailer - Enter total in Part D Total box.

Part E: Election Mail - Enter total in Part E Total box.

Part F: Repositionable Notes (RPN) - Enter total in Part F Total box.

Part S: Extra Services - Enter total in Part S Total box.

Step 3: Add the postage in parts A through S without rounding.

Step 4: Return to the Postage section on page 1. Check the boxes that correspond to the form parts used. Add the postage amounts for all parts and enter on Line 1 Subtotal Postage, rounded off to two decimal places.

Step 5: Complete Line 2 for Postage Affixed mailings. Check the box for the Price at Which Postage Affixed (Correct, Lowest, or Neither). Multiply the number of pieces by the postage affixed. put the total in the Postage Affixed block.

Step 6: Lines 3 and 4 are for postage adjustments that apply to the entire mailing. Report any Incentive/Discount on Line 3 and any Fee on Line 4.

Step 7: Calculate Line 5 Net Postage Due by subtracting any Postage Affixed and Incentive/Discount (Lines 2 and 3) from the Subtotal Postage (Line 1) and adding any Fee (Line 4). For permit imprint mailings, the Net Postage Due is the amount that will be withdrawn from the permit imprint account listed in the Permit # box in the Mailing section. For postage affixed mailings, the Net Postage Due is the amount that must be tendered in addition to that already affixed to the mail, and it may be tendered by any of the applicable methods including withdrawal from an advance deposit account that can be listed by Permit # on Line 5.

Step 8: Read and sign the Certification section, including your telephone number. Attach all completed pages and submit with the mailing.

Information: For more information on mailing standards, prices, and fees please go to Postal Explorer at pe.usps.com.

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2. In response to Chairman's Information Request No. 1, question 2b, the Postal Service explains that one-ounce residual pieces from pure one-ounce presort mailings can either be entered separately, for the single-piece 46-cent rate or presented with a pure one-ounce presort mailing for the 48-cent residual rate.

a. Please describe the difference in physical preparation requirements to qualify for the 46-cent rate versus the 48-cent residual rate.

b. Please describe the difference in forms and/or mailing statements that mailers must submit to the Postal Service to qualify for the 46-cent rate versus the 48-cent residual rate.

c. Please describe the difference in physical preparation requirements and forms and/or mailing statements to qualify for the one-ounce rate between what they are currently and what they will be beginning January 27, 2013.

RESPONSE:

See the response to question 1. To receive the 46-cent price after January 27, the mailer must identify the residual pieces as "Retail" and use a separate postage statement, with 46 cents indicated on Line B4.

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3. As proposed in the MCS language provided in response to Chairman's Information Request No. 1, question 4, if residual letters presented with a mixed-weight presort mailing were purely two-ounce items, the Single-Piece Machinable Letter rate would apply.

a. Please describe how a mailer of a mixed-weight presort mailing would confirm that the residual pieces from that mailing were not purely two-ounce items without sorting the residual by weight.

b. Please confirm that if the residual pieces from a mixed-weight presort mailing consisting of one one-ounce piece and numerous two-ounce pieces, the mailer would qualify for the 48-cent residual rate.

c. Please confirm that as of January 27, 2013, a mailer will have two options for mixed-weight residual pieces from a First-Class presort letter mailing: (1) separate the one-ounce from the two-ounce residual pieces and pay the applicable Single-Piece First-Class Mail rates, and (2) pay the 48-cent residual rate for all residual pieces weighing up to two ounces. If not, please explain.

RESPONSE:

(a) The software used to prepare Presort mailings identifies the residual pieces by weight.

(b) Confirmed. However, it is expected that residual pieces will be split between 1-ounce and 2-ounce pieces in proportion to the ratio of 1 and 2 ounce pieces in the Presort mailing. Having only one 1-ounce residual is not expected.

(c) Confirmed.

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4. If, question 4 [sic] is confirmed, please confirm that mailers with residuals containing a proportion of one-ounce to two-ounce pieces that exceeds the average have an incentive to continue to separate their residual pieces by weight and enter them as Single-Piece First-Class Mail.

RESPONSE:

Confirmed, assuming that the question intends to refer to question 3(c). But this incentive is offset by the mailer's costs of separating the residual pieces by weight. Those costs were the reason why some mailers asked to have a uniform price for one-ounce and two-ounce pieces.