

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

MODIFICATION OF MAIL CLASSIFICATION  
SCHEDULE REGARDING THE ISSUANCE OF NEW  
FOREVER STAMPS

Docket No. MC2015-42

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF  
MINOR CLASSIFICATION CHANGES RELATED TO THE ISSUANCE OF FOREVER  
STAMP STATUS TO THE POSTCARD, TWO-OUNCE, THREE-OUNCE,  
ADDITIONAL OUNCE AND NONMACHINABLE SURCHARGE STAMPS**  
(March 25, 2015)

Pursuant to 39 C.F.R. §§ 3020.90 and 3020.91, the United States Postal Service (Postal Service) files this Notice of minor changes in the Mail Classification Schedule (MCS), Section 1105.5. The proposed classification changes (Attachment A) have been approved by the Governors, effective April 26, 2015, and add non-denominated, non-expiring (“Forever”) status to stamps for five different First-Class Mail stamp categories: 1) a postcard stamp; 2) the two-ounce letter stamp; 3) the three-ounce letter stamp; 4) the additional ounce stamp and 5) the first ounce nonmachinable surcharge stamp.<sup>1</sup> In addition, these changes modify the definition of Forever stamps in the Mail Classification Schedule’s Glossary of Terms and Conditions (Section 3007) to specifically include these new stamp categories.

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<sup>1</sup> Since the Postal Service is not proposing to add, remove or transfer a product from the market-dominant product list, but is merely adding Forever stamp status to existing stamps to be issued April 26, 2015, the rules under 39 CFR part 3020, subpart B do not seem to apply. The Commission has acknowledged the need for refined categories in its rules in its Notice of Proposed Rulemaking, Docket No. RM2015-6 (November 14, 2014). We believe this filing, while admittedly more than a simple correction to a product description, should be classified as a minor change to a product description, under Subpart E, and not a modification to the product list, under Subpart B, since it is not material in nature. These minor changes to existing products do not affect the characteristics of any postal products. Instead, the change merely specifies the applicable price and value for the new stamps. Based upon this analysis, we are following the regulatory notice provisions outlined in subpart E.

These proposed changes reflect the Postal Service's policy objective to simplify the transactions associated with price changes. The Postal Service seeks to eliminate the need for customers and the Postal Service to acquire and distribute new denominated stamps in anticipation of price changes affecting these stamp types, each time a price change occurs. The change should provide our customers additional convenience in purchasing and maintaining stocks of up-to-date postage.

It is expected that the conversion to Forever stamp status for these additional product categories will reduce Postal Service costs for inventory maintenance and stamp distribution. Once the new categories of Forever stamps are in place, future rate changes should no longer require the retrieval and destruction of outdated denominated stamp stocks and replacement with new denominated stamps. In addition, the ability to continue producing a particular Forever stamp design, without regard to price changes, will enable better management of stamp printing.

As with our initial Forever stamp offering, added in Docket No. R2006-1, the Postal Service is confident that these mail classification changes will be convenient for mailers and economical for the Postal Service. We understand, from anecdotal evidence acquired since then, that the current Forever stamps have generated public goodwill due to this convenience. To further support this proposal, we have surveyed other countries to determine their use of a non-denominated, non-expiring stamp with different stamp categories or weights.

Many European countries have the "Forever" stamp concept. The United Kingdom calls it a non-value indicator (NVI) stamp. Canada calls it the "Permanent" stamp. Holland has one non-denominated, non-expiring stamp for domestic mailings,

another for mailings to the rest of Europe, and another for mailings to the rest of the world. Finland has one such Forever-type stamp for domestic 1<sup>st</sup> class, another for domestic 2<sup>nd</sup> class and another for nonprofit mailers, up to 20 grams. The number and variety of NVI stamps in the United Kingdom (UK) most closely parallels the changes adopted by the Postal Service here. Royal Mail (UK) offers NVI stamps for standard letters and large letters, with different price points for each weight and class category. It has also introduced NVI stamp variations based upon worldwide and European use for different weights and for postcards. Feedback indicates this approach eases price change transitions and helps to mitigate timing of printing processes.

Based on the above, the Postal Service submits to the Commission conforming changes in the Mail Classification Schedule, as shown on Attachment A. The Postal Service believes that the changes are consistent with 39 U.S.C. § 3642 because no product is being added or removed from a product list, or transferred between the market-dominant and competitive products lists. Therefore, the changes should be incorporated by the Commission into the MCS.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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# ATTACHMENT A

## MAIL CLASSIFICATION CHANGES

(Additions are underlined and deletions are marked with strike-through)

### Part A

#### Market Dominant Products

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**1100**      **First-Class Mail**

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**1105.**      **Single-Piece Letter/Postcards**

1105.5      Prices

*Single-Piece Machinable Stamped Letters<sup>1, 2, 3</sup>*

<b>Maximum Weight (ounces)</b>	<b>Machinable Letters (\$)</b>
1	0.49
2	0.70
3	0.91
3.5	1.12

### Notes

1. The price for single-piece, ~~first~~one, two or three ounce letters also applies to sales of Forever stamps and Forever Print-on-Demand indicia at the time of purchase, as specified by the Postal Service.

2. The price for a Forever additional ounce stamp is the difference between the 2-ounce price and the 1-ounce price.
23. 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.

*Single-Piece Nonmachinable Stamped Letters<sup>1</sup>*

<b>Maximum Weight (ounces)</b>	<b>Nonmachinable Letters (\$)</b>
1	0.70
2	0.91
3	1.12
3.5	1.33

**Notes**

1. The price for single-piece, first ounce nonmachinable letters also applies to sales of Forever nonmachinable stamps and Forever Print-on-Demand indicia at the time of purchase.

*Single-Piece Postcards<sup>1, 2</sup>*

<b>Maximum Weight (ounces)</b>	<b>Postcards (\$)</b>	<b>Single-Piece Double Card (\$)</b>
not applicable	0.34	0.68

**Notes**

1. The price for single-piece postcards also applies to sales of stamped cards marked with Forever postage, at the time the stamped cards are purchased. This price also applies to Forever postcard stamps.

2. 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. Such inbound direct entry mail cannot include Single-Piece Double Cards.

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## **PART C GLOSSARY OF TERMS AND CONDITIONS**

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3000 Glossary of Terms and Conditions

**3007 F**

### *Forever stamps/indicia*

Forever stamps and Forever Print-on-Demand indicia are sold at the prevailing price for single-piece one-ounce, two-ounce, three-ounce, additional letters, first ounce, and nonmachinable surcharge letter stamps or single-piece postcard stamps, in First-Class Mail, as specified by the Postal Service. Once purchased, Forever stamps and Forever Print-on-Demand indicia may be used for postage equal to the prevailing price, at the time of use, for single-piece one-ounce, two-ounce, three-ounce, additional letters, first ounce, and nonmachinable surcharge letter stamps or single-piece postcard stamps, in First-Class Mail, as specified by the Postal Service. Forever stamps and Forever Print-on-Demand indicia are intended for the prepayment of postage for ~~the first ounce of~~ First-Class Mail single-piece letter or postcard mail, and otherwise may be used for the prepayment of postage. Forever Print-on-Demand indicium is a form of postage offered by the Postal Service, consisting of images aligned with indicia of postage payment.