

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

Before Commissioners:

Robert G. Taub, Acting Chairman;  
Nanci E. Langley, Vice Chairman;  
Mark Acton; and  
Tony Hammond

Notice of Market-Dominant Price Adjustment –  
Promotions and First-Class Mail Parcels

Docket No. R2016-5

ORDER ON PRICE ADJUSTMENTS FOR MARKET DOMINANT PRODUCTS

(Issued June 16, 2016)

I. INTRODUCTION

On May 16, 2016, the Postal Service filed a notice of its planned price adjustments for market dominant products.<sup>1</sup> After reviewing the Notice, the Commission concludes that the proposed price adjustments for First-Class Mail and Standard Mail are consistent with the price cap under 39 U.S.C. § 3622(d), the reduced rates requirements under section 3626, and the annual limitation calculated under 39 C.F.R. § 3010.21. See 39 C.F.R. § 3010.11(d).

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<sup>1</sup> United States Postal Service Notice of Market-Dominant Price Adjustment, May 16, 2016 (Notice).

## II. PROCEDURAL HISTORY

The Postal Service asserts that the proposed price adjustments satisfy 39 U.S.C. §§ 3622 and 3626. Notice at 1-5, 10-14. The Notice's supporting documents included proposed changes to the Mail Classification Schedule (MCS), calendar year (CY) 2017 Promotions Calendar, and calculation of price cap authority. The Postal Service concurrently filed three library references, Attachment C supporting its price cap calculation, along with an application for non-public treatment for one library reference.<sup>2</sup>

On May 18, 2016, the Commission issued an order establishing the docket, appointing a Public Representative, and providing interested persons with an opportunity to comment.<sup>3</sup>

CHIR No. 1 was issued on May 25, 2016, and directed the Postal Service to respond to seven questions by June 1, 2016.<sup>4</sup> On June 1, 2016, the Postal Service filed its responses to questions 3 through 7 of CHIR No. 1, which provided additional information regarding the workpapers supporting its price cap calculation for Standard Mail and the proposed changes to the MCS.<sup>5</sup>

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<sup>2</sup> Library Reference USPS-LR-R2016-5/1, May 16, 2016, First-Class Mail Workpapers; Library Reference USPS-LR-R2016-5/2, May 16, 2016, Standard Mail Workpapers; Library Reference USPS-LR-R2016-5/NP1, May 16, 2016, First-Class Mail International Workpapers (Nonpublic). The non-public material consists of two Excel files pertaining to First-Class Mail International. See Notice of the United States Postal Service of Filing of USPS-LR-R2016-5/NP1, May 16, 2016, Attachment 1 at 1.

<sup>3</sup> Order No. 3297, Notice and Order on Promotions and Price Adjustment for Market Dominant Products, May 18, 2016.

<sup>4</sup> Chairman's Information Request No. 1, May 25, 2016 (CHIR No. 1).

<sup>5</sup> Response of United States Postal Service to Chairman's Information Request No. 1, Questions 3-7, June 1, 2016 (June 1, 2016, Response to CHIR No. 1).

On June 3, 2016, the Postal Service filed its responses to questions 1 and 2 of CHIR No. 1, with portions filed under seal, which provided additional information and corrected the calculations for Inbound Letter Post.<sup>6</sup> The Postal Service also filed amended workpapers supporting its price cap calculation for First-Class Mail.<sup>7</sup>

The Commission received comments from the Public Representative.<sup>8</sup> No other interested person filed comments. Based on his review of the Postal Service's filing, the Public Representative agrees with the Postal Service's price cap calculation related to the proposed CY 2017 promotions. PR Comments at 3. He notes that the Postal Service's response to CHIR No. 1 adjusting the estimated First-Class Mail price cap usage from 0.046 to 0.076 demonstrates that the price adjustment remains under the available price cap space. *Id.* He supports the Postal Service's use of its pricing flexibility in proposing the CY 2017 promotions and First-Class Mail Parcels (FCMP) price increase since they are consistent with the objectives and factors of 39 U.S.C. § 3622(b) and (c). *Id.* at 3-4. He observes that giving several months of advance notice of the proposed CY 2017 promotions should better enable mailers to plan and participate in the promotions. *Id.* at 4. He also agrees with the Postal Service's proposed changes to the MCS. *Id.*

CHIR No. 2 was issued on June 7, 2016, to obtain additional information regarding the calculations for First-Class Mail International.<sup>9</sup> On June 9, 2016, the

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<sup>6</sup> Response of United States Postal Service to Chairman's Information Request No. 1, Questions 1-2, June 3, 2016 (June 3, 2016, Response to CHIR No. 1). The Postal Service also filed a motion for late acceptance of the responses to questions 1 and 2 of CHIR No. 1. Motion of the United States Postal Service for Late Acceptance of its Response to Chairman's Information Request No. 1, Questions 1-2, June 3, 2016 (Motion). The Motion is granted.

<sup>7</sup> Library Reference USPS-LR-R2016-5/1, June 3, 2016, REVISED First-Class Mail Workpapers; Library Reference USPS-LR-R2016-5/NP1, June 3, 2016, REVISED First-Class Mail International Workpapers (Nonpublic). The revisions to these materials relate directly to the Postal Service's responses to questions 1 and 2 of CHIR No. 1. See Notice of the United States Postal Service of Filing of Revised Version of USPS-LR-R2016-5/NP1--Errata, June 3, 2016, at 1; June 3, 2016, Response to CHIR No. 1, question 1.a.ii.

<sup>8</sup> Public Representative Comments in Response to United States Postal Service Notice of Market-Dominant Price Adjustment, June 6, 2016 (PR Comments).

<sup>9</sup> Chairman's Information Request No. 2, June 7, 2016 (CHIR No. 2).

Postal Service filed its response confirming certain calculations for Inbound Letter Post.<sup>10</sup>

Based on a review of the record, including all of the documentation filed publicly and under seal, the Commission concludes that the proposed price adjustments for First-Class Mail and Standard Mail satisfy the applicable statutory and regulatory requirements.

### III. FIRST-CLASS MAIL

#### A. Introduction and Price Cap Compliance

The Postal Service seeks Commission approval of three promotions applicable to First-Class Mail during CY 2017. Notice at 1. The Postal Service also requests Commission approval to increase the price of FCMP, effective August 28, 2016. *Id.* The Postal Service also seeks to incorporate the Universal Postal Union's (UPU) January 2016 price increases for Inbound Letter Post in the price cap calculation.<sup>11</sup>

The Postal Service asserts that the increased duration and discount for the Earned Value Reply Mail Promotion would increase price cap authority for First-Class Mail. *Id.* However, the Postal Service represents that "this additional [price cap] authority is offset by the impact of the price increases in FCMP and the incorporation of the January 2016 price increases for Inbound Letter Post in the price cap calculation." *Id.* The Postal Service asserts that the resulting percent increase in prices for First-Class Mail is 0.076 percent.<sup>12</sup> The Postal Service calculates the new unused authority for First-Class Mail to be 0.308 percent.<sup>13</sup> The Postal Service calculates the

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<sup>10</sup> Response of the United States Postal Service to Chairman's Information Request No. 2, June 9, 2016 (Response to CHIR No. 2).

<sup>11</sup> *Id.* at 3. Prices for Inbound Letter Post, also called terminal dues, are the reimbursements foreign postal operators pay the Postal Service for delivery of Inbound International Mail. The Postal Service does not set terminal dues. Terminal dues are set by the UPU each year in January.

<sup>12</sup> Library Reference USPS-LR-R2016-5/1, June 3, 2016, Excel file "CAPCALC-FCM-R2016-5-Rev-06-03-16.xlsx," tab "Percent Change Summary," cell B20.

<sup>13</sup> *Supra* n.12 at cell B21.

sum of the unused rate authority for First-Class Mail to be 0.382 percent, which includes existing unused price adjustment authority.<sup>14</sup>

1. Proposed CY 2017 Promotions

The Postal Service seeks approval to renew and modify three CY 2016 First-Class Mail promotions during CY 2017: Earned Value Reply Mail Promotion, Emerging and Advanced Technology Promotion, and Personalized Color Transpromo Promotion. Notice at 6-9.

a. Earned Value Reply Mail Promotion (January-June 2017)

The Postal Service plans to offer the Earned Value Reply Mail Promotion, offered for 3 months in CY 2016, for 6 months in CY 2017. Notice at 6. The Postal Service proposes to increase the amount of the credit from \$0.02 (CY 2016) to \$0.05 (CY 2017). *Id.* The Postal Service also proposes to expand the eligible mailpieces by offering the credit for Alternate Postage mailpieces in CY 2017. *Id.* The Postal Service states that it will discontinue offering additional credits to mailers that meet or increase their prior-year's volume. *Id.* at 7. According to the Postal Service, credits may be applied to postage for future mailings of First-Class Mail presort and automation cards, letters, and flats. *Id.* Unused credits will expire December 31, 2017. *Id.*

b. Emerging and Advanced Technology Promotion (March-August 2017)

The Postal Service plans to offer an upfront 2 percent postage discount on First-Class Mail presort or automation letters, cards, and flats that meet the Emerging and Advanced Technology Promotion requirements. *Id.* at 8. In addition to the four

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<sup>14</sup> *Supra* n.12 at cell B29. This includes existing unused price adjustment authority of 0.074 percent created by Docket No. R2016-2, Order on Price Adjustments for Market Dominant Products and Related Mail Classification Changes, December 10, 2015, at 5, 7 (Order No. 2861), which expires on November 16, 2020. See 39 C.F.R. § 3010.27(b).

categories of technologies that qualify for the CY 2016 promotion, the Postal Service plans to introduce two new qualifying technologies during the CY 2017 promotion: virtual reality as well as technology to facilitate programmatic and retargeting marketing strategies. *Id.* The Postal Service notes that the CY 2017 promotion will discontinue the A/B Testing option, which made the discount available to a limited number of test pieces not meeting the promotion's eligibility requirements. *Id.*

c. Personalized Color Transpromo Promotion (July-December 2017)

The Postal Service plans to offer an upfront 2 percent postage discount on First-Class Mail presort and automation letters—bills and statements only—that meet the Personalized Color Transpromo Promotion requirements. *Id.* at 9. For mailers who participated in this promotion in a prior year, the mailpiece must incorporate both dynamically printed color and personalized messaging to qualify for the CY 2017 promotion. Notice, Attachment B at 8. Mailers who did not participate in this promotion in a prior year need only satisfy the dynamic color printing requirement to qualify for the CY 2017 promotion. *Id.*

2. Inbound Letter Post and FCMP Price Increases

The Postal Service asserts that it is proposing to increase the FCMP prices to discourage volume migrating to a lower-priced Postal Service competitive product, First-Class Package Service. Notice at 10, 12. The Postal Service represents that its planned price increases would align FCMP "Retail" prices with the corresponding prices for FCPS. *Id.* at 10. Specifically, the Postal Service indicates that it proposes increases to the one-, two-, and three-ounce rate cells in the FCMP "Retail" and the "Keys and Identification Devices" price categories. *Id.* at 10, n.7. The Postal Service asserts that the FCMP price increase will improve the financial position of the Postal Service and ensure that the FCMP's cost coverage remains above 100 percent. *Id.* at 12-13. The

Postal Service also seeks to incorporate the UPU's January 2016 price increases for Inbound Letter Post in the price cap calculation. *Id.* at 3.

## B. Commission Analysis

The Postal Service proposes a Type 1-A rate adjustment, which is authorized by 39 U.S.C. § 3622(d)(1)(D). See 39 C.F.R. § 3010.3(a). The Postal Service's proposed price adjustments affect four of the six First-Class Mail products: Presorted Letters/Postcards, Flats, Parcels, and Inbound Letter Post.<sup>15</sup>

The Commission concludes that the Postal Service's inclusion of the FCMP and Inbound Letter Post price increases and three planned CY 2017 promotions in the price cap calculation for First-Class Mail is consistent with 39 C.F.R. § 3010.23(e)(2). Based on the most recent available data from the Bureau of Labor Statistics, the Postal Service has inflation-based price adjustment authority of 0.384 percent. Notice, Attachment C. Taking into account the amended workpapers filed with the Postal Service's responses to CHIR Nos. 1 and 2, the Commission finds that the FCMP and Inbound Letter Post price increases and three planned CY 2017 promotions for First-Class Mail increase the price for First-Class Mail, as a class, by 0.076 percent. This creates 0.308 percent of new unused price adjustment authority (expiring May 16,

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<sup>15</sup> Library Reference USPS-LR-R2016-5/1, June 3, 2016, Excel file "CAPCALC-FCM-R2016-5-Rev-06-03-16.xlsx," tab "Percent Change Summary," cells E5:E8. The fifth and sixth First-Class Mail products, Single-Piece Letters/Postcards and Outbound Single-Piece First-Class Mail International, are unaffected by this price adjustment. *Id.* cell E4.

The Postal Service's notice of rate adjustment must include "[t]he percentage change in rates for each class of mail calculated as required by § 3010.23." 39 C.F.R. § 3010.12(b)(3). For a Type 1-A rate adjustment, the percentage change in rates is calculated for each class of mail and product within the class. *Id.* § 3010.23(b)(1). The Postal Service's worksheets combine reporting of two products—Outbound Single-Piece First-Class Mail International and Inbound Letter Post—as First-Class Mail International. Library Reference USPS-LR-R2016-5/1, June 3, 2016, Excel file "CAPCALC-FCM-R2016-5-Rev-06-03-16.xlsx," tab "Percent Change Summary," cell E8. The Postal Service's reporting of the percentage change in rates for each product Single-Piece Letters/Postcards, Presorted Letters/Postcards, and Flats does not include DVD mail data. *Id.* cells E4:E6 and E9. The Commission calculates the percentage change in rates for each of the six First-Class Mail products and determines that there is no significant difference from the Postal Service's reported calculations. Library Reference PRC-LR-R2016-5/1, June 16, 2016.

2021). As the Postal Service had 0.074 percent unused price adjustment authority before instituting this docket (expiring November 16, 2020),<sup>16</sup> the sum of the unused price adjustment authority for First-Class Mail is now 0.382 percent.<sup>17</sup> The Commission approves the Postal Service's proposed First-Class Mail changes to the MCS. The First-Class Mail MCS changes appear following the signature line of this order. The change to First-Class Mail MCS section 1120.5 is effective August 28, 2016. The changes to First-Class Mail MCS sections 1110.4, 1110.5, 1115.4, and 1115.5 are effective January 1, 2017.

#### IV. STANDARD MAIL

##### A. Introduction and Price Cap Compliance

The Postal Service seeks approval to renew and modify four CY 2016 Standard Mail promotions during CY 2017: the Earned Value Reply Mail Promotion; the Emerging and Advanced Technology Promotion; the Tactile, Sensory, and Interactive Mailpiece Engagement Promotion; and the Mobile Shopping Promotion. Notice at 6-9. The Postal Service also proposes to add one new promotion for CY 2017: the Direct Mail Starter Promotion. *Id.* at 6, 8.

The Postal Service asserts that the increased duration and discount for the Earned Value Reply Mail Promotion (from 3 months to 6 months), even taking into account for the decreased duration of the Mobile Shipping Promotion (from 6 months to 5 months), increases price cap authority for Standard Mail. *Id.* at 3. The Postal Service calculates that the resulting percent decrease in prices for Standard Mail is 0.019 percent and the new unused authority for Standard Mail to be 0.403 percent. *Id.* at 4-5.

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<sup>16</sup> Order No. 2861 at 5, 7.

<sup>17</sup> Library Reference PRC-LR-R2016-5/1.



The Postal Service reports the sum of the unused rate authority for Standard Mail to be 0.507 percent, which includes existing unused price adjustment authority.<sup>18</sup>

1. Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February-July 2017)

The Postal Service plans to offer an upfront 2 percent postage discount on regular and nonprofit Standard Mail letters and flats that meet the Tactile, Sensory, and Interactive Mailpiece Engagement Promotion requirements. Notice at 7. According to the Postal Service, the CY 2017 promotion renews the CY 2016 promotion's effort to encourage mailers to enhance customer engagement with mailpieces by using print innovations in paper and stock, substrates, inks, and finishing techniques. *Id.*

2. Mobile Shopping Promotion (August-December 2017)

The Postal Service plans to offer an upfront 2 percent postage discount on regular and nonprofit Standard Mail letters and flats that meet the Mobile Shopping Promotion requirements. *Id.* at 9. The Postal Service asserts that the CY 2017 promotion renews the CY 2016 promotion's effort to encourage mailers that offer products for sale online to integrate mobile technology with direct mail to facilitate their customers' online shopping experience. Notice, Attachment B at 4.

3. Direct Mail Starter Promotion (May-July 2017)

The Postal Service proposes to add the Direct Mail Starter Promotion to encourage small business mailers to design direct mail marketing campaigns that incorporate a qualifying print-mobile technology (such as a QR code), which leads the consumer to a mobile-optimized website. Notice at 8. The Postal Service plans to offer an upfront 5 percent postage discount on regular and nonprofit Standard Mail letters

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<sup>18</sup> *Id.* at 5. This includes existing unused price adjustment authority of 0.104 percent created by Order No. 2861 at 7, which expires on November 16, 2020. See 39 C.F.R. § 3010.27(b).

and flats that meet the promotion requirements. *Id.* Each participating mailer may receive the discount on up to 10,000 pieces during the promotion period. *Id.*

#### B. Commission Analysis

The Commission concludes that the Postal Service's inclusion of the Emerging and Advanced Technology Promotion, the Tactile, Sensory, and Interactive Mailpiece Engagement Promotion, the Mobile Shopping Promotion, and the Earned Value Reply Mail Promotion in the price cap calculation for Standard Mail is consistent with 39 C.F.R. § 3010.23(e)(2). The Postal Service excluded the Direct Mail Starter Promotion in its price cap calculations for Standard Mail, which is also consistent with 39 C.F.R. § 3010.23(e)(2). Based on the most recent available data from the Bureau of Labor Statistics, the Postal Service has inflation-based price adjustment authority of 0.384 percent. Notice, Attachment C. The Commission finds that the Postal Service's planned promotions for Standard Mail decrease the price for Standard Mail, as a class, by 0.019 percent. This creates 0.403 percent new unused price adjustment authority (expiring May 16, 2021). As the Postal Service had 0.104 percent unused price adjustment authority before instituting this docket (expiring November 16, 2020),<sup>19</sup> the sum of the unused price adjustment authority for Standard Mail is now 0.507 percent.<sup>20</sup> The Commission approves the Postal Service's proposed Standard Mail changes to the MCS. The Standard Mail MCS changes appear following the signature line of this order. The changes to Standard Mail MCS sections 1205.5, 1205.6, 1210.5, 1210.6, 1215.5, 1215.6, 1220.5, 1220.6, 1225.5, and 1225.6 are effective January 1, 2017.

#### V. FUTURE PRICE ADJUSTMENTS

The Postal Service is giving up to 15 months' notice to mailers for its CY 2017 promotions. The Commission commends the Postal Service for giving mailers ample

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<sup>19</sup> Order No. 2861 at 5, 7.

<sup>20</sup> Library Reference PRC-LR-R2016-5/2, June 16, 2016.

time to prepare for the promotions. The Commission notes that the timing of this case may minimally complicate future price adjustment filings if the Postal Service adjusts rate again prior to a promotion's implementation. In this proceeding, the Postal Service's price cap compliance calculations for promotional discounts rely on Docket No. R2015-4 prices as base prices to calculate the promotional prices.<sup>21</sup> If the base prices change due to a subsequent price adjustment before a promotion goes into effect, the promotional prices would also change as a result of the price adjustment. If that occurs, the Postal Service must make applicable changes to its price cap compliance calculations. For example, if the Postal Service is offering a 2 cent promotional discount off of a base price of \$0.40, and the base price increases to \$0.41, the promotional price would increase from \$0.38 to \$0.39. These types of changes must be appropriately accounted for in any future price adjustments that impact the promotional prices.

## VI. ORDERING PARAGRAPHS

*It is ordered:*

1. The Commission finds that the Postal Service's planned price adjustments relating to market dominant products as identified in the Postal Service's Notice filed May 16, 2016, are consistent with 39 U.S.C. §§ 3622(d), 3626, and 39 C.F.R. § 3010.21, and may take effect, as planned.
2. The sum of the unused rate authority for First-Class Mail is 0.382 percent, which includes 0.074 percent created by Order No. 2861 (expiring November 16, 2020) and 0.308 percent in new unused authority (expiring May 16, 2021).

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<sup>21</sup> Promotional prices equal the base price less the promotional discount.

3. The sum of the unused rate authority for Standard Mail is 0.507 percent, which includes 0.104 percent created by Order No. 2861 (expiring November 16, 2020) and 0.403 percent in new unused authority (expiring May 16, 2021).
  
4. Revisions to the Mail Classification Schedule appear below the signature of this Order. The revisions to section 1120.5 are effective August 28, 2016. The revisions to sections 1110.4, 1110.5, 1115.4, 1115.5, 1205.5, 1205.6, 1210.5, 1210.6, 1215.5, 1215.6, 1220.5, 1220.6, 1225.5, and 1225.6 are effective January 1, 2017.

By the Commission.

Stacy L. Ruble  
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 A—Market Dominant Products**

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**1100 First-Class Mail**

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**1110 Presorted Letters/Postcards**

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1110.4 Optional Features

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

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- Emerging and Advanced Technology Promotion/~~Video in Print~~ Promotion (March 1, ~~2016~~2017 to August 31, ~~2016~~2017)
- Earned Value Reply Mail Promotion (~~April 1, 2016~~January 1, 2017 to June 30, ~~2016~~2017)
- Personalized Color Transpromo Promotion (July 1, ~~2016~~2017 to December 31, ~~2016~~2017)

1110.5 Prices

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*Emerging and Advanced Technology Promotion/~~Video in Print~~ Promotion (March 1, ~~2016~~2017 to August 31, ~~2016~~2017)*

Provide a two percent discount on the qualifying postage for First-Class Mail presort or automation letters, postcards, and flats, and Standard Mail letters and flats that are sent during the established program period, and which either include affixed or embedded technology that allows the recipient to engage in a technological experience, or were automatically generated by the recipient's applicable online activities. ~~facilitated by qualifying emerging technology leading to a mobile experience. A limited number of nonqualifying pieces used for testing purposes are eligible for the discount if the mailer reports testing results to the Postal Service.~~ To receive the discount, mailers must comply with the eligibility requirements of the program.

*First-Class Mail  
Presorted Letters/Postcards*

*Earned Value Reply Mail Promotion (~~April 1, 2016~~ January 1, 2017 to June 30, ~~2016~~ 2017)*

Provide a ~~\$0.052~~ or ~~\$0.03~~ per piece rebate on all Business Reply Mail, and Courtesy Reply Mail, and Alternate Postage pieces that meet program requirements and are ~~returned to the registered customer~~ placed in the mailstream by the recipient and scanned during the program period. To receive the rebate, registered customers must have ~~mailed out pieces that included distributed~~ a Business Reply Mail, or Courtesy Reply Mail envelope, or Alternate Postage card or envelope, and must comply with all other eligibility requirements of the program. ~~To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 2015 Earned Value Promotion and meet or increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2016.~~

*Personalized Color Transpromo Promotion (July 1, ~~2016~~ 2017 to December 31, ~~2016~~ 2017)*

Provide a 2 percent discount on qualifying postage for First-Class Mail automation letters sent as part of a full-service IMb mailing during the established program period. All mailpieces which must contain bills or statements with dynamic variable color (four-color-process) messaging. In addition, in mailpieces sent by a prior year's participant the color messaging must be personalized to the recipient. The color messaging must be on the bill or statement and be for marketing or consumer information purposes. To receive the discount, mailers must comply with the eligibility requirements of the program.

**1115 Flats**

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1115.4 Optional Features

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

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- Emerging and ~~Advanced Technology~~Video in Print Promotion (March 1, ~~2016~~2017 to August 31, ~~2016~~2017)
- Earned Value Reply Mail Promotion (~~April 1, 2016~~January 1, 2017 to June 30, ~~2016~~2017)

1115.5 Prices

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*~~Emerging and Advanced Technology~~Video in Print Promotion (March 1, ~~2016~~2017 to August 31, ~~2016~~2017)*

Provide a two percent discount on the qualifying postage for First-Class Mail presort or automation letters, postcards, and flats, and Standard Mail letters and flats that are sent during the established program period, and which either include affixed or embedded technology that allows the recipient to engage in a technological experience, or were automatically generated by the recipient's applicable online activities, facilitated by qualifying emerging technology leading to a mobile experience. A limited number of nonqualifying pieces used for testing purposes are eligible for the discount if the mailer reports testing results to the Postal Service. To receive the discount, mailers must comply with the eligibility requirements of the program.

*~~Earned Value Reply Mail~~Reply Mail Promotion (~~April 1, 2016~~January 1, 2017 to June 30, ~~2016~~2017)*

Provide a ~~\$0.052 or \$0.03~~ per piece rebate on all Business Reply Mail, and Courtesy Reply Mail, and Alternate Postage pieces that meet program requirements and are returned to the registered customer placed in the mailstream by the recipient and scanned during the program period. To receive the rebate, registered customers must have ~~mailed out pieces that included~~distributed a Business Reply Mail, or Courtesy Reply Mail envelope, or Alternate Postage card or envelope, and must comply with all other eligibility requirements of the program. ~~To qualify for the \$0.03 per piece rebate, a mailer~~



*First-Class Mail  
Flats*

~~must have participated in the 2015 Earned Value Promotion and meet or increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2016.~~

*First-Class Mail  
Parcels*

**1120**            **Parcels**

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1120.5           Prices

*Retail<sup>1</sup>*

<b>Maximum Weight (ounces)</b>	<b>Single-Piece (\$)</b>
1	<u>2.62</u>
2	<u>2.62</u>
3	<u>2.62</u>
4	2.64
5	2.83
6	3.02
7	3.21
8	3.40
9	3.59
10	3.78
11	3.97
12	4.16
13	4.35

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*Keys and Identification Devices*

<b>Maximum Weight (ounces)</b>	<b>Keys and Identification Devices (\$)</b>
1	<u>3.44</u>
2	<u>3.44</u>
3	<u>3.44</u>
4	3.46
5	3.65
6	3.84
7	4.03
8	4.22
9	4.41
10	4.60
11	4.79
12	4.98
13	5.17
1 (pound)	Priority Mail Retail Zone 4 postage plus 0.82
2 (pounds)	Priority Mail Retail Zone 4 postage plus 0.82

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*Standard Mail (Commercial and Nonprofit)  
High Density and Saturation Letters*

**1200**            **Standard Mail (Commercial and Nonprofit)**

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**1205**            **High Density and Saturation Letters**

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1205.5            Optional Features

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

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- ~~Earned Value Reply Mail Promotion (April 1, 2016~~ Earned Value Reply Mail Promotion (January 1, 2017 to June 30, 2017)
- ~~Emerging and Advanced Technology/Vide~~ Emerging and Advanced Technology/Vide ~~o in Print Promotion (March 1, 2016~~ o in Print Promotion (March 1, 2017 to August 31, 2017)
- ~~Mobile Drives Mobile Engagement~~ Mobile Shopping Promotion (July 1, 2016 ~~August 1, 2017 to December 31, 2016~~ August 1, 2017 to December 31, 2017)
- ~~Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (March 1, 2016 to August 31, 2016~~ Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2017 to July 31, 2017)
- Direct Mail Starter Promotion (May 1, 2017 to July 31, 2017)

1205.6            Prices

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*Earned Value Reply Mail Promotion (~~April 1, 2016~~ January 1, 2017 to June 30, 2017)*

Provide a ~~\$0.052~~ \$0.03 per-piece rebate on all Business Reply Mail and Courtesy Reply Mail, and Alternate Postage pieces that meet program requirements and are ~~returned to the registered customer~~ placed in the mailstream by the recipient and scanned during the program period. To receive the rebate, registered customers must have mailed out pieces that ~~included~~ distributed a Business Reply Mail, ~~or Courtesy Reply Mail envelope, or~~ Alternate Postage card or envelope, and must comply with all other eligibility requirements of the program. ~~To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 2015 Earned Value Promotion and meet or increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2016.~~

*Standard Mail (Commercial and Nonprofit)  
High Density and Saturation Letters**Emerging and Advanced Technology Video in-Print Promotion (March 1, 2016 to August 31, 2017)*

Provide a two percent discount on the qualifying postage for First-Class Mail presort or automation letters, postcards, and flats, and Standard Mail letters and flats that are sent during the established program period, and which either include affixed or embedded technology that allows the recipient to engage in a technological experience, or were automatically generated by the recipient's applicable online activities. ~~facilitated by qualifying emerging technology leading to a mobile experience. A limited number of nonqualifying pieces used for testing purposes are eligible for the discount if the mailer reports testing results to the Postal Service.~~ To receive the discount, mailers must comply with the eligibility requirements of the program.

*Mail Drives Mobile Engagement Mobile Shopping Promotion (July 1, 2016 to August 1, 2017 to December 31, 2017)*

Provide a two percent discount on the qualifying postage for Standard Mail letters and flats which include, inside or on the mailpiece, a mobile barcode or other qualifying technology inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

*Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (March 1, 2016 to August 31, 2016 to February 1, 2017 to July 31, 2017)*

Provide a two percent discount on the qualifying postage for Standard Mail letters and flats that incorporate scent, sound, visual, textural, dimensional, or other qualifying enhancements. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

*Direct Mail Starter Promotion (May 1, 2017 to July 31, 2017)*

Provide a five percent discount on the qualifying postage for Standard Mail letters and flats that contain print-mobile or other qualifying technology that leads the recipient to a mobile optimized website. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program. No more than 10,000 mailpieces per mailer may qualify for the discount during the promotion period.

*Standard Mail (Commercial and Nonprofit)  
High Density and Saturation Flats/Parcels*

**1210**

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**High Density and Saturation Flats/Parcels**

1210.5

Optional Features

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

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- Earned Value Reply Mail Promotion: Flats Only (April 1, 2016~~January 1, 2017~~ to June 30, 2016~~2017~~)
- Emerging and Advanced Technology/Video in Print Promotion: Flats Only (March 1, 2016~~2017~~ to August 31, 2016~~2017~~)
- Mobile Shopping Promotion: Flats Only (July 1, 2016~~August 1, 2017~~ to December 31, 2016~~2017~~)
- Tactile, Sensory, and Interactive Mailpiece Engagement Promotion: Flats Only (March 1, 2016~~to August 31, 2016~~February 1, 2017 to July 31, 2017)
- Direct Mail Starter Promotion: Flats Only (May 1, 2017 to July 31, 2017)

1210.6

Prices

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*Earned Value Reply Mail Promotion: Flats Only (April 1, 2016~~January 1, 2017~~ to June 30, 2016~~2017~~)*

Provide a ~~\$0.052 or \$0.03~~ per-piece rebate on all Business Reply Mail, and Courtesy Reply Mail, and Alternate Postage pieces that meet program requirements and are ~~returned to the registered customer~~ placed in the mailstream by the recipient and scanned during the program period. To receive the rebate, registered customers must have ~~mailed out pieces that included~~ distributed a Business Reply Mail, or Courtesy Reply Mail envelope, or Alternate Postage card or envelope, and must comply with all other eligibility requirements of the program. ~~To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 2015 Earned Value Promotion and meet or increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2016.~~

*Standard Mail (Commercial and Nonprofit)  
High Density and Saturation Flats/Parcels**Emerging and Advanced Technology ~~Video in Print~~ Promotion: Flats Only  
(March 1, ~~2016~~2017 to August 31, ~~2016~~2017)*

Provide a two percent discount on the qualifying postage for First-Class Mail presort or automation letters, postcards, and flats, and Standard Mail letters and flats that are sent during the established program period, and which either include affixed or embedded technology that allows the recipient to engage in a technological experience, or were automatically generated by the recipient's applicable online activities. ~~facilitated by qualifying emerging technology leading to a mobile experience. A limited number of nonqualifying pieces used for testing purposes are eligible for the discount if the mailer reports testing results to the Postal Service.~~ To receive the discount, mailers must comply with the eligibility requirements of the program.

*Mobile Shopping Promotion: Flats Only (July 1, ~~2016~~August 1, 2017 to December 31, ~~2016~~2017)*

Provide a two percent discount on the qualifying postage for Standard Mail letters and flats which include, inside or on the mailpiece, a mobile barcode or other qualifying technology inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

*Tactile, Sensory, and Interactive Mailpiece Engagement Promotion: Flats Only  
(March 1, ~~2016~~ to August 31, ~~2016~~February 1, 2017 to July 31, 2017)*

Provide a two percent discount on the qualifying postage for Standard Mail letters and flats that incorporate scent, sound, visual, textural, dimensional, or other qualifying enhancements. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

*Direct Mail Starter Promotion: Flats Only (May 1, 2017 to July 31, 2017)*

Provide a five percent discount on the qualifying postage for Standard Mail letters and flats that contain print-mobile or other qualifying technology that leads the recipient to a mobile optimized website. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program. No more than 10,000 mailpieces per mailer may qualify for the discount during the promotion period.

Standard Mail (Commercial and Nonprofit)  
Carrier Route

**1215 Carrier Route**

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1215.5 Optional Features

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

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- Earned Value Reply Mail Promotion: Letters and Flats Only (~~April 1, 2016~~January 1, 2017 to June 30, ~~2016~~2017)
- Emerging and Advanced Technology/~~Video in Print~~ Promotion: Letters and Flats Only (March 1, ~~2016~~2017 to August 31, ~~2016~~2017)
- Mobile Shopping Promotion: Letters and Flats Only (~~July 1, 2016~~August 1, 2017 to December 31, ~~2016~~2017)
- Tactile, Sensory, and Interactive Mailpiece Engagement Promotion: Letters and Flats Only (~~March 1, 2016 to August 31, 2016~~February 1, 2017 to July 31, 2017)
- Direct Mail Starter Promotion: Letters and Flats Only (May 1, 2017 to July 31, 2017)

1215.6 Prices

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*Earned Value Reply Mail Promotion: Letters and Flats Only (~~April 1, 2016~~January 1, 2017 to June 30, ~~2016~~2017)*

Provide a ~~\$0.052 or \$0.03~~ per-piece rebate on all Business Reply Mail, and Courtesy Reply Mail, and Alternate Postage pieces that meet program requirements and are ~~returned to the registered customer~~ placed in the mailstream by the recipient and scanned during the program period. To receive the rebate, registered customers must have ~~mailed out pieces that included~~ distributed a Business Reply Mail, or Courtesy Reply Mail envelope, or Alternate Postage card or envelope, and must comply with all other eligibility requirements of the program. ~~To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 2015 Earned Value Promotion and meet or increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2016.~~



*Standard Mail (Commercial and Nonprofit)  
Carrier Route*

*Emerging and Advanced Technology/~~Video in-Print~~ Promotion: Letters and Flats Only (March 1, ~~2016~~2017 to August 31, ~~2016~~2017)*

Provide a two percent discount on the qualifying postage for First-Class Mail presort or automation letters, postcards, and flats, and Standard Mail letters and flats that are sent during the established program period, and which either include affixed or embedded technology that allows the recipient to engage in a technological experience, or were automatically generated by the recipient's applicable online activities. ~~facilitated by qualifying emerging technology leading to a mobile experience. A limited number of nonqualifying pieces used for testing purposes are eligible for the discount if the mailer reports testing results to the Postal Service. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

*Mobile Shopping Promotion: Letters and Flats Only (July 1, ~~2016~~August 1, 2017 to December 31, ~~2016~~2017)*

Provide a two percent discount on the qualifying postage for Standard Mail letters and flats which include inside or on the mailpiece, a mobile barcode or other qualifying technology ~~inside or on the mailpiece~~ that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

*Tactile, Sensory, and Interactive Mailpiece Engagement Promotion: Letters and Flats Only (March 1, ~~2016~~ to August 31, ~~2016~~February 1, 2017 to July 31, 2017)*

Provide a two percent discount on the qualifying postage for Standard Mail letters and flats that incorporate scent, sound, visual, textural, dimensional, or other qualifying enhancements. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

*Direct Mail Starter Promotion: Letters and Flats Only (May 1, 2017 to July 31, 2017)*

Provide a five percent discount on the qualifying postage for Standard Mail letters and flats that contain print-mobile or other qualifying technology that leads the recipient to a mobile optimized website. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program. No more than 10,000 mailpieces per mailer may qualify for the discount during the promotion period.

Standard Mail (Commercial and Nonprofit)  
Letters

**1220 Letters**

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1220.5 Optional Features

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

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- Earned Value Reply Mail Promotion (~~April 1, 2016~~ January 1, 2017 to June 30, ~~2016~~ 2017)
- Emerging and Advanced Technology/~~Video in Print~~ Promotion (March 1, ~~2016~~ 2017 to August 31, ~~2016~~ 2017)
- Mobile Shopping Promotion (~~July 1, 2016~~ August 1, 2017 to December 31, ~~2016~~ 2017)
- Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (~~March 1, 2016 to August 31, 2016~~ February 1, 2017 to July 31, 2017)
- Direct Mail Starter Promotion (May 1, 2017 to July 31, 2017)

1220.6 Prices

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*Earned Value Reply Mail Promotion (~~April 1, 2016~~ January 1, 2017 to June 30, ~~2016~~ 2017)*

Provide a ~~\$0.052 or \$0.03~~ per-piece rebate on all Business Reply Mail, and Courtesy Reply Mail, and Alternate Postage pieces that meet program requirements and are ~~returned to the registered customer~~ placed in the mailstream by the recipient and scanned during the program period. To receive the rebate, registered customers must have ~~mailed out pieces that included~~ distributed a Business Reply Mail, or Courtesy Reply Mail ~~envelope, or~~ Alternate Postage card or envelope, and must comply with all other eligibility requirements of the program. ~~To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 2015 Earned Value Promotion and meet or increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2016.~~

*Standard Mail (Commercial and Nonprofit)  
Letters**Emerging and Advanced Technology/Videe in-Print Promotion (March 1, 20162017 to August 31, 20162017)*

Provide a two percent discount on the qualifying postage for First-Class Mail presort or automation letters, postcards, and flats, and Standard Mail letters and flats that are sent during the established program period, and which either include affixed or embedded technology that allows the recipient to engage in an technological experience, or were automatically generated by the recipient's applicable online activities. ~~facilitated by qualifying emerging technology leading to a mobile experience. A limited number of nonqualifying pieces used for testing purposes are eligible for the discount if the mailer reports testing results to the Postal Service. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

*Mobile Shopping Promotion (July 1, 2016August 1, 2017 to December 31, 20162017)*

Provide a two percent discount on the qualifying postage for Standard Mail letters and flats which include, inside or on the mailpiece, a mobile barcode or other qualifying technology ~~inside or on the mailpiece~~ that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

*Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (March 1, 2016 to August 31, 2016February 1, 2017 to July 31, 2017)*

Provide a two percent discount on the qualifying postage for Standard Mail letters and flats that incorporate scent, sound, visual, textural, dimensional, or other qualifying enhancements. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

*Direct Mail Starter Promotion (May 1, 2017 to July 31, 2017)*

Provide a five percent discount on the qualifying postage for Standard Mail letters and flats that contain print-mobile or other qualifying technology that leads the recipient to a mobile optimized website. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program. No more than 10,000 mailpieces per mailer may qualify for the discount during the promotion period.

Standard Mail (Commercial and Nonprofit)  
Flats

**1225**

**Flats**

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1225.5

Optional Features

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

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- Earned Value Reply Mail Promotion (~~April 1, 2016~~ January 1, 2017 to June 30, ~~2016~~ 2017)
- Emerging and Advanced Technology/~~Video in Print~~ Promotion (March 1, ~~2016~~ 2017 to August 31, ~~2016~~ 2017)
- Mobile Shopping Promotion (~~July 1, 2016~~ August 1, 2017 to December 31, ~~2016~~ 2017)
- Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (~~March 1, 2016 to August 31, 2016~~ February 1, 2017 to July 31, 2017)
- Direct Mail Starter Promotion (May 1, 2017 to July 31, 2017)

1225.6

Prices

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*Earned Value Reply Mail Promotion (~~April 1, 2016~~ January 1, 2017 to June 30, ~~2016~~ 2017)*

Provide a ~~\$0.052~~ or ~~\$0.03~~ per-piece rebate on all Business Reply Mail, and Courtesy Reply Mail, and Alternate Postage pieces that meet program requirements and are ~~returned to the registered customer~~ placed in the mailstream by the recipient and scanned during the program period. To receive the rebate, registered customers must have ~~mailed out pieces that included~~ distributed a Business Reply Mail, or Courtesy Reply Mail envelope, or Alternate Postage card or envelope, and must comply with all other eligibility requirements of the program. ~~To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 2015 Earned Value Promotion and meet or increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2016.~~

*Standard Mail (Commercial and Nonprofit)  
Flats*

*Emerging and Advanced Technology/~~Video-in-Print~~ Promotion (March 1, 2016/2017 to August 31, 2016/2017)*

Provide a two percent discount on the qualifying postage for First-Class Mail presort or automation letters, postcards, and flats, and Standard Mail letters and flats that are sent during the established program period, and which either include affixed or embedded technology that allows the recipient to engage in a technological experience, or were automatically generated by the recipient's applicable online activities. ~~facilitated by qualifying emerging technology leading to a mobile experience. A limited number of nonqualifying pieces used for testing purposes are eligible for the discount if the mailer reports testing results to the Postal Service.~~ To receive the discount, mailers must comply with the eligibility requirements of the program.

*Mobile Shopping Promotion (July 1, 2016/August 1, 2017 to December 31, 2016/2017)*

Provide a two percent discount on the qualifying postage for Standard Mail letters and flats which include, inside or on the mailpiece, a mobile barcode or other qualifying technology ~~inside or on the mailpiece~~ that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

*Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (March 1, 2016 to August 31, 2016/February 1, 2017 to July 31, 2017)*

Provide a two percent discount on the qualifying postage for Standard Mail letters and flats that incorporate scent, sound, visual, textural, dimensional, or other qualifying enhancements. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

*Direct Mail Starter Promotion (May 1, 2017 to July 31, 2017)*

Provide a five percent discount on the qualifying postage for Standard Mail letters and flats that contain print-mobile or other qualifying technology that leads the recipient to a mobile optimized website. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program. No more than 10,000 mailpieces per mailer may qualify for the discount during the promotion period.

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