

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

NOTICE OF MARKET DOMINANT
PRICE ADJUSTMENT

Docket No. R2018-1

NOTICE OF MARKET DOMINANT PRICE ADJUSTMENT
(October 6, 2017)

Pursuant to section 3622 of title 39 and 39 C.F.R. part 3010, the United States Postal Service submits for Postal Regulatory Commission review a Type 1-B market-dominant rate adjustment. At this time, the Commission's ten-year review of the current ratemaking system in Docket No. RM2017-3 is pending and, according to public statements by the Commission, nearly complete. Because the Commission has not yet issued its decision in Docket No. RM2017-3, the Postal Service has tailored this Notice to the current ratemaking system set forth in 39 C.F.R. part 3010.

Nonetheless, the Postal Service maintains that the ratemaking system must change to meet the mandatory statutory objectives, including assuring the Postal Service's financial stability and providing the funds needed for investments in efficiency, service quality, and mail security. Therefore, this Notice's compliance with 39 C.F.R. part 3010 should not be construed to imply that the Postal Service believes the current ratemaking system – particularly its price cap element – can be sustained or is adequate to ensure universal service. Indeed, this is likely the last market-dominant price adjustment case that will be reviewed under the current system.

I. Overview of Price Case

The Postal Service's schedule of new prices appears in Attachment A.¹ Pending Commission approval, the prices will take effect at 12:01 a.m. on January 21, 2018.

The Postal Service is publicizing the price changes via Press Release, Industry Alert, *DMM Advisory*, and on usps.com. The Postal Service will also provide notice in future issues of the *PCC Insider*, *Postal Bulletin*, and *Federal Register*.

In compliance with Rule 3010.12(a)(4), the Postal Service identifies Mr. Steven Phelps as the official available to respond to Commission inquiries:

Steven Phelps
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475 L'Enfant Plaza SW, Room 4136
Washington, D.C. 20260

Pursuant to Rule 3010.12(b)(12), the Postal Service suggests that a technical conference may facilitate a timely review of this price case. To that end, Mr. Phelps and pricing analysts under his supervision shall be available for such a conference at a mutually convenient time.

Also pursuant to that rule, the Postal Service furnishes as Attachment D a copy of Governors' Resolution No. 16-18, which authorizes the price adjustment. Although producing the resolution is required by neither statute nor regulation, the Postal Service

¹ The prices are set forth in Mail Classification Schedule format in order to satisfy both subparts (a)(1) and (b)(11) of Rule 3010.12. Because of its length, Attachment A has been filed alongside this Notice in the Commission's docket system, rather than being directly appended to this document. The Postal Service has taken the same approach to all four attachments.

recognizes the uncommon circumstances of this case and has chosen to provide a copy of the resolution to prevent any potential delay to the Commission's review.²

As demonstrated throughout this Notice, the Postal Service's proposed price changes adhere strictly to the resolution's directives. Importantly, the Postal Service is using precisely 95 percent of available cap space in every class. Further, it is reducing all of the workshare passthroughs specified in the resolution, and it is applying the specified price increase for USPS Marketing Mail Flats. More generally, the Postal Service has designed the new prices to achieve the objectives and satisfy the factors set forth in 39 U.S.C. § 3622, as directed by the Governors.

The remainder of this Notice is structured as follows. Part II details compliance with the current ratemaking system's price cap.³ Part III discusses the new prices and workshare discounts and their compliance with applicable law.⁴ Part IV describes associated changes to the Mail Classification Schedule (MCS).⁵ Part V reviews the Postal Service's timeline to implementation.

II. Price Cap Compliance

The Postal Service is making a Type 1-B rate adjustment, meaning that it is using both the price adjustment authority (or cap space) that it is permitted under 39 U.S.C. § 3622(d)(1)(A) – that is, cap space equaling the change in the Consumer Price Index for All Urban Consumers (CPI-U) since the last price case – as well as the

² The filing of the resolution here should not be construed to establish a new pattern of practice. The Commission's rules do not require the submission of a Governors' resolution in conjunction with a market-dominant rate adjustment.

³ Part II is intended to satisfy subparts (b)(1) through (b)(4) of Rule 3010.12.

⁴ Part III is intended to satisfy subparts (b)(5) through (b)(8) of Rule 3010.12.

⁵ Part IV is intended to satisfy subpart (b)(11) of Rule 3010.12.

unused cap space from previous years that it is allowed under 39 U.S.C. § 3622(d)(2)(C).

A. Annual CPI-U Based Cap Space

Using the most recent data from the Bureau of Labor Statistics, and in conformance with Rule 3010.22, the cap space available to the Postal Service based on CPI-U is 0.439 percent for First-Class Mail, USPS Marketing Mail, and Special Services, and 1.987 percent for Periodicals and Package Services.⁶ In compliance with Rule 3010.12(b)(1), the calculations underlying these figures are presented at Attachment C.

B. Unused Cap Space from Previous Years

The unused cap space available to the Postal Space from previous years is listed below.

Table 1
Available Unused Price Adjustment Authority

Class	Unused Authority (%)
First-Class Mail	1.566
USPS Marketing Mail	1.569
Periodicals	0.038
Package Services	0.076
Special Services	1.652

The Postal Service has taken these figures directly from the Commission's workpapers in Docket Nos. R2017-7 (for First-Class Mail, USPS Marketing Mail, and

⁶ Because of Docket No. R2017-7, only three months of cap space is available for First-Class Mail, USPS Marketing Mail, and Special Services, whereas twelve months of cap space is available for Periodicals and Package Services.

Special Services)⁷ and R2017-1 (for Periodicals and Package Services),⁸ obviating the need for new workpapers to derive them, as would otherwise be required by Rule 3010.12(b)(2).

C. Total Available Cap Space

Combining the current CPI-U based cap space with the unused cap space from previous years results in total available cap space in the following amounts.

Table 2
Total Available Cap Space

Class	Total Cap Space (%)
First-Class Mail	2.005
USPS Marketing Mail	2.008
Periodicals	2.025
Package Services	2.063
Special Services	2.091

D. Percentage Change in Rates

As directed by Governors’ Resolution No. 16-18, the Postal Service is using precisely 95 percent of total available cap space in each class. The resulting prices represent the following percentage changes in rates by class.

⁷ See Docket No. R2017-7, PRC–LR–R2017–7/1 (at “PRC-CAPCALC-FCM-R2017-7.xlsx,” tab “Percent Change Summary,” cell B23), PRC–LR–R2017–7/2 (at “PRC-CAPCALC-USPSMM-R2017.xlsx,” tab “Price Change Summary,” cell C17), and PRC–LR–R2017–7/3 (at “PRC-CAPCALC-SS-R2017-7.xlsx,” tab “Rate Cap Authority Calcs,” cell D10), August 23, 2017.

⁸ See Docket No. R2017-1, PRC–LR–R2017–1/3 (at “PRC-CAPCALC-PER-R2017-1.xlsx,” tab “Summary,” cell F24), November 15, 2016. For Package Services, there appears to be an error in the Commission workpaper calculating the unused cap space generated in Docket No. R2017-1 (see Docket No. R2017-1, PRC–LR–R2017–1/4 (at “PRC-CAPCALC-PKGS-R2017-1.xlsx,” tab “All Package Services Summary,” cell D37), November 15, 2016). The Postal Service has taken the correct figure from the Commission’s order in that docket. See Docket No. R2017-1, Order on Price Adjustments for First-Class Mail, Standard Mail, Periodicals, and Package Services Products and Related Mail Classification Changes, November 15, 2016, at 50 (Order No. 3610) (stating that “the unused pricing authority for Package Services is 0.076 percent”).

Table 3
Price Change Percentages

Class	Percent Change
First-Class Mail	1.905
USPS Marketing Mail	1.908
Periodicals	1.924
Package Services	1.960
Special Services	1.986

The workpapers required by Rule 3010.12(b)(3) deriving these figures are contained in the Postal Service’s library references, with the underlying calculations conforming to Rule 3010.23.⁹

E. Unused Cap Space Resulting from Price Change

As directed by Governors’ Resolution No. 16-18, the Postal Service is leaving 5 percent of the cap space available to it unused. Consequently, the following amounts of cap space will remain after the price adjustment.

Table 4
Unused Cap Space After Price Change

Class	Percentage Points
First-Class Mail	0.100
USPS Marketing Mail	0.100
Periodicals	0.101
Package Services	0.103
Special Services	0.105

⁹ See USPS–LR–R2018–1/1 (at “CAPCALC-FCM-R2018-1.xlsx,” tab “Percent Change Summary,” cell B25); USPS–LR–R2018–1/2 (at “CAPCALC-USPSMM-R2018-1.xlsx,” tab “Price Change Summary,” cell C14); USPS–LR–R2018–1/3 (at “CAPCALC-PER-R2018-1.xlsx,” tab “Summary,” cell F21); USPS–LR–R2018–1/4 (at “CAPCALC-PACKSERV-R2018-1.xlsx,” tab “All Package Services Summary,” cell D36); USPS–LR–R2018–1/5 (at “CAPCALC-SpecServ 4q16 to 3q17.xlsx,” tab “Rate Cap Authority Calcs,” cell D10).

The underlying calculations required by Rule 3010.12(b)(4) are contained in the Postal Service's library references.¹⁰ In compliance with Rule 3010.12(e), the library references also show the amount of previous years' unused cap space utilized by each class under the proposed adjustment.¹¹

The Postal Service acknowledges that it is leaving 5 percent of available cap space unused while expecting that Periodicals revenue will continue to be below attributable costs after the new prices take effect. In this regard, the Postal Service notes first that, even if it were to use 100 percent of available cap space, a shortfall in Periodicals' cost coverage would persist. Second, and more important, the Governors' rationale for directing that a small amount of cap space be left unused was to ensure that the Postal Service retains the flexibility to respond to contingencies that may arise during this proceeding, such as a Commission order requiring minor adjustments to the proposed prices.¹² The Postal Service submits that this rationale satisfies Rule 3010.12(b)(4).

III. Discussion of New Prices

This section summarizes the new prices by class. It also reviews each class's workshare discounts and, in compliance with Rule 3010.12(b)(6), justifies every workshare discount that exceeds avoided costs. The schedules required by Rule

¹⁰ See USPS-LR-R2018-1/1 (at "CAPCALC-FCM-R2018-1.xlsx," tab "Percent Change Summary," cell B26); USPS-LR-R2018-1/2 (at "CAPCALC-USPSMM-R2018-1.xlsx," tab "Price Change Summary," cell C15); USPS-LR-R2018-1/3 (at "CAPCALC-PER-R2018-1.xlsx," tab "Summary," cell F22); USPS-LR-R2018-1/4 (at "CAPCALC-PACKSERV-R2018-1.xlsx," tab "All Package Services Summary," cell D37); USPS-LR-R2018-1/5 (at "CAPCALC-SpecServ 4q16 to 3q17.xlsx," tab "Rate Cap Authority Calcs," cell D10). The figures in Table 4 are also obtained by subtracting the figures in Tables 3 from the figures in Table 2.

¹¹ *Id.*

¹² This is expressed on page 2 of the resolution. See Attachment D.

3010.12(b)(5) showing workshare discounts and avoided costs, along with their underlying calculations, appear in Attachment B.¹³

Following the class-specific discussions is a description of two changes affecting multiple classes of mail. The section then turns to a discussion of how the planned price changes are designed to help achieve the objectives and properly take into account the factors of 39 U.S.C. § 3622, as required by Rule 3010.12(b)(7). Finally, in compliance with Rule 3010.12(b)(8), the section closes with a discussion of how the planned price changes are consistent with 39 U.S.C. §§ 3626, 3627, and 3629.

A. First-Class Mail

1. Summary of Price Changes

Prices for the five First-Class Mail products will increase by the following amounts.

Table 5
First-Class Mail Price Changes

Product	Percent Change
Single-Piece Letters/Postcards	2.056
Presort Letters/Postcards	1.585
Flats	0.443
Outbound Single-Piece First-Class Mail International	0.00
Inbound Letter Post	21.902
Total First-Class Mail	1.905

¹³ Attachment B uses avoided cost data from Docket No. ACR2016, with one exception: In Docket No. ACR2016, the Postal Service reported FSS and non-FSS Flats costs separately. FSS-specific pricing terminated when the Docket No. R2017-1 prices took effect. To more accurately reflect costs following this change, the Postal Service is using weighted average costs of FSS and non-FSS Flats for the impacted USPS Marketing Mail and Periodicals workshare categories. See the prefaces to USPS–LR–R2018–1/2 and USPS–LR–R2018–1/6 for a more detailed discussion.

These price increases use 95.0 percent of available cap space in First-Class Mail and are therefore in accord with Governors' Resolution No. 16-18.

a. Domestic Products

Within the Letters products, the prices for one-ounce mailpieces will increase as follows.

Table 6
First-Class Mail First-Ounce Prices

	Current	New	Change	Percent Change
Stamped Single-Piece	\$0.49	\$0.50	\$0.01	2.0
Metered Single-Piece	\$0.46	\$0.47	\$0.010	2.2
MAADC Automation	\$0.423	\$0.424	\$0.001	0.2
AADC Automation	\$0.403	\$0.408	\$0.005	1.2
5-Digit Automation	\$0.373	\$0.378	\$0.005	1.3

The one-ounce Single-Piece Machinable Stamped Letters price will increase by 1 cent, to 50 cents. The Postal Service is applying an above-average increase to this price because of the rounding constraint for stamps. The price for one-ounce Metered Letters will also increase by 1 cent, to 47 cents, thus maintaining the 3-cent differential between Stamped Letters and Metered Letters. Prices for Presort Letters/Postcards will increase by 1.591 percent, lower than the class average.

Within Flats, prices for Single-Piece Flats will increase 2.0 percent, while prices for Non-Automated and Automated Presort Flats will increase 0.2 percent and decrease 1.6 percent, respectively. The Single-Piece Flats increase will cause the per-piece price differential between Single-Piece Letters and Single-Piece Flats to remain equal to the price of a one-ounce Single-Piece Stamped Letter, thereby maintaining the simplicity of the price structure.

b. International Products

The Inbound Letter Post price increase of 21.902 percent is a consequence of changes on terminal dues resulting from the Universal Postal Convention. These changes are outside the Postal Service's control.¹⁴

Further, while the Postal Service is not changing prices for Outbound Single-Piece First-Class Mail International, it is making a billing determinant adjustment because of another change in Universal Postal Union (UPU) regulations outside its control. Specifically, effective January 1, 2018, goods mailed in international letter post (which includes First-Class Mail International) may no longer be enclosed in letter and flat shape formats (formats P and G). Rather, they may be enclosed only in packet shape formats (format E).

The Postal Service will give effect to this UPU mandate by changing the mailing standards in the International Mail Manual to prohibit goods from being included within First-Class Mail International pieces. Because there are no other market-dominant products in which to mail goods internationally, such goods would have to be sent via competitive products, to the extent that they continue to be sent through the Postal Service.

¹⁴ When the Commission established the current ratemaking system in 2007, it decided to subject terminal dues rates to the price cap. See Docket No. RM2007-1, Order Establishing Ratemaking Regulations for Market Dominant and Competitive Products, October 29, 2007 (Order No. 43), at 89 (stating that "for purposes of applying the price cap, the Commission concludes that it is appropriate to list single-piece international mail as a product within First-Class Mail"). In response to the Postal Service's arguments as to why this might be inadvisable, however, the Commission expressly noted that its decision on this point could be reconsidered. *Id.* at footnote 49 (stating that "should circumstances change the Postal Service may request that the issue be revisited"). The instant price case is only the latest example of terminal dues rates, over which the Postal Service has no control, arbitrarily constraining the cap space available to the Postal Service in First-Class Mail. The Postal Service therefore invites the Commission to reconsider its position on this issue.

The Postal Service estimates that approximately 9.1 million First-Class Mail International mailpieces contained goods during the hybrid billing determinants year.¹⁵ The Postal Service has zeroed out this volume in the First-Class Mail International billing determinants. This adjustment is consistent with the logic of Rule 3010.23(d)(4), which states that, “[f]or an adjustment accounting for the effects of the deletion of a rate cell when an alternate rate cell is not available, the Postal Service should adjust the billing determinants associated with the rate cell to zero.”¹⁶ While the affected First-Class Mail International rate cells are not being deleted, they will no longer be available for the portion of First-Class Mail International volume containing goods, and there is no alternative for such volume on the market-dominant product list.

The Postal Service acknowledges the Commission’s statement in its Docket No. MC2015-8 order on Return Receipt for Merchandise that, “if the deletion of a rate cell does have an alternative (even if that alternative exists on the competitive product list), rule 3010.23(d)(2) applies [*i.e.*, instead of rule 3010.23(d)(4)].”¹⁷ However, given that the Commission concluded in that case that there were market-dominant alternatives for the service being removed, the quoted statement was dicta. The Commission has since clarified its position in Docket No. R2017-1, in its evaluation of the removal of the option to send First-Class Mail Parcels using Merchandise Return Service. There, because the only remaining Merchandise Return Service options were on the competitive product list, the Commission held that Rule 3010.23(d)(4) applied, stating that “[t]he

¹⁵ See USPS–LR–R2018–1/NP1.

¹⁶ 39 C.F.R. 3010.23(d)(4).

¹⁷ Docket No. MC2015-8, Order Conditionally Approving Removal of Return Receipt for Merchandise Service From Mail Classification Schedule, January 15, 2015 (Order No. 2322), at 10.

remaining products that are eligible for MRS are competitive and, therefore, cannot assist the Postal Service in adjusting its market dominant billing determinants.”¹⁸ The Commission confirmed its position in a brief filed recently with the United States Court of Appeals for the District of Columbia Circuit.¹⁹

2. Workshare Discounts

In accordance with Governors’ Resolution No. 16-18, all First-Class Mail workshare discounts are equal to or below their avoided costs. The Postal Service notes that it has complied with the Commission’s directives in the FY 2016 Annual Compliance Determination (ACD) by aligning the following discounts with avoided costs: Automation AADC Letters, Automation Mixed AADC Cards, Automation AADC Cards Automation 5-Digit Cards, Automation AADC Letters, Nonautomation 5-Digit Nonmachinable Letters, ADC Flats, Automation 3-Digit Flats, and Automation 5-Digit Flats.²⁰

3. Adjustments to Billing Determinants

The Postal Service has made three adjustments to the hybrid year billing determinants for First-Class Mail.

First, the Postal Service has adjusted the billing determinants to account for the Move Update changes approved in Order No. 4059. The volumes reported in the pre-adjusted billing determinants were the result of Move Update’s performance-based

¹⁸ Docket No. R2017-1, Order on Price Adjustments for Special Services Products and Related Mail Classification Changes, December 15, 2016 (Order No. 3670), at 13.

¹⁹ See Brief for the Postal Regulatory Commission at 23, *United States Postal Service v. Postal Regulatory Commission* No. 16-1412 (D.C. Cir. May 5, 2017) (citing Order No. 3670 for the proposition that “competitive products are not relevant to the price-cap calculation”).

²⁰ Docket No. ACR2016, Annual Compliance Determination Report: Fiscal Year 2016, March 28, 2017 (FY 2016 ACD), at 11-16.

verification method. That method will be replaced with the census method on January 21, 2018, the same day that the prices proposed in the instant case take effect. To more accurately reflect the impact of this change on the new prices, the Postal Service has adjusted the billing determinants to show volumes as if the census method had been in effect during the hybrid year.²¹

Second, the Postal Service has adjusted the billing determinants to account for the transfer of the Retail Single-Piece category of First-Class Mail Parcels to the competitive product list on September 3, 2017, and to reflect the movement of the Keys and Identification Devices price category to First-Class Mail Flats.²²

Third, the Postal Service has made the billing determinants adjustment described above in the discussion on First-Class Mail International.

B. USPS Marketing Mail

1. Summary of Price Changes

Prices for the seven USPS Marketing Mail products will increase by the following amounts.

²¹ USPS–LR–R2018–1/1 reflects the Move Update assessment charge of \$0.08 approved in Order No. 4059. USPS–LR–R2018–1/7 shows how the census volumes were calculated.

²² See Docket No. CP2017-230, Order Approving Price Adjustment for First-Class Package Service Product, August 9, 2017 (Order No. 4032), at 4 (stating that “[t]he conditions imposed by Order No. 4009 on the transfer of the First-Class Mail Retail (Single-Piece) price category have been met” and “[t]he Postal Service may complete the transfer as discussed in that order”).

Table 7
USPS Marketing Mail Product Price Changes

Product	Percent Change
Letters	1.970
Flats	2.118
Parcels	2.768
High Density / Saturation Letters	2.378
High Density / Saturation Flats and Parcels	1.086
Carrier Route	2.031
Every Door Direct Mail – Retail	0.565
Overall	1.908

These price increases use 95.0 percent of available cap space in USPS Marketing Mail and are therefore in accord with Governors’ Resolution No. 16-18.

The Commission’s FY 2010 ACD directed the Postal Service to provide, in each subsequent annual market-dominant price adjustment, an explanation of how the proposed prices for USPS Marketing Mail Flats will move the product’s cost coverage toward 100 percent, a statement estimating the effect that the proposed prices will have in reducing the product’s subsidy, and an updated schedule of future above-CPI price increases.²³

The proposed price increase for Flats is slightly above 105 percent of the class average, meeting the schedule that the Commission approved most recently in Docket No. R2017-1.²⁴ Assuming that the average cost per piece does not change drastically, this year’s above average price increase for Flats should improve cost coverage over

²³ Docket No. ACR2010, Annual Compliance Determination Report: Fiscal Year 2010, March 29, 2011, at 107.

²⁴ See Order No. 3610, at 32 (concluding that the schedule proposed by the Postal Service complied with the Commission’s FY 2010 ACD directive). See also Docket No. R2017-1, Response of United States Postal Service to Questions 2-8 of Chairman’s Information Request No. 4, October 26, 2016, question 4 (setting forth the schedule).

the long term, by allowing revenue per piece to rise faster than cost per piece. In addition, because the proposed price increase for Flats is larger than the proposed price increase for Letters, the cross-subsidy between the two products should be reduced.

A more fundamental issue with USPS Marketing Mail Flats pricing is that the current ratemaking system gives the Postal Service very limited pricing authority, and allocating significantly more of that limited authority to Flats than to Letters does not accord with a revenue maximization strategy. The Postal Service has previously provided a pricing schedule for improving Flats cost coverage under the current ratemaking system. Extending that schedule leads to the plan in the table below; however, while this table reflects the Postal Service's strategy under the current system, the Postal Service looks forward to amending its strategy based on the Commission's forthcoming decision in Docket No. RM2017-3.

Table 8
Schedule of Above Average Flats Price Increases

Year	Planned Flats Price Increase
2018	CPI-U * 1.05
2019	CPI-U * 1.05
2020	CPI-U * 1.05

Turning to Parcels, the proposed price increase for Parcels is significantly above the class average for USPS Marketing Mail. In FY 2016, the product's cost coverage was 63.8 percent. The above average price increase proposed here continues the Postal Service's existing plan to move the product toward full cost coverage. As with Flats, however, the Postal Service anticipates changing its pricing strategy for Parcels after the Commission concludes Docket No. RM2017-3.

2. Workshare Discounts

In accordance with Governors' Resolution No. 16-18, for all passthroughs in USPS Marketing Mail, the Postal Service has either adjusted the passthroughs to ensure that they do not exceed avoided costs, or it has reduced the passthroughs to meet prior Commission directives and satisfy one of the applicable exceptions in 39 U.S.C. § 3622(e). The latter category comprises eleven passthroughs, as listed below.

Table 9
USPS Marketing Mail Passthroughs Above 100 Percent

Product	Rate Category	Passthrough
Letters	Automation Mixed AADC Letters	650.0%
	DNDC Letters	126.3%
	DSCF Letters	140.9%
Flats	Automation Mixed ADC Flats	211.8%
Parcels	Nonprofit Mixed NDC Machinable Barcoded Parcels	156.8%
	Nonprofit Mixed NDC Irregular Barcoded Parcels	156.8%
	Mixed NDC Barcoded Marketing Parcels	156.8%
Carrier Route	DNDC Letters	142.1%
	DSCF Letters	159.1%
High Density & Saturation Letters	DNDC Letters	115.8%
	DSCF Letters	127.3%

The Postal Service notes that it has made significant progress in correcting USPS Marketing Mail passthroughs; there are eight fewer passthroughs above 100 percent in

this case than there were in the FY 2016 ACD. In particular, the Postal Service has complied with the Commission's directive in the FY 2016 ACD to correct the Automation AADC Letters and Nonautomation 5-Digit Nonmachinable Letters passthroughs, reducing them by 28.5 and 25.4 percentage points, respectively.

a. Letters Passthroughs

The Postal Service justifies the Automation Mixed AADC Letters passthrough pursuant to section 3622(e)(2)(D). This discount encourages mailers to include Intelligent Mail barcodes on their mailpieces, thereby improving operational efficiency. The Postal Service intends to reduce the passthrough in future price cases, contingent on adequate pricing flexibility, operational efficiencies, and changes in cost avoidance.²⁵

The Postal Service justifies the DNDC and DSCF dropship Letters passthroughs pursuant to the rate shock exception in section 3622(e)(2)(B). In Docket No. R2017-1, these passthroughs were 170.0 percent and 162.5 percent, respectively, and the Postal Service justified the passthroughs pursuant to the same exception. The Commission accepted the justifications contingent on the Postal Service's plan to reduce the passthroughs by at least 10 percentage points in each subsequent market-dominant price case.²⁶ The Commission later confirmed the sufficiency of the plan in the FY 2016 ACD.²⁷

²⁵ The Automation Mixed AADC Letters cost avoidance has been volatile over the last several years.

²⁶ See Order No. 3610, at 38 (“[t]he Commission finds that this plan is sufficient and complies with the ACD directive”) (citing to Docket No. R2017-1, United States Postal Service Notice of Market Dominant Price Adjustment, October 12, 2016, at 46-47 (“[c]ontingent on price cap availability, operational efficiencies, and changes in cost avoidance, the plan for reducing these passthroughs to 100 percent is to decrease them by at least 10 percentage points ... in each subsequent market dominant price adjustment”).

²⁷ See FY 2016 ACD, at 27 (“the Commission finds that these discounts were adequately justified pursuant to 39 U.S.C. § 3622(e)(2)(B) in FY 2016. The Commission expects the Postal Service to align these discounts with avoided costs consistent with its plan”).

In accordance with that plan, the Postal Service has reduced each of these passthroughs by more than 10 percentage points. The DNDC dropship Letters passthrough has been reduced to 126.3 percent from 184.2 percent in the FY 2016 ACD, a decrease of 57.9 percentage points, and from 136.8 percent when measured using the Docket No. R2017-1 discount and the FY 2016 cost avoidance, a decrease of 10.5 percentage points. The DSCF dropship Letters passthrough has been reduced to 140.9 percent from 200.0 percent in the FY 2016 ACD, a decrease of 59.1 percentage points, and from 154.5 percent when measured using the Docket No. R2017-1 discount and the FY 2016 cost avoidance, a decrease of 13.6 percentage points.

The Postal Service will endeavor to reduce these passthroughs by at least 10 percentage points in future price cases, contingent on adequate pricing flexibility, operational efficiencies, and changes in cost avoidance.²⁸

b. Flats Passthrough

The Postal Service justifies the Automation Mixed ADC Flats passthrough pursuant to section 3622(e)(2)(D). Like the Automation Mixed AADC Letters discount, the Automation Mixed ADC Flats discount encourages mailers to include Intelligent Mail barcodes on their mailpieces, thereby improving operational efficiency. The Postal Service intends to reduce the passthrough in future price cases, contingent on adequate pricing flexibility, operational efficiencies, and changes in cost avoidance.

²⁸ In evaluating adherence to the reduction plans for these and other passthroughs, it would be useful for the Commission to clarify whether the appropriate baseline for comparison is the discount listed in the last ACD or the newer discount that went into effect following the last price case.

c. Parcels Passthroughs

The Postal Service justifies the Nonprofit Mixed NDC Machinable Barcoded Parcels, Nonprofit Mixed NDC Irregular Barcoded Parcels, and Mixed NDC Barcoded Marketing Parcels passthroughs pursuant to section 3622(e)(2)(D). These discounts encourage mailers to pre-barcode their parcels, thereby increasing operational efficiency.

The Postal Service relied on the same exception to justify these discounts in Docket No. ACR2016. The Commission accepted the justification contingent on the Postal Service's plan to reduce the passthroughs by at least 10 percentage points in each subsequent market-dominant price case.²⁹ Measured against the Docket No. R2017-1 discount and the FY 2016 cost avoidance, the Postal Service has reduced these passthroughs from 167.6 percent to 156.8 percent, or 10.8 percentage points, meeting the plan. The Postal Service acknowledges that, measured using the older FY 2016 discount instead of the current Docket No. R2017-1 discount, the reduction is 8.1 percentage points; this nonetheless shows significant progress.³⁰

The Postal Service will endeavor to reduce the passthroughs by at least 10 percentage points in future price cases, contingent on adequate pricing flexibility, operational efficiencies, and changes in cost avoidance.

²⁹ See FY 2016 ACD, at 32 (“[t]he Commission finds that these three discounts were adequately justified pursuant to 39 U.S.C. § 3622(e)(2)(D) because having a fully barcoded mailstream would increase operational efficiency. The Commission expects the Postal Service to follow its plan to reduce passthroughs by at least 10 percentage points in future Market Dominant price adjustments”).

³⁰ Given that there is ambiguity in the Commission's directives as to the appropriate baseline discount against which the proposed discount should be compared, the Postal Service submits that it has made a good faith effort to satisfy the 10 percent reduction plan. As suggested in footnote 28 above, it would be useful going forward for the Commission to clarify whether the appropriate baseline for comparison is the discount listed in the last ACD or the newer discount that went into effect following the last price case.

d. Carrier Route Passthroughs

The Postal Service justifies the Carrier Route DNDC Letters and Carrier Route DSCF Letters passthroughs pursuant to the rate shock exception in section 3622(e)(2)(B). In Docket No. ACR2016, these passthroughs were 168.4 percent and 195.5 percent, respectively, and the Postal Service justified the passthroughs pursuant to the same exception. The Commission accepted the justifications contingent on the Postal Service's plan to reduce the passthroughs by at least 10 percentage points in each subsequent market-dominant price case.³¹

In accordance with that plan, the Postal Service has reduced each of these passthroughs more than 10 percentage points. The Carrier Route DNDC Letters passthrough has decreased 26.3 percentage points and the Carrier Route DSCF Letters passthrough has decreased 36.4 percentage points since the FY 2016 ACD. Using the Docket No. R2017-1 discounts and the FY 2016 cost avoidances, the passthroughs have decreased 15.8 and 13.6 percentage points, respectively. The Postal Service will endeavor to reduce the passthroughs by at least 10 percentage points in future price cases, contingent on adequate pricing flexibility, operational efficiencies, and changes in cost avoidance.

In evaluating these passthroughs, it also bears noting that, since Docket No. R2009-2, the Postal Service has not developed independent prices for Carrier Route Letters. Rather, mailers sending Carrier Route Letters have paid the corresponding Carrier Route Flats prices. Therefore, the Carrier Route DNDC Letters and Carrier

³¹ See FY 2016 ACD, at 34 (“the Commission finds that these discounts were adequately justified pursuant to 39 U.S.C. § 3622(e)(2)(B) in FY 2016. The Commission expects the Postal Service to align discounts with avoided costs consistent with its plan”).

Route DSCF Letters passthroughs are essentially comparisons of flat-shaped piece prices against letter-shaped piece avoided costs.

e. High Density & Saturation Letters Passthroughs

The Postal Service justifies the High Density & Saturation DNDC Letters and High Density & Saturation DSCF Letters passthroughs pursuant to the rate shock exception in section 3622(e)(2)(B). In Docket No. ACR2016, these passthroughs were 168.4 percent and 195.5 percent, respectively, and the Postal Service justified the passthroughs pursuant to the same exception. The Commission accepted the justifications contingent on the Postal Service's plan to reduce the passthroughs by at least 10 percentage points in each subsequent market-dominant price case.³²

In accordance with that plan, the Postal Service has reduced each of these passthroughs more than 10 percentage points. The High Density & Saturation DNDC Letters passthrough has decreased 52.6 percentage points and the High Density & Saturation DSCF Letters passthrough has decreased 68.2 percentage points since the FY 2016 ACD. Using the Docket No. R2017-1 discount levels and the FY 2016 avoided costs, the High Density & Saturation DNDC Letters passthrough has decreased 10.8 percentage points and the High Density & Saturation DSCF Letters passthrough has decreased 13.6 percentage points.

The Postal Service will endeavor to reduce the passthroughs by at least 10 percentage points in future price cases, contingent on adequate pricing flexibility, operational efficiencies, and changes in cost avoidance.

³² See FY 2016 ACD, at 36 (“the Commission finds that these discounts were adequately justified pursuant to 39 U.S.C. § 3622(e)(2)(B) in FY 2016. The Commission expects the Postal Service to align discounts with avoided costs consistent with its plan”).

3. Adjustments to Billing Determinants

The following adjustments have been made to the billing determinants for USPS Marketing Mail. First, to reflect changes approved in Docket No. R2017-1 that went into effect on January 22, 2017:

- FSS rate cells have been eliminated, with FSS volume shifted to the appropriate 3-Digit, 5-Digit, and Carrier Route cells.
- The 3-Digit and AADC presort categories in Automation Letters have been merged.
- Volumes for Flats pieces weighing greater than 3.3 ounces and up to 4.0 ounces have been shifted to the expanded piece-rated category.

Second, as discussed regarding First-Class Mail above, the Postal Service has adjusted the billing determinants to reflect the adoption of the census method for Move Update.

Third, the Postal Service has adjusted the billing determinants to reflect the movement of Carrier Route pieces from 5-Digit merged pallets to 5-Digit Carrier Route pallets. This adjustment has been made to account for a Domestic Mail Manual change detailed in Section III.F below.

C. Periodicals

1. Summary of Price Changes

Prices for the two Periodicals products will increase as follows.

Table 10
Periodicals Price Changes

Product	Percent Change
Outside County	1.927
Within County	1.835
Overall	1.924

These price increases use 95.0 percent of available cap space in Periodicals and are therefore in accord with Governors' Resolution No. 16-18.

In FY 2016, Periodicals once again did not cover its attributable costs. At this point, this is a function of the lack of adequate pricing flexibility at the class level. Given the limited tools currently available to the Postal Service to improve Periodicals cost coverage, the Postal Service is taking the following measures, which are designed to send efficient pricing signals to mailers:

- changing certain container prices for trays and sacks to boost their cost coverage;
- adjusting the prices of bundles and pallet containers to maintain the existing strategy of setting prices based on estimated bottom up costs;
- increasing the price difference between basic Carrier Route and Machinable Automation 5-Digit Flats to encourage preparation of more Carrier Route pieces.

In addition, the Domestic Mail Manual change detailed in Section III.F below will increase the preparation of Periodicals Carrier Route bundles on 5-Digit Carrier Route pallets in non-FSS zones, in order to avoid bundle processing and allow more efficient utilization of the Postal Service's equipment.

The Postal Service makes two other notes regarding Periodicals pricing in this case. First, the Postal Service is setting the prices of Flats pieces based on estimated costs, with exceptions either to avoid very significant increases (e.g., Nonmachinable Flats in 5-Digit bundles) or to encourage desirable mail preparation (e.g., flat pieces in Carrier Route bundles). Given the small amount of cap space available, however, this change can be achieved only by keeping pound prices constant. The Postal Service also intends to align the price of sacks with estimated costs. Until the Postal Service is granted additional pricing flexibility, this can occur only gradually.

Second, the Postal Service is maintaining its pricing strategy of setting the prices for bundles and pallet containers based on their estimated bottom up costs. In furtherance of this, the Postal Service is moving the following prices closer to their estimated bottom up costs: ADC bundles in ADC containers, 3-Digit bundles in 3-Digit containers, 5-Digit bundles in 3-Digit containers, 5-Digit bundles in 5-Digit containers, Carrier Route bundles in 5-Digit and Carrier Route containers, all sacks at origin entry, and all pallet containers at all entry levels except DDU.

Overall, the current ratemaking system is not suited to bringing about a meaningful change in Periodicals' cost coverage. The Postal Service therefore looks forward to the Commission's forthcoming decision in Docket No. RM2017-3.

2. Workshare Discounts

Ten Periodicals discounts exceed avoided costs. Their passthroughs are listed in the table that follows on the next page.

Table 11
Periodicals Passthroughs Above 100 Percent

Product	Rate Category	Passthrough
Within County	Saturation	500.0%
Outside County	Machinable Nonautomation 5-Digit Flats	105.3%
	Saturation	700.0%
	Nonmachinable Nonautomation 3-Digit/SCF	114.0%
	Nonmachinable Nonautomation 5-Digit Flats	157.1%
	Nonmachinable Automation 5-Digit Flats	155.5%
	Machinable Automation MADC Flats	102.3%
	ADC Automation Letters	246.7%
	3-Digit Automation Letters	500.0%
	5-Digit Automation Letters	272.0%

The Postal Service justifies all of these passthroughs pursuant to section 3622(e)(2)(C), which permits discounts provided in connection with mail matter of educational, cultural, scientific, or informational value to exceed 100 percent of avoided costs. Given this statutory exception, the discounts listed above are also in accord with Governors' Resolution No. 16-18.

3. Adjustments to Billing Determinants

The Postal Service has made two adjustments to the billing determinants for Periodicals. First, the billing determinants for Quarter 4 FY 2016 and Quarters 1 and 2 FY 2017 have been adjusted to reflect the elimination of FSS prices on January 22, 2017. Second, to reflect the proposed Carrier Route pallet mail preparation change described in Section III.F below, 5-Digit pallet volumes have been moved to 5-Digit Carrier Route pallets at all entry levels.

D. Package Services

1. Summary of Price Changes

The prices for the four Package Services products will increase as follows:

Table 12
Package Services Price Changes

Product	Percent Change
Alaska Bypass Service	1.306
BPM Flats	2.085
BPM Parcels	1.921
Media Mail and Library Mail	1.993
Overall	1.960

These price increases use 95.0 percent of available cap space in Package Services and are therefore in accord with Governors' Resolution No. 16-18.

The Postal Service notes that it is applying above average price increases to the Media/Library Mail and BPM Flats products in order to improve cost coverage.

However, even after these increases, Media Mail and Library Mail pieces will still be priced below other ground parcel products, largely to recognize their educational, cultural, scientific, and informational value.

2. Workshare Discounts

In accordance with Governors' Resolution No. 16-18, all Package Services workshare discounts are equal to or below their avoided costs. The Postal Service notes that it has complied with the Commission's directives in the FY 2016 ACD by aligning the following passthroughs with avoided costs: BPM Flats DNDC dropship,

BPM Flats DSCF dropship, BPM Flats DDU dropship, BPM Parcels DNDC dropship, BPM Parcels DSCF dropship, BPM Parcels DDU dropship.³³

3. Adjustments to Billing Determinants

In the Package Services billing determinants, all FSS Carrier Route volumes from Quarter 4 FY 2016, Quarter 1 FY 2017, and Quarter 2 FY 2017 have been merged with the Basic Presort flats volume in the existing Carrier Route and Basic Presort price cells.

E. Special Services

The prices for Special Services will increase as follows.

Table 13
Special Services Product Price Changes

Product	Percent Change
Ancillary Services	2.141
International Ancillary Services	3.689
Address Management Services	2.525
Caller Service	1.805
Credit Card Authentication	0.000
International Reply Coupon	0.000
International BRM Service	2.806
Money Orders	0.421
Post Office Box Service	1.856
Customized Postage	0.000
Stamp Fulfillment Services	0.000
Overall	1.986

These price increases use 95.0 percent of available cap space in Special Services and are therefore in accord with Governors' Resolution No. 16-18.

³³ FY 2016 ACD, at 36-41.

Given rounding constraints and other pricing concerns, prices for some products within Special Services are increasing above the class average, while prices for other products are receiving a below average increase or no increase at all.

Within Ancillary Services, the Postal Service is not increasing the remaining Permit Fees. Account Maintenance fees are only increasing by 0.7 percent, due to cap limitations. The overall price change for Certificate of Mailing service is 3.2 percent, reflecting the value this service provides. Similarly, the overall price change for Certified Mail is 3.0 percent, reflecting the value it provides.

The prices for Collect on Delivery are being raised 4.4 percent overall, to help ensure that revenues cover costs. Collect on Delivery's cost coverage has varied widely over the past few years. Parcel Airlift's increase of 4.2 percent is a function of the historical nickel rounding constraint. The overall Return Receipt price increase is 0.7 percent, as only Electronic Return Receipt is receiving a price increase and the amount of cap space available to raise prices is finite. The basic Signature Confirmation service (less Signature Confirmation Restricted Delivery) is receiving an overall price increase of 4.0 percent, reflecting the value the service provides.

The overall price increase for Address Management Services is 3.1 percent. However, prices for eight of the services will remain unchanged, as the current prices adequately cover costs and the Postal Service wishes to avoid discouraging mailers from using services that will improve the quality of their mailing addresses.

Caller Service prices will increase 1.6 percent overall. Reserve Numbers prices will increase 6.1 percent, reflecting the value the service provides to mail recipients.

The Credit Card Authentication fee will not increase, because it allows the Postal Service to authenticate the relationship between customer and address electronically, rather than through a more labor intensive process.

Finally, Stamp Fulfillment Services is not receiving a price increase, because it reduces the costs associated with the retail purchase of stamps.

F. Changes Affecting Multiple Classes

1. Close Out of Calendar Year 2017 Promotions

The prices proposed in this case reflect the close out of the Calendar Year (CY) 2017 promotions in both First-Class Mail and USPS Marketing Mail. Some of the available price authority for these classes thus is used to reflect either the known amount of promotional discounts given in CY 2017 or estimates for the promotions that have not been completed at the time of this filing. In the First-Class Mail and USPS Marketing Mail workpapers, the CY 2017 promotion values appear as negative numbers in the revenue calculations at current prices, while the corresponding revenues are zero. This has the impact of using 0.192 percent of cap space (or approximately \$50 million) for First-Class Mail and 0.395 percent of cap space (or approximately \$67 million) for USPS Marketing Mail. These amounts are subsumed within the price change percentage figures in Table 3, as well as the product-specific price change percentage figures in Tables 5 and 7.³⁴

³⁴ See USPS–LR–R2018–1/1 and USPS–LR–R2018–1/2 for details.

2. Amendment to Pallet Preparation

Simultaneous with this price change, the Postal Service is proposing to amend the Domestic Mail Manual to increase the preparation of USPS Marketing Mail and Periodicals Carrier Route bundles on 5-Digit Carrier Route pallets (often referred to in postal operations as “pure Carrier Route pallets,” to more easily distinguish from 5-Digit merged pallets) in non-FSS zones. Presently, mailers must prepare their volume on higher-priced 5-Digit merged pallets first, with the remaining volume going on lower-priced pure Carrier Route pallets. The proposed mail preparation changes reverse this order: mailers would prepare their volume on lower-priced pure Carrier Route pallets before having to resort to the 5-Digit merged pallets. This will reduce mailers’ postage by enabling them to access lower rates while creating operational cost savings for the Postal Service.

As noted in the USPS Marketing Mail and Periodicals discussions above, the billing determinants have been adjusted to reflect this change. The change generates 0.041 percent in cap space (or approximately \$7 million) for USPS Marketing Mail, and 0.084 percent in cap space (or approximately \$1.1 million) for Periodicals.

G. Objectives and Factors

Rule 3010.12(b)(7) requires a discussion demonstrating that the proposed prices are designed to help achieve the objectives in 39 U.S.C. § 3622(b) and properly take into account the factors in 39 U.S.C. § 3622(c).³⁵ While the primary purpose of the objectives and factors is to guide the Commission’s establishment and review of the

³⁵ For ease of reference, each objective and factor is referred to here according to its placement in section 3622(b) and section 3622(c), respectively. For example, section 3622(b)(1) is referred to as Objective 1.

ratemaking system, the Postal Service also has considered the objectives and factors in preparing this adjustment.

The content and timing of this Notice are intended to satisfy Objectives 2 and 6, by informing customers of predictable and stable price changes in a transparent proceeding. In designing the prices, the Postal Service has exercised its pricing flexibility in a manner aimed at increasing revenues, to the extent the price cap allows, thus fulfilling Objectives 4 and 5. The Postal Service believes that the intra-product price differentials described in the class-specific discussions above result in a schedule of rates that continues to be just and reasonable, satisfying Objective 8. The above discussions also evince the Postal Service's consideration and balancing of multiple factors, particularly Factors 1 through 8, 11, and 12.

H. Preferential Rates

Section 3626 sets forth pricing requirements for certain preferred categories of mail. The Postal Service has complied with these requirements in this price change, as explained below.

First, section 3626(a)(3) requires that the prices for Within County Periodicals "reflect its preferred status," as compared to the prices for regular rate Periodicals. This price adjustment continues to recognize the preferential status of Within County Periodicals by keeping its prices below those of regular Outside County Periodicals.

Second, section 3626(a)(4)(A) requires that Nonprofit and Classroom Periodicals receive, as nearly as practicable, a 5 percent discount from regular rate postage, except for advertising pounds. Consistent with past practice, the Postal Service maintains this

rate preference by giving Nonprofit and Classroom pieces a 5 percent discount on all components of postage, except for advertising pounds and ride-along postage.

Third, section 3626(a)(5) requires that Science of Agriculture Periodicals be given preferential treatment for their advertising pounds. Consistent with past practice, the Postal Service continues to grant these publications advertising pound rates for DDU, DSCF, DADC, and Zones 1 & 2 that are 75 percent of the advertising pound rates applicable to regular Outside County Periodicals.

Fourth, section 3626(a)(6) requires that Nonprofit USPS Marketing Mail prices be set to achieve an average revenue per piece that is 60 percent of the commercial average revenue per piece. The prices set forth in this Notice achieve a revenue per piece ratio of 60.0 percent.³⁶ The Postal Service is also keeping nonprofit discounts equal to the comparable commercial discounts.³⁷

Fifth, section 3626(a)(7) requires that the prices for Library Mail be equal, as nearly as practicable, to 95 percent of the prices for Media Mail. This is achieved by setting each Library Mail price element equal to 95 percent of the corresponding Media Mail price element. The Postal Service has followed this approach in setting its new prices.

Finally, section 3626(g)(4) requires that preferential treatment be accorded to the Outside County pieces of a Periodicals publication having fewer than 5,000 Outside County pieces and at least one Within County piece. In conformance with this

³⁶ Details of the nonprofit-commercial revenue per piece ratio are contained in USPS-LR-R2018-1/2. Consistent with past practice, the Postal Service has calculated this ratio at the class level.

³⁷ In all of the USPS Marketing Mail tabs of Attachment B, the Postal Service has added an additional column reflecting the Nonprofit discounts next to the calculation of Commercial discounts.

requirement, the Postal Service implemented a new “limited circulation” discount in 2008, which gives these mailers a discount equivalent to the Nonprofit and Classroom Periodicals discount. That discount remains.

In addition to a discussion of section 3626, Rule 3010.12(b)(8) also requires the Postal Service to discuss how its planned prices are consistent with sections 3627 and 3629. Neither section is implicated by this price change, because the Postal Service is not altering the free rates and is not changing the eligibility requirements for nonprofit prices.

IV. MCS Changes

Rule 3010.12(b)(11) requires that this Notice be accompanied by a schedule identifying all changes to the product descriptions within the MCS that will be necessary to implement the planned price adjustments. Attachment A shows the new prices and related product description changes incorporated into a revised draft of the market-dominant section of the MCS.³⁸ There are no substantive classification changes associated with this case, other than changes to the prices and price tables to reflect the rate changes discussed above in Section III.

V. Other Issues

The Postal Service is filing seven public and one nonpublic library reference to support this case. Brief descriptions of the library references are contained in the

³⁸ Attachment A is based on the September 30, 2017 MCS draft published by the Commission at <http://www.prc.gov/mail-classification-schedule>. The classification changes proposed in this filing are shown in legislative format.

accompanying notices filed with the Commission today.³⁹ Each library reference contains a preface that explains its contents in more detail.

Finally, the Postal Service notes that it has structured the timeline of this case not only to meet applicable legal requirements and provide adequate notice to customers, but also to ensure that the Postal Service itself has enough time to implement the technical and systems changes needed to convert to new prices on January 21, 2018. Therefore, as the Commission reviews this case, should it find cause to adjust the initial procedural schedule, the Postal Service respectfully requests that the Commission endeavor to conclude the docket by December 8, 2017, as a delay beyond this date could jeopardize implementation. To facilitate this, the Postal Service will strive to produce any additional information that the Commission requires in a timely manner.

³⁹ See Notice of The United States Postal Service of Filing Public Library References; Notice of the United States Postal Service of Filing USPS-LR-R2018-1/NP1.

Respectfully submitted,

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ATTACHMENT A

CHANGES TO MAIL CLASSIFICATION SCHEDULE

(Deletions are marked by strikethrough and additions are underlined. Some unchanged language is included, but only to show the location of the changes. All prices are listed in price tables, whether or not they are changing.)

PART A

MARKET DOMINANT PRODUCTS

* * * * *

1105 Single-Piece Letters/Postcards

* * * * *

1105.5 Prices

Single-Piece Machinable Stamped Letters^{1, 2, 3}

Maximum Weight (ounces)	Machinable Letters (\$)
1	0.50
2	0.71
3	0.92
3.5	1.13

Notes

1. The price for single-piece, one, two, or three ounce letters also applies to sales of Forever stamps and Forever Print-on-Demand indicia at the time of purchase, as specified by the Postal Service.
2. The price for a Forever additional ounce stamp is the difference between the 2-ounce price and the 1-ounce price.
3. A handling charge of \$0.01 per piece applies to foreign-origin, inbound direct entry mail tendered by foreign postal operators, subject to the terms of an authorization arrangement.

Single-Piece Machinable Metered Letters

Maximum Weight (ounces)	Machinable Letters (\$)
1	0.47
2	0.68
3	0.89
3.5	1.10

Single-Piece Nonmachinable Stamped Letters¹

Maximum Weight (ounces)	Nonmachinable Letters (\$)
1	0.71
2	0.92
3	1.13
3.5	1.34

Notes

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

Single-Piece Nonmachinable Metered Letters

Maximum Weight (ounces)	Nonmachinable Letters (\$)
1	0.68
2	0.89
3	1.10
3.5	1.31

Single-Piece QBRM Letters

Maximum Weight (ounces)	QBRM Letters (\$)
1	0.485
2	0.695

Single-Piece Residual Machinable Letters

Maximum Weight (ounces)	Residual Machinable Letters (\$)
1	0.51 ¹
2	0.51 ¹
3	0.51 ¹
3.5	0.51 ¹

Notes

1. This price applies only to residual machinable letters derived from a mixed weight presort mailing, and only when the residual mailing reflects the weight levels included in the mixed weight presort mailing. In all other cases, single-piece machinable metered letter rates apply.

Single-Piece Postcards^{1,2}

Maximum Weight (ounces)	Postcards (\$)	Single-Piece Double Card (\$)
not applicable	0.35	0.70

Notes

1. The price for single-piece postcards also applies to sales of stamped cards marked with Forever postage, at the time the stamped cards are purchased. The price also applies to Forever postcard stamps.
2. A handling charge of \$0.01 per piece applies to foreign-origin, inbound direct entry mail tendered by foreign postal operators, subject to the terms of an authorization arrangement. Such inbound direct entry mail cannot include Single-Piece Double Cards.

Single-Piece QBRM Postcards

Maximum Weight (ounces)	QBRM Postcards (\$)
not applicable	0.335

Share Mail Letters and Postcards^{1, 2}

Maximum Weight (ounces)	Share Mail Letters (\$)	Share Mail Postcards (\$)
1	0.58	0.43

Notes

1. To qualify for Share Mail, customers must meet and comply with all eligibility requirements of the program. Share Mail allows a qualifying customer to distribute pre-approved mailpieces that contain an Intelligent Mail barcode (IMb) and that can be mailed without prepayment of postage. Postage is collected when a pre-approved mailpiece is placed in the mailstream and scanned during processing.
2. Customers that are party to a current Alternate Postage Marketing Agreement (Marketing Agreement) as of December 31, 2016 may continue to distribute Alternate Postage mailpieces for the duration of that agreement, per its terms. For all Marketing Agreements, the term “prevailing Alternate Postage rate” shall be synonymous with the prevailing Share Mail rate most recently approved by the Postal Regulatory Commission.

1110 Presorted Letters/Postcards

* * * * *

1110.5 Prices

Automation Letters

Maximum Weight (ounces)	5-Digit (\$)	AADC (\$)	Mixed AADC (\$)
1	0.378	0.408	0.424
2	0.378	0.408	0.424
3	0.378	0.408	0.424
3.5	0.378	0.408	0.424

Nonautomation Presorted Machinable Letters

Maximum Weight (ounces)	Presorted (\$)
1	0.458
2	0.458
3	0.458
3.5	0.458

Nonmachinable Letters

Maximum Weight (ounces)	Presorted (\$)
1	0.668
2	0.668
3	0.668
3.5	0.668

Automation Postcards

Maximum Weight (ounces)	5-Digit (\$)	AADC (\$)	Mixed AADC (\$)
not applicable	0.257	0.268	0.274

Nonautomation Presorted Machinable Postcards

Maximum Weight (ounces)	Presorted (\$)
not applicable	0.280

Move Update Assessment Charge

Add \$0.08 per assessed piece, for mailpieces that fail Move Update verification under the Address Quality Census Measurement and Assessment Process, with more than 0.5 percent for mailpieces submitted by a mailer in a calendar month having COA errors, and which cannot demonstrate compliance with Move Update requirements.

* * * * *

Full-service Intelligent Mail Option

Subtract \$0.003 for each automation letter or automation postcard that complies with the requirements for the Full-service Intelligent Mail option.

Picture Permit Imprint Indicia

Add \$0.01 for each piece that includes Picture Permit Imprint Indicia.

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1115 Flats

* * * * *

1115.5 Prices

Automation Flats

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
1	0.474	0.593	0.632	0.705
2	0.684	0.803	0.842	0.915
3	0.894	1.013	1.052	1.125
4	1.104	1.223	1.262	1.335
5	1.314	1.433	1.472	1.545
6	1.524	1.643	1.682	1.755
7	1.734	1.853	1.892	1.965
8	1.944	2.063	2.102	2.175
9	2.154	2.273	2.312	2.385
10	2.364	2.483	2.522	2.595
11	2.574	2.693	2.732	2.805
12	2.784	2.903	2.942	3.015
13	2.994	3.113	3.152	3.225

Presorted Flats

Maximum Weight (ounces)	Presorted (\$)
1	0.799
2	1.009
3	1.219
4	1.429
5	1.639
6	1.849
7	2.059
8	2.269
9	2.479
10	2.689
11	2.899
12	3.109
13	3.319

Single-Piece Flats¹

Maximum Weight (ounces)	Single-Piece (\$)
1	1.00
2	1.21
3	1.42
4	1.63
5	1.84
6	2.05
7	2.26
8	2.47
9	2.68
10	2.89
11	3.10
12	3.31
13	3.52

Notes

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

Keys and Identification Devices

Maximum Weight (ounces)	Keys and Identification Devices (\$)
1	3.54
2	3.54
3	3.54
4	3.54
5	3.72
6	3.90
7	4.08
8	4.26
9	4.44
10	4.62
11	4.80
12	4.98
13	5.16
1 (pound)	Priority Mail Retail Zone 4 postage plus 0.84
2 (pounds)	Priority Mail Retail Zone 4 postage plus 0.84

Move Update Assessment Charge

Add \$0.08 per assessed piece, for mailpieces that fail Move Update verification under the Address Quality Census Measurement and Assessment Process, with more than 0.5 percent for mailpieces submitted by a mailer in a calendar month having COA errors, and which cannot demonstrate compliance with Move Update requirements.

* * * * *

Full-service Intelligent Mail Option

Subtract \$0.003 for each automation flat that complies with the requirements for the Full-service Intelligent Mail option.

Picture Permit Imprint Indicia

Add \$0.01 for each piece that includes Picture Permit Imprint Indicia.

* * * * *

1125 Outbound Single-Piece First-Class Mail International

* * * * *

1125.6 Prices

Machinable Letters¹

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
2	1.15	1.72	2.13	2.13	2.13	1.98	1.98	1.98	1.98
3	1.61	2.29	3.12	3.12	3.12	2.81	2.81	2.81	2.81
3.5	2.08	2.86	4.11	4.11	4.11	3.64	3.64	3.64	3.64

Notes

1. International Forever stamps are sold at the price of a single-piece First-Class Mail International first ounce machinable letter and have a postage value equivalent to the price of a single-piece First-Class Mail International first ounce machinable letter in effect at the time of use.

Nonmachinable Letters

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
2	1.36	1.93	2.34	2.34	2.34	2.19	2.19	2.19	2.19
3	1.82	2.50	3.33	3.33	3.33	3.02	3.02	3.02	3.02
3.5	2.29	3.07	4.32	4.32	4.32	3.85	3.85	3.85	3.85

Postcards

Maximum Weight	Canada	Mexico	All Other Countries
(ounces)	(\$)	(\$)	(\$)
not applicable	1.15	1.15	1.15

Large Envelopes (Flats)

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	2.29	2.29	2.29	2.29	2.29	2.29	2.29	2.29	2.29
2	2.50	2.97	3.23	3.23	3.23	3.18	3.18	3.18	3.18
3	2.71	3.64	4.16	4.16	4.16	4.06	4.06	4.06	4.06
4	2.91	4.32	5.10	5.10	5.10	4.94	4.94	4.94	4.94
5	3.12	5.00	6.04	6.04	6.04	5.83	5.83	5.83	5.83
6	3.33	5.67	6.97	6.97	6.97	6.71	6.71	6.71	6.71
7	3.54	6.35	7.91	7.91	7.91	7.60	7.60	7.60	7.60
8	3.75	7.03	8.85	8.85	8.85	8.48	8.48	8.48	8.48
12	4.79	8.48	10.72	10.72	10.72	10.31	10.31	10.31	10.31
16	5.83	9.94	12.60	12.60	12.60	12.13	12.13	12.13	12.13
20	6.87	11.40	14.47	14.47	14.47	13.95	13.95	13.95	13.95
24	7.91	12.86	16.34	16.34	16.34	15.77	15.77	15.77	15.77
28	8.95	14.31	18.22	18.22	18.22	17.59	17.59	17.59	17.59
32	9.99	15.77	20.09	20.09	20.09	19.41	19.41	19.41	19.41
36	11.03	17.23	21.97	21.97	21.97	21.24	21.24	21.24	21.24
40	12.08	18.69	23.84	23.84	23.84	23.06	23.06	23.06	23.06
44	13.12	20.14	25.71	25.71	25.71	24.88	24.88	24.88	24.88
48	14.16	21.60	27.59	27.59	27.59	26.70	26.70	26.70	26.70
52	15.20	23.06	29.46	29.46	29.46	28.52	28.52	28.52	28.52
56	16.24	24.52	31.33	31.33	31.33	30.35	30.35	30.35	30.35
60	17.28	25.97	33.21	33.21	33.21	32.17	32.17	32.17	32.17
64	18.32	27.43	35.08	35.08	35.08	33.99	33.99	33.99	33.99

*Fee for Return of Undeliverable as Addressed Outbound U.S. Origin Mail
Posted through a Foreign Postal Administration or Operator*

A fee is charged for the return of an undeliverable-as-addressed Outbound Single-Piece First-Class Mail International item bearing a U.S. return address which was originally posted to an international addressee through a foreign postal administration, consolidator, or operator. The fee for each returned item is equal to the First-Class Mail International postage which would have been charged if the item had been posted through the Postal Service as First-Class Mail International. The fee is charged to the return addressee.

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1205 High Density and Saturation Letters

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1205.6 Prices

Saturation Letters (3.5 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.186	0.111
DNDC	0.164	0.089
DSCF	0.158	0.083

High Density Plus Letters (3.5 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.196	0.117
DNDC	0.174	0.095
DSCF	0.168	0.089

High Density Letters (3.5 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.200	0.118
DNDC	0.178	0.096
DSCF	0.172	0.090

Saturation, High Density Plus, and High Density Nonautomation Letters (4.0 ounces or less) Commercial

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density (\$)
None	0.219	0.227	0.248
DNDC	0.179	0.187	0.208
DSCF	0.165	0.173	0.194

*Saturation, High Density Plus, and High Density Nonautomation Letters
(4.0 ounces or less) Nonprofit*

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density (\$)
None	0.136	0.144	0.166
DNDC	0.096	0.104	0.126
DSCF	0.082	0.090	0.112

*Saturation, High Density Plus, and High Density Nonautomation Letters
(more than 4.0 ounces) Commercial and Nonprofit*

Saturation, High Density Plus, and High Density letter-shaped pieces that weigh more than 4.0 ounces must pay the piece and pound prices shown in the applicable Saturation, High Density Plus, and High Density Flats (Commercial and Nonprofit) price tables (1210.6). These pieces cannot be entered at a DDU and must be prepared as letters.

Move Update Noncompliance Charge

Add \$0.07 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.08 per assessed piece, for mailpieces that fail Move Update verification under the Address Quality Census Measurement and Assessment Process, with more than 0.5 percent for mailpieces submitted by a mailer in a calendar month having COA errors, and which cannot demonstrate compliance with Move Update requirements.

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.44 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.

Full-service Intelligent Mail Option

Subtract \$0.001 for each letter that complies with the requirements for the Full-service Intelligent Mail option.

Picture Permit Imprint Indicia

Add \$0.0201 for each piece that includes Picture Permit Imprint Indicia.

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1210 High Density and Saturation Flats/Parcels

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1210.6 Prices

Saturation Flats (4.0 ounces or less)

Entry Point	Commercial (\$)		Nonprofit (\$)	
	EDDM	Other	EDDM	Other
Origin	0.220	0.219	0.137	0.136
DNDC	0.180	0.179	0.097	0.096
DSCF	0.166	0.165	0.083	0.082
DDU	0.157	0.156	0.074	0.073

Saturation Flats (greater than 4.0 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial (\$)		Nonprofit (\$)	
	EDDM	Other	EDDM	Other
Per Piece	0.068	0.067	0.028	0.027

b. Per Pound

Entry Point	Commercial (\$)		Nonprofit (\$)	
	EDDM	Other	EDDM	Other
Origin	0.609	0.609	0.436	0.436
DNDC	0.448	0.448	0.275	0.275
DSCF	0.393	0.393	0.220	0.220
DDU	0.357	0.357	0.184	0.184

Saturation Parcels

a. Per Piece

Mailing Volume Tier	Commercial		Nonprofit	
	Small (\$)	Large (\$)	Small (\$)	Large (\$)
0-200,000	0.295	0.339	0.221	0.255
200,001 and above	0.283	0.328	0.213	0.247

b. Handling Fees for DNDC/DSCF Entry

	Commercial (\$)	Nonprofit (\$)
Entry Point/ Presort	Pallet	Pallet
DNDC – 3-Digit	51.643	41.314
DNDC – 5-Digit	83.970	67.176
DSCF – 5-Digit	39.342	31.586
Pallet Presort	Carton/Sack	Carton/Sack
3-Digit	7.032	5.730

High Density Plus Flats (4.0 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.227	0.144
DNDC	0.187	0.104
DSCF	0.173	0.090
DDU	0.164	0.081

High Density Plus Flats (greater than 4.0 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.075	0.035

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.609	0.436
DNDC	0.448	0.275
DSCF	0.393	0.220
DDU	0.357	0.184

High Density Flats (4.0 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.248	0.166
DNDC	0.208	0.126
DSCF/DFSS	0.194	0.112
DDU	0.185	0.103

High Density Flats (greater than 4.0 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.096	0.057

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.609	0.436
DNDC	0.448	0.275
DSCF	0.393	0.220
DDU	0.357	0.184

Move Update Noncompliance Charge

Add \$0.07 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.08 per assessed piece, for mailpieces that fail Move Update verification under the Address Quality Census Measurement and Assessment Process, with more than 0.5 percent for mailpieces submitted by a mailer in a calendar month having COA errors, and which cannot demonstrate compliance with Move Update requirements.

Flat-shaped pieces including a Detached Address Label

Add \$0.0356 for each piece addressed using a Detached Address Label with no advertising, and \$0.0356 for each piece using a Detached Address Label containing advertising (Detached Marketing Label).

Forwarding-and-Return Service

If used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$1.36 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.

Full-service Intelligent Mail Option

Subtract \$0.001 for each high density flat that complies with the requirements for the Full-service Intelligent Mail option.

Picture Permit Imprint Indicia: Flats Only

Add \$0.0201 for each piece that includes Picture Permit Imprint Indicia.

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1215 Carrier Route

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1215.6 Prices

Carrier Route Letters (3.5 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.292	0.210
DNDC	0.265	0.183
DSCF	0.257	0.175

Carrier Route Letters weighing greater than 3.5 ounces, but not more than 4.0 ounces

Carrier Route letter-shaped pieces that weigh more than 3.5 ounces, but not more than 4.0 ounces, must pay the prices shown in the “Carrier Route Flats (4.0 ounces or less)” price tables (1215.6). These pieces cannot be entered at a DDU and must be prepared as letters.

Carrier Route Letters weighing greater than 4.0 ounces

Carrier Route letter-shaped pieces that weigh more than 4.0 ounces must pay the per piece and per pound prices shown in the “Carrier Route Flats (greater than 4.0 ounces)” price tables (1215.6). These pieces cannot be entered at a DDU and must be prepared as letters.

Carrier Route Flats (4.0 ounces or less)

Entry Point	Commercial (\$)		Nonprofit (\$)	
	5-Digit Pallet	Other	5-Digit Pallet	Other
Origin	0.276	0.295	0.194	0.213
DNDC	0.246	0.265	0.164	0.183
DSCF	0.238	0.257	0.156	0.175
DDU	0.227	0.246	0.145	0.164

Carrier Route Flats (greater than 4.0 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

Entry Point	Commercial (\$)		Nonprofit (\$)	
	5-Digit Pallets	Other	5-Digit Pallets	Other
Origin	0.101	0.120	0.062	0.081
DNDC	0.101	0.120	0.062	0.081
DSCF	0.101	0.120	0.062	0.081
DDU	0.101	0.120	0.062	0.081

b. Per Pound

Entry Point	Commercial (\$)		Nonprofit (\$)	
	5-Digit Pallets	Other	5-Digit Pallets	Other
Origin	0.698	0.698	0.528	0.528
DNDC	0.578	0.578	0.408	0.408
DSCF	0.546	0.546	0.376	0.376
DDU	0.502	0.502	0.332	0.332

Carrier Route Parcels

a. Per Piece

Mailing Volume Tier	Commercial		Nonprofit	
	Small (\$)	Large (\$)	Small (\$)	Large (\$)
0-200,000	0.408	0.452	0.306	0.339
200,001 and above	0.396	0.441	0.298	0.331

b. Handling Fees for DNDC/DSCF Entry

	Commercial (\$)	Nonprofit (\$)
Entry Point/ Presort	Pallet	Pallet
DNDC – 3-Digit	51.643	41.314
DNDC – 5-Digit	83.970	67.176
DSCF – 5-Digit	39.342	31.586
Pallet Presort	Carton/Sack	Carton/Sack
3-Digit	7.032	5.730

Move Update Noncompliance Charge

Add \$0.07 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.08 per assessed piece, for mailpieces that fail Move Update verification under the Address Quality Census Measurement and Assessment Process, with more than 0.5 percent for mailpieces submitted by a mailer in a calendar month having COA errors, and which cannot demonstrate compliance with Move Update requirements.

Forwarding-and-Return Service

If used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.44 per piece, forwarded flats pay \$1.36 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.

Full-service Intelligent Mail Option: Letter and Flats Only

Subtract \$0.001 for each carrier route letter or flat that complies with the requirements for the Full-service Intelligent Mail option.

Picture Permit Imprint Indicia

Add \$0.020₁ for each piece that includes Picture Permit Imprint Indicia.

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1220 Letters

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1220.6 Prices

Automation Letters (3.5 ounces or less)

Entry Point	Commercial			Nonprofit		
	5-Digit (\$)	AADC (\$)	Mixed AADC (\$)	5-Digit (\$)	AADC (\$)	Mixed AADC (\$)
Origin	0.251	0.274	0.287	0.136	0.159	0.172
DNDC	0.227	0.250	0.263	0.112	0.135	0.148
DSCF	0.220	0.243	n/a	0.105	0.128	n/a

Machinable Letters (3.5 ounces or less)

Entry Point	Commercial		Nonprofit	
	AADC (\$)	Mixed AADC (\$)	AADC (\$)	Mixed AADC (\$)
Origin	0.287	0.300	0.172	0.185
DNDC	0.263	0.276	0.148	0.161
DSCF	0.256	n/a	0.141	n/a

Nonmachinable Letters (4.0 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.479	0.550	0.573	0.646	0.364	0.435	0.458	0.531
DNDC	0.455	0.526	0.549	0.622	0.340	0.411	0.434	0.507
DSCF	0.448	0.519	0.542	n/a	0.333	0.404	0.427	n/a

Pieces weighing greater than 4.0 ounces

Letters pieces that weigh more than 4.0 ounces must pay the prices shown in the “Nonautomation Flats (greater than 4.0 ounces)” price tables (1225.6). These pieces cannot be entered at a DDU and must be prepared as letters.

Move Update Noncompliance Charge

Add \$0.07 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.08 per assessed piece, for mailpieces that fail Move Update verification under the Address Quality Census Measurement and Assessment Process, with more than 0.5 percent for mailpieces submitted by a mailer in a calendar month having COA errors, and which cannot demonstrate compliance with Move Update requirements.

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.44 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.

Full-service Intelligent Mail Option: Automation Letters Only

Subtract \$0.001 for each automation letter that complies with the requirements for the Full-service Intelligent Mail option.

Picture Permit Imprint Indicia

Add \$0.020₁ for each piece that includes Picture Permit Imprint Indicia.

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1225 Flats

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1225.6 Prices

Automation Flats (4.0 ounces or less)

Commercial				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.393	0.500	0.567	0.598
DNDC	0.352	0.459	0.526	0.557
DSCF	0.340	0.447	0.514	n/a

Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.227	0.334	0.401	0.432
DNDC	0.186	0.293	0.360	0.391
DSCF	0.174	0.281	0.348	n/a

Automation Flats (greater than 4.0 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

Commercial				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.169	0.276	0.343	0.374
DNDC	0.169	0.276	0.343	0.374
DSCF	0.169	0.276	0.343	n/a

Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.036	0.143	0.210	0.241
DNDC	0.036	0.143	0.210	0.241
DSCF	0.036	0.143	0.210	n/a

b. Per Pound

Commercial				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.894	0.894	0.894	0.894
DNDC	0.731	0.731	0.731	0.731
DSCF	0.683	0.683	0.683	n/a

Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.764	0.764	0.764	0.764
DNDC	0.601	0.601	0.601	0.601
DSCF	0.553	0.553	0.553	n/a

Nonautomation Flats (4.0 ounces or less)

Commercial				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.466	0.550	0.602	0.634
DNDC	0.425	0.509	0.561	0.593
DSCF	0.413	0.497	0.549	n/a

Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.300	0.384	0.436	0.468
DNDC	0.259	0.343	0.395	0.427
DSCF	0.247	0.331	0.383	n/a

Nonautomation Flats (greater than 4.0 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

Commercial				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.242	0.326	0.378	0.410
DNDC	0.242	0.326	0.378	0.410
DSCF	0.242	0.326	0.378	n/a

Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.109	0.193	0.245	0.277
DNDC	0.109	0.193	0.245	0.277
DSCF	0.109	0.193	0.245	n/a

b. Per Pound

Commercial				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.894	0.894	0.894	0.894
DNDC	0.731	0.731	0.731	0.731
DSCF	0.683	0.683	0.683	n/a

Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.764	0.764	0.764	0.764
DNDC	0.601	0.601	0.601	0.601
DSCF	0.553	0.553	0.553	n/a

Customized MarketMail Prices

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.451	0.334

Move Update Noncompliance Charge

Add \$0.07 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.08 per assessed piece, for mailpieces that fail Move Update verification under the Address Quality Census Measurement and Assessment Process, with more than 0.5 percent for mailpieces submitted by a mailer in a calendar month having COA errors, and which cannot demonstrate compliance with Move Update requirements.

Forwarding-and-Return Service

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$1.36 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.

Full-service Intelligent Mail Option: Automation Flats Only

Subtract \$0.001 for each automation flat that complies with the requirements for the Full-service Intelligent Mail option.

Picture Permit Imprint Indicia

Add \$0.020₁ for each piece that includes Picture Permit Imprint Indicia.

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1230 Parcels

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1230.6 Prices

Marketing Parcels (3.3 ounces or less)

Entry Point	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Origin	n/a	n/a	1.243	1.577	n/a	n/a	1.106	1.440
DNDC	0.786	0.879	1.193	n/a	0.649	0.742	1.056	n/a
DSCF	0.736	0.829	n/a	n/a	0.599	0.692	n/a	n/a
DDU	0.691	n/a	n/a	n/a	0.554	n/a	n/a	n/a

Marketing Parcels (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.599	0.692	1.006	1.340	0.505	0.598	0.912	1.246

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Origin	n/a	n/a	1.150	1.150	n/a	n/a	0.941	0.941
DNDC	0.905	0.905	0.905	n/a	0.696	0.696	0.696	n/a
DSCF	0.663	0.663	n/a	n/a	0.454	0.454	n/a	n/a
DDU	0.445	n/a	n/a	n/a	0.236	n/a	n/a	n/a

Nonprofit Machinable Parcels Prices (3.5 ounces or more)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)
Per Piece	0.626	0.912	1.308

b. Per Pound

Entry Point	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	1.057	1.057
DNDC	0.812	0.812	n/a
DSCF	0.549	n/a	n/a
DDU	0.352	n/a	n/a

Nonprofit Irregular Parcels (3.3 ounces or less)

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	1.387	1.637
DNDC	0.793	0.955	1.336	n/a
DSCF	0.739	0.901	n/a	n/a
DDU	0.699	n/a	n/a	n/a

Nonprofit Irregular Parcels (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Per Piece	0.626	0.788	1.169	1.419

b. Per Pound

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	1.057	1.057
DNDC	0.812	0.812	0.812	n/a
DSCF	0.549	0.549	n/a	n/a
DDU	0.352	n/a	n/a	n/a

Move Update Noncompliance Charge

Add \$0.07 per piece in a mailing that does not comply with the Move Update standards.

Forwarding-and-Return Service

Pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price or Priority Mail price for the piece plus the price multiplied by a factor of 2.472.

Non-barcoded Parcels Surcharge

For non-barcoded parcels, add \$0.058 per piece. The surcharge does not apply to pieces sorted to 5-Digit ZIP Codes.

1235 Every Door Direct Mail—Retail

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1235.6 Prices

Saturation Flats (3.3 ounces or less)

Entry Point	(\$)
DDU	0.178

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1305 In-County Periodicals

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1305.6 Prices

In-County Automation

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Pound Prices (per pound or fraction thereof)

Entry Point	Price (\$)
DDU	0.156
Non-DDU	0.204

b. Piece Prices (per addressed piece)

Presort Level	Letters (\$)	Flats (\$)
5-Digit	0.054	0.116
3-Digit	0.056	0.125
Basic	0.066	0.132

In-County Nonautomation

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Pound Prices (per pound or fraction thereof)

Entry Point	Price (\$)
DDU	0.156
Non-DDU	0.204

b. Piece Prices (per addressed piece)

Presort Level	Letters, Flats, and Parcels (\$)
Carrier Route Saturation	0.034
Carrier Route High Density	0.049
Carrier Route Basic	0.066
5-Digit	0.127
3-Digit	0.143
Basic	0.164

Worksharing Discount for DDU

Each DDU entered piece receives a discount of \$0.008.

In-County Periodicals including a Ride-Along piece

Add \$0.1756 for a Ride-Along item enclosed with or attached to an In-County Periodical.

Full-service Intelligent Mail Option

Subtract \$0.001 for each automation or Carrier Route letter or flat that complies with the requirements for the Full-service Intelligent Mail option.

1310 Outside County Periodicals

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1310.6 Prices

Charges are computed by adding the appropriate per-piece charge, per-bundle charge, per-sack charge, and per-pallet charge to the sum of the editorial (nonadvertising) pound portion and the advertising pound portion, as applicable.

Pound Prices (per pound or fraction thereof)

Entry Level or Zone	Regular		Science of Agriculture	
	Advertising (\$)	Editorial (\$)	Advertising (\$)	Editorial (\$)
DDU	0.120	0.088	0.090	0.088
DSCF	0.176	0.132	0.132	0.132
DADC	0.188	0.141	0.141	0.141
Zones 1 & 2	0.212	0.157	0.159	0.157
Zone 3	0.230	0.157	0.230	0.157
Zone 4	0.291	0.157	0.291	0.157
Zone 5	0.364	0.157	0.364	0.157
Zone 6	0.445	0.157	0.445	0.157
Zone 7	0.539	0.157	0.539	0.157
Zone 8	0.623	0.157	0.623	0.157
Zone 9	0.623	0.157	0.623	0.157

Piece Price (per addressed piece)

a. Carrier Route Letters, Flats, and Parcels

Bundle Level	Letters, Flats, and Parcels (\$)
Saturation	0.147
High Density	0.168
Basic	0.205

b. Barcoded Letters

Bundle Level	Barcoded Letters (\$)
5-Digit	0.216
3-Digit/SCF	0.284
ADC	0.304
Mixed ADC	0.341

c. Machinable Flats and Nonbarcoded Letters

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Nonbarcoded Letters (\$)
5-Digit	0.314	0.317	0.317
3-Digit/SCF	0.390	0.416	0.416
ADC	0.441	0.474	0.474
Mixed ADC	0.490	0.535	0.535

d. Nonmachinable Flats and Parcels

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Parcels (\$)
5-Digit	0.397	0.398	0.398
3-Digit/SCF	0.529	0.530	0.530
ADC	0.569	0.579	0.579
Mixed ADC	0.672	0.672	0.672

e. Editorial Adjustment

A per-piece editorial adjustment is provided by subtracting \$0.001~~09~~10 for each 1 percent of editorial (nonadvertising) content from the applicable piece price.

f. Firm Bundle Piece Price

Firm bundles are charged a single-piece price of \$0.2027.

Bundle Prices (per bundle)

Bundle Level	Container Level				
	Carrier Route (\$)	5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
Firm	0.106	0.106	0.257	0.306	0.396
Carrier Route	0.156	0.156	0.558	0.770	0.998
5-Digit		0.343	0.387	0.516	0.761
3-Digit/SFC			0.344	0.459	0.715
ADC				0.366	0.610
Mixed ADC					0.212

Container Prices (per pallet, tray, or sack)

a. Pallet Container

Entry Point	Carrier Route (\$)	5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
DDU	3.046				
DSCF	21.596	40.066	24.849		
DADC	40.331	58.001	42.783	25.475	
DNDC	44.734	62.404	47.187	44.385	
Origin	64.567	82.237	66.992	64.195	8.093

b. Tray or Sack Container

Entry Point	Carrier Route/ 5-Digit (\$)	3-Digit/SCF (\$)	ADC (\$)	Mixed ADC (\$)
DDU	1.027			
DSCF	1.564	0.957		
DADC	2.077	1.466	0.952	
DNDC	2.475	1.781	1.639	
Origin	3.355	2.546	2.415	0.627

Outside County Periodicals including a Ride-Along piece

Add \$0.1756 for a Ride-Along item enclosed with or attached to an Outside County Periodical.

Full-service Intelligent Mail Option

Subtract \$0.001 for each barcoded or Carrier Route letter or flat that complies with the requirements for the Full-service Intelligent Mail option.

Publications eligible for Nonprofit and Classroom price categories

Publications qualified as Nonprofit, Classroom, and Limited Circulation receive a 5 percent discount on all components of postage except advertising pounds.

The 5 percent discount does not apply to commingled nonsubscriber, nonrequestor, complimentary, and sample copies in excess of the 10 percent allowance, or to Science of Agriculture mail.

The advertising pound price is not applicable to qualifying Nonprofit and Classroom publications containing 10 percent or less advertising content.

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1405 Alaska Bypass Service

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1405.6 Prices

Alaska Bypass

Prices are calculated by dividing the total weight of the shipment by 70 (subject to the maximum weight restriction) and multiplying the result (rounded to the nearest one-hundredth) by the appropriate Alaska Bypass price for the zone to which the parcel is addressed.

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)
70	25.53	31.20

1415 Bound Printed Matter Flats

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1415.6 Prices

Carrier Route

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

1. Destination Entry

	DDU	DSCF	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.385	0.542	0.988	0.988	0.988	0.988
Per Pound	0.021	0.037	0.064	0.099	0.126	0.226

2. Other Than Destination Entry

	Zones Local 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zones 8 & 9
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	1.090	1.090	1.090	1.090	1.090	1.090	1.090
Per Pound	0.138	0.149	0.202	0.257	0.329	0.372	0.500

Presorted

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

1. Destination Entry¹

	DDU	DSCF	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.525	0.682	1.128	1.128	1.128	1.128
Per Pound	0.021	0.037	0.064	0.099	0.126	0.226

2. Other Than Destination Entry

	Zones Local 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zones 8 & 9 (\$)
Per Piece	1.230	1.230	1.230	1.230	1.230	1.230	1.230
Per Pound	0.138	0.149	0.202	0.257	0.329	0.372	0.500

Notes

1. DDU price is not available for presorted flats that weigh 1 pound or less.

Nonpresorted

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zones 8 & 9 (\$)
1.0	1.90	1.95	2.01	2.10	2.20	2.26	2.46
1.5	1.91	1.96	2.02	2.11	2.21	2.27	2.47
2.0	1.99	2.05	2.13	2.25	2.39	2.47	2.73
2.5	2.08	2.16	2.26	2.41	2.58	2.68	3.01
3.0	2.17	2.26	2.38	2.56	2.77	2.89	3.28
3.5	2.27	2.38	2.52	2.73	2.97	3.11	3.58
4.0	2.36	2.48	2.64	2.88	3.16	3.32	3.85
4.5	2.46	2.60	2.78	3.05	3.36	3.54	4.15
5.0	2.55	2.70	2.90	3.20	3.55	3.75	4.42
6.0	2.73	2.91	3.15	3.51	3.93	4.17	4.97
7.0	2.92	3.13	3.41	3.84	4.34	4.62	5.55
8.0	3.10	3.34	3.66	4.15	4.72	5.04	6.10
9.0	3.28	3.55	3.92	4.47	5.11	5.48	6.68
10.0	3.47	3.77	4.18	4.80	5.52	5.93	7.26
11.0	3.66	4.00	4.45	5.13	5.92	6.37	7.84
12.0	3.84	4.21	4.70	5.44	6.30	6.79	8.39
13.0	4.02	4.42	4.95	5.75	6.68	7.21	8.94
14.0	4.21	4.64	5.21	6.07	7.08	7.65	9.51
15.0	4.40	4.87	5.49	6.42	7.50	8.12	10.12

Full-service Intelligent Mail Option

Subtract \$0.001 for each presorted or Carrier Route barcoded flat that complies with the requirements for the Full-service Intelligent Mail option.

Forwarding-and-Return-Service

If used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$3.15 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.

1420 Bound Printed Matter Parcels

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1420.6 Prices

Carrier Route

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Destination Entry

	DDU	DSCF	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.625	0.782	1.228	1.228	1.228	1.228
Per Pound	0.039	0.073	0.101	0.131	0.178	0.248

b. Other Than Destination Entry

	Zones Local 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zones 8 & 9
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	1.330	1.330	1.330	1.330	1.330	1.330	1.330
Per Pound	0.187	0.223	0.271	0.334	0.409	0.471	0.616

Presorted

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Destination Entry

	DDU (\$)	DSCF (\$)	DNDC Zones 1 & 2 (\$)	DNDC Zone 3 (\$)	DNDC Zone 4 (\$)	DNDC Zone 5 (\$)
Per Piece	0.764	0.921	1.367	1.367	1.367	1.367
Per Pound	0.039	0.073	0.101	0.131	0.178	0.248

b. Other Than Destination Entry

	Zones Local 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zones 8 & 9 (\$)
Per Piece	1.469	1.469	1.469	1.469	1.469	1.469	1.469
Per Pound	0.187	0.223	0.271	0.334	0.409	0.471	0.616

Nonpresorted

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zones 8 & 9 (\$)
1.0	2.58	2.64	2.70	2.79	2.91	2.97	3.18
1.5	2.62	2.69	2.74	2.84	2.97	3.04	3.28
2.0	2.70	2.78	2.86	2.98	3.14	3.22	3.50
2.5	2.82	2.92	3.02	3.17	3.37	3.47	3.82
3.0	2.95	3.07	3.19	3.37	3.61	3.73	4.16
3.5	3.08	3.22	3.36	3.57	3.85	3.99	4.50
4.0	3.20	3.36	3.52	3.76	4.08	4.24	4.82
4.5	3.32	3.50	3.68	3.95	4.31	4.49	5.14
5.0	3.44	3.64	3.84	4.14	4.54	4.74	5.46
6.0	3.69	3.93	4.17	4.54	5.03	5.27	6.13
7.0	3.94	4.22	4.50	4.93	5.51	5.79	6.79
8.0	4.18	4.50	4.82	5.32	5.98	6.30	7.44
9.0	4.43	4.80	5.17	5.73	6.47	6.84	8.13
10.0	4.67	5.08	5.49	6.11	6.93	7.34	8.77
11.0	4.93	5.39	5.85	6.53	7.44	7.90	9.49
12.0	5.17	5.67	6.17	6.91	7.90	8.40	10.13
13.0	5.41	5.95	6.49	7.29	8.36	8.90	10.77
14.0	5.67	6.25	6.83	7.69	8.84	9.42	11.44
15.0	5.91	6.53	7.15	8.07	9.31	9.93	12.09

Pickup On Demand Service

Add \$22.00 for each Pickup On Demand stop.

1425 Media Mail/Library Mail

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1425.6 Prices

Media Mail

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
1	1.74	2.54	2.66
2	2.25	3.05	3.17
3	2.76	3.56	3.68
4	3.27	4.07	4.19
5	3.78	4.58	4.70
6	4.29	5.09	5.21
7	4.80	5.60	5.72
8	5.31	6.11	6.23
9	5.82	6.62	6.74
10	6.33	7.13	7.25
11	6.84	7.64	7.76
12	7.35	8.15	8.27
13	7.86	8.66	8.78
14	8.37	9.17	9.29
15	8.88	9.68	9.80
16	9.39	10.19	10.31
17	9.90	10.70	10.82
18	10.41	11.21	11.33
19	10.92	11.72	11.84
20	11.43	12.23	12.35
21	11.94	12.74	12.86
22	12.45	13.25	13.37
23	12.96	13.76	13.88
24	13.47	14.27	14.39
25	13.98	14.78	14.90

Media Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
26	14.49	15.29	15.41
27	15.00	15.80	15.92
28	15.51	16.31	16.43
29	16.02	16.82	16.94
30	16.53	17.33	17.45
31	17.04	17.84	17.96
32	17.55	18.35	18.47
33	18.06	18.86	18.98
34	18.57	19.37	19.49
35	19.08	19.88	20.00
36	19.59	20.39	20.51
37	20.10	20.90	21.02
38	20.61	21.41	21.53
39	21.12	21.92	22.04
40	21.63	22.43	22.55
41	22.14	22.94	23.06
42	22.65	23.45	23.57
43	23.16	23.96	24.08
44	23.67	24.47	24.59
45	24.18	24.98	25.10
46	24.69	25.49	25.61
47	25.20	26.00	26.12
48	25.71	26.51	26.63
49	26.22	27.02	27.14
50	26.73	27.53	27.65

Media Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
51	27.24	28.04	28.16
52	27.75	28.55	28.67
53	28.26	29.06	29.18
54	28.77	29.57	29.69
55	29.28	30.08	30.20
56	29.79	30.59	30.71
57	30.30	31.10	31.22
58	30.81	31.61	31.73
59	31.32	32.12	32.24
60	31.83	32.63	32.75
61	32.34	33.14	33.26
62	32.85	33.65	33.77
63	33.36	34.16	34.28
64	33.87	34.67	34.79
65	34.38	35.18	35.30
66	34.89	35.69	35.81
67	35.40	36.20	36.32
68	35.91	36.71	36.83
69	36.42	37.22	37.34
70	36.93	37.73	37.85

Library Mail

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
1	1.65	2.41	2.53
2	2.13	2.89	3.01
3	2.61	3.37	3.49
4	3.09	3.85	3.97
5	3.57	4.33	4.45
6	4.05	4.81	4.93
7	4.53	5.29	5.41
8	5.01	5.77	5.89
9	5.49	6.25	6.37
10	5.97	6.73	6.85
11	6.45	7.21	7.33
12	6.93	7.69	7.81
13	7.41	8.17	8.29
14	7.89	8.65	8.77
15	8.37	9.13	9.25
16	8.85	9.61	9.73
17	9.33	10.09	10.21
18	9.81	10.57	10.69
19	10.29	11.05	11.17
20	10.77	11.53	11.65
21	11.25	12.01	12.13
22	11.73	12.49	12.61
23	12.21	12.97	13.09
24	12.69	13.45	13.57
25	13.17	13.93	14.05

Library Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
26	13.65	14.41	14.53
27	14.13	14.89	15.01
28	14.61	15.37	15.49
29	15.09	15.85	15.97
30	15.57	16.33	16.45
31	16.05	16.81	16.93
32	16.53	17.29	17.41
33	17.01	17.77	17.89
34	17.49	18.25	18.37
35	17.97	18.73	18.85
36	18.45	19.21	19.33
37	18.93	19.69	19.81
38	19.41	20.17	20.29
39	19.89	20.65	20.77
40	20.37	21.13	21.25
41	20.85	21.61	21.73
42	21.33	22.09	22.21
43	21.81	22.57	22.69
44	22.29	23.05	23.17
45	22.77	23.53	23.65
46	23.25	24.01	24.13
47	23.73	24.49	24.61
48	24.21	24.97	25.09
49	24.69	25.45	25.57
50	25.17	25.93	26.05

Library Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
51	25.65	26.41	26.53
52	26.13	26.89	27.01
53	26.61	27.37	27.49
54	27.09	27.85	27.97
55	27.57	28.33	28.45
56	28.05	28.81	28.93
57	28.53	29.29	29.41
58	29.01	29.77	29.89
59	29.49	30.25	30.37
60	29.97	30.73	30.85
61	30.45	31.21	31.33
62	30.93	31.69	31.81
63	31.41	32.17	32.29
64	31.89	32.65	32.77
65	32.37	33.13	33.25
66	32.85	33.61	33.73
67	33.33	34.09	34.21
68	33.81	34.57	34.69
69	34.29	35.05	35.17
70	34.77	35.53	35.65

Pickup On Demand Service

Add \$22.00 for each Pickup On Demand stop.

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1505 Ancillary Services

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1505.1.2 Prices

	(\$)
Manual correction, each	
First-Class Mail piece, on-piece correction only	0.00
Other	0.59
Electronic correction, each	
First-Class Mail piece	0.13
Other	0.31
Automated correction (Letters Only)	
First-Class Mail piece	
First two notices, for a given address change, each	0.07
Additional notices, for a given address change, each	0.14
USPS Marketing Mail piece	
First two notices, for a given address change, each	0.10
Additional notices, for a given address change, each	0.27
Full-service correction, each	0.00

1505.2 Applications and Mailing Permits

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1505.2.2 Prices

	(\$)
First-Class Mail Presort Mailing Fee (per year)	225.00
USPS Marketing Mail Mailing Fee (per year)	225.00
Periodicals Application Fees (one-time only for each)	
A. Original Entry	700.00
B. Re-entry	80.00
C. Registration for News Agents	80.00
Bound Printed Matter: Destination Entry Mailing Fee (per year) ¹	225.00
Application to Use Permit Imprint (one-time only)	225.00

Notes

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

1505.3 Business Reply Mail

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1505.3.2 Prices

	(\$)
Permit (All categories)	225.00 ¹
Regular (no account maintenance fee)	
Per-piece charge	0.84
Regular (with account maintenance fee)	
Account maintenance (per year)	690.00
Per-piece charge	0.098
Qualified Business Reply Mail, low-volume	
Account maintenance (per year)	690.00
Per-piece charge	0.068
Qualified Business Reply Mail, high-volume	
Account maintenance (per year)	690.00
Quarterly	2,350.00
Per-piece charge	0.013
Bulk Weight Averaged (Non-letters only)	
Account maintenance (per year)	690.00
Per-piece charge	0.018
Monthly maintenance	1,155.00

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

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1505.4.2 Prices

	(\$)
Per-piece charge	3.20

1505.5 Certified Mail

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1505.5.2 Prices

(Per piece)	(\$)
Certified Mail	3.45
Certified Mail with Restricted Delivery and/or Adult Signature	8.55

1505.6 Certificate of Mailing

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1505.6.2 Prices

Individual Piece Prices

	(\$)
Original Certificate of Mailing, Form 3817, individual article presented at retail	1.40
Three or more pieces individually listed on Form 3665-Firm or USPS approved customer provided manifest (per piece listed)	0.40
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)	1.40

Quantity of Pieces

	(\$)
Up to 1,000 identical-weight pieces (one Form 3606 for total number)	8.25
Each additional 1,000 identical-weight pieces or fraction thereof	1.03
Each additional copy of the original Form 3606	1.40

1505.7 Collect on Delivery

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1505.7.2 Prices

(\$)	(\$)	(\$)
Amount to be collected, or insurance coverage desired, whichever is higher:		
0.01	to 50.00	7.50
50.01	to 100.00	9.30
100.01	to 200.00	11.15
200.01	to 300.00	13.00
300.01	to 400.00	14.85
400.01	to 500.00	16.70
500.01	to 600.00	18.55
600.01	to 700.00	20.40
700.01	to 800.00	22.25
800.01	to 900.00	24.10
900.01	to 1,000.00	25.95
Additional Fees for Optional Features:		
COD Restricted Delivery		5.05

1505.8 USPS Tracking

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1505.8.2 Prices

	(\$)
First-Class Package Service	
Electronic	0.00
USPS Marketing Mail Parcels	
Electronic	0.39
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
USPS Retail Ground	
Electronic>Returns with integrated retail system label	0.00
Retail	0.00

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1505.9 Insurance

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1505.9.2 Prices

Merchandise Coverage^{1, 2, 3}

(\$)		(\$)	(\$)
0.01	to	50.00	2.10
50.01	to	100.00	2.70
100.01	to	200.00	3.40
200.01	to	300.00	4.50
300.01	to	400.00	5.65
400.01	to	500.00	6.80
500.01	to	600.00	9.15
600.01	to	5,000.00	9.15 plus 1.30 for each 100.00 or fraction thereof over 600.00
Additional Fee for Optional Feature			
Insurance Restricted Delivery			5.05

Notes

1. Up to \$50.00 of Insurance coverage is included at no additional cost in the price of Priority Mail pieces that bear an Intelligent Mail package barcode or retail tracking barcode. This does not apply to Priority Mail pieces sent using Merchandise Return Service, Priority Mail Open and Distribute, or Premium Forwarding Service.
2. Up to \$100.00 of Insurance coverage is included at no additional cost in the price of Priority Mail pieces that bear an Intelligent Mail package barcode and for which the mailer pays Commercial Plus prices. This does not apply to Priority Mail pieces sent using Merchandise Return Service, Priority Mail Open and Distribute, or Premium Forwarding Service.
3. For Priority Mail Express pieces, Insurance coverage for merchandise is included at no additional cost in the price of Priority Mail Express, up to \$100.00 per piece.

Bulk Insurance

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

1505.10 Merchandise Return Service

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1505.10.2 Prices

	(\$)
Permit (per year)	0.00
Account maintenance (per year)	0.00
Per piece	0.00

1505.11 Parcel Airlift (PAL)

1505.11.1 Description

- a. Parcel Airlift service provides for air transportation of Package Services and Parcel Select, on a space available basis to or from military Post Offices outside the contiguous 48 states.
- b. The minimum physical limitations for Package Services or Parcel Select mail apply to Parcel Airlift mail. The parcel may not exceed 30 pounds in weight, or 60 inches in length and girth combined.
- c. Conditions for forwarding and return are specified in the Domestic Mail Manual.

1505.11.2 Prices

	(\$)
For pieces weighing:	
Not more than 2 pounds	0.80
Over 2 but not more than 3 pounds	1.40
Over 3 but not more than 4 pounds	1.90
Over 4 but not more than 30 pounds	2.55

1505.12 Registered Mail

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1505.12.2 Prices

	(\$)		(\$)		(\$)
Declared Value:					
	0.00				11.90
	0.01	to	100.00		12.60
	100.01	to	500.00		14.55
	500.01	to	1,000.00		16.15
	1,000.01	to	2,000.00		17.75
	2,000.01	to	3,000.00		19.35
	3,000.01	to	4,000.00		20.95
	4,000.01	to	5,000.00		22.55
	5,000.01	to	15,000,000.00		22.55 plus 1.60 for each 1,000.00 or fraction thereof over 5,000.00
	Greater than		15,000,000.00		24,014.55 plus amount determined by the Postal Service based on weight, space, and value
Additional Fees for Optional Features:					
	Registered Mail Restricted Delivery				5.05
	Registered COD				5.70

1505.13 Return Receipt

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1505.13.2 Prices

	(\$)
Original signature (hardcopy)	2.75
Copy of signature (electronic)	1.50

1505.14 Return Receipt for Merchandise

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1505.14.2 Prices

	(\$)
Per Piece (Requested at time of mailing)	4.20

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1505.16 Shipper-Paid Forwarding/Return

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1505.16.2 Prices

	(\$)
Account Maintenance Fee (per year)	690.00

1505.17 Signature Confirmation

1505.17.1 Description

- a. Signature Confirmation service provides mailers of First-Class Package Service, Package Services, Parcel Select (except Parcel Select Lightweight), 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	2.55
Retail	3.00
Additional Fee for Optional Feature:	
Signature Confirmation Restricted Delivery	5.05

1505.18 Special Handling

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1505.18.2 Prices

	(\$)
Fragile	10.45

1505.19 Stamped Envelopes

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1505.19.2 Prices

	(\$)
Plain stamped envelopes	
Basic, size 6-3/4, each	0.13
Basic, size 6-3/4, 500	17.50
Basic, over size 6-3/4, each	0.13
Basic, over size 6-3/4, 500	19.95
Personalized stamped envelopes	
Basic, size 6-3/4, 50	5.75
Basic, size 6-3/4, 500	27.00
Basic, over size 6-3/4, 50	5.75
Basic, over size 6-3/4, 500	30.60
Additional Charges for premium options, per 50 envelopes	
Pressure-sensitive sealing	5.35
Font size, font style, and/or ink color (for one, two, or all three)	1.05
Window	1.05
Additional Charges for premium options, per 500 envelopes	
Pressure-sensitive sealing	15.95
Font size, font style, and/or ink color (for one, two, or all three)	2.25
Window	2.25

	(\$)
Shipping—Boxes of 50	
1 box	5.35
2 boxes	6.60
3 boxes	7.80
4 boxes	8.85
5 boxes	10.90
6 boxes	11.70
7 boxes	12.95
8 boxes	14.25
9 or more boxes	16.05
Shipping—Boxes of 500	
1 box	9.70
2 or more boxes	16.05

1505.20 Stamped Cards

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1505.20.2 Prices

	(\$)
Single card	0.04
Double reply-paid card	0.08
Sheet of 40 cards (uncut)	1.60
Pack of 10 sheets of 4 cards each	1.70
Premium Options (Additional Charge)	(\$)
Per order of 250 cards	
Printing of return address	20.00
Font size, font style, and/or ink color (for one, two, or all three)	1.00
Monogram	1.00
4-Color logo – first 250 cards	80.00
4-Color logo – additional 250 cards	5.00
Per Order of 1,000 cards	
Printing of return address	50.00
Font size, font style, and/or ink color (for one, two, or all three)	2.00
Monogram	2.00
4-Color logo – first 1,000 cards	85.00
4-Color logo – additional 1,000 cards	10.00

1505.21 Premium Stamped Stationery

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1505.21.2 Prices

Per Unit	(\$)
Minimum	2 times the First-Class Mail price imprinted on the stationery
Maximum	3 times the First-Class Mail price imprinted on the stationery

1505.22 Premium Stamped Cards

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1505.22.2 Prices

Per Card	(\$)
Minimum	1 times the First-Class Mail price imprinted on the card
Maximum	3 times the First-Class Mail price imprinted on the card

1510 International Ancillary Services

1510.1 International Certificate of Mailing

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1510.1.2 Prices

Individual Piece Prices

	(\$)
Original certificate of mailing for listed pieces of ordinary Single-Piece First-Class Mail International items	1.40
Three or more pieces individually listed in a firm mailing book or an approved customer provided manifest (per piece)	0.40
Each additional copy of original certificate of mailing or firm mailing bills (each copy)	1.40

Multiple Piece Prices

	(\$)
Up to 1,000 identical-weight pieces (one certificate for total number)	8.25
Each additional 1,000 identical-weight pieces or fraction thereof	1.03
Duplicate copy	1.40

1510.2 International Registered Mail

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1510.2.2 Prices

Outbound International Registered Mail Prices

	(\$)
Per Piece	15.50

Inbound International Registered Mail Prices

Payment is made in accordance with Part III of the Universal Postal Convention. This information is available in the Letter Post Manual at www.upu.int.

1510.3 International Return Receipt

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1510.3.2 Prices

Outbound International Return Receipt Prices

	(\$)
Per Piece	4.00

Inbound International Return Receipt Prices

No additional payment.

1510.4 Customs Clearance and Delivery Fee

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1510.4.2 Prices

	(\$)
Per Dutiable Item	6.25

1515 Address Management Services

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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	32.00
Additional records resolved, per record	0.32
AIS (Address Information System) Viewer (per year, per site)	
City State Delivery Type Retrieval Annual Subscription	70.00*
County Name Retrieval Annual Subscription	70.00*
Delivery Statistic Retrieval Annual Subscription	100.00*
ZIP + 4 Retrieval Annual Subscription	70.00*
CRIS Route (per year)	
Per state (annual subscription)	45.00*
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

	(\$)
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)	405.00
CDS (per address, per year)	0.010
Minimum (per year)	50.00
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)	405.00*
DMM Labeling Lists	63.00
DPV System (per year) ³	11,500.00
DSF ² Service (per year) ⁴	114,000.00
Each additional location per year	57,000.00
Each additional platform per location per year	57,000.00
eLOT Service (per year)	
Per state (annual subscription)	45.00*
All States (annual subscription)	950.00*

	(\$)
Five-Digit ZIP (per year)	
All States (annual subscription)	575.00*
LACSLink5	
Interface Developer (first year)	1,150.00 ⁶
Interface Developer (each one-year extension)	360.00 ⁶
Interface Distributor (per year)	1,350.00 ⁷
Data Distributor (per year)	360.00
End User (per year)	360.00 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)	6,075.00
Interface Developer (per each one year extension)	1,200.00
Interface Distributor (per year)	30,000.00
Full Service Provider (per year)	207,000.00
Full Service Provider Each Additional Site (per year)	102,000.00
Limited Service Provider (per year)	17,800.00
Limited Service Provider (per each one year extension)	
One Site only	17,800.00
Each additional site	8,900.00
ANK ^{Link} Service Option (per year)	
First Site	4,150.00
Each Additional Site	1,900.00
End User/MPE (first year)	8,900.00
End User/MPE (each renewal year)	
One site (each site for MPE)	8,900.00
Each additional site (End User only)	4,150.00
ANK ^{Link} Service Option (per year)	915.00
NCOA ^{Link} Test, Audit (each)	1,200.00
Official National Zone Charts (per year)	
Matrix	60.00
RDI Service (per year)¹	
Z4 Change (per year)	
All States	3,450.00*
ZIP + 4 Service (per year)	
Per state (annual subscription)	45.00*
All States (annual subscription)	950.00

	(\$)
ZIP Code Sortation of Address Lists Per 1,000 addresses, or fraction	140.00
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

Notes

- *. See AMS Price Table for Single Issues or Additional Copies appearing below.
- 1. When rural routes have been consolidated or changed to another Post Office, no charge will be made for correction if the list contains only names of persons residing on the routes involved.
- 2. Note number not to be used.
- 3. Fees are prorated for first year based on the month the agreement is executed.
- 4. Initial fee is prorated for first year based on the month the agreement is executed. There is no proration for additional locations or platforms.
- 5. Fees are prorated for first year for LACSLink Interface Distributor, Data Distributor, and End User based on month the Postal Service certifies system. Interface Developer test fees are waived if part of CASS certification; otherwise, CASS test fees apply for stand-alone testing.
- 6. Interface Developer fees are waived for certified CASS and NCOALink Full Service Provider distributors fulfilling requirement to provide users access to LACSLink.
- 7. Interface Distributor fee are waived for certified CASS distributor who provides End Users of LACSLink Distributor products with access to LACSLink System.
- 8. End User fee is waived for certified NCOALink Full Service Providers who fulfill requirement to offer LACSLink as component of its products and services.
- 9. MASS fees are prorated at 50 percent of regular fee for new, transferred, or upgraded MLOCR/Encoder systems during testing cycle.
- 10. MASS fees are pro prorated at 50 percent of regular fee for new, transferred, or upgraded MLOCR/Encoder systems outside of testing cycle.

11. NCOA^{Link} fees (excluding Interface Developer) prorated for first year based on month Postal Service certifies system. No proration for fees for additional sites.

AMS Price Table for Single Issues or Additional Copies

Address Management Services with an asterisk allow copying for an additional fee, and provide a single issue instead of an annual subscription for a reduced fee. The fee is calculated by multiplying the list price by a factor based on a single issue or the total number of copies to be made, as shown below.

Price* (per year, from above) x Factor corresponding to single issue or number of copies (far right column below) = \$ Total Price (per year)

Number of Copies	*Price (from above)	Multiply by	Factor
Single Issue	*Price	x	0.66
1-100	*Price	x	0.5
101-200	*Price	x	1.0
201-300	*Price	x	1.5
301-400	*Price	x	2.0
401-500	*Price	x	2.5
501-600	*Price	x	3.0
601-700	*Price	x	3.5
701-800	*Price	x	4.0
801-900	*Price	x	4.5
901-1000	*Price	x	5.0
1001-10,000	*Price	x	6.5
10,001 – 20,000	*Price	x	8.0
20,001 – 30,000	*Price	x	9.5
30,001 and over	*Price	x	11.0
Unlimited quantity of any of the following: Five-Digit ZIP, City State, CRIS, Delivery Statistics, eLot, RDI Service, Z4Change, ZIPMove, ZIP + 4	\$10,000.00	n/a	n/a

1520 Caller Service

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1520.2 Prices

	(\$)
Groups based on Post Office location (Semi-Annual):	
Group 1	790.00
Group 2	740.00
Group 3	660.00
Group 4	630.00
Group 5	605.00
Group 6	560.00
Group 7	515.00
Call Number Reservation (Annual ¹)	52.00

Notes

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.

1525 Credit Card Authentication

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1525.2 Prices

	(\$)
Per credit card authentication	1.00

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1540 International Business Reply Mail Service

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1540.3 Prices

Outbound International Business Reply Mail Service Prices

	(\$)
Card	1.40
Envelope	1.90

Inbound International Business Reply Mail Service Prices

Payment is made in accordance with Universal Postal Convention Article 13. This information is available in the Letter Post Manual at www.upu.int.

1545 Money Orders

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1545.2 Prices

	(\$)		(\$)	(\$)
Domestic	0.01	to	500.00	1.20
Domestic	500.01	to	1,000.00	1.65
APO/FPO/DPO	0.01	to	1,000.00	0.40
Inquiry, including a copy of paid money order				5.95

1550 Post Office Box Service

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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 ²
1	56.00	44.00	37.00	31.00	27.00	21.00	19.00	0.00
2	84.00	69.00	56.00	45.00	36.00	28.00	25.00	0.00
3	145.00	117.00	97.00	72.00	58.00	46.00	39.00	0.00
4	265.00	210.00	178.00	137.00	104.00	76.00	60.00	0.00
5	427.00	342.00	280.00	235.00	173.00	132.00	105.00	0.00

Box Size	3-Month Fees (Groups based on Post Office location) (\$)							
	1	2	3	4	5	6	7	
1	33.00	26.00	22.00	19.00	15.00	12.00	11.00	
2	48.00	40.00	32.00	26.00	21.00	17.00	15.00	
3	84.00	68.00	55.00	42.00	33.00	26.00	23.00	
4	154.00	121.00	103.00	79.00	59.00	44.00	35.00	
5	244.00	195.00	159.00	132.00	99.00	76.00	62.00	

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.
2. When the Postal Service determines not to provide carrier delivery to a customer's physical address or business location that constitutes a potential carrier delivery point, as defined by the Postal Service, that customer becomes eligible for one Post Office Box at the Group E fee.

Postal Facilities Primarily Serving Academic Institutions or Their Students

Period of box use (days)	Price
95 or less	½ semiannual price
96 to 140	¾ semiannual price
141 to 190	Semiannual price
191 to 230	1 ¼ semiannual price
231 to 270	1 ½ semiannual price
271 to full year	Two times semiannual price

Ancillary Post Office Box Services

	(\$)
Key duplication or replacement	6.00
Lock replacement ¹	22.00
Key deposit	3.00

Notes

1. The lock replacement fee may also be charged as a late payment fee, regardless of whether the lock is changed.

1555 Customized Postage

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1555.2 Prices

	(\$)
Annual Participation Fee (up to two printing facilities)	330,000.00
Additional Printing Sites (3-50 sites, each site)	55,000.00
Over 50 Printing Sites (each site)	5,500.00

1560 Stamp Fulfillment Services

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1560.2 Prices

Orders mailed to domestic United States destinations	(\$)
Orders up to \$50.00	1.25 ¹ ; add 2.00 ² for custom orders
Orders over \$50.00	1.75 ¹ ; add 2.00 ² for custom orders
Orders mailed to destinations outside of domestic United States	(\$)
Orders up to \$50.00	6.25 ¹ ; add 2.00 ² for custom orders
Orders over \$50.00	6.75 ¹ ; add 2.00 ² for custom orders

Notes

1. Fee does not apply if the comparable fee from the Philatelic Sales pricing section is being charged for the shipment of a combined order of stamps and philatelic items. Fee also does not apply for orders consisting solely of stamped cards with a printed return address, or stamps sent as part of a subscription, in which the customer agrees to purchase a series of items of a specified type, and establishes a means of payment in advance. If a customer requests expedited shipping, then the order will be shipped using Priority Mail Express, with actual postage charged instead of the listed fees.
2. A custom order is a stamp order in configurations other than those listed for each item in the USA Philatelic catalog.

ATTACHMENT C: PRICE CAP CALCULATION

Calculation of amount of applicable change in CPI-U and Price Cap

	CPI ^[1]	Last 12 Months Point-to-Point ^[2]	12-Month Total ^[3]	12-Month Total Divided by 12 ^[4]	Base Average ^[5]	12-Month Moving Average ^[6]	Rule 3010.22.b Adjustment ^[7]
Jan-15	233.707	-0.1%	2840.6	236.719	233.260	1.483%	
Feb-15	234.722	0.0%	2840.6	236.714	233.478	1.386%	
Mar-15	236.119	-0.1%	2840.4	236.699	233.771	1.253%	
Apr-15	236.599	-0.2%	2839.9	236.660	234.150	1.072%	
May-15	237.805	0.0%	2839.8	236.652	234.563	0.891%	
Jun-15	238.638	0.1%	2840.1	236.677	234.966	0.728%	
Jul-15	238.654	0.2%	2840.5	236.710	235.354	0.576%	
Aug-15	238.316	0.2%	2841.0	236.749	235.685	0.451%	
Sep-15	237.945	0.0%	2840.9	236.742	236.009	0.311%	
Oct-15	237.838	0.2%	2841.3	236.776	236.332	0.187%	
Nov-15	237.336	0.5%	2842.5	236.874	236.589	0.120%	
Dec-15	236.525	0.7%	2844.2	237.017	236.736	0.119%	
Jan-16	236.916	1.4%	2847.4	237.284	236.719	0.239%	
Feb-16	237.111	1.0%	2849.8	237.484	236.714	0.325%	
Mar-16	238.132	0.9%	2851.8	237.651	236.699	0.402%	
Apr-16	239.261	1.1%	2854.5	237.873	236.660	0.513%	
May-16	240.229	1.0%	2856.9	238.075	236.652	0.601%	
Jun-16	241.018	1.0%	2859.3	238.273	236.677	0.675%	
Jul-16	240.628	0.8%	2861.3	238.438	236.710	0.730%	
Aug-16	240.849	1.1%	2863.8	238.649	236.749	0.803%	
Sep-16	241.428	1.5%	2867.3	238.939	236.742	0.928%	
Oct-16	241.729	1.6%	2871.2	239.264	236.776	1.051%	
Nov-16	241.353	1.7%	2875.2	239.598	236.874	1.150%	
Dec-16	241.432	2.1%	2880.1	240.007	237.017	1.262%	
Jan-17	242.839	2.5%	2886.0	240.501	237.284	1.356%	
Feb-17	243.603	2.7%	2892.5	241.042	237.484	1.498%	
Mar-17	243.801	2.4%	2898.2	241.514	237.651	1.626%	
Apr-17	244.524	2.2%	2903.4	241.953	237.873	1.715%	
May-17	244.733	1.9%	2907.9	242.328	238.075	1.786%	
Jun-17	244.955	1.6%	2911.9	242.656	238.273	1.839%	
Jul-17	244.786	1.7%	2916.0	243.003	238.438	1.914%	
Aug-17	245.519	1.9%	2920.7	243.392	238.649	^[8] 1.987%	^[9] 0.439%

(First-Class Mail, USPS Marketing Mail, and Special Services)

[1] Consumer Price Index -- All Urban Consumers, U.S. All Items (the "CUUR000SA0" series)
 [2] The current month CPI [Column 1] divided by CPI for same month, previous year
 [3] Sum of the most recent 12 months CPI measurements in Column [1]
 [4] Column [3] / 12
 [5] The 12-month average of [1] from the 12 months prior to [4]. Only necessary to calculate cap when more than 12 months have passed.
 [6] (The current month value in Column [4] / value from same month, previous year) - 1
 [7] Rule 3010.22.b requires an adjustment made to the 12 month moving average whenever less than 12 months have passed since the most recent price change. The adjustment calculates the unused rate authority by dividing the Recent Average (Column [4]) applicable to the notice of rate adjustment by the Recent Average utilized in the previous rate adjustment and subtracting one from the quotient. In this particular instance, the Recent Average from the notice of rate adjustment is 243.392 and the Recent Average from the previous rate adjustment is 242.328 with a resulting price cap of 0.439%.
 [8] Exactly 12 CPI-U months have passed since the previous price adjustment for the Periodicals and Package Services mail classes so the price cap is the 12-month moving average (Column 6) or 1.987%.
 [9] 0.439% is the new inflation-based price adjustment authority for First-Class Mail, USPS Marketing Mail, and Special Services.

ATTACHMENT D

GOVERNORS' RESOLUTION NO. 16-18

**RESOLUTION OF THE GOVERNORS
OF THE
UNITED STATES POSTAL SERVICE
Resolution No. 16-18
New Prices and Product Descriptions
for Market Dominant Categories of Mail**

RESOLVED:

Pursuant to section 404(b) and chapter 36 of title 39, United States Code, the Governors authorize, for market dominant products, price adjustments and classification changes.


The Postal Service is hereby authorized to file price adjustments for market dominant products for implementation in January of 2018 in accordance with the United States Postal Service Filing of Updated Schedule of Regular and Predictable Price Changes that was filed with the Postal Regulatory Commission (PRC) on October 18, 2011. Postal management is directed to provide the required public notice and to file with the PRC notice of an adjustment in prices, in accordance with Subpart B, Part 3010, of title 39, Code of Federal Regulations (CFR), and to provide notice to the PRC of the related classification changes in accordance with 39 CFR Part 3010 et seq. and 39 CFR Part 3020 et seq. The filing should be made early enough to allow the price adjustments and classification changes to become effective in January of 2018, consistent with the above-referenced Updated Schedule.

The filing will include price and classification adjustments in accordance with the following conditions:

- a. Utilize as close to 95 percent of the newly accrued and previously unused CPI pricing authority as practicable;
- b. Increase Standard Mail Flats prices by at least 105 percent of newly accrued and previously unused CPI pricing authority;
- c. Increase Standard Mail Letters prices so that the workshare discount passthrough for DSCF and DNDC letters is reduced by at least 10 percent;
- d. Increase Standard Mail Parcels prices so that the workshare discount passthrough for SCF Marketing Parcels is reduced by at least 10 percent;
- e. Adjust workshare discounts to comply with 39 U.S.C. § 3622(e);
- f. Correct other prices as needed to align with the pricing structure changes described herein;
- g. Design the prices to achieve the objectives set forth at 39 U.S.C. § 3622 to the greatest extent practicable; and
- h. Take into account the factors set forth at 39 U.S.C. § 3622.

If contingencies resulting from a Chairman's Information Request or Commission Order show that prices need to be adjusted in order to meet legal requirements or Commission requests, including compliance with the price cap, then management may file adjusted prices as necessary to comply with those legal requirements or requests, or to use unused rate adjustment authority.

The foregoing resolution was adopted by the Governors on November 14, 2016. This resolution can be rescinded in the event any new Governor is confirmed by the Senate prior to the filing of the notice of adjustment described herein with the PRC, and a majority of the Governors then in office vote to do so, or if it is superseded by a subsequent Resolution of the Governors.



Julie S. Moore
Secretary, Board of Governors