

ORDER NO. 3670

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

Docket No. R2017-1

ORDER ON PRICE ADJUSTMENTS FOR SPECIAL SERVICES PRODUCTS
AND RELATED MAIL CLASSIFICATION CHANGES



Washington, DC 20268-0001

December 15, 2016

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(Issued December 15, 2016)

I INTRODUCTION AND BACKGROUND

Introduction. On October 12, 2016, the Postal Service filed notice of its planned price adjustments for market dominant products pursuant to 39 U.S.C. § 3622 and 39 C.F.R. part 3010.¹ In conjunction with its planned price adjustments, the Postal Service proposes to implement various related mail classification changes.² On November 15, 2016, the Commission issued Order No. 3610, finding the Postal

¹ United States Postal Service Notice of Market Dominant Price Adjustment, October 12, 2016 (Notice). The Postal Service filed two errata to its Notice. Notice of Revisions to United States Postal Service Notice of Market-Dominant Price Adjustment, Attachment A, and Attachment B -- Errata, October 28, 2016 (October 28 Errata to Notice); Notice of Revisions to United States Postal Service Notice of Market-Dominant Price Adjustment, Attachment A, and Attachment B -- Errata, November 8, 2016 (November 8 Errata to Notice).

² Notice, Attachment A at 85-127. See October 28 Errata to Notice at 2-3; November 8 Errata to Notice at 5-8.

Service's planned price adjustments relating to First-Class Mail, Standard Mail, Periodicals, and Package Services and classification changes appearing in the Notice and as revised by errata, consistent with 39 U.S.C. §§ 3622(d) and 3622(e).³ Due to the Postal Service's failure to provide the information needed to review the proposed price and classification changes for Special Services within its Notice or in a timely fashion following Commission requests, the Commission determined it would review the proposed changes for Special Services in a separate order. Order No. 3610 at 2. The Commission received the last response to a Chairman's Information Request (CHIR) relating to Special Services on November 9, 2016, which was 9 days past the original response deadline. The Postal Service continued to revise its workpapers through November 10, 2016, 30 days after it filed its Notice. Due to technical issues, the Postal Service did not finalize its last proposed price until December 6, 2016.⁴

The Commission has reviewed the proposed price adjustments and classification changes for Special Services. In section II of this Order, the Commission discusses the proposed price adjustments for the Special Services class. The Commission concludes that the proposed price adjustments for Special Services do not violate the price cap in 39 U.S.C. § 3622(d). In section III of this Order, the Commission discusses the proposed classification changes for the Special Services class. The Commission concludes that all except one of the proposed classification changes for Special Services satisfy the criteria under the applicable provisions of title 39. In section IV, the Commission reviews its findings on the proposed price and mail classification changes.

Background. In its Notice, the Postal Service announces its intention to adjust the prices for Special Services products on January 22, 2017, at 12:01 a.m. by amounts that are within the available price adjustment authority for the Special Services class. Notice at 1, 6.

³ Order on Price Adjustments for First-Class Mail, Standard Mail, Periodicals, and Package Services Products and Related Mail Classification Changes, November 15, 2016 (Order No. 3610).

⁴ Notice of Revision to United States Postal Service Notice of Market-Dominant Price Adjustment, Attachment A, December 6, 2016, at 1-2.

The Notice includes two attachments that pertain to the proposed Special Services changes, which present detailed price and mail classification changes and price index change calculations, respectively. *Id.* Attachment A at 85-127; Attachment C. The Postal Service filed one public library reference in support of its proposed changes to Special Services.⁵

On October 13, 2016, the Commission issued Order No. 3565, which provided public notification of the Notice; established Docket No. R2017-1 to consider the planned price adjustments' consistency with applicable statutory and regulatory requirements; appointed a Public Representative; and provided an opportunity for interested parties to comment.⁶

The Postal Service's Notice and initial supporting documentation, as they relate to the proposed Special Services changes, contained several errors and inconsistencies and lacked information required by title 39 and the Commission's regulations. As a result, five CHIRs specific to Special Services were issued to clarify the proposed price adjustments and classification changes and ensure the record contained accurate and complete data.⁷ Of the five CHIRs issued, the Postal Service filed late responses to four. Two responses were filed 9 days past the response deadline.⁸ Appendix A of this Order provides a list of citations to the CHIRs pertaining to Special Services, the Postal Service's responses, and related filings.

On October 14, 2016, the Commission issued Order No. 3566 scheduling a technical conference to discuss the issues presented in CHIR No. 1 and to clarify the

⁵ Library Reference USPS-LR-R2017-1/5, October 12, 2016. Throughout this proceeding, the Postal Service filed three errata to Library Reference USPS-LR-R2017-1/5. Notice of the United States Postal Service of Filing of Revised Version of USPS-LR-R2017-1/5 – Errata, October 17, 2016; Notice of the United States Postal Service of Filing of Revised Version of USPS-LR-R2017-1/5 – Errata, October 26, 2016; Notice of the United States Postal Service of Filing of Revised Version of USPS-LR-R2017-1/5 – Errata, November 10, 2016.

⁶ Notice and Order on Rate Adjustments and Classification Changes, October 13, 2016 (Order No. 3565).

⁷ On October 20, 2016, the Public Representative filed a motion requesting that an information request be issued to obtain the proposed revised market dominant price list that would become effective upon implementation of the proposed changes on January 22, 2017. Public Representative Motion to Request Issuance of Information Request, October 20, 2016, at 1. The Public Representative's proposed question 1 was incorporated into CHIR No. 7. See CHIR No. 7, question 2.

⁸ See November 9 Response to CHIR No. 5; see also November 9 Response to CHIR No. 7.

calculations for the price adjustments proposed in the Notice pertaining to Standard Mail, Periodicals, Package Services, and Special Services.⁹ The Commission and Postal Service participated in a technical conference on October 20, 2016. On October 21, 2016, the Postal Service filed a library reference containing information it presented at the technical conference.¹⁰

The Commission received three sets of formal comments relating to the Postal Service's proposed changes for Special Services.¹¹

II PRICE ADJUSTMENTS

A. Revision to the CPI-U

During the pendency of this proceeding, the Bureau of Labor Statistics (BLS) revised the consumer price index for all urban consumers (CPI-U) figures for May 2016, June 2016, July 2016, and August 2016. As the Commission noted in Order No. 3610, use of these revised figures would slightly affect the Postal Service's price adjustment authority for each mail class, including Special Services. Order No. 3610 at 6-8.

In Order No. 3610, the Commission found that, given the unusual circumstances surrounding the BLS revision of the CPI-U, the Commission would conduct its review employing the Postal Services' unrevised CPI-U figures. *Id.* at 10-11. In doing so, the Commission acknowledged that requiring the Postal Service to resubmit its documents and workpapers mid-proceeding could impose a burden on the Postal Service.¹² *Id.* at 10. In light of the potential burden and the unprecedented nature of the revision, the

⁹ Order Scheduling Technical Conference, October 14, 2016 (Order No. 3566).

¹⁰ Notice of the United States Postal Service of Filing Library Reference USPS-LR-R2017-1/6, October 21, 2016.

¹¹ Letter from Alex Belleque in Opposition to [R2017-1], October 27, 2016 (Belleque Comments); Public Representative Comments, November 1, 2016 (PR Comments); Comments of Pitney Bowes Inc., December 9, 2016 (Pitney Bowes Comments).

¹² In reaching this conclusion, the Commission acknowledges the Postal Service's concerns with respect to the burden it may face if it were required to resubmit all documents and workpapers during the pendency of a price adjustment proceeding. As a result, the Commission concludes that in this case it is appropriate to review the Notice based on the known available price adjustment authority as of the filing date.

Commission determined that it would utilize the unrevised CPI-U figures in its review of the Postal Service's proposed price adjustment. *Id.*

However, to ensure that the Postal Service's pricing authority reflects the BLS's most accurate figures, the Commission made a one-time adjustment of -0.001 to the Postal Service's unused pricing authority available following the Commission's approval of the price adjustments in Order No. 3610.¹³ *Id.* at 12. The Commission directed the Postal Service to utilize the revised CPI-U data to calculate its unused pricing authority in future price adjustment proceedings. *Id.* at 11.

B. Overview of Price Adjustments

Special Services consists of ten products: (1) Ancillary Services, (2) International Ancillary Services, (3) Address Management Services, (4) Caller Service, (5) Credit Card Authentication, (6) International Business Reply Mail Service, (7) Money Orders, (8) Post Office Box Service, (9) Customized Postage, and (10) Stamp Fulfillment Services. Ancillary Services includes ten components: (1) Permit Fees, (2) Account Maintenance Fees, (3) Business Reply Mail, (4) Certificate of Mailing, (5) Collect on Delivery (COD), (6) Merchandise Return Service (MRS), (7) Parcel Airlift, (8) Return Receipt, (9) Signature Confirmation, and (10) Special Handling. The planned price increase for Special Services is, on average, 2.514 percent, which results in a remaining price adjustment authority of 0.068 percent.¹⁴ Table II shows the percentage price changes for each Special Services product, as calculated by the Commission, with each ancillary service individually listed.

¹³ In order to ensure that the Postal Service's pricing authority reflects the BLS's most accurate figures, the Commission will make a one-time adjustment to the Postal Service's unused pricing authority available following the price changes approved in the instant docket.

¹⁴ The 2.514 percent increase for Special Services differs from the Postal Service's figure provided in the Notice. In Library Reference PRC-LR-R2017-1/5, Excel file "PRC-CAPCALC-SS-R2017-1.xlsx," the Commission makes corrections which result in differences by product and the average increase for the class. Additionally, the workpapers reflect revisions for accuracy, efficiency, and readability. These changes are described in more detail in Library Reference PRC-LR-R2017-1/5, Preface. An adjustment to the unused price adjustment authority is described in section II.A. of this Order.

Table II
Special Services Price Changes (By Product)

Special Services Product	Price Changes %
Ancillary Services:	
Permit Fees	4.650
Account Maintenance Fees	2.240
Business Reply Mail	1.635
Certificate of Mailing	5.991
Collect on Delivery	2.451
Merchandise Return Service	-100
Parcel Airlift	5.633
Return Receipt	2.843
Signature Confirmation	3.490
Special Handling	3.015
International Ancillary Services	11.075
Address Management Services	0.804
Caller Service	1.726
Credit Card Authentication	0
International Business Reply Mail Service	0
Money Orders	0
Post Office Box Service	6.661
Customized Postage	0
Stamp Fulfillment	0
Source: Library Reference PRC-LR-R2017-1/5, December 15, 2016, Excel file "PRC-CAPCALC-SS-R2017-1.xlsx"	

Workpaper Issues. This proceeding was delayed by numerous issues with the Postal Service's workpapers, including inadequate preparation, inconsistencies, and errors. The Postal Service failed to prepare workpapers that were properly linked to source information, did not submit quarterly billing determinants with its Notice, and

provided aggregated billing determinants that did not correspond to its previously submitted quarterly billing determinants. Furthermore, the Postal Service's price structure format for many Special Services products is inconsistent between its billing determinants and the Mail Classification Schedule (MCS). This format inconsistency leads to errors and necessitates additional data cleansing and checks for accuracy.

One specific issue with the Postal Service workpapers involves the volume and revenue data for the Stamped Envelopes service within the Ancillary Service product. For all other Special Services, the Postal Service used quarterly billing determinants to develop the hybrid year. For Stamped Envelopes, however, the Postal Service used an imprecise methodology, taking the product's annual data and dividing those quantities by four to approximate quarterly data.¹⁵ In response to a CHIR, the Postal Service stated that it employed this methodology because quarterly data is not available for Stamped Envelopes for FY 2016. *Id.* The Postal Service provided satisfactory data for Stamped Envelopes, in line with previous submissions, but did not provide any explanation in its Notice as to why the methodology used was necessary or how much producing better data would cost. The Postal Service must either develop quarterly billing determinant information for use in its price cap workpapers or clearly explain why the information it has provided is suitable. See 39 C.F.R. § 3010.12(b).

The workpapers also contained transcription mistakes.¹⁶ In the Special Services workpapers initially filed by the Postal Service, there were multiple instances where the revenue and volume numbers projections did not correspond to the historical prices upon which they were based.¹⁷ In future filings, the Postal Service should endeavor to perform these types of data quality checks on the Special Services billing determinant data.¹⁸

The Commission reminds the Postal Service that timely and efficient review of price adjustments is not possible without accurate workpapers.

¹⁵ November 4 Response to CHIR No. 5, question 4.d.

¹⁶ See Notice of the United States Postal Service of Filing of Revised Version of USPS-LR-R2017-1/5 – Errata, November 10, 2016.

¹⁷ See CHIR No. 5, questions 1-4.

¹⁸ See Library Reference PRC-LR-R2017-1/5.

Comments. Mr. Alex Belleque comments that some Special Services fees, such as permit and P.O. Box fees, have risen in recent years. He states that “we have seen, every year, USPS advance fees as soon as legally possible; while each time providing less and less in actual services” Belleque Comments at 1. He comments that “USPS has clearly mismanaged its resources, its personnel, and systemically failed to invest in technology and innovation with respect to mail handing and dissemination” and that “they increase prices across the board, thereby driving more customers away, and losing even more funds creating a perpetual cycle” *Id.* He concludes that the Commission should “reject the request of the USPS for any further price modifications within calendar year 2016; and to give strong consideration to denying any further price increases during the first and second filing periods of calendar year 2017.” *Id.*

Commission analysis. The Commission finds the Postal Service’s planned price adjustments for Special Services comply with the price cap limitations specified in 39 U.S.C. § 3622(d). The Postal Service’s planned price adjustment of 2.514 percent is greater than the current annual price limitation of 0.871 percent. However, the Postal Service has an unused price adjustment authority of 1.711 percent for Special Services. The Postal Service’s proposed price adjustments will use 1.644 percent of this available unused price adjustment authority. Following this adjustment and taking into account the Commission’s CPI-U revision, the unused price adjustment authority for Special Services will be 0.067 percent. See Library Reference PRC-LR-R2017-1/5, Excel file “PRC-CAPCALC-SS-R2017-1.xlsx;” see *also* Order No. 3610 at 6-12.

III CLASSIFICATION CHANGES

A. Overview

The Postal Service proposes five substantive mail classification changes for Special Services products and a variety of less substantive changes. First, the Postal Service proposes to eliminate address delivery for the COD service. Second, the Postal Service intends to alter the MCS to reflect that MRS is no longer available for First-Class Mail Parcels. Third, the Postal Service proposes to eliminate certain permitting fees. Fourth, the Postal Service seeks to replace the Bulk Insurance table. Fifth, the

Postal Service proposes to allow Enterprise P.O. Boxes Online customers with multiple accounts to pay a one-time pro-rated fee to synchronize their payment schedules. The Postal Service also proposes a variety of miscellaneous conforming changes and corrections.

B. Collect on Delivery Service

COD service allows mailers to send articles “for which the mailer has not been paid and have its price and the cost of postage collected . . . from the addressee.”¹⁹ The sender pays both the postage and COD fee at the time of mailing and, if the recipient accepts delivery, payment is directly transferred to the sender.²⁰ Under the existing service, the Postal Service provides address delivery for COD mailpieces.

In this proceeding, the Postal Service proposes to eliminate address delivery from the COD service. Notice at 36-37. The restructured service will be named “Collect on Delivery Hold for Pickup” and will require mail recipients to travel to a Post Office to retrieve the COD mailpiece. *Id.* at 37. The Postal Service maintains that the proposed Collect on Delivery Hold for Pickup service provides customers “with service equivalent to what is currently provided by Collect on Delivery” service.²¹

The Postal Service anticipates that this change will eliminate costs “related to obtaining payment from the customer at the time of delivery, redelivery attempts when the customer is not home or does not have the payment available, and the risks inherent in carriers transporting payments back to the Post Office.” Notice at 37. The Postal Service notes that cost coverage for COD service “has varied widely over the past few years.” *Id.* at 36-37. The Postal Service concludes that this service change coupled with a 2.5 percent price increase will help ensure that the service’s revenues cover costs. *Id.* at 36.

¹⁹ Domestic Mail Manual (DMM) section 9.1.1, <http://pe.usps.gov/text/dmm300/503.htm#ep1064058> (last visited December 15, 2016).

²⁰ See November 7 Response to CHIR No. 9, question 1.

²¹ November 2 Response to CHIR No. 5, question 5.

Comments. The Public Representative comments that the Postal Service’s proposed change to COD “reduces the service offering.” PR Comments at 7. For this reason, she asks the Commission “to consider whether an annual rate docket is the correct proceeding for this change.” *Id.* She observes that “the changes will negatively affect those who rely on home delivery and payment together” and “may fall especially hard on those living in smaller communities that rely on rural carrier service.” *Id.* She notes that “[t]here is no indication in the Notice that the Postal Service considered these potential unintended consequences” and encourages the Commission to consider the impact of this change on rural communities in light of 39 U.S.C. § 101(b). *Id.*

Commission Analysis. In the instant proceeding, the Commission reviews the Notice to ensure that the Postal Service’s proposed price changes comply with 39 U.S.C. § 3622(d). To do so, the Commission applies the “rate setting policies and procedures” described in 39 C.F.R. part 3010 to verify that the Postal Service’s proposed price adjustments do not exceed the amounts allowed under the price cap. 39 C.F.R. § 3010.2. The limited focus of this review allows the Commission to typically resolve these cases on an accelerated 45-day schedule. 39 C.F.R. § 3010.10. The Commission expects that minor corrections to the MCS and conforming changes will continue to accompany proposed price adjustments, as long as those corrections are accompanied by an explanation of why they are not material changes and why they are consistent with any applicable provisions of title 39. See 39 C.F.R. § 3020.90. However, significant classification changes, such as a Postal Service proposal to remove a product pursuant to 39 C.F.R. 3020 subpart B or to make a material change pursuant to 39 C.F.R. 3020 subpart E, exceed the scope of this proceeding because they require more careful consideration than an expedited price adjustment review can provide.

Accordingly, the Commission finds that this docket is not the appropriate proceeding for the Postal Service’s proposed classification change to COD service and, consequently, denies the proposed classification change.²² As the Public

²² This finding does not affect the Postal Service’s proposed COD service price adjustment, which the Commission approves alongside the other Special Services price adjustments discussed in the preceding section.

Representative notes, the proposed change reduces the service offering to mailers and may have consequences that require more extensive examination than this proceeding allows. In order to fully assess this change, the Commission requires additional supplementary information from the Postal Service, such as the views of product users.²³ The Commission will not approve the Postal Service's proposed change without the appropriate process to gather this information and consider the change's potential impacts.

If the Postal Service intends to implement this change, it must initiate the applicable proceeding to do so.²⁴ Additionally, the Commission notes that the classification change at issue here has no rate effect or bearing on price cap compliance. The classification change presents only questions outside the scope of this proceeding.²⁵

²³ The Commission requires supplementary information, such as the views of users, for changes that are more significant than minor classification changes. See 39 C.F.R. § 3020.32(g); 39 C.F.R. § 3020.81(c).

²⁴ After a preliminary review, the Commission is inclined to consider the instant change as either a request to delete an existing product and add a new product to the MCS, pursuant to 39 C.F.R. § 3020.30, or request for a material change to the product description, under 39 C.F.R. § 3020.80. However, at this stage the Commission does not possess the requisite information to conclusively determine the correct proceeding for this change and invites the Postal Service to initiate the most appropriate proceeding, in light of the Commission's previous discussion of this issue. See Docket No. RM2015-6, Order No. 2543, Order Adopting Final Rules on Changes and Corrections to the Mail Classification Schedule, June 16, 2015.

²⁵ Irrespective of the mechanism that the Postal Service may choose to utilize in pursuing this change, the change will not affect price cap compliance. If the change is considered as the deletion of a product, upon examination of the features that define the parameters of the COD service rate cell, it is clear that there is no alternate rate cell available that shares the features of the COD service. For this reason, 39 C.F.R. § 3010.23(d)(4) requires that the billing determinant volume for COD service be set to zero, which eliminates the service's weight for purposes of the price cap. Likewise if the change is considered as a material change to a product description, no adjustment to the billing determinants would be possible because there is no alternative option among market dominant products that shares the features that define the parameters of the COD service. Therefore, the historical COD service billing determinants would remain the most accurate source of historical data to weigh the price impact of the revised COD Hold for Pickup Service. See Docket No. MC2015-8R, Order No. 3597, Order Resolving Issues on Remand, October 31, 2016, at 10-14 (discussing how the Commission reviews the features that define a rate cell to determine the appropriate adjustments to make to billing determinants).

C. Merchandise Return Service

The Postal Service proposes to remove First-Class Mail Parcels as a product for which MRS is available as an option. Notice, Attachment A at 103. The Postal Service represents that this is a conforming change to “reflect that Merchandise Return Service is available for only First-Class Package Service, Priority Mail, and Parcel Select Ground as of May 31, 2015.” Notice at 58. In Docket No. R2015-4, the Commission approved the removal of MRS as an option for several market dominant products, including Standard Post and Package Services.²⁶ However, the removal of the MRS option for First-Class Mail Parcels was not proposed by the Postal Service or approved by the Commission in Docket No. R2015-4. See Order No. 2388.

In its response to CHIR No. 5, the Postal Service confirms that it “inadvertently omitted First-Class Mail Parcels from the MRS proposal [in Docket No, R2015-4].”²⁷ The Postal Service states that its proposed MCS changes “correct this oversight.” *Id.*

Comments. No commenter submitted comments concerning the MRS classification change.

Commission Analysis. The Commission is concerned that the Postal Service, without any authorization, removed First-Class Mail Parcels as a product that may use MRS. Although the Commission recognizes that this unauthorized removal was inadvertent in nature, nevertheless, this action represents a serious error. The Postal Service must be extraordinarily careful not to unilaterally take any action that requires Commission approval.

The Commission finds that the rate impact of removing First-Class Mail Parcels from MRS is the deletion of a rate cell. As a result, the Postal Service is required to “make reasonable adjustments to the billing determinants to account for the effects” of the change, pursuant to 39 C.F.R. § 3010.23(d)(2). The Commission requires that, in doing so, the Postal Service base these changes on “known mail characteristics or

²⁶ See Docket No. R2015-4, Order on Price Adjustments for Special Services Products and Related Mail Classification Changes, March 10, 2015, Attachment at 29 (Order 2388).

²⁷ November 9 Response to CHIR No. 5, question 3.a.

historical volume data, as opposed to forecasts of mailer behavior,” whenever possible. 39 C.F.R. § 3010.23(d)(3).

Here, the Postal Service has entirely eliminated MRS for market dominant products.²⁸ The remaining products that are eligible for MRS are competitive and, therefore, cannot assist the Postal Service in adjusting its market dominant billing determinants. When a rate cell is deleted and an alternative rate cell is not available, the Postal Service is required to adjust the volume weight associated with the deleted cell to zero, pursuant to 39 C.F.R. § 3010.23(d)(4).

However, the Postal Service states that no mailer of First-Class Mail Parcels was able to use the MRS product during the hybrid year because the MRS option for First-Class Mail Parcels was removed in May of 2015.²⁹ For this reason, no volume adjustment in the billing determinants is necessary for the removal of the MRS option for First-Class Mail Parcels in this docket.

The Commission notes that this change appears to push those mailers who seek to utilize MRS from market dominant products to competitive products. The Commission is aware that this may change the composition of the market for the competitive products coupled with MRS. Accordingly, the Commission shall monitor those affected markets and determine whether any action is required pursuant to 39 U.S.C. § 3642 with regard to the market dominant product MRS.

D. Permitting Fees

The Postal Service proposes to eliminate a number of permit fees. The Postal Service states that this represents the “next step” in its attempts to “streamline its permit requirements and fees to remove barriers to using the Postal Service.” Notice at 35.

Specifically, the Postal Service plans to eliminate permit fees for mailing parcels and receiving parcel returns, including Parcel Select and Parcel Select Lightweight, Bound Printed Matter Parcels, Media Mail, Library Mail, Business Reply Mail (parcels),

²⁸ See DMM section 505.3.2.1, <http://pe.usps.gov/text/dmm300/505.htm#ep1225056> (last visited December 15, 2016); Notice, Attachment A at 103.

²⁹ November 9 Response to CHIR No. 5, question 3.

MRS, and Parcel Return Service. *Id.* Additionally, the Postal Service plans to remove permit fees for Qualified Business Reply Mail and the account maintenance fees for MRS and Parcel Return Service. *Id.* at 35-36.

Comments. No commenter submitted comments concerning the removal of permitting fees.

Commission Analysis. The Commission approves the Postal Service’s permitting fee changes.

E. Bulk Insurance Table

The Postal Service proposes to revise its table representing the price for Bulk Insurance to “accurately reflect the per piece price differential.” Notice at 58. The Postal Service intends to delete the existing table and replace it with the instruction that mailers should “[s]ubtract \$0.80 per piece from the applicable price for Merchandise Coverage” to calculate the Bulk Insurance rate. Notice, Attachment A at 102.

Comments. No commenter submitted comments concerning the Bulk Insurance table revision.

Commission Analysis. A CHIR was issued to ascertain whether the differences in coverage breakpoints between the existing Bulk Insurance table and the Merchandise Coverage table could result in a rate impact.³⁰ The Postal Service’s response states that its current procedure is to calculate the price for Bulk Insurance by discounting the Merchandise Coverage price by \$0.80.³¹ The Postal Service avers that “this classification change is intended to reduce the risk of error in updating the Bulk Insurance price table each time Merchandise Coverage prices changes.” *Id.* The Commission approves the Postal Service’s proposed change to the Bulk Insurance table.

³⁰ CHIR No. 5, question 8.

³¹ October 31 Response to CHIR No. 5, question 8.

F. Caller Service and Post Office Box Service

The Postal Service seeks to revise the MCS to allow “eligible Enterprise PO Boxes Online customers to pay pro-rated fees on a one-time basis” Notice at 58.

Comments. No commenter submitted comments concerning the Enterprise P.O. Boxes Online change for Caller Service and P.O. Box customers.

Commission Analysis. A CHIR was issued to clarify that the purpose for this change was to allow mailers to synchronize their payment schedules for multiple Postal Service products.³² The Postal Service confirmed the Commission’s interpretation.³³ The Commission approves the Postal Service’s proposed change to Caller Service and P.O. Box Service.

G. Other Changes

The Postal Service also proposes a number of conforming changes and corrections. The Postal Service seeks to replace references to Standard Mail and Standard Post with “USPS Marketing Mail” and “USPS Retail Ground,” respectively. Additionally, the Postal Service proposes to remove references to “Critical Mail,” which was previously eliminated as a price category.³⁴ The Postal Service intends to remove First-Class Package Service as a product available with Registered Mail because First-Class Package Service is not sealed against inspection. The Postal Service also seeks to remove First-Class Package Service from the Application and Permits section of the MCS as a conforming change to Order No. 2814, which removed permit fees for First-Class Package Service. Order No. 2814 at 10-11. Finally, the Postal Service proposes to remove Advance Notification and Tracking System from the product description for Address Management Services to reflect that the Postal Service discontinued the program in 2014.

³² CHIR No. 5, question 7.

³³ October 31 Response to CHIR No. 5, question 7.

³⁴ See Docket No. CP2016-9, Order Approving Changes in Rates of General Applicability for Competitive Products, November 13, 2015, at 4 (Order No. 2814).

Comments. No commenter submitted comments concerning these Special Services conforming changes and corrections.

Commission Analysis.

The Commission approves the Postal Service's proposed conforming changes and corrections.

IV CONCLUSION

The Commission approves the Postal Service's requested price adjustments. However, the Commission does not approve the Postal Service's requested COD service classification change.

V ORDERING PARAGRAPHS

It is ordered:

1. The Commission finds that the Postal Service's planned price adjustments relating to Special Services as identified in the United States Postal Service Notice of Market Dominant Price Adjustment, filed October 12, 2016, and revised on December 6, 2016, are consistent with 39 U.S.C. § 3622(d), and may take effect, as planned.
2. The Commission denies the Postal Service's proposed Collect on Delivery classification change, as discussed above.
3. Accepted revisions to the Mail Classification Schedule appear below the signature of this Order and are effective January 22, 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

1100 First-Class Mail

1120 Parcels

1120.4 Optional Features

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

- Ancillary Services (1505)

○ ~~Merchandise Return Service (1505.10)~~

1120.5 Prices

Pickup On Demand Service

Add \$~~22~~0.00 for each Pickup On Demand stop.

~~Standard Mail~~USPS Marketing Mail (Commercial and Nonprofit)
High Density and Saturation Letters

1200 **~~Standard Mail~~USPS Marketing Mail (Commercial and Nonprofit)**

1205 **High Density and Saturation Letters**

1205.6 Prices

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.4435 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

~~Standard Mail~~ USPS Marketing Mail (Commercial and Nonprofit)
High Density and Saturation Flats/Parcels

1210 High Density and Saturation Flats/Parcels

1210.6 Prices

Forwarding-and-Return Service

If used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$1.3556 per piece and returned flats the applicable First-Class Mail price. All other pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

~~Standard Mail~~ USPS Marketing Mail (Commercial and Nonprofit)
Carrier Route

1215

Carrier Route

1215.6

Prices

Forwarding-and-Return Service

If used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.4354 per piece, forwarded flats pay \$1.3556 per piece and returned letters and flats pay the applicable First-Class Mail price. All other pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

~~Standard Mail~~ USPS Marketing Mail (Commercial and Nonprofit)
Letters

1220 Letters

1220.6 Prices

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.4354 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

~~Standard Mail~~ USPS Marketing Mail (Commercial and Nonprofit)
Flats

1225

Flats

1225.6

Prices

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$1.3556 per piece and returned flats pay the applicable First-Class Mail price. All other flats requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

*Package Services
Bound Printed Matter Parcels*

1400

Package Services

1420

Bound Printed Matter Parcels

1420.5 Optional Features

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

- Ancillary Services (1505)

○ ~~Merchandise Return Service (1505.10)~~

1420.6 Prices

Pickup On Demand Service

Add \$220.00 for each Pickup On Demand stop.

1425 Media Mail/Library Mail

1425.5 Optional Features

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

- Ancillary Services (1505)

~~○ Merchandise Return Service (1505.10)~~

1425.1 Description

Media Mail

~~b. An annual mailing fee is required to be paid at each office of mailing or office of verification by or for mailers of presorted Media Mail (1505.2). Payment of the fee allows the mailer to mail at any presorted Media Mail price.~~

Library Mail

~~c. An annual mailing fee is required to be paid at each office of mailing or office of verification by or for mailers of presorted Library Mail (1505.2). Payment of the fee allows the mailer to mail at any presorted Library Mail price.~~

1425.6 Prices

Pickup On Demand Service

Add \$22~~0~~.00 for each Pickup On Demand stop.

1500 Special Services

1505 Ancillary Services

1505.1 Address Correction Service

1505.1.1 Description

- e. Full-service Address Correction Service is only available for mailings of First-Class Mail automated letters, cards, and flats, ~~Standard Mail~~ USPS Marketing Mail automation letters and flats; ~~Standard Mail~~ USPS Marketing Mail Carrier Route, High Density, and Saturation letters; Periodicals Outside County barcoded or Carrier Route letters and flats; Periodicals In-County automation or Carrier Route letters and flats; and Bound Printed Matter barcoded Presort non-DDU flats. The mailings must comply with the requirements for the Full-service Intelligent Mail option.

1505.1.2 Prices

	(\$)
Manual correction, each	
First-Class Mail piece, on-piece correction only	0.00
Other	<u>0.58</u>
Electronic correction, each	
First-Class Mail piece	0.12
Other	0.31
Automated correction (Letters Only)	
First-Class Mail piece	
First two notices, for a given address change, each	<u>0.06</u>
Additional notices, for a given address change, each	<u>0.13</u>
Standard Mail <u>USPS Marketing Mail</u> piece	
First two notices, for a given address change, each	<u>0.09</u>
Additional notices, for a given address change, each	<u>0.26</u>
Full-service correction, each	0.00

1505.2 Applications and Mailing Permits

1505.2.1 Description

Mailing Fees

~~First-Class Mail/First-Class Package Service~~

A mailing fee must be paid once each 12-month period at each office of mailing by any person who mails at the presorted or automation prices, except for qualifying Full-service Intelligent Mail barcode mailings. Payment of the fee allows the mailer to mail at any First-Class Mail or First-Class Package Service price.

~~Standard Mail/USPS Marketing Mail/Parcel Select Lightweight~~

A mailing fee must be paid each 12-month period for each permit used to mail ~~Standard Mail/USPS Marketing Mail or Parcel Select Lightweight~~ pieces, except for qualifying Full-service Intelligent Mail barcode mailings.

Package Services

A mailing fee must be paid once each 12-month period to mail at any destination entry Bound Printed Matter price, except for qualifying Full-service Intelligent Mail barcode mailings, or if a mailer uses Bound Printed Matter to mail parcels only. ~~A separate mailing fee must be paid once each 12-month period to mail at any Media Mail presorted or Library Mail presorted price.~~

~~Parcel Select~~

~~A mailing fee must be paid once each 12-month period for Parcel Select (except for Parcel Select Lightweight) matter entered at a DDU, DSCF, or DNDC price.~~

Permit Imprint Application Fee ~~Permit Imprint Application~~

- b. This fee does not apply to mailers using the Electronic Verification System (eVS) or Priority Mail Express Manifesting (PMEM) ~~Electronic Manifesting Solution for Parcels (EMSS)~~ payment methods, or to mailers using a permit imprint to mail only Priority Mail Express, Priority Mail, First-Class Package Service, Parcel Select (including Parcel Select Lightweight), Bound Printed Matter Parcels, Media Mail, or Library Mail.

~~Return Services~~

~~A Return Services permit fee must be paid once each 12-month period by mailers using Merchandise Return Service, or Parcel Return Service. In addition, the permit holder must pay an account maintenance fee once each 12-month period for each advance deposit account. The Return Services permit and account maintenance fees do not apply to mailers who use the Postal Service to mail non-returns (outbound) parcel-shaped mail using a permit account.~~

1505.2.2 Prices

	(\$)
First-Class Mail/ First-Class Package Service Presort Mailing Fee (per year)	<u>225.00</u>
Standard Mail <u>USPS Marketing Mail</u> / Parcel Select Lightweight Mailing Fee (per year)	<u>225.00</u>
Periodicals Application Fees (one-time only for each)	
A. Original Entry	685.00
B. Re-entry	75.00
C. Registration for News Agents	75.00
Bound Printed Matter: Destination Entry Mailing Fee (per year) ¹	<u>225.00</u>
Media Mail Presorted Mailing Fee (per year)	225.00
Library Mail Presorted Mailing Fee (per year)	225.00
Parcel Select: Destination Entry or Lightweight Mailing Fee (per year)	215.00
Return Services Account Maintenance Fee (per year)	670.00
Return Services Permit Fee (per year)	215.00
Application to Use Permit Imprint (one-time only) ¹	225.00

Notes

1. Fee does not apply in circumstances described in 1505.2.1.

1505.3 Business Reply Mail

1505.3.1 Description

- a. Business Reply Mail service allows a permit holder or its representative to distribute postcards, envelopes, cartons and labels that can be used to send First-Class Mail or Priority Mail (~~except Critical Mail~~) pieces to an address chosen by the distributor without prepayment of postage.

1505.3.2 Prices

	(\$)
<u>Permit (All categories)</u>	<u>225.00¹</u>
Regular (no account maintenance fee)	
— Permit (per year)	215.00
Per-piece charge	<u>0.83</u>
Regular (with account maintenance fee)	
— Permit (per year)	215.00
Account maintenance (per year)	<u>685.00</u>
Per-piece charge	<u>0.096</u>
Qualified Business Reply Mail, low-volume	
— Permit (per year)	215.00
Account maintenance (per year)	<u>685.00</u>
Per-piece charge	<u>0.067</u>
Qualified Business Reply Mail, high-volume	
— Permit (per year)	215.00
Account maintenance (per year)	<u>685.00</u>
Quarterly	<u>2,300.00</u>
Per-piece charge	<u>0.012</u>
Bulk Weight Averaged (Non-letters only)	
— Permit (per year)	215.00
Account maintenance (per year)	<u>685.00</u>
Per-piece charge	0.018
Monthly maintenance	<u>1,135.00</u>

Notes

1. Fee does not apply to permit holder who receives (1) only Qualified Business Reply Mail, or (2) only parcel-shaped Business Reply Mail.

1505.4 Bulk Parcel Return Service

1505.4.1 Description

- a. Bulk Parcel Return Service provides a method whereby high-volume parcel mailers may have machinable parcels, initially mailed as ~~Standard Mail~~ USPS Marketing Mail (Commercial and Nonprofit) or Parcel Select Lightweight parcels, returned to designated postal facilities for pickup by the mailer at a predetermined frequency, or delivered in bulk by the Postal Service in a specified manner and frequency. Such parcels may be returned because they are: undeliverable-as-addressed; have been opened, resealed, and redeposited into the mail for return to the mailer using a mailer provided return label; or are found in the mailstream, having been opened, resealed, and redeposited by the recipient for return to the mailer.

1505.4.2 Prices

	(\$)
Per-piece charge	<u>3.15</u>

1505.5 Certified Mail

1505.5.1 Description

- a. Certified Mail service provides a mailer of First-Class Mail, First-Class Package Service, or Priority Mail (~~except Critical Mail~~) with a mailing receipt and electronic confirmation of the date, location, and time of the delivery or attempted delivery. If the initial attempt to deliver the article is not successful, a notice of attempted delivery is also provided to the addressee.

1505.5.2 Prices

(Per piece)	(\$)
Certified Mail	<u>3.35</u>
Certified Mail with Restricted Delivery and/or Adult Signature	<u>8.30</u>

1505.6 Certificate of Mailing

1505.6.1 Description

- b. Certificate of Mailing (Forms 3817 and 3665): furnishes evidence that pieces addressed to specific individuals were presented to the Postal Service for mailing using First-Class Mail, First-Class Package Service, Priority Mail (~~except Critical Mail~~), Package Services, Parcel Return Service, and ~~Standard Post~~USPS Retail Ground.
- c. Certificate of Bulk Mailing (Form 3606): Only furnishes evidence that a number of identical-weight pieces were presented to the Postal Service for mailing using First-Class Mail, First-Class Package Service, Priority Mail (~~except Critical Mail~~), ~~Standard Mail~~USPS Marketing Mail (except Customized MarketMail), Parcel Select, Package Services and ~~Standard Post~~USPS Retail Ground.

1505.6.2 Prices

Individual Piece Prices

	(\$)
Original Certificate of Mailing, Form 3817, individual article presented at retail	<u>1.35</u>
Three or more pieces individually listed on Form 3665-Firm or USPS approved customer provided manifest (per piece listed)	<u>0.39</u>
Each additional copy of original Certificate of Mailing, or original mailing receipt (Form 3877) for Registered Mail, insured mail, Certified Mail, and COD mail (each copy)	<u>1.35</u>

Quantity of Pieces

	(\$)
Up to 1,000 identical-weight pieces (one Form 3606 for total number)	<u>7.95</u>
Each additional 1,000 identical-weight pieces or fraction thereof	<u>0.99</u>
Each additional copy of the original Form 3606	<u>1.35</u>

1505.7 Collect on Delivery

1505.7.2 Prices

(\$)	(\$)	(\$)
Amount to be collected, or insurance coverage desired, whichever is higher:		
0.01	to 50.00	<u>7.15</u>
50.01	to 100.00	<u>8.95</u>
100.01	to 200.00	<u>10.70</u>
200.01	to 300.00	<u>12.45</u>
300.01	to 400.00	<u>14.20</u>
400.01	to 500.00	<u>15.95</u>
500.01	to 600.00	<u>17.70</u>
600.01	to 700.00	<u>19.45</u>
700.01	to 800.00	<u>21.20</u>
800.01	to 900.00	<u>22.95</u>
900.01	to 1,000.00	<u>24.70</u>
Additional Fees for Optional Features:		
COD Restricted Delivery		4.95

1505.8 USPS Tracking

1505.8.1 Description

- a. USPS Tracking service provides mailers of First-Class Mail parcels, ~~Standard Mail~~USPS Marketing Mail parcels, Package Services, Priority Mail, Parcel Select, ~~Standard Post~~USPS Retail Ground, 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 First-Class Mail Parcels, Package Services, Priority Mail, Parcel Select, ~~Standard Post~~USPS Retail Ground, and First-Class Package Service.

1505.8.2 Prices

	(\$)
First-Class Mail Parcels	
Electronic>Returns with integrated retail system label	0.00
Retail	0.00
First-Class Package Service	
Electronic	0.00
Standard Mail <u>USPS Marketing Mail</u> Parcels	
Electronic	<u>0.37</u>
Package Services	
Returns with integrated retail system label	0.00
Electronic	0.00
Retail	0.00
Priority Mail	
Electronic>Returns with integrated retail system label	0.00
Retail	0.00
Parcel Select	
Electronic	0.00
Parcel Select	
 Electronic>Returns with integrated retail system label	0.00
 Retail	0.00
Standard Post <u>USPS Retail Ground</u>	
Electronic>Returns with integrated retail system label	0.00
Retail	0.00

1505.9 Insurance

1505.9.1 Description

- a. Insurance may be obtained only at the time of mailing and provides the mailer with indemnity for loss, damage, or missing contents for merchandise mailed using Priority Mail Express, Package Services, Parcel Select, ~~Standard Post~~USPS Retail Ground, ~~Standard Mail~~USPS Marketing Mail parcels, or items included in pieces sent via First-Class Mail, First-Class Package Service, or Priority Mail, if the contents would be eligible to be mailed using ~~Standard Mail~~USPS Marketing Mail, ~~Standard Post~~USPS Retail Ground, or Package Services.

Bulk Insurance Option

- a. Insurance includes a Bulk Insurance option that is available for ~~Standard Mail~~USPS Marketing Mail parcels and Parcel Select pieces entered as specified in the Domestic Mail Manual.

1505.9.2 Prices

Merchandise Coverage^{1, 2, 3}

(\$)		(\$)	(\$)
0.01	to	50.00	2.10
50.01	to	100.00	2.65
100.01	to	200.00	3.35
200.01	to	300.00	<u>4.40</u>
300.01	to	400.00	<u>5.55</u>
400.01	to	500.00	<u>6.70</u>
500.01	to	600.00	<u>9.15</u>
600.01	to	5,000.00	<u>9.15</u> plus 1.25 for each 100.00 or fraction thereof over 600.00
Additional Fee for Optional Feature			
Insurance Restricted Delivery			4.95

*Special Services
Ancillary Services*

Bulk Insurance

Subtract \$0.80 per piece from the applicable price for Merchandise Coverage.

	(\$)		(\$)	(\$)
Amount of coverage:				
	0.01	to	50.00	1.30
	50.01	to	100.00	1.85
	100.01	to	200.00	2.55
	200.01	to	300.00	3.60
	300.01	to	5,000.00	3.60 plus 1.25 for each 100.00 or fraction thereof over 300.00

1505.10 Merchandise Return Service

1505.10.1 Description

- b. ~~Merchandise Return Service is available for First-Class Mail parcels, First-Class Package Service, Priority Mail (except Critical Mail), and certain ground return parcels at Parcel Select Ground ~~Nonpresort~~ prices.~~
- c. ~~The permit holder must pay an annual permit fee and an account maintenance fee (for each advance deposit account) at each office receiving returns. The Return Services permit and account maintenance fees do not apply to mailers who use the Postal Service to mail non-returns (outbound) parcel-shaped mail using a permit account.~~

1505.10.2 Prices

	(\$)
Return Services Permit (per year)	<u>0.00</u>
Return Services a Account maintenance (per year)	<u>0.00</u>
Per piece	0.00

1505.11 Parcel Airlift (PAL)

1505.11.2 Prices

	(\$)
For pieces weighing:	
Not more than 2 pounds	<u>0.75</u>
Over 2 but not more than 3 pounds	<u>1.40</u>
Over 3 but not more than 4 pounds	<u>1.90</u>
Over 4 but not more than 30 pounds	<u>2.55</u>

1505.12 Registered Mail

1505.12.1 Description

- a. Registered Mail service provides added protection to First-Class Mail, ~~First-Class Package Service~~, and Priority Mail (~~except Critical Mail~~) pieces, and provides indemnity in case of loss, damage, or missing contents. The amount of indemnity depends upon the actual value of the article at the time of mailing, up to a maximum of \$50,000.00. Articles with a declared value of more than \$50,000.00 can be registered, but compensation for loss, damage, or missing contents is limited to \$50,000.00.

1505.13 Return Receipt

1505.13.1 Description

b. Return Receipt service is available with:

- Priority Mail (~~except Critical Mail~~) (when purchased at the time of mailing with Adult Signature (PS Form 3811 only), Certified Mail, COD, Insured mail for more than \$5200.00, or Registered Mail);
- Priority Mail (hardcopy PS Form 3811) when purchased at the time of mailing with Adult Signature or insurance for more than \$500.00, or Priority Mail (~~except Critical Mail~~) with Certified Mail, COD, or Registered Mail;
- ~~Standard Mail~~ USPS Marketing Mail (hardcopy PS Form 3811 only); when purchased at the time of mailing with bulk insurance for more than \$500.00 and prepared as parcels);

- ~~Standard Post~~ USPS Retail Ground and Package Services when purchased at the time of mailing with COD, or insurance for more than \$500.00 (hardcopy PS Form 3811 only); and
- Parcel Select, except Parcel Select Lightweight when purchased at the time of mailing with COD, or (hardcopy PS Form 3811) with insurance for more than \$500.00 or Adult Signature (Parcel Select ~~Nonpresort~~ Ground only).

1505.13.2 Prices

	(\$)
Original signature (hardcopy)	<u>2.75</u>
Copy of signature (electronic)	<u>1.45</u>

1505.14 Return Receipt for Merchandise

1505.14.1 Description

- a. Return Receipt for Merchandise service provides mailers of Priority Mail (~~except Critical Mail~~), ~~Standard Mail~~USPS Marketing Mail parcels, ~~Standard Post~~USPS Retail Ground, Package Services, Parcel Select, and ~~Standard Post~~USPS Retail Ground with a mailing receipt and a return receipt providing evidence that the mail has been received at the delivery address, including the recipient's signature. If the initial attempt to deliver the item is not successful, a notice of attempted delivery will be provided to the addressee.

1505.16 Shipper-Paid Forwarding/Return

1505.16.1 Description

- a. Shipper-Paid Forwarding/Return service enables mailers to have undeliverable-as-addressed parcels, initially mailed as ~~Standard Mail~~USPS Marketing Mail (Commercial and Nonprofit) parcels, Package Services, Parcel Select, or ~~Standard Post~~USPS Retail Ground, to be forwarded at applicable First-Class Mail or Priority Mail prices for up to one year from the date that the addressee filed a change-of-address order.

1505.16.2 Prices

	(\$)
Account Maintenance Fee (per year)	<u>685.00</u>

1505.17 Signature Confirmation

1505.17.1 Description

- a. Signature Confirmation service provides mailers of First-Class Mail parcels, First-Class Package Service, Package Services, Parcel Select (except Parcel Select Lightweight), ~~Standard Post~~USPS Retail Ground, and Priority Mail pieces with a record of delivery, the recipient’s signature, and end-to-end tracking updates as the item travels to its destination. If the initial attempt to deliver the item is not successful, a notice of attempted delivery will be provided to the addressee.

1505.17.2 Prices

	(\$)
Electronic	<u>2.45</u>
Retail	2.90
Additional Fee for Optional Feature:	
Signature Confirmation Restricted Delivery	4.95

1505.18 Special Handling

1505.18.1 Description

- a. Special Handling service may be requested at the time of mailing, based on the content and class of mail, and provides preferential handling of Priority Mail Express, First-Class Mail, First-Class Package Service, Priority Mail (~~except Critical Mail~~), Package Services, ~~Standard Post~~USPS Retail Ground, and Parcel Select (except Parcel Select Lightweight) pieces, to the extent practicable during dispatch and transportation.

1505.18.2 Prices

	(\$)
Fragile	<u>10.25</u>

1510 International Ancillary Services

1510.1 International Certificate of Mailing

1510.1.2 Prices

Individual Piece Prices

	(\$)
Original certificate of mailing for listed pieces of ordinary Single-Piece First-Class Mail International items	<u>1.35</u>
Three or more pieces individually listed in a firm mailing book or an approved customer provided manifest (per piece)	<u>0.39</u>
Each additional copy of original certificate of mailing or firm mailing bills (each copy)	<u>1.35</u>

Multiple Piece Prices

	(\$)
Up to 1,000 identical-weight pieces (one certificate for total number)	<u>7.95</u>
Each additional 1,000 identical-weight pieces or fraction thereof	<u>0.99</u>
Duplicate copy	<u>1.35</u>

1510.2 International Registered Mail

1510.2.2 Prices

Outbound International Registered Mail Prices

	(\$)
Per Piece	<u>14.95</u>

1510.3 International Return Receipt

1510.3.2 Prices

Outbound International Return Receipt Prices

	(\$)
Per Piece	<u>3.85</u>

1510.4 Customs Clearance and Delivery Fee

1510.4.2 Prices

	(\$)
Per Dutiable Item	<u>6.00</u>

1515 Address Management Services

1515.1 Description

~~*Advance Notification and Tracking System*~~

~~—The ADVANCE system provides mailers with delivery performance reports and data for qualified Standard Mail and Periodicals mailings with specific in-home delivery windows.~~

~~*DMM (Domestic Mail Manual) Labeling Lists*~~

~~—DMM Labeling Lists contain destination ZIP Code numbers with the corresponding Postal Service facility destination information.~~

Five-Digit ZIP

The Five-Digit ZIP service provides detailed street data for multi-coded cities (*i.e.*, cities that have more than one 5-Digit ZIP Code number), so that the proper ZIP Code number can be identified. Copying is allowed for an additional fee.

Labeling Lists

Labeling Lists contain destination ZIP Code numbers with the corresponding Postal Service facility destination information.

1515.2 Prices

	(\$)
Address Sequencing	
Per correction (removal of each undeliverable address, or addition of each missing or new address)	0.41
Insertion of blanks	0.00
AEC II Service	
1-100 records resolved, minimum fee	31.00
Additional records resolved, per record	0.31
AIS (Address Information System) Viewer (per year, per site)	
City State Delivery Type Retrieval Annual Subscription	65.00*
County Name Retrieval Annual Subscription	65.00*
Delivery Statistic Retrieval Annual Subscription	<u>95.00</u> *
ZIP + 4 Retrieval Annual Subscription	65.00*
CRIS Route (per year)	
Per state (annual subscription)	<u>40.00</u> *
All States (annual subscription)	950.00*
CASS Certification	
Cycle Testing: (for next cycle) August-January	200.00
Cycle Testing: February, March	500.00
Cycle Testing: April	600.00
Cycle Testing: May	700.00
Cycle Testing: June	800.00
Cycle Testing: July	900.00
Cycle Testing: (for current cycle) After July 31 st	1000.00

*Special Services
Address Management Services*

	(\$)
Change-of-Address Information for Election Boards and Registration Commissions	
Per change of address	0.41
Change-of-Address Customer Notification Letter Reprint	50.00
City State (per year)	
All States (annual subscription)	395.00
CDS (per address, per year)	0.009
Minimum (per year)	45.00
Correction of Address Lists	
Per submitted address	0.41
Minimum charge per list (30 items)	12.30
Delivery Statistics (per year)	
All States (annual subscription)	395.00*
DMM -Labeling Lists	63.00
DPV System (per year) ³	11,250.00
DSF ² Service (per year) ⁴	112,000.00
Each additional location per year	56,000.00
Each additional platform per location per year	56,000.00
eLOT Service (per year)	
Per state (annual subscription)	<u>40.00*</u>
All States (annual subscription)	950.00*

	(\$)
Five-Digit ZIP (per year)	
All States (annual subscription)	565.00*
LACS ^{Link5}	
Interface Developer (first year)	1,125.00 ⁶
Interface Developer (each one-year extension)	350.00 ⁶
Interface Distributor (per year)	1,325.00 ⁷
Data Distributor (per year)	350.00
End User (per year)	350.00 ⁸
MASS Certification	
MASS Manufacturers (MLOCR)	
Cycle Testing: (for next cycle) November – June	500.00 ⁹
Cycle Testing: July	1,000.00 ⁹
Cycle Testing: (for current cycle) After July 31 st	1,500.00 ¹⁰
MASS End-Users (MLOCR)	
Cycle Testing: (for next cycle) March – June	500.00 ⁹
Cycle Testing: July	1,000.00 ⁹
Cycle Testing: (current cycle) After July 31 st	1,500.00 ¹⁰
MASS Manufacturers (Encoder)	
Cycle Testing: (for next cycle) November – June	300.00 ⁹
Cycle Testing: July	750.00 ⁹
Cycle Testing: (for current cycle) After July 31 st	1,000.00 ¹⁰
MASS End-Users (Encoder)	
Cycle Testing: (for next cycle) March – June	300.00 ⁹
Cycle Testing: July	750.00 ⁹
Cycle Testing: After July 31 st	1,000.00 ¹⁰
MASS IMb Quality Testing	300.00

	(\$)
NCOA^{Link} Service¹¹	
Initial Interface Developer (first year fee)	5,975.00
Interface Developer (per each one year extension)	<u>1,175.00</u>
Interface Distributor (per year)	<u>29,500.00</u>
Full Service Provider (per year)	<u>203,000.00</u>
Full Service Provider Each Additional Site (per year)	<u>99,950.00</u>
Limited Service Provider (per year)	<u>17,500.00</u>
Limited Service Provider (per each one year extension)	
One Site only	<u>17,500.00</u>
Each additional site	<u>8,750.00</u>
ANKLink Service Option (per year)	
First Site	<u>4,100.00</u>
Each Additional Site	<u>1,875.00</u>
End User/MPE (first year)	<u>8,750.00</u>
End User/MPE (each renewal year)	
One site (each site for MPE)	<u>8,750.00</u>
Each additional site (End User only)	<u>4,100.00</u>
ANK ^{Link} Service Option (per year)	900.00
NCOA ^{Link} Test, Audit (each)	<u>1,175.00</u>
Official National Zone Charts (per year)	
Matrix	60.00
RDI Service (per year) ¹	350.00
Z4 Change (per year)	
All States	3,400.00*
ZIP + 4 Service (per year)	
Per state (annual subscription)	<u>40.00*</u>
All States (annual subscription)	950.00

*Special Services
Address Management Services*

	(\$)
ZIP Code Sortation of Address Lists Per 1,000 addresses, or fraction	135.00
ZIP Move (per year) All States (annual subscription)	115.00*
99 Percent Accurate Method (per 1,000 addresses per year) Minimum (per year)	1.15 115.00

1520 Caller Service

1520.2 Prices

	(\$)
Groups based on Post Office location (Semi-Annual):	
Group 1	<u>780.00</u>
Group 2	<u>730.00</u>
Group 3	<u>650.00</u>
Group 4	<u>620.00</u>
Group 5	<u>595.00</u>
Group 6	<u>550.00</u>
Group 7	<u>505.00</u>
Call Number Reservation (Annual ¹)	<u>49.00</u>

1. For customers using the Enterprise PO Box Online system, the semi-annual and annual fees may be prorated one time to align payment periods for multiple caller service numbers. The prorated fee for each such caller service number will be based on the number of months between the expiration of the current fee and the month of the payment alignment.

1540 International Business Reply Mail Service

1540.3 Prices

Outbound International Business Reply Mail Service Prices

	(\$)
Card	<u>1.35</u>
Envelope	<u>1.85</u>

*

1550 Post Office Box Service

1550.4 Prices

Regular and No Fee

Box Size	Semi-annual Fees ¹ (Groups based on Post Office location) (\$)							
	1	2	3	4	5	6	7	E ⁴²
1	<u>56.00</u>	<u>44.00</u>	<u>37.00</u>	<u>31.00</u>	<u>26.00</u>	<u>20.00</u>	<u>18.00</u>	0.00
2	<u>83.00</u>	<u>68.00</u>	<u>55.00</u>	<u>44.00</u>	<u>35.00</u>	<u>28.00</u>	<u>24.00</u>	0.00
3	<u>145.00</u>	<u>117.00</u>	<u>97.00</u>	<u>72.00</u>	<u>58.00</u>	<u>46.00</u>	<u>38.00</u>	0.00
4	<u>287.00</u>	<u>221.00</u>	<u>178.00</u>	<u>137.00</u>	<u>103.00</u>	<u>75.00</u>	<u>58.00</u>	0.00
5	<u>469.00</u>	<u>391.00</u>	<u>302.00</u>	<u>245.00</u>	<u>172.00</u>	<u>131.00</u>	<u>103.00</u>	0.00

Box Size	3-Month Fees (Groups based on Post Office location) (\$)						
	1	2	3	4	5	6	7
1	<u>33.00</u>	<u>26.00</u>	<u>22.00</u>	<u>18.00</u>	<u>14.00</u>	<u>11.00</u>	<u>10.00</u>
2	<u>48.00</u>	<u>40.00</u>	<u>32.00</u>	<u>25.00</u>	<u>20.00</u>	<u>16.00</u>	<u>14.00</u>
3	<u>84.00</u>	<u>68.00</u>	<u>55.00</u>	<u>42.00</u>	<u>33.00</u>	<u>26.00</u>	<u>22.00</u>
4	<u>167.00</u>	<u>128.00</u>	<u>103.00</u>	<u>79.00</u>	<u>59.00</u>	<u>44.00</u>	<u>34.00</u>
5	<u>272.00</u>	<u>226.00</u>	<u>174.00</u>	<u>140.00</u>	<u>99.00</u>	<u>76.00</u>	<u>60.00</u>

Notes

1. For customers using the Enterprise PO Box Online system, the semi-annual fees may be prorated one time to align payment periods for multiple boxes. The prorated fee for each such box will be based on the number of months between the expiration of the current fee and the month of the payment alignment.

42. *****

*Domestic Products
Priority Mail Express*

Part B—Competitive Products

2100

Domestic Products

2105

Priority Mail Express

2105.6

Prices

Pickup On Demand Service

Add \$229.00 for each Pickup On Demand stop.

*Domestic Products
Priority Mail*

2110

Priority Mail

2110.6

Prices

Pickup On Demand Service

Add \$220.00 for each Pickup On Demand stop.

2115 Parcel Select

2115.1 Description

~~d. An annual mailing permit fee is required for destination entered parcels to be paid at each office of mailing or office of verification by or for mailers of Parcel Select (1505.2). Payment of the fee allows the mailer to mail at any Parcel Select price.~~

2115.6 Prices

Destination Entered — DDU

d. Forwarding and Returns

Parcel Select pieces that are forwarded on request of the addressee or forwarded or returned on request of the mailer will be subject to the applicable Parcel Select Ground price, plus \$3.00, when forwarded or returned. For customers using Address Correction Service with Shipper Paid Forwarding/Return, and also using an IMpb, the additional fee will be \$42.50.

Destination Entered — DSCF

e. Forwarding and Returns

Parcel Select pieces that are forwarded on request of the addressee or forwarded or returned on request of the mailer will be subject to the applicable Parcel Select Ground price, plus \$3.00, when forwarded or returned. For customers using Address Correction Service with Shipper Paid Forwarding/Return, and also using an IMpb, the additional fee will be \$42.50.

Destination Entered — DNDC

e. Forwarding and Returns

Parcel Select pieces that are forwarded on request of the addressee or forwarded or returned on request of the mailer will be subject to the applicable Parcel Select Ground price, plus \$3.00, when forwarded or returned. For customers using Address Correction Service with Shipper Paid Forwarding/Return, and also using an IMpb, the additional fee will be \$42.50.

Non-Destination Entered — Parcel Select Ground

d. Forwarding and Returns

Parcel Select pieces that are forwarded on request of the addressee or forwarded or returned on request of the mailer will be subject to the applicable Parcel Select Ground price, plus \$3.00, when forwarded or returned. For customers using Address Correction Service with Shipper Paid Forwarding/Return, and also using an IMpb, the additional fee will be \$42.50.

Parcel Select Lightweight

Pickup On Demand Service

Add \$220.00 for each Pickup On Demand stop.

*Domestic Products
Parcel Return Service*

2120 Parcel Return Service

2120.1 Description

~~e. Payment of an annual mailing permit fee and an account maintenance fee are required for Parcel Return Service (1505.2).~~

*Domestic Products
First-Class Package Service*

2125 First-Class Package Service

2125.6 Prices

Pickup On Demand Service

Add \$220.00 for each Pickup On Demand stop.

Domestic Products
USPS Retail Ground

2135 **USPS Retail Ground**

2135.6 Prices

Pickup On Demand Service

Add \$220.00 for each Pickup On Demand stop.

*International Products
Outbound International Expedited Services*

2300 **International Products**

2305 **Outbound International Expedited Services**

2305.6 Prices

Pickup On Demand Service

Add \$220.00 for each Pickup On Demand stop.

*International Products
Outbound Priority Mail International*

2315 **Outbound Priority Mail International**

2315.6 Prices

Pickup On Demand Service

Add \$220.00 for each Pickup On Demand stop.

International Products
Outbound Single-Piece First-Class Package International Service

2335

Outbound Single-Piece First-Class Package International Service

2335.6

Prices

Pickup On Demand Service

Add \$220.00 for each Pickup On Demand stop.

*Negotiated Service Agreements
Outbound International*

2500 **Negotiated Service Agreements**

2510 **Outbound International**

2510.9 **Priority Mail International Regional Rate Boxes—Non-Published Rates**

2510.9.6 Prices

Pickup On Demand Service

Add \$220.00 for each Pickup On Demand stop

Appendix A
List of Chairman's and Commission Information Requests,
Responses of the United States Postal Service, and Related Filings

Chairman's Information Requests

- Chairman's Information Request No. 1, October 13, 2016 (CHIR No. 1)
- Chairman's Information Request No. 2, October 18, 2016 (CHIR No. 2)
- Chairman's Information Request No. 3, October 19, 2016 (CHIR No. 3)
- Chairman's Information Request No. 4, October 21, 2016 (CHIR No. 4)
- Chairman's Information Request No. 5, October 27, 2016 (CHIR No. 5)
- Chairman's Information Request No. 6, October 27, 2016 (CHIR No. 6)
- Chairman's Information Request No. 7, October 31, 2016 (CHIR No. 7)
- Chairman's Information Request No. 8, November 1, 2016 (CHIR No. 8)
- Chairman's Information Request No. 9, November 3, 2016 (CHIR No. 9)

Responses to Chairman's Information Requests

- Response of United States Postal Service to Chairman's Information Request No. 1, Question 1, October 14, 2016 (October 14 Response to CHIR No. 1)
- Response of United States Postal Service to Chairman's Information Request No. 1, Question 2, October 17, 2016 (October 17 Response to CHIR No. 1)
- Response of United States Postal Service to Questions 3(B)-(C) and 5 of Chairman's Information Request No. 2, October 19, 2016 (October 19 Response to CHIR No. 2)
- Response of United States Postal Service to Questions 1, 2(a), 3(a), 4, 6, and 7 of Chairman's Information Request No. 2, October 21, 2016 (October 21 Response to CHIR No. 2)
- Response of United States Postal Service to Questions 2 and 3 of Chairman's Information Request No. 3, October 24, 2016 (October 24 Response to CHIR No. 3)
- Response of United States Postal Service to Questions 2(B-C) of Chairman's Information Request No. 2, October 25, 2016 (October 25 Response to CHIR No. 2)

Response of United States Postal Service to Questions 1 and 4 of Chairman's Information Request No. 3, October 26, 2016 (October 26 Response to CHIR No. 3)

Response of United States Postal Service to Questions 2-8 of Chairman's Information Request No. 4, October 26, 2016 (October 26 Response to CHIR No. 4)

Response of United States Postal Service to Question 1 of Chairman's Information Request No. 5, October 28, 2016 (October 28 Response to CHIR No. 5)

Response of United States Postal Service to Question 1 of Chairman's Information Request No. 4, October 28, 2016 (October 28 Response to CHIR No. 4)

Response of United States Postal Service to Questions 2, and 6-9 of Chairman's Information Request No. 5, October 31, 2016 (October 31 Response to CHIR No. 5)

Response of United States Postal Service to Chairman's Information Request No. 6, November 1, 2016 (November 1 Response to CHIR No. 6)

Response of United States Postal Service to Question 5 of Chairman's Information Request No. 5, November 2, 2016 (November 2 Response to CHIR No. 5)

Response of United States Postal Service to Question 4(a)-(d) of Chairman's Information Request No. 5, November 4, 2016 (November 4 Response to CHIR No. 5)

Response of the United States Postal Service to Chairman's Information Request No. 8, November 4, 2016 (November 4 Response to CHIR No. 8)

Response of the United States Postal Service to Question 2 of Chairman's Information Request No. 7, November 4, 2016 (November 4 Response to CHIR No. 7)

Response of the United States Postal Service to Chairman's Information Request No. 9, November 7, 2016 (November 7 Response to CHIR No. 9)

Response of United States Postal Service to Question 4(a) of Chairman's Information Request No. 5, November 7, 2016 (November 7 Response to CHIR No. 5)

Response of United States Postal Service to Question 4(a), (e), and (f) of Chairman's Information Request No. 5, November 8, 2016 (November 8 Response to CHIR No. 5)

Response of United States Postal Service to Question 3 of Chairman's Information Request No. 5, November 9, 2016 (November 9 Response to CHIR No. 5)

Response of United States Postal Service to Chairman's Information Request No. 7, Question 1, November 9, 2016 (November 9 Response to CHIR No. 7)

Commission Information Requests

Commission Information Request No. 1, October 26, 2016 (CIR No. 1)

Responses to Commission Information Requests

Response of the United States Postal Service to Commission Information Request No. 1, October 31, 2016 (October 31 Response to CIR No. 1)

Motions for Late Acceptance of Responses¹

Motion for Late Acceptance of Response of United States Postal Service to Questions 2(B-C) of Chairman's Information Request No. 2, October 25, 2016

Motion of United States Postal Service for Late Acceptance of Responses to Questions 1 and 4 of Chairman's Information Request No. 3, October 26, 2016

Motion of the United States Postal Service for Late Acceptance of Its Response to Question 1 of Chairman's Information Request No. 4, October 28, 2016

Motion of the United States Postal Service for Late Acceptance of Its Response to Question 5 of Chairman's Information Request No. 5, November 2, 2016

Motion of the United States Postal Service for Late Acceptance of Its Response to Questions 4(a)-(d) of Chairman's Information Request No. 5, November 4, 2016

Motion of the United States Postal Service for Late Acceptance of Its Response to Question 2 of Chairman's Information Request No. 7, November 4, 2016

Motion of the United States Postal Service for Late Acceptance of Its Responses to Question 4(a) of Chairman's Information Request No. 5, November 7, 2016

Motion of the United States Postal Service for Late Acceptance of Its Responses to Question 4(a), (e), and (f) of Chairman's Information Request No. 5, November 8, 2016

Motion of the United States Postal Service for Late Acceptance of Its Response to Question 3 of Chairman's Information Request No. 5, November 9, 2016

Motion of the United States Postal Service for Late Acceptance of Its Response to Question 1 of Chairman's Information Request No. 7, November 9, 2016

¹ Each of these motions are granted.