

ORDER NO. 2156

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Mark Acton, Vice Chairman; and  
Robert G. Taub

Competitive Product Prices  
Changes Rates of General Applicability

Docket No. CP2014-55

ORDER APPROVING CHANGES IN RATES OF GENERAL  
APPLICABILITY FOR PRIORITY MAIL

(Issued August 15, 2014)

I. INTRODUCTION

The Postal Service proposes changes in rates of general applicability for the Priority Mail product. The changes are scheduled to become effective September 7, 2014. The Commission approves the planned rate changes and will reflect applicable changes in the Mail Classification Schedule (MCS).

II. BACKGROUND

On July 1, 2014, the Postal Service filed notice with the Commission concerning changes in rates of general applicability for Priority Mail.<sup>1</sup> The Postal Service

---

<sup>1</sup> Notice of the United States Postal Service of Changes in Rates of General Applicability for Competitive Products Established in Governors' Decision No. 14-3, July 1, 2014 (Notice).

represents that, as required by 39 C.F.R. § 3015.2, the Notice includes an explanation and justification for the changes, the effective date, and a schedule showing the new prices incorporated into a revised draft of the Priority Mail section of the MCS. *Id.* at 1.

Attached to the Notice is the Governors' Decision, which provides an analysis of the Priority Mail price changes intended to demonstrate that the changes comply with 39 U.S.C. § 3633(a) and 39 C.F.R. part 3015.<sup>2</sup> The attachment to the Governors' Decision sets forth the rate changes and includes draft MCS language.

On July 9, 2014, the Governors' Decision and the record of proceedings in connection with such decision were published in the *Federal Register*.<sup>3</sup> The proposed rate changes are summarized below.

The existing rate structure of Priority Mail Retail, Commercial Base, and Commercial Plus is maintained. Retail has an average rate increase of 1.7 percent. Commercial Base has an average rate decrease of 0.9 percent and Commercial Plus has an average rate decrease of 2.3 percent. The Postal Service indicates that the overall average rate change for Priority Mail is 0.0 percent.<sup>4</sup> The Governors' Decision explains that rate decreases in ground zones (zones 1-4) and for heavier weights (6-20 pounds) within the Priority Mail product are designed to enhance Priority Mail's market position by attracting ground volume in the 6-20-pound weight cells. Governors' Decision at 1. There are no classification changes.

The Notice also includes two additional attachments: (1) redacted tables, attached as an annex to the Governors' Decision, which show projected volumes, revenues, attributable costs, and cost coverage for the Priority Mail product before and after implementation of the proposed rates; and (2) an application for non-public treatment of the redacted portions of the tables attached as an annex to the Governors'

---

<sup>2</sup> Decision of the Governors of the United States Postal Service on Changes in Rates of General Applicability for Competitive Products, June 18, 2014 (Governors' Decision).

<sup>3</sup> 79 FR 38965 (July 9, 2014). Pursuant to 39 U.S.C. § 3632(b)(2), the Postal Service must cause the Governors' Decision and record of proceedings to be published in the Federal Register at least 30 days before the effective date of the new rates or classes.

<sup>4</sup> Excel Spreadsheet: "PM Sept14 Price Change Calc Redacted," Sheet "Total," cell D6.

Decision and for other supporting materials filed under seal.<sup>5</sup> On July 3, 2014, the Commission issued a notice and order, establishing the instant docket, appointing a Public Representative, and providing the public with an opportunity to comment on the Postal Service's proposed changes, with comments due no later than July 17, 2014.<sup>6</sup>

### III. COMMENTS

United Parcel Service (UPS), Federal Express Corporation (FedEx), and the Public Representative filed comments.<sup>7</sup>

*UPS Comments.* UPS asks that the Commission examine the present proposal with "special care." UPS Comments at 2. It compares the combined rate increases of 5.9 percent this year for market dominant products due to the CPI rate increase and the exigent rate increase to the 2.4 percent rate increase for competitive products over the same period. UPS notes that Priority Mail has had no overall rate increase during this period. *Id.* at 2-3. It states that these rate increases have come as the Postal Service is reducing service standards for market dominant products and enhancing service features for competitive products. *Id.* at 3-4. UPS argues that the Postal Service is trying to "squeeze" as much revenue as the Commission will allow from market dominant mailers while "making a grab" for competitive market share. *Id.* at 4. In addition, UPS observes that within the Priority Mail product, the Postal Service is increasing rates for retail customers while decreasing rates for commercial shippers.

---

<sup>5</sup> Application of the United States Postal Service for Non-Public Treatment of Materials, July 1, 2014 (Application).

<sup>6</sup> Notice and Order Concerning Changes in Rates of General Applicability for Priority Mail, July 3, 2014 (Order No. 2111).

<sup>7</sup> Comments of United Parcel Service on Competitive Product Price Changes – Rates of General Applicability, July 16, 2014 (UPS Comments); Comments of Federal Express Corporation, July 17, 2014 (FedEx Comments); Public Representative Comments on Postal Service Notice Concerning Changes in Rates of General Applicability for Priority Mail Established in Governors' Decision No. 14-3, July 17, 2014 (PR Comments).

*Id.* at 3. UPS calls particular attention to Commercial Base and Commercial Plus rate cells for which the proposed changes will cause rates to decrease by over 50 percent.<sup>8</sup>

UPS states that because 45 percent of the Postal Service's total costs cannot be attributed to any individual product, this enables the Postal Service to avoid fiscal responsibility and accountability. UPS Comments at 4-5. It contends that the "opportunity for abuse" is magnified by Commission regulations that establish the appropriate share of institutional costs to be recovered by competitive products as a minimum of 5.5 percent of total institutional costs.<sup>9</sup> It claims that competitive products generate 25 percent of total attributable costs and 20 percent of total revenue. UPS Comments at 5. UPS argues that until costs are "better attributed and more appropriately allocated, and the results are more transparent" it is not possible to know "whether the proposed Priority Mail rates comply with PAEA." *Id.* at 6. UPS urges the Commission to accelerate efforts to improve cost attribution and to improve the allocation of costs between market dominant and competitive products. *Id.* at 8.

UPS states that because the data supporting the Postal Service's Notice has been filed under seal neither it nor other interested members of the public can "know whether the planned Priority Mail rate changes are consistent with PAEA or the Commission's regulations." *Id.* at 1. It contends that it thus cannot know for certain whether the proposed price change would result in an overall change of 0.0 percent. *Id.* at 2, n.1. UPS contends that a "dramatic decline in transparency since the implementation of PAEA has caused a significant drop in public participation" on competitive products costing issues, undermining public confidence in the fairness of the process and depriving the Commission of valuable input. *Id.* at 6.

---

<sup>8</sup> The rate cells for which the proposed changes will result in rate decreases over 50 percent are Commercial Base, zone 4 (14 through 20 pounds) and Commercial Plus, zone 4 (11 through 18 pounds). In addition, the changes in several cells in Commercial Base zones 3 through 5 and Commercial Plus zones 1 through 4 will result in rate decreases over 40 percent. The Commission has prepared a library reference that shows the change in rates for each of the rate cells. See PRC-LR-CP2014-55/1.

<sup>9</sup> *Id.* at 5; see also 39 C.F.R. § 3015.7(c).

While acknowledging Commission rules that permit any person to seek access to information filed under seal, UPS contends that the rules do not provide sufficient time to seek access, review the materials, and decide whether to participate on substantive issues. *Id.* at 6-7. It asks the Commission to initiate a rulemaking to determine which information the Postal Service should be required to file publicly so as to “allow interested parties to analyze the Postal Service’s compliance with PAEA.”<sup>10</sup>

*FedEx Comments.* FedEx states that the Postal Service, by proposing price decreases of 30 to 55 percent for commercial shippers in the weight categories most used in e-commerce, is making a major thrust into the “fiercely competitive market for e-commerce distribution services.” *FedEx Comments* at 1. It states that the price reductions will substantially affect competitors and the market as a whole. *Id.* at 2. FedEx contends that the development of an efficient e-commerce sector depends increasingly on the Commission’s success in ensuring that prices for package services “correctly reflect costs” so as to maintain a level playing field. *Id.* at 3. It also contends that the price decreases for commercial mailers of e-commerce packages are “dramatic” and would be unheard of in the private sector. *Id.* at 4. FedEx indicates that price decreases as high as 55 percent raise serious questions as to whether commercial mailers in the mid-weight categories are being subsidized by other mailers. *Id.*

FedEx asserts that the “legal tilt in the playing field for e-commerce distribution services” is apparent from a consideration of the wider regulatory framework. *Id.* Specifically, it cites the Postal Service’s exclusive right of access to mailboxes and clusterboxes and its own inability to deliver to post office boxes as evidence that the “statutory grip” that the Postal Service exerts over letter mail is “substantially applicable” to competitive e-commerce parcels. *Id.* at 5.

FedEx argues that the cost attribution that allocates shared assets and improvements to institutional costs should be reevaluated. *Id.* at 5. It states that a

---

<sup>10</sup> *Id.* at 7. UPS also encourages the Commission to move forward with its inquiry in Docket No. PI2013-1. *Id.*

“bottom-up pricing review” could assign and allocate most or all costs while recognizing that different allocation assumptions are used for different purposes. *Id.*

Like UPS, FedEx also contends that the 5.5 percent minimum appropriate share that competitive products as a whole are required to contribute to institutional costs has failed to keep pace with the rising share of revenue contributed by competitive products. *Id.* at 6. FedEx asks the Commission to consider an interim review of the appropriate share contribution, “preferably with an automatic adjustment procedure.” *Id.*

FedEx contends that the Commission should not uncritically accept the Postal Service’s claims about the potential for commercial injury that would follow if materials filed under seal were made public. *Id.* at 7. It argues that the Commission should consider such claims carefully in light of the effects on other commercial enterprises. *Id.* FedEx argues that the 14-day time-frame that the Commission provided for submitting comments precludes considered analysis and contends that the Commission has “withheld from public scrutiny the cost and revenue data needed to make a reasoned evaluation.” *Id.* at 3.

*Public Representative Comments.* The Public Representative states that she has reviewed all of the documents filed in this docket and based upon that review concludes that the proposed rates satisfy the requirements of 39 U.S.C. § 3633(a)(2). PR Comments at 2. The Public Representative notes that the overall rate for the Priority Mail product will be unchanged. She states that the rate changes will enable each competitive product to cover its attributable costs and ensure that competitive products collectively contribute 5.5 percent to the institutional costs of the Postal Service, and will thus satisfy the requirements of 39 U.S.C. § 3633 and 39 C.F.R. § 3015.7. *Id.*

However, the Public Representative raises a few concerns. She expresses concern that the Postal Service, by providing information on the overall price change for Priority Mail in the accompanying spreadsheets rather than with the Governors’ Decision, is being less transparent than it could be. *Id.* She suggests that the overall price change should also be included in the Governors’ Decision, as has been done in

the past.<sup>11</sup> *Id.* at 3. The Public Representative also questions why the Postal Service used fixed-weight by revenue rather than fixed-weight by volume to calculate the average rate change for the three Priority Mail price categories although she acknowledges that this methodology is consistent with past practice. *Id.* Finally, the Public Representative states that volume, revenue, and cost data should be presented with links to thoroughly evaluate the methodological and mathematical accuracy of the Postal Service's calculations.<sup>12</sup> *Id.*

#### IV. COMMISSION ANALYSIS

The Commission has reviewed the Notice, including materials filed under seal, and the comments. Planned rate changes for competitive products are reviewed pursuant to 39 U.S.C. § 3633(a) and Commission regulations under 39 C.F.R. part 3015. These statutory and regulatory provisions require each competitive product to cover its attributable costs (39 U.S.C. § 3633(a)(2)), prohibit the subsidization of competitive products by market dominant products (39 U.S.C. § 3633(a)(1)), and require that competitive products collectively make an appropriate contribution to the recovery of the Postal Service's total institutional costs (39 U.S.C. § 3633(a)(3)).

##### A. Rate Changes

The Public Representative has reviewed the workpapers filed under seal and agrees that the proposed changes satisfy the relevant statutory and regulatory provisions. Neither UPS nor FedEx suggests that the proposed changes are unlawful.<sup>13</sup>

---

<sup>11</sup> See, e.g., Docket No. CP2012-2 Notice of the United States Postal Service of Changes in Rates of General Applicability for Competitive Products Established in Governors' Decision No. 11-8, November 22, 2011.

<sup>12</sup> The Commission has previously indicated that the Postal Service should properly source and link its financial workpapers depicting the projected financial results associated with price changes. See Docket No. CP2014-5, Order No. 1903, Order Approving Changes in Rates of General Applicability for Competitive Products, December 12, 2013, at 15.

<sup>13</sup> UPS Comments at 1; FedEx Comments at 1. Both commenters indicate that they did not review the workpapers that were filed under seal.

The Commission finds that after the proposed rate adjustment, Priority Mail is expected to continue to cover its attributable costs. In addition, with this price change competitive products as a whole are expected to generate enough revenue to contribute more than 5.5 percent to the institutional costs of the Postal Service. See 39 C.F.R. § 3015.7(c). Finally, the Commission finds that the proposed rate changes will not result in market dominant products subsidizing competitive products.

## B. Other Issues Raised

The parties have raised several additional issues during the Commission's review of the instant competitive rate adjustment.

### 1. Impact of the Proposed Changes

Commenters raise broad concerns about: (1) the relationship between market dominant and competitive rate changes, (2) the equities of rate decreases and increases among rate cells, and (3) the effect that the proposed changes will have in the competitive market in which Priority Mail competes. Each concern is addressed below.

#### *Competitive rate changes compared to market dominant rate changes.*

Comparing the combined 5.9 percent rate increase for market dominant products due to the CPI and exigent rate increases to the 2.4 percent increase for competitive products this year, and comparing reduced service standards for market dominant products to enhanced service standards for competitive products, UPS contends that the Postal Service is trying to squeeze revenue from market dominant mailers while increasing its competitive market share. UPS Comments at 3-4.

*Rate changes among rate cells.* FedEx states that the Postal Service is making a major thrust into the market for e-commerce distribution services by dramatically decreasing rates for commercial mailers of e-commerce products. FedEx Comments at 1-2, 4. It suggests that such rate decreases raise serious questions about intra-product subsidies between retail and commercial customers. *Id.* at 4. UPS also notes

that the Postal Service is increasing rates for retail customers while decreasing rates for commercial shippers, in some rate cells by more than 50 percent. UPS Comments at 3.

*Effect on competitive playing field.* FedEx also suggests that there is a “legal tilt” in the playing field in which the Postal Service competes for the delivery of e-commerce packages. FedEx Comments at 4. Specifically, it notes that the Postal Service has exclusive access to customer mailboxes and clusterboxes while it is unable to deliver to post office boxes. *Id.* at 4-5.

*Commission Analysis.* The commenters do not suggest that any of these concerns raise legal issues regarding the appropriateness of the proposed rates. Nor do they suggest that the proposed rates exceed the Postal Service’s pricing flexibility. The market dominant rate increases to which UPS refers were considered within the context of the relevant statutory and regulatory provisions that apply to such increases, 39 U.S.C. § 3622 and 39 C.F.R. part 3010, subparts B and E. The instant proceeding concerns proposed changes to competitive rates, and the relevant statutory and regulatory provisions are 39 U.S.C. §§ 3632, 3633 and 39 C.F.R. part 3015. UPS points to no provision of law requiring that competitive rate increases be greater than or similar in magnitude to market dominant increases. Likewise, while it is certainly true that rate decreases in some cells will benefit some mailers more than others, commenters do not suggest that this fact alone precludes the Postal Service using its pricing flexibility in setting rates for competitive products. With respect to the fairness of the competitive playing field, the Postal Service operates as a unique competitor in that it is subject to different rules and mandates than private sector competitors.<sup>14</sup> None of these burdens or advantages, however, are directly relevant to the issues before the Commission, which concern whether the proposed changes to Priority Mail rates comply with 39 U.S.C. § 3633 and 39 C.F.R. § 3015.

---

<sup>14</sup> See Federal Trade Commission, Accounting for Laws that Apply Differently to the United States Postal Service and its Private Competitors, December 2007, at 55 (concluding that the Postal Service’s “unique legal status likely places it at a net competitive disadvantage relative to private carriers.”)

## 2. Cost Attribution Methodology

Both UPS and FedEx ask the Commission to “improve” cost attribution. UPS Comments at 4; FedEx Comments at 5. UPS asks that the Commission improve the allocation of costs between market dominant and competitive products. UPS Comments at 8. FedEx indicates that cost attribution should be reevaluated and suggests that a “bottom-up pricing review,” such as that proposed by the Postal Service Office of the Inspector General, might be an appropriate method of doing so. FedEx Comments at 5.<sup>15</sup>

UPS has previously raised this issue before the Commission. The Commission has previously acknowledged that accurately attributing postal costs to products is critical.<sup>16</sup> However, costing methodologies are issues that merit careful and detailed examination. Given statutory time limits, proceedings on changes to competitive rates do not allow sufficient time for proper consideration of proposed changes to costing methodologies. Interested parties may submit petitions to the Commission to initiate proceedings to change the cost attribution methodology that the Postal Service uses to develop the annual periodic reports that it submits to the Commission. See 39 C.F.R. § 3050.11(a). If commenters have specific concerns about costing methodologies or specific proposals for changes to those methodologies, they may initiate a proceeding before the Commission.

## 3. Appropriate Share of Institutional Costs

UPS and FedEx also take issue with the Commission’s appropriate share regulation, which requires that a minimum of 5.5 percent of the Postal Service’s total institutional costs be recovered from competitive products. UPS Comments at 5; FedEx Comments at 6. UPS suggests that the appropriate share is too low when compared to

---

<sup>15</sup> See <https://www.uspsaig.gov/sites/default/files/document-library-files/2014/rarc-wp-14-005.pdf>.

<sup>16</sup> See Docket No. ACR2013, Annual Compliance Determination Report, March 27, 2014, at 95 (2013 ACD).

the 25 percent of attributable costs and 20 percent of revenue that it believes competitive products generate. UPS Comments at 5. FedEx contends that the appropriate share has failed to keep pace with the rising share of revenue contribution from competitive products. FedEx Comments at 6. Both commenters ask the Commission to consider changing the appropriate share.

The appropriate share that competitive products collectively contribute to the institutional costs of the Postal Service is outside the scope of this rate proceeding. In Order No. 1449, the Commission reaffirmed that the appropriate share of institutional costs to be borne by competitive products should remain 5.5 percent.<sup>17</sup> The Commission is required to re-examine the appropriate share requirement again, no later than 2017. 39 U.S.C. § 3633(b). However, as the Commission has previously noted, parties may petition it to initiate such a proceeding prior to 2017. 2013 ACD at 97.

#### 4. Treatment of Non-Public Material

UPS contends that interested members of the public cannot know whether the proposed rates comply with the PAEA because the data supporting the Postal Service's Notice was filed under seal. UPS Comments at 1. It asks the Commission to initiate a rulemaking to determine which information the Postal Service should be required to file publicly in order to "allow interested parties to analyze the Postal Service's compliance with PAEA." *Id.* at 7. FedEx contends that the Commission should not uncritically accept the Postal Service's claims about the potential for commercial injury that would follow if materials filed under seal were made public but should consider such claims carefully in light of the effects on other commercial enterprises. FedEx Comments at 7. It argues that the 14-day time-frame that the Commission provided for submitting comments precludes considered analysis and contends that the Commission has

---

<sup>17</sup> See Docket No. RM2012-3, Order Reviewing Competitive Products' Appropriate Share Contribution to Institutional Costs, August 23, 2012 (Order No. 1449).

“withheld from public scrutiny the cost and revenue data needed to make a reasoned evaluation.” *Id.* at 3.

The validity of the Commission regulations regarding the treatment of non-public materials is outside the scope of the present proceedings, which concern the appropriateness of the Postal Service’s proposed rate changes. As the Commission has previously stated, Commission rules concerning the protection of non-public information are intended to strike an appropriate balance between public access to information and the commercial interests of the Postal Service and its partners or customers. 2013 ACD at 98. The rules permit access to non-public information that is filed under seal subject to protective conditions. See 39 C.F.R. § 3007.40. As the Commission has recently stated, parties are free to offer specific proposals to change the confidentiality regulations. 2013 ACD at 98.

UPS and FedEx suggest that a rate case does not afford sufficient time to evaluate and comment upon information filed under seal. However, neither commenter sought access to information that was filed under seal. On the other hand, the Public Representative sought and gained access to such data, reviewed it for compliance with the relevant statutory and regulatory provisions, and submitted comments to the Commission within the 14-day comment period.<sup>18</sup> Notwithstanding the Public Representative’s efforts in this case, if the time to review and comment upon data filed under seal in a case is insufficient as commenters suggest, a commenter can describe the particular hardship and seek an extension of time in which to file comments without necessarily precluding the Commission from issuing a timely order.

---

<sup>18</sup> Public Representatives as Commission employees have access to non-public materials in order to carry out their appropriate responsibilities; any other person seeking access to such materials must file a motion requesting access accompanied by an executed copy of protective conditions. 39 C.F.R. §§ 3007.24, 3007.40. The party with a proprietary interest in the materials may consent to access or file an answer within three days after such motion is filed, upon which the Commission issues an order allowing or denying access and setting forth protective conditions. 39 C.F.R. § 3007.40(d).

V. ORDERING PARAGRAPHS

*It is ordered:*

1. The planned rates can take effect as scheduled.
2. The revisions to the Mail Classification Schedule appear below the signature of this Order and are effective September 7, 2014.

By the Commission.

Shoshana M. Grove  
Secretary

## CHANGES TO THE MAIL CLASSIFICATION SCHEDULE

The following material represents a change to the Mail Classification Schedule. The Commission uses two main conventions when making changes to the Mail Classification Schedule. New text is underlined. Deleted text is struck through.

### **Part B—Competitive Products**

\*\*\*\*\*

**2100**            **Domestic Products**

\*\*\*\*\*

**2110**            **Priority Mail**

\*\*\*\*\*

## 2110.6 Prices

*Retail Priority Mail Zone/Weight*

Maximum Weight (pounds)	Local, Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)	Zone 9 (\$)
1	<u>5.75</u>	<u>5.85</u>	<u>6.00</u>	<u>6.15</u>	<u>6.40</u>	<u>6.65</u>	<u>7.15</u>	8.35
2	<u>5.95</u>	<u>6.35</u>	<u>7.05</u>	<u>9.00</u>	<u>9.75</u>	<u>10.55</u>	<u>11.55</u>	13.50
3	<u>6.70</u>	<u>7.70</u>	<u>8.85</u>	<u>10.80</u>	<u>12.20</u>	<u>13.10</u>	<u>15.50</u>	18.10
4	<u>7.55</u>	<u>9.00</u>	<u>10.15</u>	<u>14.25</u>	<u>15.65</u>	<u>16.75</u>	<u>18.65</u>	21.80
5	<u>8.95</u>	<u>9.95</u>	<u>11.30</u>	<u>16.20</u>	<u>17.80</u>	<u>19.20</u>	<u>21.55</u>	25.20
6	9.60	<u>10.80</u>	<u>12.10</u>	<u>18.00</u>	<u>20.00</u>	<u>21.55</u>	<u>24.30</u>	28.45
7	10.20	<u>11.70</u>	<u>13.05</u>	<u>20.05</u>	<u>22.15</u>	<u>24.20</u>	<u>27.35</u>	32.00
8	10.95	<u>12.35</u>	<u>13.60</u>	<u>21.80</u>	<u>24.30</u>	<u>26.75</u>	<u>30.60</u>	35.80
9	<u>11.45</u>	<u>12.70</u>	<u>14.10</u>	23.00	<u>26.45</u>	<u>28.90</u>	<u>34.05</u>	39.85
10	<u>12.15</u>	<u>12.75</u>	<u>14.35</u>	24.95	<u>28.55</u>	<u>31.80</u>	<u>37.10</u>	43.40
11	<u>13.00</u>	<u>13.25</u>	<u>14.50</u>	26.90	<u>30.65</u>	<u>35.10</u>	<u>40.70</u>	48.05
12	<u>13.40</u>	<u>13.65</u>	<u>14.70</u>	28.85	<u>33.35</u>	<u>37.95</u>	<u>43.70</u>	51.55
13	<u>13.55</u>	<u>14.00</u>	<u>14.90</u>	30.50	<u>35.80</u>	<u>39.45</u>	<u>45.30</u>	53.40
14	<u>13.75</u>	<u>14.40</u>	<u>15.10</u>	32.40	<u>37.80</u>	<u>41.70</u>	<u>47.55</u>	56.10
15	<u>14.00</u>	<u>14.85</u>	<u>15.30</u>	34.30	<u>39.40</u>	<u>42.60</u>	<u>48.85</u>	57.65
16	<u>14.80</u>	<u>15.90</u>	<u>16.80</u>	36.20	<u>41.65</u>	<u>44.95</u>	<u>51.60</u>	60.85
17	<u>15.55</u>	<u>16.90</u>	<u>18.30</u>	38.10	<u>43.75</u>	<u>47.35</u>	<u>54.30</u>	64.05
18	<u>16.30</u>	<u>17.90</u>	<u>19.80</u>	39.95	<u>46.05</u>	<u>49.65</u>	<u>57.05</u>	67.35
19	<u>17.05</u>	<u>18.90</u>	<u>21.30</u>	41.05	46.95	50.70	58.25	70.50
20	<u>17.80</u>	<u>19.90</u>	<u>22.80</u>	41.75	48.10	52.55	60.95	73.75
21	<u>18.55</u>	<u>20.90</u>	<u>24.30</u>	42.35	48.90	53.40	62.35	76.05
22	<u>19.30</u>	<u>21.90</u>	<u>26.30</u>	43.35	50.00	54.70	63.85	77.90
23	<u>20.05</u>	<u>22.90</u>	<u>28.30</u>	44.10	50.90	55.75	65.00	79.30
24	<u>20.80</u>	<u>24.15</u>	<u>30.30</u>	45.05	51.95	57.15	66.60	81.25
25	22.20	27.00	33.80	45.80	52.65	58.60	67.70	82.60

\*\*\*\*\*

*Retail Flat Rate Envelopes<sup>1</sup>*

	(\$)
Retail Regular Flat Rate Envelope, per piece	<u>5.75</u>
Retail Legal Flat Rate Envelope, per piece	<u>5.90</u>
Retail Padded Flat Rate Envelope, per piece	<u>6.10</u>

\*\*\*\*\*

*Retail Flat Rate Boxes<sup>1</sup>*

Size	Delivery to Domestic Address (\$)	Delivery to APO/FPO/DPO Address (\$)
Small Flat Rate Box	<u>5.95</u>	<u>5.95</u>
Medium Flat Rate Boxes	<u>12.65</u>	<u>12.65</u>
Large Flat Rate Boxes	<u>17.90</u>	<u>15.90</u>

\*\*\*\*\*

*Regional Rate Boxes*

Size	Local, Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)	Zone 9 (\$)
A	6.07	6.19	6.59	8.30	9.01	9.73	10.72	12.71
B	6.91	8.00	8.85	11.41	14.12	15.17	17.03	20.28
C	<u>10.60</u>	<u>11.45</u>	<u>11.49</u>	<u>20.53</u>	38.13	41.64	48.18	58.14

\*\*\*\*\*

*Commercial Base Priority Mail Zone/Weight*

<b>Maximum Weight (pounds)</b>	<b>Local, Zones 1 &amp; 2 (\$)</b>	<b>Zone 3 (\$)</b>	<b>Zone 4 (\$)</b>	<b>Zone 5 (\$)</b>	<b>Zone 6 (\$)</b>	<b>Zone 7 (\$)</b>	<b>Zone 8 (\$)</b>	<b>Zone 9 (\$)</b>
1	5.05	5.23	5.35	5.54	5.75	6.02	6.51	7.81
2	5.32	5.44	5.84	7.55	8.26	8.98	9.97	11.96
3	5.49	6.39	7.36	9.11	10.72	11.59	13.52	16.22
4	6.16	7.25	8.10	10.66	13.37	14.42	16.28	19.53
5	6.78	7.33	8.42	<u>11.26</u>	15.22	16.58	18.87	22.64
6	6.95	7.55	8.55	<u>12.11</u>	17.08	18.90	21.61	25.94
7	7.27	7.75	<u>9.05</u>	<u>12.99</u>	18.91	21.31	24.27	29.12
8	7.54	<u>8.25</u>	<u>9.28</u>	<u>13.64</u>	20.79	23.46	27.25	32.70
9	<u>8.02</u>	<u>8.45</u>	<u>9.42</u>	<u>14.42</u>	22.61	25.41	30.30	36.36
10	<u>8.28</u>	<u>8.49</u>	<u>9.56</u>	<u>15.27</u>	24.43	27.93	32.95	39.54
11	<u>8.57</u>	<u>8.83</u>	<u>9.65</u>	<u>15.93</u>	26.21	30.40	35.70	43.20
12	<u>8.78</u>	<u>9.10</u>	<u>9.74</u>	<u>16.81</u>	28.58	32.87	38.28	46.32
13	<u>8.99</u>	<u>9.32</u>	<u>9.86</u>	<u>17.70</u>	30.69	34.20	39.64	47.97
14	<u>9.14</u>	<u>9.57</u>	<u>9.96</u>	<u>18.41</u>	32.41	36.12	41.61	50.35
15	<u>9.27</u>	<u>9.87</u>	<u>10.07</u>	<u>18.78</u>	33.66	36.80	42.71	51.68
16	<u>9.77</u>	<u>10.37</u>	<u>10.51</u>	<u>19.28</u>	35.57	38.86	45.06	54.52
17	<u>9.85</u>	<u>10.70</u>	<u>10.74</u>	<u>19.78</u>	37.38	40.89	47.43	57.39
18	<u>9.96</u>	<u>10.84</u>	<u>11.05</u>	<u>20.28</u>	39.35	42.90	49.82	60.29
19	<u>10.08</u>	<u>11.21</u>	<u>11.43</u>	<u>20.78</u>	41.12	44.91	52.19	63.14
20	<u>10.26</u>	<u>11.57</u>	<u>11.82</u>	<u>21.28</u>	42.17	46.58	54.60	66.06
21	<u>11.76</u>	<u>13.07</u>	<u>13.32</u>	<u>22.78</u>	42.51	47.02	55.30	67.47
22	<u>13.26</u>	<u>14.57</u>	<u>15.07</u>	<u>24.53</u>	42.81	47.39	55.94	68.25
23	<u>14.76</u>	<u>16.07</u>	<u>17.07</u>	<u>26.53</u>	43.05	47.72	56.27	68.65
24	<u>16.26</u>	<u>18.07</u>	<u>20.07</u>	<u>29.53</u>	43.95	48.95	57.64	70.33
25	<u>17.76</u>	<u>20.07</u>	<u>24.07</u>	<u>32.53</u>	44.59	50.17	58.64	71.54

\*\*\*\*\*

*Commercial Base Regional Rate Boxes*

<b>Size</b>	<b>Local, Zones 1 &amp; 2 (\$)</b>	<b>Zone 3 (\$)</b>	<b>Zone 4 (\$)</b>	<b>Zone 5 (\$)</b>	<b>Zone 6 (\$)</b>	<b>Zone 7 (\$)</b>	<b>Zone 8 (\$)</b>	<b>Zone 9 (\$)</b>
A	5.32	5.44	5.84	7.55	8.26	8.98	9.97	11.96
B	6.16	7.25	8.10	10.66	13.37	14.42	16.28	19.53
C	<u>9.85</u>	<u>10.70</u>	<u>10.74</u>	<u>19.78</u>	37.38	40.89	47.43	57.39

\*\*\*\*

*Commercial Plus Priority Mail Zone/Weight*

<b>Maximum Weight (pounds)</b>	<b>Local, Zones 1 &amp; 2 (\$)</b>	<b>Zone 3 (\$)</b>	<b>Zone 4 (\$)</b>	<b>Zone 5 (\$)</b>	<b>Zone 6 (\$)</b>	<b>Zone 7 (\$)</b>	<b>Zone 8 (\$)</b>	<b>Zone 9 (\$)</b>
0.5	4.58	4.65	4.74	4.99	5.23	5.47	5.82	6.98
1	4.95	5.10	5.27	5.47	5.66	5.86	6.25	7.50
2	5.09	5.35	5.74	7.17	7.68	8.29	8.99	10.78
3	5.20	<u>5.51</u>	<u>5.90</u>	8.65	10.18	11.15	12.53	15.04
4	<u>5.30</u>	<u>5.56</u>	<u>5.95</u>	<u>9.28</u>	12.36	13.62	15.52	18.63
5	<u>5.35</u>	<u>5.61</u>	<u>6.80</u>	<u>9.80</u>	14.33	15.89	18.30	21.96
6	<u>5.40</u>	<u>5.66</u>	<u>6.88</u>	<u>10.54</u>	16.07	18.33	20.36	24.43
7	<u>5.45</u>	<u>5.71</u>	<u>7.00</u>	<u>11.31</u>	17.85	20.61	23.27	27.93
8	<u>5.50</u>	<u>5.76</u>	<u>7.18</u>	<u>11.87</u>	19.37	22.61	26.11	31.34
9	<u>5.55</u>	<u>5.81</u>	<u>7.28</u>	<u>12.55</u>	20.97	24.59	29.06	34.87
10	<u>5.60</u>	<u>6.56</u>	<u>7.40</u>	<u>13.29</u>	22.71	26.77	31.73	38.07
11	<u>5.65</u>	<u>6.83</u>	<u>7.46</u>	<u>13.87</u>	24.12	28.23	32.86	39.76
12	<u>6.79</u>	<u>7.04</u>	<u>7.53</u>	<u>14.63</u>	25.99	29.68	34.28	41.47
13	<u>6.95</u>	<u>7.21</u>	<u>7.63</u>	<u>15.41</u>	27.87	30.88	35.46	42.91
14	<u>7.07</u>	<u>7.40</u>	<u>7.70</u>	<u>16.03</u>	29.36	32.64	37.23	45.05
15	<u>7.17</u>	<u>7.64</u>	<u>7.79</u>	<u>16.35</u>	30.03	32.98	38.02	46.01
16	<u>8.70</u>	<u>9.24</u>	<u>9.37</u>	<u>17.58</u>	30.72	33.72	39.00	47.18
17	<u>8.78</u>	<u>9.53</u>	<u>9.67</u>	<u>18.08</u>	31.55	34.55	39.99	48.39
18	<u>8.87</u>	<u>9.66</u>	<u>9.85</u>	<u>18.43</u>	32.15	35.22	40.95	49.55
19	<u>8.98</u>	<u>9.99</u>	<u>10.19</u>	<u>18.93</u>	32.91	36.12	41.98	50.79
20	<u>9.14</u>	<u>10.31</u>	<u>10.53</u>	<u>19.38</u>	33.54	36.80	42.89	51.90
21	<u>9.30</u>	<u>10.58</u>	<u>10.85</u>	<u>20.93</u>	34.10	37.44	43.74	53.37
22	<u>10.03</u>	<u>11.37</u>	<u>11.87</u>	<u>22.68</u>	34.86	38.30	44.82	54.68
23	<u>10.67</u>	<u>11.68</u>	<u>12.25</u>	<u>23.52</u>	35.47	38.99	45.59	55.62
24	<u>10.88</u>	<u>11.95</u>	<u>12.64</u>	<u>25.46</u>	36.20	39.89	46.74	57.02
25	<u>11.16</u>	<u>12.26</u>	<u>12.98</u>	<u>26.41</u>	36.77	40.48	47.54	58.00

*Commercial Plus Priority Mail Zone/Weight (Continued)*

<b>Maximum Weight (pounds)</b>	<b>Local, Zones 1 &amp; 2 (\$)</b>	<b>Zone 3 (\$)</b>	<b>Zone 4 (\$)</b>	<b>Zone 5 (\$)</b>	<b>Zone 6 (\$)</b>	<b>Zone 7 (\$)</b>	<b>Zone 8 (\$)</b>	<b>Zone 9 (\$)</b>
26	<u>11.42</u>	<u>13.15</u>	<u>14.03</u>	<u>28.25</u>	37.57	41.32	49.06	59.85
27	<u>11.69</u>	<u>13.47</u>	<u>14.37</u>	<u>29.32</u>	38.13	41.94	50.87	62.06
28	<u>11.90</u>	<u>13.79</u>	<u>14.83</u>	<u>30.01</u>	38.64	42.57	52.74	64.34
29	<u>12.15</u>	<u>14.05</u>	<u>15.25</u>	<u>30.79</u>	39.14	43.12	54.43	66.40
30	<u>12.45</u>	<u>14.40</u>	<u>15.71</u>	<u>31.89</u>	39.70	43.74	56.26	68.64
31	<u>13.26</u>	<u>15.34</u>	<u>16.87</u>	<u>32.57</u>	40.19	44.29	58.11	71.48
32	<u>13.32</u>	<u>15.67</u>	<u>18.15</u>	<u>33.52</u>	40.75	45.36	59.93	73.71
33	<u>13.56</u>	<u>16.02</u>	<u>18.59</u>	<u>34.43</u>	41.24	46.65	61.70	75.89
34	<u>13.64</u>	<u>16.38</u>	<u>19.01</u>	36.21	42.47	47.94	63.51	78.12
35	<u>13.88</u>	<u>16.76</u>	<u>20.34</u>	36.98	43.63	49.22	65.32	80.34
36	<u>15.42</u>	<u>20.15</u>	<u>22.50</u>	37.81	44.73	50.57	67.14	82.58
37	<u>17.73</u>	<u>21.44</u>	<u>23.86</u>	38.52	45.90	51.85	68.93	84.79
38	<u>17.98</u>	<u>21.76</u>	<u>26.26</u>	39.28	47.18	53.08	70.76	87.04
39	<u>18.24</u>	<u>22.19</u>	<u>28.79</u>	40.06	48.33	54.45	72.63	89.33
40	20.91	<u>23.57</u>	<u>29.43</u>	40.89	49.43	55.66	74.33	91.42
41	21.35	24.29	32.84	41.26	50.61	57.01	76.13	94.41
42	21.75	24.78	33.28	42.15	51.71	58.35	77.94	96.65
43	22.19	25.20	33.71	43.08	53.00	59.64	79.79	98.94
44	22.58	25.69	34.15	44.07	54.08	60.97	81.58	101.15
45	22.96	26.17	34.52	45.00	55.27	62.29	83.38	103.39
46	23.39	26.65	35.20	45.86	56.43	63.56	85.19	105.63
47	23.81	27.12	35.86	46.86	57.71	64.91	86.96	107.83
48	24.23	27.48	36.65	47.79	58.89	66.24	88.51	109.76
49	24.62	27.82	37.02	48.68	59.93	67.60	89.40	110.85
50	24.96	28.06	37.36	49.61	61.09	68.88	90.52	112.25

\*\*\*\*\*

*Commercial Plus Regional Rate Boxes*

<b>Maximum Cubic Feet</b>	<b>Local, Zones 1 &amp; 2 (\$)</b>	<b>Zone 3 (\$)</b>	<b>Zone 4 (\$)</b>	<b>Zone 5 (\$)</b>	<b>Zone 6 (\$)</b>	<b>Zone 7 (\$)</b>	<b>Zone 8 (\$)</b>	<b>Zone 9 (\$)</b>
A	5.32	5.44	5.84	7.55	8.26	8.98	9.97	11.96
B	6.16	7.25	8.10	10.66	13.37	14.42	16.28	19.53
C	<u>9.85</u>	<u>10.70</u>	<u>10.74</u>	<u>19.78</u>	37.38	40.89	47.43	57.39

\*\*\*\*\*