

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

TRANSFERRING FIRST-CLASS MAIL PARCELS  
TO THE COMPETITIVE PRODUCT LIST

Docket No. MC2015-7

**REQUEST OF THE UNITED STATES POSTAL SERVICE  
TO TRANSFER FIRST-CLASS MAIL PARCELS  
TO THE COMPETITIVE PRODUCT LIST**  
(November 14, 2014)

In accordance with 39 U.S.C. § 3642 and 39 C.F.R. § 3020.30 *et seq.*, the United States Postal Service hereby requests that: (1) First-Class Mail Parcels be removed from the market-dominant product list, and; (2) that an identical service be added to the competitive product list as a retail subcategory of the existing First-Class Package Service (“FCPS”) product.

Pursuant to 39 U.S.C. § 404(b) and 39 C.F.R. § 3.4(f), the Governors authorized this request on November 13, 2014; a copy of the Governors’ resolution is included at Attachment A. Attachment B contains a Statement of Supporting Justification, which demonstrates that the request fulfills the criteria set forth in Section 3642 for making changes to the market-dominant and competitive product lists. The proposed Mail Classification Schedule (MCS) language appears at Attachment C. As required by 39 U.S.C. § 3642(d)(1), a notice describing this request will be published in the Federal Register. Though 39 C.F.R. § 3020.30 *et seq.* does not include a specific timeline for the issuance of a Commission orders in mail classification cases, the Postal Service respectfully requests that the Postal Regulatory Commission (“Commission”) expedite the resolution of this docket. In particular, the Postal Service requests that the

Commission develop a hearing schedule that provides for the issuance of an order no later than January 16, 2015. Receipt of an order by this date will allow the Board of Governors to consider the Commission's decision during its February 2015 meeting.<sup>1</sup>

As discussed in the Statement of Supporting Justification, First-Class Mail Parcels offers fast delivery of any mailable matter (weighing less than 13 ounces) in 1-3 days, and competes with an assortment of comparable products offered by competitors. Though it is currently classified on the market-dominant product list, First-Class Mail Parcels fulfills all of the criteria for competitive products under section 3642. The Postal Service therefore requests that First-Class Mail Parcels be removed from the market-dominant product list, and that an identical service be added as a retail subcategory of the existing FCPS product. As described in the proposed MCS language, the new FCPS category would maintain First-Class Mail Parcels' existing service standards and pricing structure.

Approving this request will simply recognize the competitive nature of the marketplace that First-Class Mail Parcels serves, and grant the Postal Service the pricing and negotiation flexibility enjoyed by competitors that offer comparable products. In this regard, this transfer will eliminate the arbitrary division of the Postal Service's first-class package products between the market dominant and competitive product

---

<sup>1</sup> By filing this request today, the Commission has sixty-three (63) days to issue an order by the date requested by the Postal Service. In this regard, the Postal Service notes that the Commission has resolved other requests under section 3642 within a comparable amount of time. For example, in Docket No. MC2011-22, the Commission completed its review of the transfer of First-Class Mail Parcels (Commercial) within forty (41) days. *Compare* Request of the United States Postal Service Under Section 3642 (Feb. 24, 2011), *with* Order No. 710 (Apr. 6, 2011). Similarly, in Docket No. MC2012-44, the Commission completed its review of the transfer of Single-Piece First-Class Mail International Packages and Rolls within thirty-one (31) days. *Compare* Request of the United States Postal Service to Transfer Outbound Single-Piece First-Class Mail International Packages and Rolls to the Competitive Product List (Aug. 10, 2012), *with* Order No. 1461 (Sept. 10, 2012).

lists. As described in the Statement of Supporting Justification, the proposed changes fulfill all of the criteria set forth in 39 C.F.R. § 3020.32.

Respectfully submitted,

UNITED STATES POSTAL SERVICE  
By its attorneys:

Daniel J. Foucheaux  
Chief Counsel, Pricing & Product Support

John F. Rosato

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-8597, Fax -6187  
November 14, 2014

RESOLUTION OF THE GOVERNORS  
OF THE  
UNITED STATES POSTAL SERVICE  
Resolution No. 14-10

Transfer of First-Class Mail Parcels  
to the Competitive Product List

RESOLVED:

Pursuant to section 3642 of title 39, United States Code, the Postal Service shall file a request with the Postal Regulatory Commission to transfer First-Class Mail Parcels from the market-dominant product list to the competitive product list.

Postal management is directed to provide the required public notice and to file with the Postal Regulatory Commission the mail classification changes, and other supporting documents, in accordance with Part 3020 of Title 39, Code of Federal Regulations.

The foregoing Resolution was adopted by the Governors on November 13, 2014.

  
\_\_\_\_\_  
Julie S. Moore  
Secretary, Board of Governors

**CERTIFICATION OF GOVERNORS' VOTE  
IN THE  
GOVERNORS' RESOLUTION 14-10**

I hereby certify that the Governors voted on adopting Governors' Resolution No. 14-10, and that a majority of the Governors then holding office concurred in the Resolution.

<u>Governor</u>	<u>Vote</u>
Barnett	Yes
Bilbray	Yes
Giuliano	Yes
Williams	Yes

  
\_\_\_\_\_  
Julie S. Moore  
Secretary of the Board of Governors

Date: 11-13-2014

## Statement of Supporting Justification

I, Karen F. Key, Director of Shipping Products and Services, sponsor the Postal Service's request that the Postal Regulatory Commission ("Commission") transfer First-Class Mail Parcels to the list of competitive products as a retail category of First-Class Package Service ("FCPS").<sup>1</sup> This statement supports the Request by providing the information required by each applicable subsection of 39 C.F.R. § 3020.32, as indicated below. I attest to the accuracy of the information contained herein.

- (a) *Demonstrate why the change is in accordance with the policies and the applicable criteria of chapter 36 of title 39 of the United States Code.*

As demonstrated below in subsections (b) through (i), the change complies with the applicable statutory provisions.

- (b) *Explain why, as to market dominant products, the change is not inconsistent with each requirement of 39 U.S.C. 3622(d), and that it advances the objectives of 39 U.S.C. 3622(b), taking into account the factors of 39 U.S.C. 3622(c).*

As the Request is for a transfer to the competitive product list, this subsection is not applicable.

- (c) *Explain why, as to competitive products, the addition, deletion, or transfer will not result in the violation of any of the standards of 39 U.S.C. 3633.*

Section 3633 sets forth three standards for competitive products. Subsection (a)(1) prohibits the subsidization of competitive products by market-dominant products. Subsection (a)(2) requires that each competitive product covers its attributable costs. And subsection (a)(3) requires that all competitive products collectively cover an

---

<sup>1</sup> This Statement generally uses the term First-Class Mail Parcels to refer to this mail category both before and after the transfer.

appropriate share of Postal Service institutional costs, which the Commission has determined to be 5.5 percent.

In Fiscal Year (“FY”) 2013, First-Class Mail Parcels had a cost coverage of 99.5 percent.<sup>2</sup> The cost coverage for this product is expected to rise above 100 percent for FY 2014 because of the 11 percent price increase implemented on January 26, 2014.<sup>3</sup> After the transfer, the Postal Service will maintain First-Class Mail Parcels’ seal against inspection. Accordingly, the Postal Service will raise prices to avoid the application of the Private Express Statutes to packages that might contain letters.<sup>4</sup> See 39 U.S.C. § 601(b)(1). Further, since the present Request proposes to make First-Class Mail Parcels the retail category of FCPS, which had a cost coverage of 119 percent in FY 2013, it is unlikely that the new combined FCPS product would fall below full attributable cost coverage. Therefore, if the transfer of First-Class Mail Parcels is approved, the redefined FCPS product should satisfy subsections (a)(1) and (2) of Section 3633.

As to subsection (3) of Section 3633, the Commission has determined that competitive products, as a whole, must cover at least 5.5 percent of the Postal Service’s total institutional costs. See 39 C.F.R. § 3015.7(c). Given that First-Class Mail Parcels is expected to cover its attributable costs in FY 2014, and that an additional price increase will be necessary to align the product design with the Private Express Statutes, the Postal Service is confident that the new combined FCPS product will not cause competitive products to cover less than 5.5 percent of the Postal Service’s institutional

---

<sup>2</sup> Docket No. ACR2013, Analysis of United States Postal Service Financial Results and 10-K Statement for Fiscal Year 2013, at 42 (Apr. 10, 2014).

<sup>3</sup> Docket No. ACR2013, Annual Compliance Determination Report Fiscal Year 2013, at 41 (March 27, 2014).

<sup>4</sup> The Postal Service believes that it is necessary to raise First Class Mail Parcels’ prices to comply with 39 U.S.C. § 601(b)(1), so that it will not be forced to inspect First-Class Mail Parcels to verify that they do not contain letters. The Postal Service believes that this product’s current seal against inspection is a desirable and longstanding feature that should not be changed as part of this transfer.

costs. Accordingly, the transfer of First-Class Mail Parcels to the competitive product list should satisfy subsection (a)(3) of Section 3633.

- (d) *Verify that the change does not classify as competitive a product over which the Postal Service exercises sufficient market power that it can, without risk of losing a significant level of business to other firms offering similar products: (1) set the price of such product substantially above costs; (2) raise prices significantly; (3) decrease quality; or (4) decrease output.*

First-Class Mail Parcels offers fast delivery of any mailable matter (weighing less than 13 ounces) in 1-3 days, with weight-based prices ranging from one to thirteen ounces. Depending on the origin and destination ZIP Code pairs, First-Class Mail Parcels may travel by ground or by air. An analysis of the Postal Service's FY 2013 Indicia and Shape data ("Indicia Data") indicate that First-Class Mail Parcels' customer base consists primarily of small businesses and individual consumers who pay for postage at the retail counter and online.<sup>5</sup> However, the Indicia Data indicate that this product also serves a considerable number of large commercial mailers.<sup>6</sup> The fact that large commercial mailers are using both First-Class Mail Parcels and FCPS indicates that these products serve a single marketplace, and ought to be combined. Such a combination will allow the Postal Service to better manage this product line by more closely aligning the retail and commercial prices.

Based on the product features and customer groups discussed above, the Postal Service believes that First-Class Mail Parcels competes in the "2-3 Day Air" and

---

<sup>5</sup> The FY 2013 Indicia Data indicate that 29 percent of First-Class Mail Parcel shipments were paid for using stamps or Postal Validation Imprint (generally associated with consumers and small businesses paying at the retail counter). The Indicia Data further indicate that 59 percent of First-Class Mail parcel shipments were paid for using PC Postage (generally associated with small business customers).

<sup>6</sup> Large commercial customers, such as Amazon.com, Inc. and PSI Group, Inc., sent approximately 12 percent of First-Class Mail Parcels' FY 2013 volume using permit imprint. Large commercial mailers currently use First-Class Mail Parcels by dropping their parcels directly at the Destination Delivery Units. This behavior allows those mailers to take advantage of the lower market-dominant prices for some of their lightweight parcel volume.



“Ground” Parcel Markets for retail and commercial customers.<sup>7</sup> The table below shows the estimated market share distribution (by volume) across these markets for the new First-Class Package Service (including First-Class Mail Parcels):

***Market Share of New First-Class Package Service  
(Including First-Class Mail Parcels Volume)***

	2-3 Day and Ground Markets (up to 70 lbs.)	2-3 Day and Ground Markets (Under 1lb.)	Entire Parcel Market
2013 Market Share by Volume	7.9%	38.7%	7.2%

*Source: The Colography Group*

As the above table indicates, the new FCPS product would not have a dominant market share, whether measured as a percentage of the combined 2-3 Day Air and Ground markets, the under-one-pound segment of the same markets, or the entire parcel market. Since the new combined FCPS product will not dominate the market, the Postal Service cannot raise prices significantly or decrease the quality of this product without losing business to its competitors.

(e) *Explain whether or not each product that is the subject of the request is covered by the postal monopoly as reserved to the Postal Service under 18 U.S.C. 1696 subject to the exceptions set forth in 39 U.S.C. 601.*

The contents of First-Class Mail Parcels will be outside the scope of the letter monopoly, or for any letters contained in such parcels, within the scope of the exceptions or suspensions to the Private Express Statutes.

<sup>7</sup> Though some First-Class Mail Parcels are delivered in one day, the Postal Service does not believe that customers consider First-Class Mail Parcels to be an overnight product. Accordingly, the Postal Service does not consider this product to be a part of the overnight parcel market.

First-Class Mail parcels typically contain merchandise, which is not subject to the Private Express Statutes. See 39 C.F.R § 310.1 (defining a letter). To the extent that First-Class Mail Parcels contain any types of documents, such documents would likely include invoices, receipts, or incidental advertising. With respect to any invoices or receipts accompanying merchandise in First-Class Mail Parcels, the exception for cargo in 39 C.F.R. § 310.3(a) permits the inclusion of such matter because it both accompanies and relates “in all substantial respects to some part of the cargo or to the ordering, shipping or delivering of the cargo.” Incidental, non-addressed, non-personalized advertising enclosed in a First-Class Mail Parcels will also be within the scope of 39 C.F.R § 320.7. This suspension permits the private carriage of advertisements "enclosed with merchandise in parcels" to be carried privately, as long as the advertisements (i) are not marked with the names or addresses of intended recipients, and (ii) are incidental to the shipment of merchandise or periodicals.

Finally, with respect to any letters that might be contained in First-Class Mail Parcels, the Postal Service plans to raise prices to the levels necessary to fit within the price exception for letters in 39 U.S.C. § 601(b)(1). This exception permits the inclusion of letters in First-Class Mail Parcels, because the price paid for the carriage will be “at least the amount equal to 6 times the rate then currently charged for the 1<sup>st</sup> ounce of a single-piece first class letter.” Since the current price for a one-ounce single-piece First-Class Mail letter is \$.049, the base price for the new retail FCPS category must be raised to at least \$2.94 ( $\$0.49 * 6$ ). Accordingly, with the planned price adjustment,

First-Class Mail Parcels will not contain letters other than those within the scope of the exceptions or suspensions to the Private Express Statutes.<sup>8</sup>

- (f) *Provide a description of the availability and nature of enterprises in the private sector engaged in the delivery of the product.*

First-Class Mail Parcels compete primarily against the parcel shipping services offered by UPS and FedEx. UPS's and FedEx's primary business is the transportation of parcels. Both companies' prices vary based on the weight of a parcel, the parcel's destination, and the desired date of delivery. As described in subsection (d) above, First-Class Mail Parcels are delivered within 1-3 days and can travel by air or ground depending on the origin and destination ZIP Codes. Given these product features, UPS's main competitor services are its 2nd Day Air, 3-Day Select, and Ground products.<sup>9</sup> FedEx's main competitor services include its well-publicized One Rate offering, as well as its 2-Day, Express Saver, Ground, and Home Delivery products.<sup>10</sup> Unlike First-Class Mail Parcels or FCPS, these competing products offer additional features such as money-back guarantees and insurance up to a specific declared value.

- (g) *Provide any information available on the views of those who use the product on the appropriateness of the proposed modification.*

Given that service standards will remain the same after the proposed transfer, customers' major concern would likely be the effect of the transfer on prices. Though a modest price increase will be necessary to ensure that First-Class Mail Parcels falls within the price exception to the Private Express Statutes, from a business standpoint,

---

<sup>8</sup> These price changes would be proposed in a separate Competitive price change case that would be completed before implementing the new FCPS category.

<sup>9</sup> Product descriptions and rates can be found in UPS' Rate and Service Guide, available at: [http://www.ups.com/media/en/standard\\_list\\_rates.pdf](http://www.ups.com/media/en/standard_list_rates.pdf)

<sup>10</sup> Product descriptions and rates can be found in FedEx's Service Guide, available at: [http://images.fedex.com/us/services/pdf/Service\\_Guide\\_2014.pdf](http://images.fedex.com/us/services/pdf/Service_Guide_2014.pdf)

the Postal Service cannot raise First-Class Mail Parcels prices above those for a small Priority Mail Flat-Rate Box; otherwise, First-Class Mail Parcels volume would shift to Priority Mail.<sup>11</sup> Thus, as a practical matter, the price for a small Priority Mail Flat-Rate Box will effectively act as a cap on the prices for First-Class Mail Parcels. This will ensure that First-Class Mail Parcels remains the most affordable option for shipping lightweight items.

In addition, the Postal Service recognizes that those living in rural communities without a competitive package delivery market may be concerned that this proposal represents an attempt to limit package delivery service to and from rural areas. However, as mentioned above, First-Class Mail Parcels' service standards will remain the same once it is transferred to the competitive product list. Further, though it is a long-established practice of commercial carriers to assess surcharges on deliveries to rural communities, the Postal Service does not intend to implement such fees. Accordingly, customers residing in rural communities will continue to enjoy the same reliable, surcharge free package delivery service that they currently receive.

*(h) Provide a description of the likely impact of the proposed modification on small business concerns.*

The transfer of First-Class Mail Parcels to the competitive product list is unlikely to result in any disproportionate impact on small business concerns. Similar to individual consumers, small business will likely be concerned with the potential for price increases. However, for the reasons discussed in subsection (g), such concerns should be ameliorated by the fact that the price for a small Priority Mail Flat-Rate Box should

---

<sup>11</sup> The need to maintain a differential between the prices for First-Class Mail Parcels and Priority Mail becomes more important when one considers that Priority Mail offers added features such as free packaging and \$50 of free insurance.

serve as an effective cap on rates for First-Class Mail Parcels. Concerning the effect of the proposed transfer on small business shipping providers, the Postal Service is not aware of any small businesses that offer products that compete with First-Class Mail Parcels.

- (i) *Include such information and data, and such statements of reasons and bases, as are necessary and appropriate to fully inform the Commission of the nature, scope, significance, and impact of the proposed modification.*

As discussed above, the Postal Service believes that there is no legal or business purpose for maintaining the segmentation of its lightweight, one-to-three-day package offerings into a market dominant product for retail customers and a competitive product for commercial customers. Packages are packages, regardless of who ships them, and package shipping is a seamless marketplace. Indeed, the current classification of First-Class Mail Parcels on the market dominant product list is largely an artifact of the product's history. Therefore, shifting First-Class Mail Parcels to the competitive product list as a retail category of FCPS would create a more logical structure for the Postal Service's lightweight parcel offerings. This new structure will help the Postal Service better align retail and commercial prices, thus ending some commercial mailers' current use of First-Class Mail Parcels to take advantage of lower market-dominant rates.

## MAIL CLASSIFICATION CHANGES

(Additions are underlined and deletions are marked by strike-through. Some unchanged language is included, but only to show the location of the changes.)

**PART A**

**MARKET DOMINANT PRODUCTS**

**1000 MARKET DOMINANT PRODUCT LIST**

**FIRST-CLASS MAIL\***

- Single-Piece Letters/Postcards
- Presorted Letters/Postcards
- Flats
- ~~Parcels~~
- Outbound Single-Piece First-Class Mail International
- Inbound Letter Post

\* \* \* \* \*

**1100 First-Class Mail**

\* \* \* \* \*

1100.2 Products Included in Class

- Single-Piece Letters/Postcards (1105)
- Presorted Letters/Postcards (1110)
- Flats (1115)
- ~~Parcels (1120)~~
- Outbound Single-Piece First-Class Mail International (1125)
- Inbound Letter Post (1130)

\* \* \* \* \*

**1120 ReservedParcels**

1120.1 ~~Size and Weight Limitations~~

*~~Retail (Single-Piece)~~*

	<b>Length</b>	<b>Height</b>	<b>Thickness</b>	<b>Weight</b>
Minimum	<del>large enough to accommodate postage, address, and other required elements on the address side</del>			none

Maximum	108 inches in combined length and girth	13 ounces
---------	---	-----------

*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
Retail	none
Keys and Identification Devices	none

1120.3 ~~Price Categories~~

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

- Retail
  - Single-Piece
- Keys and Identification Devices — Payment is due on delivery unless an active business reply mail advance deposit account is used.

1120.4 ~~Optional Features~~

The following additional postal services may be available in conjunction with the product specified in this section:

- Ancillary Services (1505)
  - Address Correction Service (1505.1)
  - Business Reply Mail (1505.3)
  - Certified Mail (1505.5)
  - Certificate of Mailing (1505.6)
  - Collect on Delivery (1505.7)
  - USPS Tracking (1505.8)
  - Insurance (1505.9)
  - Merchandise Return Service (1505.10)
  - Registered Mail (1505.12)
  - Return Receipt (1505.13)
  - Restricted Delivery (1505.15)



- Signature Confirmation (1505.17)
- Special Handling (1505.18)
- Competitive Ancillary Services (2645)
  - Package Intercept Service (2645.2)

1120.5 — Prices

*Retail<sup>1</sup>*

Maximum Weight (ounces)	Single-Piece (\$)
1	\$2.32
2	\$2.32
3	\$2.32
4	\$2.50
5	\$2.68
6	\$2.86
7	\$3.04
8	\$3.22
9	\$3.40
10	\$3.58
11	\$3.76
12	\$3.94
13	\$4.12

**Notes**

1. — A handling charge of \$0.01 per piece applies to foreign-origin, inbound direct entry mail tendered by foreign postal operators, subject to the terms of an authorization arrangement.

*Keys and Identification Devices*

<b>Maximum Weight (ounces)</b>	<b>Keys and Identification Devices (\$)</b>
1	\$3.15
2	\$3.15
3	\$3.15
4	\$3.33
5	\$3.51
6	\$3.69
7	\$3.87
8	\$4.05
9	\$4.23
10	\$4.41
11	\$4.59
12	\$4.77
13	\$4.95
1 (pound)	Priority Mail Retail Zone 4 postage plus \$0.83
2 (pounds)	Priority Mail Retail Zone 4 postage plus \$0.83

\* \* \* \* \*

**1500 Special Services**

\* \* \* \* \*

**1505 Ancillary Services**

\* \* \* \* \*

1505.8 USPS Tracking

1505.8.1 Description

- a. USPS Tracking service provides mailers of ~~First-Class Mail parcels,~~ Standard Mail parcels, Package Services, Priority Mail, Parcel Select, Standard Post, and First-Class Package Service pieces with end-to-end tracking updates, including confirmation of delivery, as the item travels to its destination.

- b. USPS Tracking service is automatically included with the purchase of items sent via Priority Mail, Parcel Select, Standard Post, and First-Class Package Service.
- c. USPS Tracking service does not include the collection of any recipient signatures.
- d. Tracking updates may be obtained over the internet, by telephone, via mobile smartphone application, or by electronic file transfer for mailers who provide an electronic manifest. Tracking updates include the location, date, and time of: delivery or attempted delivery, the item's arrival and departure from certain postal facilities, and if the item is forwarded or returned to the sender.
- e. USPS Tracking service may only be obtained by: applying a unique tracking barcode prior to mailing; taking the item to a Post Office, branch, station, self-service kiosk, or business mail entry unit; or giving the piece to a rural carrier.
- f. USPS Tracking service may be requested only at time of mailing.

## 1505.8.2 Prices

	(\$)
<b>First-Class Mail Parcels</b>	
— <del>Electronic/Returns with integrated retail system label</del>	0.00
— <del>Retail</del>	1.05
<b>First-Class Package Service</b>	
Electronic	0.00
<u>Retail</u>	<u>1.05</u>
<b>Standard Mail Parcels</b>	
Electronic	0.23
<b>Package Services</b>	
Returns with integrated retail system label	0.00
Electronic	0.23
Retail	1.05
<b>Priority Mail</b>	
Electronic/Returns with integrated retail system label	0.00
Retail	0.00
<b>Parcel Select</b>	
Electronic	0.00

Parcel Select	
Electronic>Returns with integrated retail system label	0.00
Retail	0.00
Standard Post	
Electronic>Returns with integrated retail system label	0.00
Retail	0.00

## PART B

## COMPETITIVE PRODUCTS

\* \* \* \* \*

**2125 First-Class Package Service**

## 2125.1 Description

- a. Any mailable matter may be mailed as First-Class Package Service Commercial Base mail, except matter that meets the definition of “letter” in 39 C.F.R. § 310.1 and does not fit within any of the exceptions or suspensions to the Private Express Statutes in 39 C.F.R. Parts 310 and 320.
- b. Any mailable matter may be mailed as First-Class Package Service Retail or Commercial Plus mail.
- c. First-Class Package Service Commercial Base mail is not sealed against postal inspection. Mailing of matter as such constitutes consent by the mailer to postal inspection of the contents, regardless of the physical closure.
- d. First-Class Package Service pieces that are undeliverable-as-addressed are entitled to be forwarded or returned to the sender without additional charge.
- e. An annual mailing fee is required to be paid at each office of mailing by any person who mails at presorted prices (1505.2). Payment of the fee allows the mailer to mail at the First-Class Package Service price.

*Attachments and Enclosures*

- a. First-Class Mail or Standard Mail pieces may be attached to or enclosed in First-Class Package Service mail. Additional postage may be required.

## 2125.2 Size and Weight Limitations

*Retail (Single-Piece)*

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

*Retail (Keys and Identification Devices)*

	<b><u>Length</u></b>	<b><u>Height</u></b>	<b><u>Thickness</u></b>	<b><u>Weight</u></b>
<b><u>Minimum</u></b>	not applicable			<u>none</u>
<b><u>Maximum</u></b>	not applicable			<u>2 pounds</u>

*Commercial Base (Mixed ADC/Single-Piece, ADC, 3-Digit, and 5-Digit)*

	<b><u>Length</u></b>	<b><u>Height</u></b>	<b><u>Thickness</u></b>	<b><u>Weight</u></b>
Minimum	3.5 inches	3.0 inches	0.05 inch	none
Maximum	18 inches	15 inches	22 inch	13 ounces

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

	<b><u>Length</u></b>	<b><u>Height</u></b>	<b><u>Thickness</u></b>	<b><u>Weight</u></b>
Minimum	6.0 inches	3.0 inches	0.25 inch	3.5 ounces
Maximum	18 inches	15 inches	22 inch	<16 ounces

## 2125.3 Minimum Volume Requirements

	<b>Minimum Volume Requirements</b>
<b><u>Retail/Keys and Identification Devices</u></b>	<u>none</u>
Commercial Base	
Mixed ADC/Single-Piece	none

	ADC	500 pieces per mailing
	3-Digit	500 pieces per mailing
	5-Digit	500 pieces per mailing
Commercial Plus		5,000 pieces per year commitment, and:
	Mixed ADC/ Single-Piece	200 pieces or 50 pounds per mailing
	ADC	500 pieces per mailing
	3-Digit	500 pieces per mailing
	5-Digit	500 pieces per mailing

#### 2125.4 Price Categories

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

- Commercial Plus
  - 5-Digit
  - 3-Digit
  - ADC
  - Mixed ADC/Single-Piece
- Commercial Base
  - 5-Digit
  - 3-Digit
  - ADC
  - Mixed ADC/Single-Piece
- Retail
  - Single-Piece
  - Keys and Identification Devices – Payment is due on delivery unless an active business reply mail advance deposit account is used.

#### 2125.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Ancillary Services (1505)
  - Address Correction Service (1505.1)
  - Business Reply Mail (1505.3)
  - Certified Mail (1505.5)
  - Certificate of Mailing (1505.6)
  - Collect on Delivery (1505.7)

- USPS Tracking (1505.8)
- Insurance (1505.9)
- Merchandise Return Service (1505.10)
- Registered Mail (1505.12)
- Return Receipt (1505.13)
- Restricted Delivery (1505.15)
- Signature Confirmation (1505.17)
- Special Handling (1505.18)
- Competitive Ancillary Services (2645)
  - Package Intercept Service (2645.2)

2125.6 Prices

\* \* \* \* \*

Retail<sup>1</sup>

<u>Maximum Weight (ounces)</u>	<u>Single-Piece (\$)</u>
<u>1</u>	<u>\$2.32</u>
<u>2</u>	<u>\$2.32</u>
<u>3</u>	<u>\$2.32</u>
<u>4</u>	<u>\$2.50</u>
<u>5</u>	<u>\$2.68</u>
<u>6</u>	<u>\$2.86</u>
<u>7</u>	<u>\$3.04</u>
<u>8</u>	<u>\$3.22</u>
<u>9</u>	<u>\$3.40</u>
<u>10</u>	<u>\$3.58</u>
<u>11</u>	<u>\$3.76</u>
<u>12</u>	<u>\$3.94</u>
<u>13</u>	<u>\$4.12</u>

**Notes**

1. A handling charge of \$0.01 per piece applies to foreign-origin, inbound direct entry mail tendered by foreign postal operators, subject to the terms of an authorization arrangement.



Keys and Identification Devices

<u>Maximum Weight (ounces)</u>	<u>Keys and Identification Devices (\$)</u>
<u>1</u>	<u>\$3.15</u>
<u>2</u>	<u>\$3.15</u>
<u>3</u>	<u>\$3.15</u>
<u>4</u>	<u>\$3.33</u>
<u>5</u>	<u>\$3.51</u>
<u>6</u>	<u>\$3.69</u>
<u>7</u>	<u>\$3.87</u>
<u>8</u>	<u>\$4.05</u>
<u>9</u>	<u>\$4.23</u>
<u>10</u>	<u>\$4.41</u>
<u>11</u>	<u>\$4.59</u>
<u>12</u>	<u>\$4.77</u>
<u>13</u>	<u>\$4.95</u>
<u>1 (pound)</u>	<u>Priority Mail Retail Zone 4 postage plus \$0.83</u>
<u>2 (pounds)</u>	<u>Priority Mail Retail Zone 4 postage plus \$0.83</u>

*Irregular Commercial Base Parcel Surcharge*

Add \$0.20 for each irregularly shaped Commercial Base parcel (such as rolls, tubes, and triangles), unless the parcel is prepared in 5-Digit/scheme containers.

*IMpb Noncompliance Fee*

Add \$0.20 for each IMpb-noncompliant parcel paying commercial prices.

\* \* \* \* \*

2645.2 Package Intercept Service

2645.2.1 Description

- a. Package Intercept service allows a customer to request that the Postal Service intercept the customer's mail at the destination delivery unit based on the initial delivery address.
- b. Intercepted packages can be: (1) returned to sender; (2) held for pick up; or (3) redirected to an alternate domestic address. Intercepted packages will be shipped using Priority Mail.
- c. Package Intercept service is available with First-Class Mail, Package Services, Priority Mail Express, Priority Mail, First-Class Package Services, and Parcel Select.