

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

Before Commissioners:

Michael Kubayanda, Chairman;
Thomas G. Day, Vice Chairman;
Ann C. Fisher;
Ashley E. Poling; and
Robert G. Taub

Market-Dominant Price Change

Docket No. R2024-2

ORDER ON PRICE ADJUSTMENTS FOR FIRST-CLASS MAIL, USPS MARKETING
MAIL, PERIODICALS, PACKAGE SERVICES, AND SPECIAL SERVICES PRODUCTS
AND RELATED MAIL CLASSIFICATION CHANGES



Washington, DC 20268-0001
May 30, 2024

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Attachment—Mail Classification Schedule

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AND RELATED MAIL CLASSIFICATION CHANGES

(Issued May 30, 2024)

I. INTRODUCTION AND OVERVIEW

On April 9, 2024, the Postal Service filed notice of its planned price adjustments and related mail classification changes for Market Dominant products.¹ The planned price adjustments described in the Notice are filed and reviewed pursuant to the regulations of 39 C.F.R. part 3030, which were finalized in Order No. 5763.² The Commission applies the requirements of 39 C.F.R. part 3030, Commission directives

¹ United States Postal Service Notice of Market-Dominant Price Change, April 9, 2024 (Notice).

² See Docket No. RM2017-3, Order Adopting Final Rules for the System of Regulating Rates and Classes for Market Dominant Products, November 30, 2020 (Order No. 5763).

and orders, and 39 U.S.C. §§ 3626, 3627, and 3629 to determine whether the Postal Service's proposals are consistent with applicable law. 39 C.F.R. § 3030.126(b).

The Commission concludes that the planned price adjustments are consistent with the regulations of 39 C.F.R. part 3030 and applicable Commission directives and orders. The planned price adjustments are also consistent with the pricing requirements appearing in 39 U.S.C. § 3626 and do not implicate the pricing requirements appearing in 39 U.S.C. §§ 3627 and 3629. The Commission also concludes that the planned classification changes, with the revisions described in the body of this Order, are consistent with applicable law. The Commission's regulations state plainly that "[i]f the planned rate adjustments are found consistent with applicable law, they may take effect." 39 C.F.R. § 3030.126(c). All changes to the *Mail Classification Schedule* (MCS) resulting from this proceeding appear in the Attachment following the signature line of this Order.

Although the price adjustments proposed in this proceeding are consistent with applicable law and the Commission has no legal basis to reject the proposed changes, the Commission is concerned, given the current state of affairs, that the Postal Service's proposal does not reflect reasoned consideration of the potential widespread effects of its proposal, is not prudent, and is not consistent with the best interests of all stakeholders. Specifically, the Commission remains concerned about the substantial declines in Market Dominant volumes, overall service performance for Market Dominant products, and the Postal Service's overall financial situation, issues that have all remained significant, if not worsened, since the current Market Dominant ratemaking system went into effect. The Commission has opened Docket No. RM2024-4 to consider whether the current ratemaking system is achieving the objectives of 39 U.S.C. § 3622(b), taking into account the factors of 39 U.S.C. § 3622(c). See 39 U.S.C. § 3622(d)(3). While the review in Docket No. RM2024-4 is ongoing, the Commission reminds the Postal Service that it expects it "to use its business judgment in utilizing the

tools provided in the system of ratemaking to craft pricing schemes and specific prices” and encourages the Governors of the Postal Service to consider these issues and the issues raised by stakeholders when exercising their business judgment to determine the frequency and magnitude of future Market Dominant price adjustments. See Order No. 5763 at 270.

The Commission strongly encourages the Governors to consider exercising their business judgment, consistent with statutory and regulatory requirements, not to increase rates by the full amount permitted by law. Participants in the docket presented a number of reasons why rate increases below the legal limit may be appropriate for business and public policy reasons. The Commission recommends that, in exercising their discretion, the Governors heed the concerns of stakeholders, particularly in light of the facts that: rate increases have occurred more frequently than occurred previously and than may have been expected by the mail market when the ratemaking system was modified in Docket No. RM2017-3; some of the effects from the most recent rate increases in January 2024 have yet to occur, let alone be understood; and service performance and efficiency have declined by historic levels, adding to the stress on the mail market. This combination of stressors may be unprecedented in the history of the Postal Service. In addition, as of March 2024, the Postal Service had liquidity of \$16.150 billion, including cash, cash equivalents, short-term investments, and available borrowing authority.³

Table I-1 shows the percentage increases and total unused price authority available after this proceeding for each class as calculated by the Commission.

³ Quarterly Report on Form 10-Q, May 9, 2024, PDF file “Draft 6.0 USPS-2024.03.31-10Q 05.09.pdf,” at 10.

Table I-1
Percentage Increases and Total Unused Price Authority (By Class)

Class of Mail	Price Changes %	Total Unused Price Authority %
First-Class Mail	7.755	0.000
USPS Marketing Mail	7.755	0.000
Periodicals	9.754	0.000
Package Services	7.755	0.000
Special Services	7.755	0.000
Source: Library References PRC-LR-R2024-2-1 through PRC-LR-R2024-2-5, May 30, 2024.		

In Sections II. and III. of this Order, the Commission summarizes the relevant background and procedural history. In Section IV., the Commission addresses issues that apply across multiple classes relating to the proposed promotions and incentives and comments that raise general issues or apply to multiple classes. In Sections V. through IX., the Commission discusses the planned price adjustments and related price adjustment authority for First-Class Mail, USPS Marketing Mail, Periodicals, Package Services, and Special Services, respectively. Non-compensatory products, workshare discounts, mail classification changes, statutory preferential rates, nonprofit discounts, and class-specific comments are also discussed where applicable to a particular class.

II. BACKGROUND

On April 9, 2023, the Postal Service filed a notice of a Market Dominant price change pursuant to 39 C.F.R. part 3030. See *generally* Notice. The regulations in 39 C.F.R. part 3030 have several key features applicable to this proceeding.

First, the regulations provide for multiple forms of rate authority. 39 C.F.R. § 3030.127(a). In particular, the maximum rate adjustment authority available to the Postal Service for each Market Dominant class is made up of the rate authority available under 39 C.F.R. part 3030, subpart C (Consumer Price Index Rate Authority); 39 C.F.R. part 3030, subpart D (Density Rate Authority); 39 C.F.R. part 3030, subpart E (Retirement Obligation Rate Authority); 39 C.F.R. part 3030, subpart G (Non-compensatory Classes or Products); and 39 C.F.R. part 3030, subpart H (Accumulation of Unused and Disbursement of Banked Rate Adjustment Authority). *Id.*

Pursuant to 39 C.F.R. part 3030, subpart C, the amount of Consumer Price Index Rate Authority available to the Postal Service for each class of mail in this proceeding is 1.622 percent. See Notice at 4. Pursuant to 39 C.F.R. part 3030, subparts D and E, the Density Rate Authority and Retirement Obligation Rate Authority available to the Postal Service for each class of mail in this proceeding are 4.312 and 1.820 percent, respectively.⁴ In addition, 39 C.F.R. part 3030, subpart G provides for an additional 2 percentage points of rate authority for any class of mail where the attributable cost for that class exceeded the revenue from that class. 39 C.F.R. § 3030.222(a). In Fiscal Year (FY) 2023, the Periodicals class was the only class for which attributable cost exceeded revenue and thus is the only class eligible for the additional 2 percentage points of rate authority.⁵ Finally, the amount of banked rate authority available pursuant to 39 C.F.R. part 3030, subpart H varies by class, ranging from 0.000 percent to 0.001 percent.⁶ Added together, these forms of rate authority make up the total rate

⁴ *Id.*; Docket No. ACR2023, Determination of Available Market Dominant Rate Authority, March 28, 2024, at 5, 9, 12 (Order No. 7023).

⁵ Docket No. ACR2023, *Annual Compliance Determination*, March 28, 2024, at 21 (FY 2023 ACD); Order No. 7023 at 12; Notice at 4.

⁶ Notice at 4; Docket No. R2024-1, Order on Price Adjustments for First-Class Mail, USPS Marketing Mail, Periodicals, Package Services, and Special Services Products and Related Mail Classification Changes, November 22, 2023, at 2-3 (Order No. 6814).

adjustment authority available to the Postal Service for each class of mail in this proceeding, as shown in Table II-1.

**Table II-1
Total Available Rate Adjustment Authority (By Class)**

Class	CPI-U (%)*	Density (%)	Retirement (%)	Non-Compensatory (%)	Banked (%)	Total (%)
First-Class Mail	1.622	4.312	1.820	0.000	0.001	7.755
USPS Marketing Mail	1.622	4.312	1.820	0.000	0.001	7.755
Periodicals	1.622	4.312	1.820	2.000	0.000	9.754
Package Services	1.622	4.312	1.820	0.000	0.001	7.755
Special Services	1.622	4.312	1.820	0.000	0.001	7.755
<p>* Pursuant to 39 C.F.R. § 3030.143, the calculation for a Partial Year Limitation = (Recent Average/Previous Recent Average)-1. In the Notice, Attachment B, column "12-Month Total Divided by 12," the value for February 2024 is 306.263 (Recent Average) and the value for August 2023 is 301.374 (Previous Recent Average). Thus, the Partial Year Limitation = (306.263/301.374)-1 = 1.622 percent.</p> <p>Source: Library References PRC-LR-R2024-2-1 through PRC-LR-R2024-2-5.</p>						

Second, the regulations have requirements specific to non-compensatory products, which are products where the attributable cost exceeds the revenue. Whether a product is non-compensatory is determined by the Commission. 39 C.F.R. § 3030.220. The regulations provide that rates may not be reduced for any non-compensatory product. *Id.* § 3030.127(b). In addition, if a non-compensatory product is part of a class of mail that is compensatory overall, the rates for each non-compensatory product must increase by a minimum of 2 percentage points above the percentage increase for that class. *Id.* § 3030.221. However, this requirement "does not apply to a non-compensatory product for which the Commission has determined that the Postal Service lacks independent authority to set rates (such as rates set by treaty obligation)." *Id.*

Third, 39 C.F.R. part 3030, subpart J contains the requirements for workshare discounts. If a workshare discount is equal to the cost avoided by the Postal Service,⁷ the size of the discount cannot be changed. *Id.* § 3030.282(a). If a workshare discount exceeds the cost avoided by the Postal Service, then the size of the discount cannot be increased. *Id.* § 3030.282(b). Likewise, if a workshare discount is less than the cost avoided by the Postal Service, then the size of the discount cannot be decreased. *Id.* § 3030.282(c).

In addition, the regulations provide specific limitations on how workshare discounts that do not equal the cost avoided can be set. Workshare discounts that exceed the cost avoided by the Postal Service are permissible only if: (1) the proposed workshare discount is associated with a new postal service, a change to an existing postal service, or a new workshare initiative; (2) the proposed workshare discount is a minimum of 20 percent less than the existing workshare discount; (3) the proposed workshare discount has received an advance waiver from the Commission pursuant to 39 C.F.R. § 3030.286; or (4) the proposed workshare discount is provided in connection with a subclass of mail, consisting exclusively of mail matter of educational, cultural, scientific, or informational value and is in compliance with 39 C.F.R. § 3030.285(c). *Id.* § 3030.283. Workshare discounts that are less than the cost avoided by the Postal Service are permissible only if: (1) the proposed workshare discount is associated with a new postal service, a change to an existing postal service, or a new workshare initiative; (2) the proposed workshare discount is a minimum of 20 percent more than the existing workshare discount; (3) the proposed workshare discount has received an advance waiver from the Commission pursuant to 39 C.F.R. § 3030.286; or (4) the

⁷ The cost avoided refers to the cost avoided by the Postal Service for not providing the applicable service that the worksharing mailer is providing in lieu of the Postal Service. For the purposes of this proceeding, the cost avoided by the Postal Service refers to the amount identified in the FY 2023 ACD. *Id.* § 3030.280.

percentage passthrough⁸ for the proposed workshare discount is at least 85 percent. *Id.* § 3030.284.

III. PROCEDURAL HISTORY

A. Notice and Initial Commission Action

On April 9, 2024, the Postal Service filed its Notice with the Commission pursuant to 39 C.F.R. part 3030. In its Notice, the Postal Service announced its intention to adjust the prices for Market Dominant products on July 14, 2024, at 12:01 a.m. by amounts that it represents are within the available price adjustment authority for each class of mail. Notice at 1, 4-5.

The Notice includes two attachments, which present the planned price and related product description changes to the MCS and the calculation of the Consumer Price Index Rate Authority. *Id.* Attachments A-B. The notice also has three appended sets of workpapers that present projections related to the proposed continuation of the First-Class Mail and Marketing Mail Growth Incentives. *Id.* at 31. The Postal Service also filed six public library references and one non-public library reference in support of its Notice:

- Library Reference USPS-LR-R2024-2-1, April 9, 2024 First-Class Mail Workpapers
- Library Reference USPS-LR-R2024-2-2, April 9, 2024 USPS Marketing Mail Workpapers
- Library Reference USPS-LR-R2024-2-3, April 9, 2024 Periodicals Workpapers

⁸ The relationship between workshare discounts and avoided costs is usually expressed as a percentage called a passthrough, which is generally calculated by dividing the discount by the cost avoided. Workshare discounts with passthroughs below 100 percent are considered below-avoided-cost workshare discounts.

- Library Reference USPS-LR-R2024-2-4, April 9, 2024 Package Services Workpapers
- Library Reference USPS-LR-R2024-2-5, April 9, 2024 Special Services Workpapers
- Library Reference USPS-LR-R2024-2-6, April 9, 2024 Banked Rate Adjustment Authority Workpapers⁹
- Library Reference USPS-LR-R2024-2-NP1, April 9, 2024 First-Class Mail International and Inbound Letter Post Workpapers (Nonpublic)¹⁰

The Postal Service requests non-public treatment of information pertaining to Outbound Single-Piece First-Class Mail International (Outbound Single-Piece FCMI) and Inbound Letter Post contained in Library Reference USPS-LR-R2024-2-NP1. International Workpapers Notice at 1, Attachment 1.

On April 10, 2024, the Commission issued Order No. 7036, which provided public notification of the Notice; established Docket No. R2024-2 to consider the planned price adjustments' consistency with applicable statutory and regulatory requirements; appointed a Public Representative; and provided an opportunity for interested persons to comment.¹¹

B. Additional Information Regarding the Notice

Two Chairman's Information Requests (CHIRs) were issued during this proceeding that requested additional information relating to the planned price

⁹ USPS Notice of Filing Public Library References, April 9, 2024, at 1.

¹⁰ USPS Notice of Filing Non-Public International Mail Workpapers and Application for Non-Public Treatment of Materials Filed Under Seal, April 9, 2024, at 1 (International Workpapers Notice).

¹¹ Notice and Order on Price Adjustments and Classification Changes for Market Dominant Products, April 10, 2024 (Order No. 7036).

adjustments and classification changes.¹² CHIR No. 1 requested additional information concerning a discrepancy in the billing determinants between this proceeding and Docket No. R2024-1 for all mail classes; clarification concerning the workshare discount workpapers for USPS Marketing Mail and Package Services; and a question under seal related to First-Class Mail. CHIR No. 1, questions 1-8. CHIR No. 2 requested additional information concerning the proposed promotions and incentives and the proposed elimination of the Simple Samples price categories in USPS Marketing Mail, as well as clarification of a methodological change for estimating some USPS Marketing Mail volume, the calculations in the workpapers related to Move Update in First-Class Mail, and various aspects of the Special Services workpapers. CHIR No. 2, questions 1-16.

In the response to CHIR No. 1, the Postal Service clarifies the reasons for the discrepancy between the billing determinants and demonstrates it used the most appropriate billing determinants in its initial filing; corrects the workshare discount workpapers for USPS Marketing Mail and Package Services; and provides additional information on Inbound Letter Post and the related workpapers under seal.¹³ In the response to CHIR No. 2, the Postal Service provides additional clarifications and information concerning the proposed promotions and incentives and the proposed elimination of the Simple Samples price category in USPS Marketing Mail, including revisions to multiple pages of Attachment A to the Notice; provides revised workpapers for First-Class Mail and USPS Marketing Mail to correct for errors related to Move Update and Simple Samples, respectively; provides additional information concerning a

¹² Chairman's Information Request No. 1 and Notice of Filing Under Seal, April 15, 2024, questions 1-8 (CHIR No. 1); Chairman's Information Request No. 2, April 19, 2024, questions 1-16 (CHIR No. 2).

¹³ Response of the United States Postal Service to Chairman's Information Request No. 1, with Portions Filed Under Seal, April 22, 2024, questions 1-8 and Excel files "COMPCALC-PACKSERV-R2024-2 Rev 4.22.xlsx" and "COMPCALC-USPSMM-R2024-2 Rev.4.22.xlsx" (Response to CHIR No. 1).

methodological change for the estimation of some USPS Marketing Mail volume; and clarifies various aspects of the Special Services workpapers.¹⁴

C. Comments

The Commission received comments on the planned price adjustments from the following participants: the Alliance of Nonprofit Mailers (ANM), the Greeting Card Association (GCA), the National Association of Presort Mailers (NAPM), the National Postal Policy Council (NPPC), the News/Media Alliance (N/MA), Pitney Bowes Inc. (Pitney Bowes), the Association for Postal Commerce (PostCom), and the Public Representative.¹⁵ This Order summarizes and analyzes these comments where relevant to the issues presented.

¹⁴ Response of the United States Postal Service to Chairman's Information Request No. 2, April 26, 2024, questions 1-16, Attachment and Excel files "COMPCALC-FCM-R2024-2 Rev 4.26.xlsx" and "COMPCALC-USPSMM-R2024-2 Rev 4.26.xlsx" (Response to CHIR No. 2).

¹⁵ Comments of Alliance of Nonprofit Mailers, May 6, 2024 (ANM Comments); Comments of the Greeting Card Association, May 9, 2024 (GCA Comments); Comments of the National Association of Presort Mailers, May 8, 2024 (NAPM Comments); Comments of the National Postal Policy Council, May 9, 2024 (NPPC Comments); Comments of the News/Media Alliance, May 9, 2024 (N/MA Comments); Comments of Pitney Bowes Inc., May 8, 2024 (Pitney Bowes Comments); Comments of the Association for Postal Commerce, May 9, 2024 (PostCom Comments); Public Representative Comments, May 9, 2024 (PR Comments). In addition, GCA included a library reference with its comments. See Library Reference GCA-1, May 9, 2024. On May 17, 2024, the Postal Service filed a motion for leave to file reply comments and filed reply comments with the motion. Motion for Leave to File Reply Comments, May 17, 2024 (Postal Service Motion); Reply Comments of the United States Postal Service, May 17, 2024. On May 20, 2024, and May 22, 2024, respectively, PostCom and ANM filed responses to the Postal Service Motion. Response of the Association for Postal Commerce to USPS Motion for Leave to File Reply Comments, May 20, 2024; Response of Alliance of Nonprofit Mailers to Postal Service's Motion for Leave to File Reply Comments, May 22, 2024. The Commission denies the Postal Service Motion. Reply comments are only permitted at the Commission's discretion. 39 C.F.R. § 3010.140. In this proceeding, the Commission has only 21 days after the comment deadline in which to issue its determination concerning the planned price adjustments. *Id.* § 3030.126(b). Similar to the Commission's reasoning for not allowing late-filed comments, it is not practicable to accept reply comments in this proceeding given the expedited nature of this proceeding. See Order No. 7036 at 4 (stating "[t]he Commission will not accept late-filed comments as it is not practicable due to the expedited timeline for this proceeding").

IV. RESOLUTION OF CROSS-CLASS ISSUES

This section resolves issues that apply across multiple classes relating to the proposed promotions and incentives and addresses comments that object to the Postal Service's planned price adjustments generally, raise concerns regarding the underlying system for regulating Market Dominant products, or otherwise address the planned price adjustments as a whole.

A. Promotions and Incentives

1. Calendar Year (CY) 2025 Promotions

a. Introduction

In this proceeding, the Postal Service proposes seven CY 2025 promotions applicable to First-Class Mail and USPS Marketing Mail: the Informed Delivery Add-On/Upgrade Promotion (January 1 – December 31, 2025); Sustainability Add-On/Upgrade Promotion (January 1 – December 31, 2025); Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion (February 1 – July 31, 2025); Integrated Technology Base/Primary Promotion (mailers to select a start date for a 6-month promotion period within CY 2025); Reply Mail Intelligent Mail barcode Accounting (IMbA) Base/Primary Promotion (July 1 – December 31, 2025); First-Class Mail Advertising Base/Primary Promotion (September 1 – December 31, 2025); and Continuous Contact Base/Primary Promotion (April 1 – December 31, 2025). Notice at 32-37; Response to CHIR No. 2, question 4.a. Four of the promotions apply to both eligible First-Class Mail products and eligible USPS Marketing Mail products—the Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion; Integrated Technology Base/Primary Promotion; Informed Delivery Add-On/Upgrade Promotion; and Sustainability Add-On/Upgrade Promotion. Notice at 32-33. In addition, the Reply Mail IMbA Base/Primary Promotion and First-Class Mail Advertising

Base/Primary Promotion apply only to eligible First-Class Mail. *Id.* at 33. The Continuous Contact Base/Primary Promotion applies only to USPS Marketing Mail. *Id.*

The Postal Service proposes several material changes to the promotions for CY 2025, including the introduction of “Add-On/Upgrade” promotions that provide mailers additional discounts for satisfying certain requirements if they are already participating in an eligible “Base/Primary” promotion. *Id.* at 32. The Postal Service proposes to continue versions of four promotions that were previously approved and effective in CY 2024, with certain changes: the Informed Delivery Add-On/Upgrade Promotion; Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion; Integrated Technology Base/Primary Promotion; and Reply Mail IMbA Base/Primary Promotion.¹⁶ Three promotions are new for CY 2025: the Sustainability Add-On/Upgrade Promotion; First-Class Mail Advertising Base/Primary Promotion; and Continuous Contact Base/Primary Promotion. Notice at 33.

The Postal Service also proposes changes to the MCS to reflect the proposed CY 2025 promotions. See *generally* Notice, Attachment A. The proposed MCS changes relevant to the CY 2025 promotions should go into effect on January 1, 2025. See Notice at 33-34.

b. Informed Delivery Add-On/Upgrade Promotion
(January 1 – December 31, 2025)

The Postal Service plans to offer a 1 percent discount on First-Class Mail automation letters, cards, and flats and USPS Marketing Mail automation letters and flats “that incorporate best practices and techniques in their Informed Delivery campaigns” *Id.* at 34. In addition, the Postal Service continues to include a 0.5

¹⁶ *Id.* at 33-36; Docket No. R2023-2, Order on Price Adjustments for First-Class Mail, USPS Marketing Mail, Periodicals, Package Services, and Special Services Products and Related Mail Classification Changes, May 31, 2023, at 14, 19 (Order No. 6526).

percent incentive for the mail preparer. *Id.* The promotion can be used in addition to any Base/Primary Promotion, except for the Reply Mail IMbA Base/Primary Promotion, and it can be “stacked” with the Sustainability Add-On/Upgrade Promotion. *Id.* The Postal Service states that because of changes to this promotion for CY 2025, sufficient billing determinants do not yet exist for the incentive to be included in any percentage change in rates calculation and, accordingly, the Postal Service has excluded this promotion from the price cap calculation. *Id.* at 34-35.

c. Sustainability Add-On Upgrade Promotion
(January 1 – December 31, 2025)

The Postal Service plans to offer a 1 percent discount on First-Class Mail presort and automation letters, cards, and flats and USPS Marketing Mail letters and flats for mailers who demonstrate the paper used for eligible mailpieces “is responsibly sourced and sustainably produced and therefore bears a certification from a recognized entity . . .” *Id.* at 35; Response to CHIR No. 2, question 4.a. and Attachment. The promotion can be used in addition to any Base/Primary Promotion, except for the Reply Mail IMbA Base/Primary Promotion, and it can be “stacked” with the Informed Delivery Add-On/Upgrade Promotion. Notice at 35. The Postal Service states that sufficient billing determinants do not yet exist for the promotion to be included in any percentage change in rates calculation and, accordingly, this promotion has been excluded from the price cap calculation. *Id.*

d. Tactile, Sensory, and Interactive Mailpiece Engagement
Base/Primary Promotion (February 1 – July 31, 2025)

The Postal Service plans to offer a 4 percent postage discount on eligible First-Class Mail letters, cards, and flats and USPS Marketing Mail letters and flats that meet the Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion requirements. *Id.* at 35-36. The Postal Service states that the promotion would

encourage mailers to enhance customer engagement with mailpieces by “using advanced print innovations in paper and stock, substrates, inks, interactive elements, and finishing techniques.” *Id.* The Postal Service includes this promotion in the price cap calculation based on its prior offering of this promotion.¹⁷

- e. Integrated Technology Base/Primary Promotion (mailers to select a start date for a 6-month promotion period within CY 2025)

The Postal Service plans to offer a 3 percent postage discount on eligible First-Class Mail letters, cards, and flats and USPS Marketing Mail letters and flats that meet the Integrated Technology Base/Primary Promotion requirements. Notice at 36. The promotion “encourages mailers to incorporate mobile and other technologies into their mail pieces.” *Id.* Mailers will select a start date for a 6-month promotion period within CY 2025. *Id.* This promotion was formerly called the Emerging and Advanced Technology Promotion. *Id.* The Postal Service includes this promotion in the price cap calculation based on its prior offering of this promotion (under the Emerging and Advanced Technology Promotion title).¹⁸

- f. Reply Mail IMbA Promotion (July 1 – December 31, 2025)

The Postal Service plans to offer a 3 or 6 percent discount on First-Class Mail Qualified Business Reply Mail (QBRM) letters and postcards that meet the Reply Mail IMbA Promotion requirements. Notice at 36. To receive a 3 percent discount, mailpieces must use static IMbA; to receive a 6 percent discount, mailpieces must use

¹⁷ See Response to CHIR No. 2, Excel files “COMPCALC-FCM-R2024-2 Rev 4.26.xlsx,” tab “Promotions,” and “COMPCALC-USPSMM-R2024-2 Rev 4.26.xlsx,” tab “Promotions.”

¹⁸ See Response to CHIR No. 2, Excel files “COMPCALC-FCM-R2024-2 Rev 4.26.xlsx,” tab “Promotions,” and “COMPCALC-USPSMM-R2024-2 Rev 4.26.xlsx,” tab “Promotions.”

serialized IMbA. *Id.* Mailers must enroll to participate. *Id.* The Postal Service includes this promotion in the price cap calculation based on its prior offering of this promotion.¹⁹

g. First-Class Mail Advertising Base/Primary Promotion
(September 1 – December 31, 2025)

The Postal Service plans to offer a 3 percent discount on eligible First-Class Mail letters, cards, and flats that meet the First-Class Mail Advertising Base/Primary Promotion requirements. Notice at 36-37; Response to CHIR No. 2, question 4.a. and Attachment. To receive the 3 percent discount, mailers must “promote their offerings within their First-Class mailings” by incorporating “marketing messaging in . . . mailpiece design or contents.” Notice at 36; Response to CHIR No. 2, question 4.a. The Postal Service states that, unlike other new promotions, the Postal Service anticipates generating rate authority from this promotion using billing determinant data from a previous promotion, the Personalized Color Transpromo Promotion, as a proxy. Notice at 37. The Postal Service states that it “expects a close overlap of users” between the two promotions because both promotions encourage marketing and advertising content on First-Class mailpieces. *Id.*

h. Continuous Contact Base/Primary Promotion (April 1 –
December 31, 2025)

The Postal Service plans to offer a 3 percent discount on eligible USPS Marketing Mail letters and flats that meet the Continuous Contact Base/Primary Promotion requirements. *Id.* To receive the 3 percent discount, mailers must send qualifying mail to an address two or more times within the promotion period. *Id.*; Response to CHIR No. 2, question 4.a. and Attachment. The content of each mailpiece must be “iterative or complementary, not duplicative.” Notice at 37. Following the first

¹⁹ See Response to CHIR No. 2, Excel file “COMPCALC-FCM-R2024-2 Rev 4.26.xlsx,” tab “Promotions.”

mailing to an address, mailers will receive the 3 percent discount on all subsequent mailings within the promotion period. *Id.*; Response to CHIR No. 2, question 4.a. The Postal Service states that sufficient billing determinants do not yet exist for the promotion to be included in any percentage change in rates calculation and, accordingly, this promotion has been excluded from the price cap calculation. Notice at 37.

i. Comments

The Public Representative states that the proposed promotions are consistent with applicable law and the requirements of 39 C.F.R. part 3030. PR Comments at 26. The Public Representative questions, however, whether the Personalized Color Transpromo Promotion is sufficiently similar to the First-Class Mail Advertising Base/Primary Promotion to justify using the Personalized Color Transpromo Promotion billing determinant data as a proxy. *Id.* The Public Representative contends that eligibility for the Personalized Color Transpromo Promotion was based on “us[ing] dynamic and variable color print for personalized, transpromotional marketing messages on . . . bills and statements.” *Id.* (citing Order No. 6526 at 16). The Public Representative states that eligibility for the First-Class Mail Advertising Base/Primary Promotion is based on “promot[ing] . . . other offerings within . . . First-Class mailings.” PR Comments at 26 (citing Notice at 36). The Public Representative contends that, even if both promotions encourage marketing and advertising on First-Class Mail, the behavior being incentivized is “very different.” PR Comments at 26 The Public Representative asserts that it “is not clear” why participation in the Personalized Color Transpromo Promotion is a reasonable proxy for expected participation in the First-Class Mail Advertising Base/Primary Promotion. *Id.* Concerning the proposed revisions to the MCS related to the CY 2025 promotions, the Public Representative states that the Postal Service made a sufficient showing under 39 C.F.R. §§ 3040.180-.181 to justify the proposed revisions for the promotions. *Id.* at 29.

NAPM supports the proposed promotions and commends the Postal Service for continuing to offer them as well as for exploring new promotions. NAPM Comments at 9. NAPM states that promotions “encourage mailers to innovate in terms of mailpiece design, quality, use of technology and other aspects of mailing.” *Id.* In particular, NAPM praises the Postal Service for continuing to include an incentive for the mail preparer in the Informed Delivery Add-On/Upgrade Promotion. *Id.* NAPM contends that, in many cases, mail service providers “are doing most of the work needed for the mail owner to qualify for the [p]romotion, at their own cost.” *Id.* NAPM therefore encourages the Postal Service to explore providing an incentive for mail preparers for other promotions. *Id.* Finally, NAPM states that because it is an Add-On/Upgrade promotion only, the period of availability for the proposed Informed Delivery Add-On/Upgrade Promotion will be shortened from a year to 6 months, depending on the promotion with which it is coupled. *Id.*

NPPC states that it appreciates the early notice for the CY 2025 promotions, which it asserts allows mailers time to evaluate and prepare to use them. NPPC Comments at 5-6. NPPC suggests the Postal Service should continue giving early notice but also notes that “advance notice is not very meaningful” if details about the promotions are not available “for several months.” *Id.* at 6. NPPC also contends that “the Postal Service has redesigned [the promotions] in a way that will make using them more difficult.” *Id.* at 5. In particular, NPPC expresses concerns with the Base/Primary and Add-On/Upgrade promotion structure. *Id.* at 6. NPPC contends that the Postal Service restructured the promotions “without . . . much discussion with the mailing industry.” *Id.* NPPC states that the promotion structure is “presumably intended to allow mailers to participate in multiple promotions in a single mailing,” but alleges that promotion participation may be complicated if the Postal Service “makes the change without any phase-in period.” *Id.* at 6-7. NPPC expresses regret that the Informed Delivery Add-On/Upgrade Promotion requires participation in a Base/Primary promotion, so that an interested mailer “must hope” for a Base/Primary promotion that

meets its needs. *Id.* at 7. Further, NPPC is disappointed that the proposed Informed Delivery Add-On/Upgrade Promotion discount has been reduced from 4 percent, with an additional 0.5 percent credit for the mail preparer, to 1 percent for the mailer and 0.5 percent for the mail preparer. *Id.* Although it acknowledges that “the Postal Service can make th[e] change,” NPPC argues that these reductions decrease the promotion’s attractiveness and seem inconsistent with the Postal Service’s desire to increase Informed Delivery participation. *Id.* Finally, NPPC commends the Postal Service for continuing to offer the Integrated Technology Base/Primary Promotion with a 6-month period of availability to be selected by the mailer, stating that the promotion “provides commendable flexibility.” *Id.* NPPC encourages the Postal Service to offer other promotions on a similar basis. *Id.*

j. Commission Analysis

In this proceeding, the Postal Service proposes to continue several CY 2024 promotions in CY 2025: (1) the Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion; (2) the Integrated Technology Base/Primary Promotion (formerly offered under the Emerging and Advanced Technology Promotion title); and (3) the Reply Mail IMbA Base/Primary Promotion.²⁰ The Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion is identical to the CY 2024 promotion, except that the Postal Service proposes to reduce the discount from 5 percent to 4 percent. See Notice at 36; Order No. 6526 at 17. The Interactive Mailpiece Engagement Base/Primary Promotion is substantially similar to the CY 2024 promotion, except the Postal Service proposes to reduce the discount from 3 or 4 percent, depending on the technology used, to only 3 percent, and proposes other non-substantive changes. See Notice at 36; Response to CHIR No. 2, question 1 and

²⁰ See Notice at 33. The Postal Service also proposes a CY 2025 Informed Delivery Add-On/Upgrade Promotion that is substantially changed from the CY 2024 Informed Delivery Promotion. See *id.* at 34-35. The Commission addresses this promotion in more detail below.

Attachment; Order No. 6526 at 15. The CY 2025 Reply Mail IMbA Base/Primary Promotion is substantially identical to the CY 2024 promotion. See Notice at 36; Order No. 6526 at 16.

The Commission previously found these promotions consistent with applicable law as defined in 39 C.F.R. § 3030.126(b). Order No. 6526 at 2, 19. The proposed decreases in the percentage discounts in the Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion and Interactive Mailpiece Engagement Base/Primary Promotion do not affect this finding and are within the scope of the Postal Service's pricing flexibility in this proceeding. Any remaining changes to these CY 2025 promotions are either non-substantive or do not otherwise affect the Commission's previous finding. Consistent with its previous practice, the Postal Service includes these promotions in its percentage change in rates calculations.

The Postal Service also proposes a CY 2025 promotion that is substantially changed from a version offered in CY 2024, the Informed Delivery Add-On/Upgrade Promotion, as well as several new promotions for CY 2025: (1) the Sustainability Add-On/Upgrade Promotion; (2) the First-Class Mail Advertising Base/Primary Promotion; and (3) the Continuous Contact Base/Primary Promotion.²¹ As a preliminary matter, the Commission must determine whether the new and substantively revised CY 2025 promotions are consistent with applicable law, which is defined as the requirements of 39 C.F.R. part 3030, Commission directives and orders, and 39 U.S.C. §§ 3626, 3627, and 3629. 39 C.F.R. § 3030.126(b).

The Commission finds that the proposed CY 2025 promotions are consistent with the applicable requirements of 39 C.F.R. part 3030 and are within the scope of the Postal Service's pricing flexibility. The Postal Service does not include the Informed

²¹ Notice at 34-37. The Commission previously approved a CY 2024 Informed Delivery Promotion. Order No. 6526 at 15, 19.

Delivery Add-On/Upgrade Promotion, Sustainability Add-On/Upgrade Promotion, and Continuous Contact Base/Primary Promotion in the applicable percentage change in rates calculations but does propose to include the First-Class Mail Advertising Base/Primary Promotion in the First-Class Mail percentage change in rates calculation and use it to generate rate authority. Notice at 34-37. The Commission accepts the Postal Service's adjustments to the billing determinants to account for the First-Class Mail Advertising Base/Primary Promotion as reasonable. See 39 C.F.R. § 3030.128(b)(1); Notice at 37; Response to CHIR No. 2, questions 2.b.-d. With those adjustments, the Commission finds that sufficient billing determinants exist for the inclusion of the First-Class Mail Advertising Base/Primary Promotion in the percentage change in rates calculation because the Personalized Color Transpromo Promotion letters volume appears to be a reasonable proxy for First-Class Mail Advertising Base/Primary Promotion letters volume. See Notice at 37; Response to CHIR No. 2, questions 2.b.-d.; 39 C.F.R. § 3030.128(f)(2)(ii).

Although the Public Representative questions whether the Personalized Color Transpromo Promotion is sufficiently similar to the First-Class Mail Advertising Base/Primary Promotion such that the Personalized Color Transpromo Promotion's volume may serve as a proxy, the Commission notes that the Postal Service only includes data for the price categories and products that overlap between the two promotions and that both promotions at their core require marketing messaging on eligible First-Class Mail mailpieces. See PR Comments at 27; Response to CHIR No. 2, questions 2.b.-d. Despite other differences between the promotions, the Commission finds the fundamental characteristic (*i.e.*, the requirement for marketing messaging) overlaps between the two promotions and, as a result, concludes that the Personalized Color Transpromo Promotion letters volume is a reasonable proxy for First-Class Mail Advertising Base/Primary Promotion letters volume.

The Commission finds that the First-Class Mail Advertising Base/Primary Promotion is consistent with the remaining requirements of 39 C.F.R. § 3030.128(f)(2)

for the inclusion of the promotion in the calculation for the percentage change in rates as the First-Class Mail Advertising Base/Primary Promotion as proposed appears to be in the form of a discount and a rate of general applicability.²²

The Commission also finds that neither prior Commission directives and orders nor 39 U.S.C. §§ 3627 and 3629 are implicated by the CY 2025 promotions. With regard to consistency with 39 U.S.C. § 3626, the Commission finds that only 39 U.S.C. § 3626(a)(6), which requires that USPS Marketing Mail nonprofit prices be set to achieve an average revenue per piece that is, as nearly as practicable, 60 percent of the commercial average revenue per piece, could be implicated by the CY 2025 promotions. However, as the Commission finds in Section VI.F., *infra*, the USPS Marketing Mail prices proposed in this proceeding, including for the CY 2025 promotions, are consistent with 39 U.S.C. § 3626(a)(6). Thus, the Commission finds the proposed CY 2025 promotions are consistent with applicable law as defined by 39 C.F.R. § 3030.126(b) and approves the new CY 2025 promotions to take effect as planned.

With respect to NAPM's comment that the Informed Delivery Add-On/Upgrade Promotion has been shortened to 6 months, the Commission notes that the CY 2024 Informed Delivery Promotion is available only between August 1 – December 31, 2024. See NAPM Comments at 9; Order No. 6526 at 15. Moreover, depending on the Base/Primary promotions in which a mailer participates, the Informed Delivery Add-On/Upgrade Promotion appears to be available for all or most of CY 2025. Notice at 34-37. For example, if a USPS Marketing Mail mailer participates in the Integrated Technology Base/Primary Promotion for 6 months beginning on January 1, 2025 (running through June 30, 2025), and the Continuous Contact Base/Primary Promotion

²² See 39 C.F.R. § 3030.128(f)(2); Response to CHIR No. 2, questions 4.e.-f. The Commission notes that it currently has a pending rulemaking proceeding considering alterations to these requirements and their application. See *generally* Docket No. RM2020-5.

from April 1 – December 31, 2025, the mailer could also participate in the Informed Delivery Add-On/Upgrade Promotion for the entire year (assuming it meets the other eligibility requirements). Similarly, if a First-Class Mail mailer participates in the Integrated Technology Base/Primary Promotion for 6 months beginning on January 1, 2025 (running through June 30, 2025), and the First-Class Mail Advertising Base/Primary Promotion from September 1, 2025, through December 31, 2025, the mailer could participate in the Informed Delivery Add-On/Upgrade Promotion for 10 months of the year (assuming it meets the other eligibility requirements). In both cases, the availability of Informed Delivery Add-On/Upgrade Promotion appears to exceed the 5-month availability for the Informed Delivery Promotion in CY 2024. The Commission directs the Postal Service to file a status update in this docket by June 14, 2024, confirming the Commission's understanding of the Add-On/Upgrade promotions and a mailer's ability to participate in an Add-On/Upgrade promotion any time it is also participating in an eligible Base/Primary promotion (assuming it meets the other eligibility requirements). If the Commission's understanding of the Add-On/Upgrade promotions is incorrect, the Commission directs the Postal Service to file a Mail Classification case pursuant to 39 C.F.R. § 3040.190 to clarify in the MCS descriptions for the Add-On/Upgrade promotions when a mailer qualifies to participate by June 14, 2024.

With respect to NPPC's concern about the reduced discount for the Informed Delivery Add-On/Upgrade Promotion, the Commission notes (as NPPC concedes) that the amount of the discount is within the Postal Service's discretion and pricing flexibility. See NPPC Comments at 7. With respect to NPPC's and NAPM's other suggestions regarding the Postal Service's approach to promotions, the Commission notes that these decisions are also within the scope of the Postal Service's discretion and pricing flexibility. See NPPC Comments at 6-7; NAPM Comments at 9. Nonetheless, the Commission encourages the Postal Service to use its pricing flexibility to incentivize desired mailer behavior and to engage in dialogue with its stakeholders regarding

complications arising from the restructured Add-On/Upgrade and Base/Primary promotions, the timing of specification information necessary to facilitate promotion participation, and the development of additional promotions, including those that target mail preparers rather than mailers alone.

In its initial filing, the Postal Service proposes changes to the MCS to implement the CY 2025 promotions. See *generally* Notice, Attachment A. CHIR No. 2 questioned whether other changes to the MCS were necessary with regard to the CY 2025 promotions. In Response to CHIR No. 2, the Postal Service acknowledges several needed changes to the proposed MCS related to the CY 2025 promotions, proposes additional changes to certain promotions' descriptions and, in one instance, changes the applicable timeframe for the promotion. First, the Postal Service confirms that the CY 2025 Integrated Technology Base/Primary Promotion is no longer "based on the complexity of the technology involved and its perceived benefit to the recipient," and confirms that this language should be removed from the applicable MCS descriptions. Response to CHIR No. 2, questions 1.b.-c. and Attachment. The Postal Service also confirms that, within the USPS Marketing Mail Carrier Route product MCS language, "Letters and Flats Only" references included in the titles of the Integrated Technology Base/Primary Promotion and the Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion are no longer necessary and can be removed from the MCS.²³ Additionally, for the First-Class Mail Advertising Base/Primary Promotion, the Postal Service proposes adding presort letters to the MCS descriptions for mailpieces eligible for the promotion. *Id.* question 2.c. and Attachment. Further, the Postal Service provides a number of changes to the applicable MCS descriptions to clarify the eligibility requirements for the Sustainability Add-On/Upgrade Promotion. *Id.* question 4.a. and Attachment. Finally, the Postal Service also clarifies the MCS

²³ Response to CHIR No. 2, question 11.c. For further discussion of the reasons for this change, see Section VI.E., *infra*.

descriptions for the Continuous Contact Base/Primary Promotion and changes the start date of the promotion to April 1, 2025, from July 1, 2025.²⁴

The Commission reminds the Postal Service that 39 C.F.R. § 3030.122(d) requires that a notice of price adjustment include “[a] schedule of the planned rate adjustments, including a schedule *identifying every change to the Mail Classification Schedule that will be necessary to implement the planned rate adjustments.*”²⁵ In future price adjustment filings, the Postal Service must appropriately identify every change proposed to the MCS in its initial filing consistent with 39 C.F.R. § 3030.122(d). The Commission accepts all proposed changes to the MCS related to the CY 2025 promotions and includes them in the Attachment to this Order. The changes proposed to the MCS will ensure the MCS accurately reflects the availability of the CY 2025 promotions.

In addition, the Commission notes the majority of the proposed MCS changes shown in the Attachment to this Order go into effect with the new prices on July 14, 2024. However, that is not true of the dates and descriptions for the CY 2025 promotions because CY 2024 promotions will still be on-going on or after July 14, 2024, and should not be overridden in the MCS by the CY 2025 promotions’ dates and descriptions in CY 2024. The Postal Service’s initial filing solely reflects the addition of

²⁴ *Id.* question 4.a. and Attachment. Additionally, the Postal Service proposes the following language in the Sustainability Add-On/Upgrade Promotion MCS descriptions: “[t]o receive the discount, mailers must already be receiving an eligible base promotion and comply with the eligibility requirements of the program.” See Notice, Attachment A at 11, 19, 25-26, 36, 43, 48, 58; Response to CHIR No. 2, Attachment. The Commission has changed the MCS language so that it refers to an eligible “base/primary” promotion, consistent with the CY 2025 base/primary promotion titles in the Attachment to this Order.

²⁵ 39 C.F.R. § 3030.122(d) (emphasis added). See Docket Nos. CP2023-113 and CP2023-114, Order Concerning Changes in Rates of General Applicability and Classifications for First-Class Package Service and Parcel Select, June 7, 2023, at 23 (Order No. 6536) (holding “[i]n any rate adjustment proceeding, whether Market Dominant or Competitive, the Postal Service must ensure that each MCS change necessary to implement the rate and classification proposals in such proceeding is proposed in such proceeding”).

the CY 2025 promotions but does not reflect the necessary corresponding removal of the CY 2024 promotions. See *generally* Notice, Attachment A. In the Attachment to this Order, both the addition of the CY 2025 promotions and the removal of the CY 2024 promotions are reflected in legislative format. As a result, the MCS changes related to the CY 2024 and CY 2025 promotions should not be made to the MCS until January 1, 2025. Accordingly, the following sections' MCS changes related to the promotions (*i.e.*, the removal of the CY 2024 promotions and the addition of the CY 2025 promotions) are effective January 1, 2025, and will not be made until that date: sections 1105, 1110, 1115, 1205, 1210, 1215, 1220, and 1225.

2. Incentives

In this proceeding, the Postal Service proposes the introduction of a new incentive, the Catalog Incentive, and the continuation into CY 2025 of the First-Class Mail and Marketing Mail Growth Incentives, which were approved for CY 2024 in Docket No. R2023-3.²⁶ In addition, the Postal Service proposes to increase the Full-Service Intelligent Mail barcode (IMb) Incentive and Seamless Acceptance Incentive for First-Class Mail and USPS Marketing Mail. Notice at 8, 11. The Commission discusses these incentives in greater detail in the remainder of this section.

a. Catalog Incentive

The Postal Service's position. In this proceeding, the Postal Service proposes the introduction of a new incentive, the Catalog Incentive, for certain USPS Marketing Mail and Package Services mailpieces. *Id.* at 14. Specifically, the incentive will provide a \$0.001 per-piece discount for mailers that identify catalogs by filling in appropriate lines on their mailing statements. *Id.* To qualify as a catalog, a mailpiece must be 12 or

²⁶ Notice at 14-17, 25, 29-32. See Docket No. R2023-3, Order on Market Dominant Price Change Creating Two Incentives, September 27, 2023 (Order No. 6713).

more pages long; be bound or fastened along one edge; and provide a description of the products or services offered for sale, the prices or a method to determine prices, fulfillment information and options, and information sufficient to allow an order to be placed. *Id.* at 14-15. Catalogs can be any shape (*i.e.*, letter, flat, or parcel) but must be a qualifying product. *Id.* at 14. Qualifying products include all products in USPS Marketing Mail except Every Door Direct Mail (EDDM)—Retail and Bound Printed Matter (BPM) Parcels and BPM Flats in Package Services. *Id.* at 14-15, 25.

The Postal Service asserts that the Catalog Incentive meets the definition of a rate incentive in 39 C.F.R. § 3030.101(i) because it is not a workshare discount and because it “is designed to improve the operations of the Postal Service and, eventually, the value of mail for mailers.” *Id.* at 15. Specifically, the Postal Service represents that the incentive is “intended to improve reporting and analysis of catalog data.” *Id.* at 14. The Postal Service states that it wants to increase the quantity and quality of data it has on catalogs, which it expects “will allow it to improve future . . . product and rate design in ways that enhance value for mailers and improve the efficiency of postal operations” although “the specifics have not yet been determined.” *Id.* at 15; Response to CHIR No. 2, question 6.f. The Postal Service explains that its existing data do not support the analysis it is looking to perform and that it “intends to use the data collected . . . to evaluate the complete population and characteristics of catalog mail pieces” and “for long-term future product development and design” Notice at 15; Response to CHIR No. 2, question 6.f.

The Postal Service states that it is including the Catalog Incentive in its calculations for the percentage change in rates for USPS Marketing Mail, but that it is not doing so for Package Services because “no data exist to justify including the incentive in the Package Services cap calculations, and no adjustments will be implemented in the relevant billing determinants.” Notice at 16, 25. For USPS Marketing Mail, the Postal Service represents that sufficient billing determinants exist for

flat-shaped mail to include the incentive in the percentage change in rates calculation. *Id.* at 16. Specifically, “[t]o estimate the percentage of mail, by product, that will be eligible for the Catalog Incentive, the Postal Service used data sourced from an existing catalog checkbox on Marketing Mail postage statements (Form PS 3602), which some mailers have used to identify flat-shaped catalog volume.” *Id.* The Postal Service further explains that “[t]hese percentage figures were calculated by dividing the total volume of each product identified as a catalog . . . during FY 2023 by the total FY 2023 volume of each product.” *Id.* at 21. The Postal Service states that in FY 2023, 933 mailers used the catalog checkbox to identify flat-shaped catalogs, which the Postal Service believes to be approximately 90 percent of catalog mailers and therefore represents that the checkbox data “likely is an undercount” of flat-shaped USPS Marketing Mail catalogs. Response to CHIR No. 2, questions 6.g.ii., iv. The Postal Service explains that no such data exist for letter- and parcel-shaped volume that will access the incentive, so the incentive for those shapes is not included in the percentage change in rates calculation for USPS Marketing Mail. Notice at 16. The Postal Service represents that the Catalog Incentive meets the requirements of 39 C.F.R. § 3030.128(f)(2) for being included in the percentage change in rates calculation, including that it is in the form of a discount, is a rate of general applicability, and is made available to all mailers equally on the same terms and conditions. *Id.* at 12-13.

Comments. The Public Representative states that the Postal Service’s explanation for deriving billing determinants for flat-shaped USPS Marketing Mail catalogs is “plausible” and that he “believes that the new Catalog Incentive meets the requirements to be included in the calculation of the percentage change in rates for USPS Marketing Mail with respect to flat-shaped mailpieces.” PR Comments at 12-13. The Public Representative asserts that the proposed rate incentive is in the form of a discount and appears to be a rate of general applicability. *Id.* at 13. Concerning the proposed revisions to the MCS related to the Catalog Incentive, the Public Representative also states that the Postal Service made a sufficient showing under 39

C.F.R. §§ 3040.180-.181 to justify the introduction of the new Catalog Incentive in this proceeding. *Id.* at 29.

Commission analysis. As a preliminary matter, the Commission must determine whether the Catalog Incentive is consistent with applicable law, which is defined as the requirements of 39 C.F.R. part 3030, Commission directives and orders, and 39 U.S.C. §§ 3626, 3627, and 3629. 39 C.F.R. § 3030.126(b). No commenter raises concerns related to the Catalog Incentive's consistency with applicable law.

The Commission finds that the proposed incentive is consistent with the applicable requirements of 39 C.F.R. part 3030 and is within the scope of the Postal Service's pricing flexibility. In addition, the Commission accepts the Postal Service's adjustments to the billing determinants for flat-shaped USPS Marketing Mail that will be eligible for the Catalog Incentive as reasonable and finds that, with those adjustments, sufficient billing determinants exist for the inclusion of the Catalog Incentive for flat-shaped USPS Marketing Mail in the percentage change in rates calculation as the existing catalog checkbox on USPS Marketing Mail postage statements appears to be a reasonable proxy for flat-shaped USPS Marketing Mail volume that will qualify for the incentive. See 39 C.F.R. § 3030.128(b)(1), (f)(2)(ii); Response to CHIR No. 2, question 6.g. The Commission also finds that the Catalog Incentive is consistent with the remaining requirements of 39 C.F.R. § 3030.128(f)(2) for the inclusion of an incentive in the calculation of the percentage change in rates as the Catalog Incentive as proposed appears to be in the form of discount and a rate of general applicability.²⁷

The Commission also finds that neither prior Commission directives and orders nor 39 U.S.C. §§ 3627 and 3629 are implicated by the Catalog Incentive. With regard to consistency with 39 U.S.C. § 3626, the Commission finds that only 39 U.S.C.

²⁷ See 39 C.F.R. § 3030.128(f)(2); Notice at 16-17. The Commission notes that it currently has a pending rulemaking proceeding considering alterations to these requirements and their application. See *generally* Docket No. RM2020-5.

§ 3626(a)(6), which requires that USPS Marketing Mail nonprofit prices be set to achieve an average revenue per piece that is, as nearly as practicable, 60 percent of the commercial average revenue per piece, could be implicated by this incentive. However, as the Commission finds in Section VI.F., *infra*, the USPS Marketing Mail prices proposed in this proceeding, including the Catalog Incentive, are consistent with 39 U.S.C. § 3626(a)(6). Thus, the Commission finds the Catalog Incentive is consistent with applicable law as defined by 39 C.F.R. § 3030.126(b) and approves it to take effect as planned.

The Commission also accepts the proposed changes to the MCS related to the Catalog Incentive. The changes proposed to the MCS will ensure that the MCS accurately reflects the availability of the new offering.²⁸ These changes will go into effect on July 14, 2024. Response to CHIR No. 2, question 7.

b. First-Class Mail and Marketing Mail Growth Incentives

The Postal Service's position. In Docket No. R2023-3, the Postal Service proposed and the Commission approved the introduction of two new incentives for CY 2024, the First-Class Mail Growth Incentive and the Marketing Mail Growth Incentive. See *generally* Order No. 6713. In this proceeding, the Postal Service is proposing to offer both incentives again in CY 2025. Notice at 29. The Postal Service states that the effective dates will be January 1, 2025, and the incentives will run through December 31, 2025. *Id.* at 29-30.

The Postal Service states that the terms of both incentives will not change from the incentives approved for CY 2024. *Id.* at 30. A mailer would be eligible for the First-

²⁸ The Commission notes that in Attachment A to the Notice, the Postal Service failed to identify the addition of the description of the Catalog Incentive for USPS Marketing Mail High Density and Saturation Letters in legislative format (*i.e.*, underlining newly added text). Notice, Attachment A at 24. That change is reflected in legislative format in the Attachment to this Order.

Class Mail Growth Incentive when its combined volume of qualifying pieces in the incentive period, CY 2025, exceeds the incentive threshold. *Id.* The qualifying pieces are First-Class Mail Presort Letters, First-Class Mail Presort Cards, and First-Class Mail Presort Flats. *Id.* Similarly, a mailer would be eligible for the Marketing Mail Growth Incentive when its combined volume of qualifying pieces in CY 2025 exceeds the incentive threshold. *Id.* The qualifying pieces are USPS Marketing Mail Letters and High Density and Saturation Letters, USPS Marketing Mail Flats and High Density and Saturation Flats/Parcels, USPS Marketing Mail Carrier Route, and USPS Marketing Mail Parcels. *Id.*

The Postal Service explains that:

[u]nder both incentives, for every qualifying piece mailed in CY 2025 after the first million pieces, mail owners receive a credit equal to 30 percent of the average per-piece price paid for mailing all qualifying pieces, unless the volume of qualifying pieces that the mail owner sent in the preceding fiscal year exceeded 1,000,000 pieces. In that case, credits accrue only after the mailer surpasses its FY 2024 volume of qualifying pieces

Id. As with the CY 2024 incentives, credits may only be used for future mailings of qualifying mailpieces in the same class of mail. *Id.*

Credits will be calculated and given based on the qualifying volume and average per-piece price paid as of June 30, 2025, and September 30, 2025. *Id.* at 30-31. After the end of the incentive period on December 31, 2025, a final credit calculation will be performed that takes into account the total annual volume of qualifying pieces, the average per-piece price paid, and the credits already paid. *Id.* at 31.

As it did with regard to the CY 2024 incentives, the Postal Service states that it “elects to have both incentives generate unused rate authority” but acknowledges that there are not yet sufficient billing determinants to include the incentives in the calculation of the percentage change in rates. *Id.* at 31-32. The Postal Service also

acknowledges that the Commission has not yet determined whether the incentives for CY 2024 are rates of general applicability (as is required for an incentive to generate unused rate authority) but asserts that its previous arguments that the incentives are generally applicable rates are persuasive. *Id.*

Comments. NPPC commends the Postal Service for extending the First-Class Mail and Marketing Mail Growth Incentives into CY 2025. NPPC Comments 8. NPPC states that this is consistent with the Postal Service's representations to mailers and that it appreciates receiving "formal confirmation in this proceeding." *Id.* NPPC notes that the Postal Service's projections of the participating First-Class Mail volumes are slightly higher for CY 2025 than initially predicted for CY 2024, which it believes indicates "that the Postal Service has confidence in the program's growth." *Id.* NPPC notes that it continues to view the incentives as rates of general applicability. *Id.* Concerning the proposed revisions to the MCS related to the First-Class Mail and Marketing Mail Growth Incentives, the Public Representative states that the Postal Service made a sufficient showing under 39 C.F.R. §§ 3040.180-.181 to justify the proposed MCS changes related to these incentives in this proceeding. PR Comments at 29. No other commenter addresses the CY 2025 First-Class Mail and Marketing Mail Growth Incentives.

Commission analysis. In this proceeding, the Postal Service proposes to continue the First-Class Mail and Marketing Mail Growth Incentives into CY 2025. The Commission previously found that the CY 2024 versions of the First-Class Mail and Marketing Mail Growth Incentives were consistent with applicable law as defined in 39 C.F.R. § 3030.126(b). Order No. 6713 at 13-18. The CY 2025 versions of the First-Class Mail and Marketing Mail Growth Incentives have no substantive changes from the CY 2024 versions found to be consistent with applicable law in Order No. 6713; the only changes to the incentives update applicable time periods to reflect these are CY 2025, rather than CY 2024, offerings. See Notice at 30; see, e.g., *id.* Attachment A at 11-12,

25. These non-substantive changes have no effect on the Commission's previous findings that the First-Class Mail and Marketing Mail Growth Incentives are consistent with applicable law as defined in 39 C.F.R. § 3030.126(b).

In Order No. 6713, the Commission also set forth data collection and reporting requirements for the CY 2024 incentives that require certain data and information to be reported to the Commission at established intervals. Order No. 6713 at 23-25. Consistent with Order No. 6713, the Commission directs the Postal Service to file the same data and information at the same intervals related to the CY 2025 First-Class Mail and Marketing Mail Growth Incentives. Thus, by May 15, 2025, and 60 days after the close of each quarter thereafter, the Postal Service shall provide the following:

1. For each expected participating First-Class Mail and USPS Marketing Mail mailer and in the aggregate, the qualifying volume and revenue, broken down by product and further broken out into commercial/nonprofit categories (when applicable);
2. The number of participating First-Class Mail and USPS Marketing Mail mailers that have qualified for credits and the amount of total credits issued based on the actual price paid for qualifying volume (this requirement is applicable for reporting occurring after July 2025 when credits will first be issued);
3. The number of participating First-Class Mail and USPS Marketing Mail mailers projected to qualify for credits next quarter and by the end of CY 2025;

4. Any credit adjustments made during the quarter as described in the Docket No. R2023-3, Response to CHIR No. 1, question 2.c.;²⁹ and
5. Estimates of the Postal Service's administrative costs for the quarter and for the administration of the incentives to date, including costs related to data tracking and collection as well as labor hours required to manage the program and calculate credits and credit adjustments.

Additionally, within 60 days after the promotion period ends, the Postal Service shall provide a final report that provides the following:

1. For each participating First-Class Mail and USPS Marketing Mail mailer and in the aggregate, the actual credits earned and distributed, including any adjustments, and supporting calculations;
2. The actual administrative costs of the program as of the date of the report and estimates of the costs to administer the claiming of incentive credits through CY 2026; and
3. For credits that were used in CY 2025, the amount of credits applied to each qualifying product, and further broken out into commercial/nonprofit categories (when applicable).

The Commission directs the Postal Service to file this information in Docket No. R2023-3 to ensure that all reporting relating to the First-Class Mail and Marketing Mail Growth Incentives is contained in a single docket.

The Commission notes the majority of the proposed MCS changes shown in the Attachment to this Order go into effect with the new prices on July 14, 2024. However, that is not true of the First-Class Mail and Marketing Mail Growth Incentives, as the CY

²⁹ Docket No. R2023-3, Responses of the United States Postal Service to Chairman's Information Request No. 1, August 28, 2023, question 2.c. (Docket No. R2023-3, Response to CHIR No. 1).

2024 incentives run through December 31, 2024, and the CY 2025 incentives begin on January 1, 2025. See Notice at 29-30; Response to CHIR No. 2, question 8. As a result, the MCS changes related to the CY 2025 First-Class Mail and Marketing Mail Growth Incentives should not be added to the MCS until January 1, 2025, at which point the CY 2024 versions of those incentives should be removed. Response to CHIR No. 2, question 8. The Postal Service's initial filing solely reflects the addition of the CY 2025 First-Class Mail and Marketing Mail Growth Incentives but does not reflect the necessary corresponding removal of the CY 2024 versions of those incentives. See *generally* Notice, Attachment A. In the Attachment to this Order, both the addition of the CY 2025 First-Class Mail and Marketing Mail Growth Incentives and the removal of the CY 2024 versions are reflected in legislative format. Accordingly, the MCS changes related to the First-Class Mail and Marketing Mail Growth Incentives that appear in the following sections are effective January 1, 2025, and will not be changed until that date: sections 1110, 1115, 1205, 1210, 1215, 1220, 1225, and 1230.

The Postal Service states that it intends for the First-Class Mail Growth Incentive and Marketing Mail Growth Incentive to generate rate adjustment authority in the future. Notice at 31-32. Only a rate of general applicability can be used to generate rate authority. 39 C.F.R. § 3030.128(f)(2)(iii). The Postal Service acknowledges this and asserts that the incentives' rates are rates of general applicability. See Notice at 31-32. As the Commission noted in Order No. 6713, the Commission has an open rulemaking in which it is considering amended rules pertaining to rate incentives for Market Dominant products that may ultimately impact whether the First-Class Mail Growth Incentive's and Marketing Mail Growth Incentive's rates would be considered rates of general applicability under the Commission's regulations.³⁰ However, in Order No.

³⁰ Order No. 6713 at 18; Docket No. RM2020-5, Notice of Proposed Rulemaking to Amend Rules Regarding Rate Incentives for Market Dominant Products, November 14, 2022 (Order No. 6325); Docket No. RM2020-5, Supplemental Notice of Proposed Rulemaking to Amend Rules Regarding Rate Incentives for Market Dominant Products, November 17, 2023 (Order No. 6801).

6713, the Commission noted two potential issues that may impact whether the incentives' rates would be considered rates of general applicability under the current and proposed rules. Order No. 6713 at 19-21. The Commission concluded that “[b]ecause the amended rules on rates of general applicability remain pending before the Commission, the Commission makes no finding as to whether the First-Class Mail Growth Incentive’s and the Marketing Mail Growth Incentive’s rates are rates of general applicability in this Order.” *Id.* at 21. The Commission cautioned that “it is possible that the Commission’s rules could preclude the incentives’ rates from being considered rates of general applicability and thus preclude the incentives from being permitted to generate rate adjustment authority” and stated that it “intends to make that determination based on the rules in effect at the time the Postal Service seeks to generate rate adjustment authority based on the incentives.” *Id.* Given that Docket No. RM2020-5 remains pending before the Commission and consistent with Order No. 6713, the Commission again declines to make a finding as to whether the First-Class Mail Growth Incentive’s and the Marketing Mail Growth Incentive’s rates are rates of general applicability in this proceeding and reiterates that it intends to make that determination based on the rules in effect at the time the Postal Service seeks to generate rate adjustment authority based on the incentives.

c. Full-Service IMb and Seamless Acceptance Incentives

The Postal Service’s position. The Postal Service currently offers incentives in the form of a discount to mailpieces that comply with the requirements of Full-Service IMb and Seamless Acceptance. See, e.g., Notice, Attachment A at 10, 17, 23-24. Currently, for eligible First-Class Mail and USPS Marketing Mail mailpieces, the Full-Service IMb Incentive is a \$0.003 discount and the Seamless Acceptance Incentive is a \$0.001 discount. See *id.* In this proceeding, the Postal Service proposes to increase those discounts for eligible First-Class Mail and USPS Marketing Mail mailpieces to \$0.005 and \$0.002, respectively. Notice at 8, 11. The Postal Service represents that it

proposes to increase these incentives “to further encourage the use of barcodes and efficient mail entry and verification.” *Id.*

Comments. Pitney Bowes commends the Postal Service’s proposed increases in the Full-Service IMb and Seamless Acceptance discounts, stating that “[e]nhancing these pricing incentives benefits mailers and the Postal Service by incentivizing efficiency, security, and visibility in the postal network.” Pitney Bowes Comments at 3. NPPC also supports the increases in the Full-Service IMb and Seamless Acceptance Incentives, stating that “[t]hose incentives have remained unchanged since their respective inceptions and the increases will make participation in those initiatives more attractive.” NPPC Comments at 5.

NAPM also commends the Postal Service for strengthening the Full-Service IMb and Seamless Acceptance Incentives and states that “[t]he increases in these incentives proposed by the Postal Service will help support continued participation in these programs by offsetting some of the costs mailers bear.” NAPM Comments at 7. NAPM explains that the incentives are critical to the Postal Service as they incentivize “‘data rich’ streamlined mailings” that are “the foundation for a long and growing list of [Postal Service] initiatives designed to add value to mail, retain mail volume, reduce [the Postal Service’s] costs, and increase [the Postal Service’s] efficiency.” *Id.* NAPM states that many of the Postal Service’s initiatives and programs “rely on the data only mailers can provide with their Streamlined Mail production and processing capabilities.” *Id.*

With respect to the Full-Service IMb Incentive, NAPM notes that only Full-Service IMb mailpieces are included in the Postal Service’s service performance measurement system and states that increasing the incentive “supports continued participation in the program which is necessary to keep the service performance measurement system strong and representative” *Id.* NAPM notes the incentive also provides an opportunity for mail owners “to defray some of the overall price increase” *Id.* at 8.

With respect to the Seamless Acceptance Incentive, NAPM notes that unlike the Full-Service IMb Incentive, the Seamless Acceptance Incentive goes to the mail preparer, which is the mail service provider if one is used by the mail owner, to defray the participation costs associated with Seamless Acceptance. *Id.* NAPM encourages the Postal Service to consider whether the work is primarily performed by the mail preparer when creating new incentives, and “if so, to design the incentive to be paid to the [mail preparer].” *Id.* NAPM explains Seamless Acceptance mail benefits the Postal Service and notes that there is still opportunity to increase Seamless Acceptance participation. *Id.* NAPM expresses optimism that the increased incentive will better defray costs and grow Seamless Acceptance participation. *Id.*

Commission analysis. The Postal Service proposes to continue the Full-Service IMb and Seamless Acceptance Incentives in this proceeding and increase the amount of the applicable discounts for eligible First-Class Mail and USPS Marketing Mail mailpieces. Notice at 8, 11. The Commission previously found that the Seamless Acceptance and Full-Service IMb Incentives are consistent with applicable law as defined in 39 C.F.R. § 3030.126(b).³¹ The increases in the incentives for eligible First-Class Mail and USPS Marketing Mail do not affect this previous finding and are within the scope of the Postal Service’s pricing flexibility in this proceeding. In addition, the Commission has consistently received comments suggesting that these incentives should be increased, and the Commission previously encouraged the Postal Service to consider the positive effects of these incentives and the concerns raised in comments when exercising its pricing flexibility related to these incentives. *See, e.g.,* Order No.

³¹ *See, e.g.,* Docket No. R2021-2, Order on Price Adjustments for First-Class Mail, USPS Marketing Mail, Periodicals, Package Services, and Special Services Products and Related Mail Classification Changes, July 19, 2021, at 70 (Order No. 5937); Docket No. R2022-1, Order on Price Adjustments for First-Class Mail, USPS Marketing Mail, Periodicals, Package Services, and Special Services Products and Related Mail Classification Changes, May 27, 2022, at 44 (Order No. 6188); Docket No. R2023-1, Order on Price Adjustments for First-Class Mail, USPS Marketing Mail, Periodicals, Package Services, and Special Services Products and Related Mail Classification Changes, November 28, 2022, at 36 (Order No. 6341); Order No. 6526 at 46.

5937 at 69-70; Order No. 6188 at 42-44; Order No. 6341 at 35-37; Order No. 6526 at 45-46. The proposed increases in the incentives are supported by the commenters in this proceeding and appear to reflect consideration of the benefits of the incentives and concerns raised in previous comments as previously encouraged by the Commission. The changes to the MCS needed to reflect the increases in the Full-Service IMb and Seamless Acceptance Incentives for eligible First-Class Mail and USPS Marketing Mail are shown in the Attachment to this Order.

With respect to NAPM's suggestion that the Postal Service consider targeting future incentives to mail preparers when they do most of the work associated with an incentive, the Commission finds this consideration to be within the Postal Service's flexibility with regard to incentive design and encourages the Postal Service to consider NAPM's suggestion when designing future incentives. See NAPM Comments at 8.

B. Comments Generally Addressing the Planned Price Adjustments

1. Introduction

This section resolves general issues raised in comments that apply across multiple classes. For example, it includes comments that object to the Postal Service's planned price adjustments overall or the underlying regulations more generally. In this section, the Commission summarizes and addresses those comments by topic. Topics addressed in this section include the impacts of recent Market Dominant rate changes and changes to the Market Dominant ratemaking system; the alleged inconsistency of the proposed price adjustments with applicable legal requirements; the calculation of costs avoided for workshare discount compliance; and the incentivization of commingling/co-mailing. To the extent comments raise specific issues or topics covered elsewhere in this Order, those comments are addressed where relevant to the issues presented.

2. Impacts of Recent Market Dominant Rate Changes and Changes to the Market Dominant Ratemaking System

Comments. ANM states that this is the sixth price increase since the modified Market Dominant ratemaking system and related regulations went into effect. ANM Comments at 1. ANM asserts that this is the largest price increase yet and comes at a time when the Postal Service holds \$18.2 billion in cash, service performance standards are not being met, and volumes and revenues are declining. *Id.* at 1-2. ANM states that with the increases proposed in this proceeding, the compounded increases from January 2021 through July 2024 at the product level are “staggering, ranging from 29 percent to over 83 percent[,]” with “the compounded price increases on the mail products nonprofit organizations purchase [being] especially acute.” *Id.* at 2 (emphasis omitted). ANM acknowledges that the Commission has opened a proceeding to review the Market Dominant ratemaking system and underlying regulations in Docket No. RM2024-4 and urges the Commission “to impose a moratorium on . . . market-dominant rate increases (or, at a minimum, a moratorium on above-CPI rate increases) until the completion of the RM2024-4 review” to maintain the status quo and prevent the objectives of the rulemaking from being frustrated. *Id.* at 7-8.

NAPM states that it “is increasingly concerned with the mail volume declines occurring the past two years” and believes that “one of the main factors contributing to the volume decline is that prices are increasing twice a year.” NAPM Comments at 10. NAPM states that both the magnitude of the price increases themselves and the costs incurred to implement the price changes negatively impact volumes. *Id.* NAPM also notes that “having prices change twice a year ties up resources . . . that could be better spent exploring ways to grow mail volume.” *Id.* NAPM states that each time prices change, mail service providers “must renegotiate their contracts with business customers and each price increase causes customers to re-evaluate the cost-effectiveness of their mailing and the Return on Investment (ROI) of mail compared to alternatives.” *Id.* NAPM also notes that marketing budgets are typically an annual fixed

amount, so as prices increase, volumes are reduced to stay within budget if mailers do not otherwise decide that alternative media are more cost effective. *Id.* NAPM states that once annual price increases ensure industry stability and are consistent with the statutory objectives of 39 U.S.C. § 3622(b)(2) and (8). *Id.* NAPM acknowledges that the Commission views twice per year price changes as allowed by statute, but states they are “extremely detrimental to the mailing industry, monopoly customers using the mail, and to the Postal Service as volumes continue to decline.” *Id.* NAPM urges the Postal Service and the Commission “to seriously explore the consequences on all of continuing price increases twice a year before even more mail volume leaves the system and may not return.” *Id.* at 11.

GCA also expresses concern about the “period of extraordinary declines in the volume of mail[,]” which GCA notes corresponds “to the Postal Service’s present rate policy, including particularly its decision to raise its prices twice a year.” GCA Comments at 1. GCA asserts that the price increases proposed in this proceeding, using all available rate authority less than 3 months after the last increase went into effect, call for a redesign of the current Market Dominant ratemaking system and acknowledges that the Commission has opened a proceeding to revisit the Market Dominant ratemaking system. *Id.* at 10.

With respect to its concerns about volume loss, GCA states that the Postal Service appears to view volume loss two different ways. *Id.* at 2. First, the Postal Service “invariably blame[s]” the volume declines on electronic diversion and does not “ascribe any volume loss to its own prices” *Id.* Second, the Postal Service uses a volume forecasting model that does recognize a relationship between prices and volumes although GCA criticizes it as difficult to understand what is considered and included in the model, including whether electronic alternatives are considered a cross-price factor. *Id.* at 3. GCA asserts that the Postal Service may view electronic diversion as “an unanalyzable phenomenon” but that it is “an economic phenomenon” that “may

be caused, wholly or in part, by relevant prices.” *Id.* at 4. Thus, GCA argues that assuming “that electronic diversion itself is in no way caused by increasing postal prices . . . is a poor foundation for pricing policies” because consumers have no obstacles to choosing the least expensive way to conduct bill payments or other transactional communications. *Id.*

GCA criticizes the Density Rate Authority in particular, which it characterizes as a “not trivial” contributing factor to recent price increases and as going “partway back to a cost-of-service ratemaking model” by allowing the Postal Service to recover identified costs from ratepayers. *Id.* at 6. GCA asserts that in adopting the Density Rate Authority in Docket No. RM2017-3, the Commission adopted the view “that volume decline is an unanalyzable phenomenon” and that its relationship to increasing prices can be ignored or treated as non-existent. *Id.* at 7. GCA calls on the Commission to reconsider this view of volume decline. *Id.*

GCA also criticizes the Commission’s regulations concerning the calculation of the percentage change in rates and the calculation of the Consumer Price Index Rate Authority, which are both backward-looking based on actual data rather than future predictions, because the back-looking nature leaves “no room for a prediction of what effect the proposed rates might have.” *Id.* at 7-8. GCA asserts that a backward-looking approach may work when “increases are limited and not unduly frequent,” but that forecasts of rate effects would now lead to more accurate results given rate increases are more frequent and of higher magnitude. *Id.* at 8. GCA further asserts that the backward-looking approach results in less revenue than predicted due to volume loss and that “the Commission should consider whether this phenomenon is significantly responsible for the Postal Service’s persistent [financial and volume] losses.” *Id.* GCA suggests that a better approach “to price-setting would be to estimate, as well as one can, the effect of an increase in price on the volume of the product which will be demanded once that price becomes effective[,]” and take into account elasticities of

products and price categories in the setting of prices. *Id.* at 9. GCA notes that the Postal Service's model estimates own-price elasticities but asserts that it does not appear to influence pricing decisions and potentially substantially underestimates own-price elasticities. *Id.* at 9-10. GCA files Library Reference GCA-1 with its comments, which contains a study with various critiques of the Postal Service's model. *Id.* at 10. See Library Reference GCA-1.

NPPC notes that after the prices proposed in this proceeding are implemented, mailers will have experienced 6 price increases in less than 3 years, which have imposed total compounded price increases of more than 36 percent for First-Class Mail Presort Letters and 52.4 percent for First-Class Mail Flats. NPPC Comments at 1. NPPC asserts that increases of these magnitudes make First-Class Mail less attractive to business mailers and are coming at a time when service standards have been reduced and service performance has declined. *Id.* NPPC further asserts that the price increases proposed in this proceeding "can hardly be expected to reverse this trend and stem the precipitous losses of volume" *Id.* at 2. NPPC states that the same phenomena apply to USPS Marketing Mail and that it is particularly concerned about the Carrier Route Letter rate because although it "is receiving the lowest increase of any Marketing Mail category" and is compliant with the regulations, it is "being raised too much . . . for its continued robust use." *Id.*

Although NPPC acknowledges the rates are lawful, it states that "does not necessarily mean that they are prudent, judicious, wise, or in the best interest of the Postal Service or the mailing industry." *Id.* NPPC notes that the Postal Service intends to continue to use all of its available pricing authority despite volume and productivity declines and deteriorating service and that this is "undermining the sustainability of the mail that the Postal Service needs to sustain its viability." *Id.* NPPC claims that the degradation of service performance causes mailers "to pay more for less," "harms the Postal Service's reputation as a business partner and leads mailers to consider

alternatives.” *Id.* Although NPPC notes that several aspects of the rate adjustment are improvements, NPPC asserts that “their beneficial effects will be more than outweighed in the eyes of business mailers by the overall percentage increase in . . . rates that far exceeds inflation.” *Id.* at 3. NPPC hopes that Docket No. RM2024-4 will remedy “the harms under the current system before it is too late.” *Id.*

NPPC also criticizes that price increases are occurring twice annually, which it asserts “disrupt mail operations and bring adverse attention” to postal prices, resulting in reduced use of the postal system. *Id.* at 2-3. NPPC suggests that the Commission should act in Docket No. RM2024-4 to restrict price increases to once annually. *Id.* at 3.

PostCom notes that this is the sixth price increase in 3 years, and that if implemented, would “result in cumulative rate increases nearing ninety percent for some products.” PostCom Comments at 1. PostCom states that although the Postal Service previously stated price increases would be “judicious,” its “ratemaking practices are anything but.” *Id.* PostCom asserts that “[v]olume declines have reached unprecedented proportions thanks to Postal Service efforts to maximize its revenues while completely disregarding the impacts on customers or to the stability of the postal system.” *Id.* PostCom further asserts that “[t]hese actions have undermined the statutory goals of creating predictability and stability in rates while failing to assure the Postal Service adequate revenues to maintain financial stability” *Id.* at 1-2. PostCom states that recent price increases “likely have actually deprived the Postal Service of revenue by reducing volumes below what they could have been with more rational ratemaking.” *Id.* PostCom also notes that the prices in this proceeding were proposed “with scarcely one quarter of empirical data since the last rate increase, despite the Postal Service experiencing unprecedented losses in Market Dominant mail volumes.” *Id.* at 2. PostCom asserts that the proposed rates reflect no “reasoning beyond a desire to maximize postal revenues at the expense of captive ratepayers who

bear the misfortune of suffering under the most unfair system of postal rate regulations in the world.” *Id.*

PostCom also expresses concern that the regulations pertaining to the setting of workshare discounts in 39 C.F.R. part 3030, subpart J result in workshare discounts being set “at technically compliant, but far from efficient, levels.” *Id.* PostCom notes, as an example, that most First-Class Mail and USPS Marketing Mail passthroughs are less than 100 percent of avoided costs when 100 percent passthroughs “would improve overall efficiency.” *Id.* PostCom asserts that given there have been six price increases since the adoption of 39 C.F.R. part 3030, subpart J, “there is now ample empirical evidence that the Postal Service can carefully calibrate passthrough levels such that the need for a range that favors passthroughs below 100 percent ought to have been rendered moot.” *Id.* at 3. PostCom argues the Commission “should reconsider the passthrough bounds and utilize its authority to incentivize efficiency.” *Id.*

Although it notes that the documentation available to mailers and software companies regarding this price adjustment was “a significant improvement” over previous price adjustments, PostCom expresses concern about the 90-day notice period for price adjustments. *Id.* at 3-4. PostCom states that “[i]f a price change includes structural changes in addition to changes in rate levels, 90 days is not sufficient for software companies to make the required changes without having to resort to heroic efforts and/or diverting resources from other priorities.” *Id.* at 4. PostCom notes that this also “impacts the clients of said companies who are left with severely limited time periods to test software prior to implementation.” *Id.*

N/MA expresses concern about the magnitude of price increases for Periodicals and observes that the Postal Service is once again using the maximum rate authority for the Periodicals class, which will result in compounded increases of nearly 50 percent for Periodicals since August 2021. N/MA Comments at 1. N/MA notes that despite these price increases, the cost coverage of Periodicals is lower than it was in FY 2019 “due to

the Postal Service's continued failure to control its costs for Periodicals and other flat-shaped mail." *Id.* N/MA states these rate increases "will only harm publishers and the communities around the nation that they serve" and will result in minimal impact on the Postal Service's finances and cause declining volumes. *Id.* at 2. N/MA notes that Periodicals revenue has been lower than estimated and will continue to be because the higher revenue is offset by continuing volume losses. *Id.* N/MA states that Periodicals volumes declined 40 percent between FY 2018 and FY 2023 and have fallen an additional 8.3 percent in the first 5 months of FY 2024. *Id.* at 2-3.

N/MA also expresses concern about the additional 2 percentage points of rate authority granted to non-compensatory classes annually under the current regulations, which it asserts could continue indefinitely under the current rules if costs are not controlled. *Id.* at 2. N/MA urges the Commission to modify the related regulations in Docket No. RM2024-4 and to not allow the additional rate authority "unless the Postal Service can restrain per-unit cost increases for Periodicals" below inflation. *Id.* at 2, 7. N/MA states that the additional 2 percentage points of rate authority are "part of the steep per-unit price increase[s] paid by . . . publishers using the mail" but that the amount of revenue collected from it is "trivial for an \$80 billion organization such as the Postal Service" and does not justify "the additional harm that the surcharge inflicts on publishers and their communities." *Id.* at 3.

N/MA also notes that the proposed price increases are coming at a time "when service performance has remained well below published standards for years." *Id.* N/MA acknowledges that the Postal Service met its service performance targets for Periodicals in the last 2 fiscal years but asserts "that is only because those targets were extremely low even after reducing service standards in Docket No. N2021-1" *Id.* N/MA notes "that the Postal Service [is] *expected* to deliver nearly one out of every seven periodicals late," which is most concerning for those sending time-sensitive content and results in cancelled subscriptions. *Id.* at 4. N/MA further notes service

performance appears to be worse so far in FY 2024, although it states that true service performance is unknown given the limited Periodicals mail volume being measured. *Id.*

N/MA asserts that higher rates and poor service in recent years are harming publishers and communities, which causes reduced volumes, closed publications, news deserts, and harm to “the prestige and reputation of the Postal Service as a dependable public service.” *Id.* N/MA asserts that the loss of Periodicals volumes also harms the Postal Service because Periodicals have been found to enhance the value of the mail. *Id.* N/MA states that lower prices for Periodicals would better reflect the Postal Service acting as a public service and better serve publishers and the public. *Id.* at 5. N/MA states that the goal should be retaining or increasing volume and improving service, which N/MA urges the Commission to address in Docket No. RM2024-4. *Id.* N/MA also urges the Commission to “look to moderate the punishing rate increases on Periodicals Mail in recent years, and to prevent more increases in the future.” *Id.* at 8.

Commission analysis. In Docket No. RM2017-3, the Commission reviewed the initial Market Dominant ratemaking system put in place by the Postal Accountability and Enhancement Act (PAEA) to determine if the system was achieving the objectives of 39 U.S.C. § 3622(b), taking into account the factors of 39 U.S.C. § 3622(c).³² The Commission found that the system had failed to achieve the objectives, taking into account the factors and thus found that modifications to the initial ratemaking system were necessary to achieve the PAEA’s statutory objectives.³³

In this proceeding, the commenters raise a substantial number of concerns related to the effects of these modifications and the regulations underlying the Market

³² 39 U.S.C. § 3622(d)(3). See Postal Accountability and Enhancement Act, Pub. L. 109-435, 120 Stat. 3198 (2006).

³³ See generally 39 U.S.C. § 3622(d)(3); Docket No. RM2017-3, Order on the Findings and Determination of the 39 U.S.C. § 3622 Review, December 1, 2017 (Order No. 4257); Order No. 5763 at 279-365. See also *Nat’l Postal Pol’y Council v. Postal Regul. Comm’n*, 17 F.4th 1184, 1195 (D.C. Cir. 2021), *cert. denied*, No. 21-1124 (U.S. June 27, 2022).

Dominant ratemaking system, including the magnitude of recent and future price increases; the frequency of rate adjustment proceedings; the Postal Service's service performance and service standards; the 90-day notice period for price adjustments; whether the regulations concerning workshare discounts, rate authorities, and the percentage change in rates calculation should be changed; whether the objectives of 39 U.S.C. § 3622(b) are being achieved by the ratemaking system; and the effects that recent rate adjustments have had on mailers, Market Dominant mail volumes, the Postal Service's cost controls, the Postal Service's overall finances and financial stability, the Postal Service's ability to collect adequate data, and the Postal Service's business reputation.

As a preliminary matter, the Commission notes that these concerns are outside the scope of this proceeding. The Commission's review in this proceeding is limited to ensuring the proposed prices comply with the requirements of 39 C.F.R. part 3030, Commission directives and orders, and 39 U.S.C. §§ 3626, 3627, and 3629, which, as the Commission finds in this Order, the proposed price adjustments do. 39 C.F.R. § 3030.126(b).

In response to similar comments in Docket No. R2024-1, the Commission acknowledged "the range of concerns raised by commenters about the recent Market Dominant rate changes and the potential effects of the regulations adopted in Docket No. RM2017-3" and stated that it intended "to initiate an appropriate proceeding pursuant to 39 U.S.C. § 3622(d)(3) to explore such issues." Order No. 6814 at 18. On April 5, 2024, the Commission opened such a proceeding in Docket No. RM2024-4, which it consolidated with Docket Nos. RM2022-5, RM2022-6, and RM2021-2.³⁴ In Docket No. RM2024-4, the Commission intends to "review the system for regulating

³⁴ Docket Nos. RM2024-4, RM2022-5, RM2022-6, and RM2021-2, Advance Notice of Proposed Rulemaking on the Statutory Review of the System for Regulating Rates and Classes for Market Dominant Products, April 5, 2024, at 1, 25-26 (Order No. 7032).

rates and classes for Market Dominant products . . . to determine if the ratemaking system is achieving the objectives appearing in 39 U.S.C. § 3622(b), taking into account the factors in 39 U.S.C. § 3622(c)” in consideration of stakeholder concerns, the Postal Service’s financial condition, and overall volume declines. Order No. 7032 at 1, 23. Unlike the instant proceeding which solely determines the proposed price adjustments’ consistency with applicable law, including the regulations as currently in effect, Docket No. RM2024-4 is the appropriate forum for the consideration of modifications to the Market Dominant ratemaking system and the underlying regulations. See *id.* at 23. The deadline for filing comments in Docket No. RM2024-4 is July 9, 2024, and the deadline for filing reply comments is August 13, 2024. *Id.* at 27.

Although Docket No. RM2024-4, rather than this proceeding, is the appropriate forum to address the issues raised by commenters, the Commission reiterates its ongoing concerns. As the Commission raised when it opened Docket No. RM2024-4, Market Dominant mail volume has declined substantially, rate increases are happening more frequently, service performance has remained an issue, and the Postal Service’s financial situation has failed to improve significantly as net losses have increased since the modified Market Dominant ratemaking system went into effect. *Id.* at 19-23. In the FY 2023 ACD, the Commission noted that it was “troubled by ongoing volume declines and acknowledge[d] concerns about the potential impact of rate increases on volume.” FY 2023 ACD at 11. It found that “from FY 2022 to FY 2023, Market Dominant volume declined by 10.9 billion pieces, with USPS Marketing Mail contributing to 70.2 percent of that decline, with a volume loss of 7.7 billion pieces” and noted that “[t]he consistent, year-over-year volume declines . . . as well as stakeholder concerns regarding a wide variety of issues related to Market Dominant rate changes” prompted the Commission to open Docket No. RM2024-4. *Id.* Although the price adjustments proposed in this proceeding are consistent with applicable law and the Commission has no legal basis to reject the proposed changes, the Commission is concerned, given the current state of affairs, that the Postal Service’s proposal does not reflect reasoned consideration of the

potential widespread effects of its proposal, is not prudent, and is not consistent with the best interests of all stakeholders. While the review in Docket No. RM2024-4 is ongoing, the Commission reminds the Postal Service that it expects it “to use its business judgment in utilizing the tools provided in the system of ratemaking to craft pricing schemes and specific prices” and encourages the Governors of the Postal Service to consider these issues and the issues raised by stakeholders when exercising their business judgment to determine the frequency and magnitude of future Market Dominant price adjustments. See Order No. 5763 at 270.

With respect to ANM’s suggestion that the Commission impose a moratorium on Market Dominant price increases (or limit them to be based on inflation) during the pendency of Docket No. RM2024-4, the Commission declines to adopt that suggestion because it has no statutory or regulatory basis to do as ANM suggests. See ANM Comments at 8. Nothing in title 39 of the United States Code or the regulations permits the Commission to suspend the Postal Service’s ability to use the rate authority granted to it pursuant to 39 C.F.R. part 3030, and as a result, the Commission is obligated to enforce the regulations as currently in effect. The regulations currently in effect grant the Postal Service the rate authority being utilized in this proceeding (and that will be utilized in future proceedings during the pendency of Docket No. RM2024-4), and this Order finds that the Postal Service is using that rate authority consistently with applicable law as defined in 39 C.F.R. § 3030.126(b) in this proceeding. Thus, the Commission has no basis to impose a moratorium on Market Dominant price increases during the pendency of Docket No. RM2024-4, including a moratorium on the price increases proposed in this proceeding.

3. Alleged Inconsistency of Proposed Price Adjustments with Legal Requirements

Comments. ANM asserts that “[t]he proposed adjustments are inconsistent with applicable statutory and regulatory requirements” and that “the Commission has the

legal authority to reject them and should do so.” *Id.* at 1. Specifically, ANM asserts that the Commission has legal authority pursuant to 39 U.S.C. § 503 and its obligation to ensure that proposed rates comply with 39 U.S.C. § 3622 to reject the proposed price increases. *Id.* at 3. Although ANM appears to disagree with the Commission’s conclusion in prior price adjustment proceedings that its review in price adjustment proceedings is limited to ensuring that the proposed prices comply with applicable law as defined in 39 C.F.R. § 3030.126(b), ANM asserts that the Postal Service failed to demonstrate consistency with 39 C.F.R. part 3030 and further asserts, citing 39 C.F.R. § 3030.126(i), that noncompliant rates cannot go into effect. *Id.* at 4-5. Specifically, ANM cites to 39 C.F.R. § 3030.121(b), which states that “[t]he Postal Service shall take into consideration how the planned rate adjustments are in accordance with the provisions of 39 U.S.C. chapter 36.” *Id.* at 5; 39 C.F.R. § 3030.121(b). ANM argues that the regulation requires the Commission to “determine whether the Postal Service considered how its planned rate hikes are in accordance with 39 U.S.C. chapter 36 – including the objectives and factors in 39 U.S.C. § 3622(b) and (c)” in determining compliance with 39 C.F.R. part 3030. ANM Comments at 5-6. ANM asserts that the Postal Service failed to consider 39 U.S.C. § 3622(b) and (c) because the Notice “entirely ignores 39 U.S.C. § 3622[,]” and therefore “the Commission can reject the proposed rate increases on that basis.” *Id.* at 6.

ANM discounts the Postal Service’s mentions of “financial stability” and “service excellence” related to the *Delivering for America* (DFA) plan in the Notice, stating that even if they are intended to demonstrate compliance with two objectives of 39 U.S.C. § 3622(b), “the Commission can see for itself that the DFA plan and these maximum-authority rate adjustments have not achieved” service excellence or financial stability with recent service failures and recent and expected mail volume declines and financial losses. *Id.* at 6-7 (emphasis omitted). ANM concludes that “[t]he Postal Service clearly has not taken into account how its proposed price increases accord with these requirements of 39 U.S.C. chapter 36, nor with any of the chapter’s other requirements”

and claims “it would be a dereliction of duty for the Commission to approve the proposed rate adjustments.” *Id.* at 7.

PostCom states that the rates proposed by the Postal Service do not “further the Objectives of 39 U.S.C. § 3622(b).” PostCom Comments at 1. PostCom suggests that although the Board of Governors of the Postal Service should not have approved the proposed price increases, the Commission should now reject the price increases “to prevent further damage to the Postal Service and the constellation of companies that exist perilously in its orbit.” *Id.* at 4. Citing to the ANM Comments, PostCom agrees that “the Commission should take a more proactive role in this docket than it has when reviewing prior rate proposals and exercise the general authority granted to it by 39 U.S.C. § 503 to direct the Postal Service to revise or withdraw its proposed rates.” *Id.* at 2. PostCom notes that although the 39 U.S.C. § 503 authority “is not unlimited, it must encompass taking actions beyond rulemakings to ensure that postal rates further the goals, purposes, and objectives of [the] PAEA.” *Id.* at 4.

GCA acknowledges that the Commission discontinued consideration of the objectives of 39 U.S.C. § 3622(b) and factors of 39 U.S.C. § 3622(c) in individual rate adjustment proceedings in Docket No. RM2017-3 and asserts that given the “unusually large” twice annual price increases, “[i]t is now time for the Commission . . . to provide a means for the various objectives and factors to be considered *individually* in each” rate adjustment proceeding. GCA Comments at 5.

Commission analysis. ANM’s primary argument is that the Postal Service fails to comply with 39 C.F.R. part 3030 because the Postal Service fails to comply with the regulation that states that “[t]he Postal Service shall take into consideration how the planned rate adjustments are in accordance with the provisions of 39 U.S.C. chapter 36” by inadequately addressing 39 U.S.C. § 3622, and the objectives of 39 U.S.C. § 3622(b) and factors of 39 U.S.C. § 3622(c) in particular, in its Notice. ANM Comments at 5-7; 39 C.F.R. § 3030.121(b). ANM asserts that because the Postal

Service failed to take 39 U.S.C. § 3622 into consideration as required by 39 C.F.R. § 3030.121(b), the Commission can and should reject the proposed price increases. ANM Comments at 6.

In a previous rate adjustment proceeding, commenters raised similar allegations regarding non-compliance with 39 C.F.R. § 3030.121(b) based on the Postal Service's initial filing. See Order No. 5937 at 72. In interpreting 39 C.F.R. § 3030.121(b) in response to these comments, the Commission stated that the regulation requires the Postal Service to "take into consideration how the planned adjustments are in accordance with the provisions of 39 U.S.C. chapter 36" but that "[i]t does not, however, impose any related filing or other requirements on the Postal Service related to that provision in rate adjustment proceedings." *Id.* (citing 39 C.F.R. §§ 3030.121(b), .122, .123). The Commission thus concluded in that proceeding that there were "no grounds to reject the Notice for non-compliance with 39 C.F.R. § 3030.121(b)." *Id.* at 72-73.

In another previous rate adjustment proceeding, the Commission addressed the Postal Service's obligations under 39 C.F.R. § 3030.121(b) vis-à-vis consideration of the objectives and factors of 39 U.S.C. § 3622(b) and (c) in response to comments raised by ANM in that proceeding. See Order No. 6526 at 37. In that proceeding, the Commission found that "[a]lthough, as ANM acknowledges, the Postal Service must take into consideration how the planned rate adjustments are in accordance with 39 U.S.C. chapter 36, there is no further obligation imposed on the Postal Service by the regulations of 39 C.F.R. part 3030 related to the objectives and factors of 39 U.S.C. § 3622(b) and (c)." *Id.* The Commission further explained in that order that "as part of the modified ratemaking system the Commission designed in Docket No. RM2017-3, the Commission proposed and, after notice and comment, finalized changes to the rules

that discontinued consideration of the objectives of 39 U.S.C. § 3622(b) and factors of 39 U.S.C. § 3622(c) in individual rate adjustment proceedings.”³⁵

The Commission declines to change its previous interpretation of 39 C.F.R. § 3030.121(b) or its decision in Docket No. RM2017-3 to discontinue the consideration of the objectives of 39 U.S.C. § 3622(b) and factors of 39 U.S.C. § 3622(c) in rate adjustment proceedings. To the extent that ANM, PostCom, and GCA are advocating the Commission revisit these issues, the Commission notes that they are outside the scope of this proceeding and would be more appropriately addressed in Docket No. RM2024-4. ANM is correct that 39 C.F.R. § 3030.121(b) requires *the Postal Service to take into consideration* how the planned rate adjustments are in accordance with 39 U.S.C. chapter 36; however, there are no specific filing requirements related to that requirement in 39 C.F.R. §§ 3030.122 and .123 or elsewhere in 39 C.F.R. part 3030 and consideration of the objectives and factors of 39 U.S.C. § 3622(b) and (c) in rate adjustment proceedings was explicitly discontinued as a result of Docket No. RM2017-3. Thus, the Commission concludes that it does not have a basis for rejecting the proposed rate adjustments for non-compliance with 39 C.F.R. part 3030 as ANM advocates.

To the extent that ANM and PostCom advocate that the Commission should use its authority to “take any other action . . . deem[ed] necessary and proper to carry out [its] functions and obligations to the Government of the United States and the people as prescribed under . . . [title of the United States Code]” to reject the proposed rates, the Commission reminds ANM and PostCom that 39 C.F.R. part 3030 calls for a narrow review in this proceeding, with the Commission’s role being limited to reviewing planned price adjustments for consistency with applicable law as defined in 39 C.F.R. §

³⁵ *Id.* at 37-38. See Docket No. RM2017-3, Revised Notice of Proposed Rulemaking, December 5, 2019, at 239-40 (Order No. 5337); Order No. 5763 at 258. For a summary of the Commission’s reasons for eliminating consideration of the objectives of 39 U.S.C. § 3622(b) and factors of 39 U.S.C. § 3622(c) in rate adjustment proceedings, see Order No. 6526 at 37-38.

3030.126(b).³⁶ The regulations of 39 C.F.R. part 3030 currently in effect define the Commission's and Postal Service's functions and obligations with respect this proceeding, and 39 U.S.C. § 503 does not permit the Commission to unilaterally override regulations that were put into effect through notice-and-comment rulemaking without notice or comment. Although ANM is correct that non-compliant rates cannot go into effect, the Commission finds in this Order that the proposed rates are consistent with applicable law and therefore does not have a basis, even under the broad authority of 39 U.S.C. § 503, to reject the proposed rates.³⁷

4. Calculation of Costs Avoided for Workshare Discount Compliance

Comments. NAPM “strongly urges the Postal Service and the Commission to pursue changes to improve the recency of cost data used for price changes.” NAPM Comments at 6-7. NAPM contends that “[t]he existing process for determining cost avoidances significantly lags pricing decisions” and that this unfairly impacts mailers and mail service providers, particularly during periods of high inflation and when there are price increases twice annually. *Id.* at 7. NAPM asserts that requiring more recent cost data would be more efficient and “tie workshare discounts more closely to current cost avoidances.” *Id.*

NPPC also raises concerns about the recency of avoided cost data, stating that “the costs upon which the discounts that will be in effect starting July 2024 will be based [are] costs incurred from October 1, 2022, through September 30, 2023” making them 8 to 20 months out of date when the new rates take effect. NPPC Comments at 4. NPPC asserts that true avoided costs in July 2024 “will almost certainly be larger than those

³⁶ See ANM Comments at 3; PostCom Comments at 2, 4-5; 39 U.S.C. § 503; 39 C.F.R. § 3030.126(b).

³⁷ See ANM Comments at 3-4; PostCom Comments at 2, 4-5; 39 U.S.C. § 503; 39 C.F.R. § 3030.126(b), (i).

upon which these discounts are set.” *Id.* at 4-5. NPPC notes this is “a known mismatch” and that it may be addressed in Docket No. RM2024-4. *Id.* at 5.

Commission analysis. With respect to the suggestion that more recently modeled avoided costs be used when applying the regulations in 39 C.F.R. part 3030, subpart J to workshare discounts, the Commission notes that 39 C.F.R. § 3030.280 states that “[f]or the purpose of . . . [subpart J], the cost avoided by the Postal Service for not providing the applicable service refers to the amount identified in the most recently applicable Annual Compliance Determination, unless the Commission otherwise provides.” 39 C.F.R. § 3030.280.

The Commission notes that currently costs are developed on an annual basis and more frequently updated costs are not currently available. As a result, and consistent with 39 C.F.R. § 3030.280, the Commission uses avoided costs from the most recent Annual Compliance Determination to determine workshare discount compliance with 39 C.F.R. part 3030, subpart J. The Commission also notes that developing costs on a more frequent than annual basis is outside the scope of this proceeding and would require a substantial number of conceptual and methodological changes to the Postal Service’s costing systems and sampling approaches, all of which would need to be considered in separate proceedings. See 39 C.F.R. § 3050.11(a).

5. Incentivization of Commingling/Co-mailing

Comments. NAPM states that commingling/co-mailing operations enable businesses to have reduced postage rates, better customer experiences, better service performance, more education about promotions and incentives, and to “achieve the greatest value possible from their mailing/shipping experience.” NAPM Comments at 1, 3. NAPM also represents that commingling/co-mailing operations process substantial volumes of mail and reduce the Postal Service’s costs, produce less costly and more profitable mail, keep businesses using the mail, and provide data for the Postal Service

and its service measurement system. *Id.* at 1-2. NAPM asserts that commingling/co-mailing operations bring “more benefits to the [Postal Service], business customers, and the mail system as a whole than does regular presort” and as a result, “[c]hanges that support the growth of commingle/comail are good for the Postal Service, good for the mailing industry and good for businesses using the mail.” *Id.* at 3. Specifically, NAPM notes that commingled/co-mailed volumes decrease costly sortation and acceptance and verification costs and are produced on more full trays and pallets, which reduces handling and transportation costs. *Id.* at 2-3. NAPM suggests that the Postal Service alone “has the data to evaluate the health and growth of the entire commingle/comail industry” and encourages the Postal Service “to regularly review the volumes of mail that are processed through commingle/comail to see if the incentives it is providing lead to growth of mail processed in this more efficient and beneficial manner.” *Id.* at 3. NAPM also suggests that the Postal Service explore with the commingle/co-mail industry the possibility of “an incentive for preparing mail from multiple customers into a consolidated mailing” to account for the complexities and costs associated with combined mailings. *Id.* at 3-4.

Although NAPM remains “optimistic that the Postal Service’s plans to redesign its facility and transportation network over the coming years will achieve its goals,” NAPM states that the transition period will create challenges and encourages the Postal Service “to work more closely with its industry partners on the implementation of its redesigned network to ensure a smoother transition for all.” *Id.* at 2. NAPM otherwise commends the Postal Service for its interactions with the mailing industry, its informative webinars, its timely publication of price change data, and its responsiveness to questions regarding the proposed price changes. *Id.* at 9-10. NAPM states that these two-way interactions allow better understanding of price development by the mail industry and better understanding by the Postal Service of how prices drive mailer behavior. *Id.* at 10. NAPM encourages the Postal Service to continue these

interactions in between price changes “so that potential impacts on the mailing industry can be understood prior to development of price change proposals.” *Id.*

Commission analysis. The Commission appreciates the benefits that commingling/co-mailing operations bring to mailers, businesses, and the Postal Service. The Commission encourages the Postal Service to consider these benefits when setting future prices and to consider whether the Postal Service is sending appropriate pricing signals to incentivize desired mailer behavior. With respect to NAPM’s suggestions that the Postal Service explore the creation of a consolidated mailing incentive and otherwise review whether incentives are appropriately incentivizing desired mailer behavior, the Commission finds this consideration to be within the Postal Service’s flexibility with regard to incentive design and encourages the Postal Service to consider whether NAPM’s suggestions would better incentivize desired mailer behavior when designing future incentives. *See id.* at 3-4.

NAPM reports positive and helpful engagement between the mail industry and Postal Service concerning price increases and identifies two areas where increased engagement would be helpful (*i.e.*, the implementation of the redesigned network and in between price changes). *Id.* at 2, 9-10. The Commission encourages the Postal Service to consider whether increased industry engagement around the two areas identified by NAPM would be beneficial to mailers, the mail industry, and the Postal Service.

V. FIRST-CLASS MAIL

A. Introduction

This section discusses the price adjustment authority and workshare discounts applicable to First-Class Mail. This section also discusses comments related to First-Class Mail not addressed elsewhere in this Order. Except for the promotions and incentives changes discussed in Section IV.A., *supra*, the only proposed changes to the

MCS for First-Class Mail reflect the prices proposed in this proceeding, and thus the Commission does not include a separate discussion of MCS changes related to First-Class Mail. The changes to the MCS needed to reflect the planned new prices are shown in the Attachment to this Order. There are also no non-compensatory products and statutory preferential rates pursuant to 39 U.S.C. § 3626 applicable to First-Class Mail. See FY 2023 ACD at 49; Notice at 37-39.

B. Price Adjustment Authority

1. Introduction

Five products are assigned to First-Class Mail: (1) Single-Piece Letters/Postcards; (2) Presorted Letters/Postcards; (3) Flats; (4) Outbound Single-Piece FCMI; and (5) Inbound Letter Post. The planned price increase for First-Class Mail is, on average, 7.755 percent, which results in no remaining unused price adjustment authority.³⁸ Table V-1 shows the percentage price change for each First-Class Mail product as calculated by the Commission.

³⁸ As shown in Table II-1, *supra*, the Postal Service has 7.755 percent in available pricing authority. Subtracting the 7.755 percent that the Postal Service is using in this proceeding from its available pricing authority results in 0.000 percent remaining as unused price adjustment authority. See Library Reference PRC-LR-R2024-2-1, Excel file "PRC-COMPCALC-FCM-R2024-2.xlsx."

Table V-1
First-Class Mail Price Changes (by Product)

First-Class Mail Product	Price Change %
Single-Piece Letters/Postcards	7.674
Presorted Letters/Postcards	7.629
Flats	9.684
Outbound Single-Piece FCMI	6.334
Inbound Letter Post	0.567
Overall	7.755
Source: Library Reference PRC-LR-R2024-2-1, Excel file "PRC-COMPCALC-FCM-R2024-2.xlsx."	

2. The Postal Service's Position

The Postal Service asserts that it complied with the applicable price cap requirements. See Notice at 4-5. The Postal Service proposes to make two adjustments to the hybrid year billing determinants for First-Class Mail. *Id.* at 9. First, the Postal Service converts Picture Permit's revenues to pieces by dividing revenues by the Picture Permit current price. *Id.* Second, the Postal Service disaggregates the volumes for Single-Piece Flats, Nonautomation Presort Flats, and Automation Flats by 1-ounce increments for each quarter. *Id.* This change is made to reflect the proposed revisions to the First-Class Mail Flats pricing structure, which will no longer have a single price for each additional ounce and instead will have each ounce priced independently so the price differential from ounce to ounce may vary. *Id.* at 8, 9. An additional adjustment to the billing determinants related to the CY 2025 First-Class Mail promotions is discussed in Section IV.A., *supra*.

3. Comments

No commenter disputes that the proposed price adjustments comply with the price cap. GCA, NPPC, PostCom, and the Public Representative state that the planned price adjustments comply with the requirements of the price cap. GCA Comments at 1; NPPC Comments at 2; PostCom Comments at 1; PR Comments at 9.

4. Commission Analysis

The Commission finds that the Postal Service's price adjustments for First-Class Mail comply with the price cap limitations specified by 39 C.F.R. part 3030. The Postal Service's planned price adjustment of 7.755 percent is equal to the total available authority; therefore, there is no unused price adjustment authority available for First-Class Mail after this proceeding. The Commission accepts the Postal Service's adjustments to the billing determinants for First-Class Mail as reasonable.

C. Workshare Discounts

1. Introduction

As described in Section II., *supra*, the rules in 39 C.F.R. part 3030, subpart J govern the pricing requirements for workshare discounts. In this proceeding, the Commission uses the prices currently in effect (from Docket No. R2024-1), the prices proposed in this proceeding, and the FY 2023 avoided costs to evaluate the compliance of the workshare discounts proposed in this proceeding with 39 C.F.R. part 3030, subpart J. In the FY 2023 ACD, the Commission directed "the Postal Service to bring all current workshare discounts approved in Docket No. R2024-1 . . . that are not equal to their avoided costs based on the new FY 2023 avoided costs into compliance with 39 C.F.R. § 3030.283 and 39 C.F.R. § 3030.284 in the next rate adjustment proceeding." FY 2023 ACD at 18. In addition, the Commission directed that "all

workshare discounts proposed in rate adjustment proceedings must be consistent with 39 C.F.R. § 3030.282.” *Id.*

2. The Postal Service’s Position

The Postal Service asserts that all First-Class Mail workshare discounts comply with 39 C.F.R. part 3030, subpart J. Notice at 8. The Postal Service states that 2 of 16 First-Class Mail passthroughs are equal to 100 percent. *Id.* The Postal Service asserts that the remaining 14 First-Class Mail workshare discounts have passthroughs between 85 and 100 percent. *Id.*

3. Comments

The Public Representative states that the proposed workshare discounts comply with 39 C.F.R. part 3030, subpart J. PR Comments at 16. Pitney Bowes states that the Commission’s workshare discount rules “continue to benefit mailers and the Postal Service.” Pitney Bowes Comments at 1. Pitney Bowes argues that the proposed price adjustments confirm that the workshare discount rules are improving efficiency and minimizing rate impacts on the Postal Service’s “most profitable letter mail products.” *Id.* Pitney Bowes contends, however, that there is “room for improvement and refinement of the rules” in the upcoming review of the Market Dominant ratemaking system in Docket No. RM2024-4. *Id.* Pitney Bowes observes that all First-Class Mail workshare discounts comply with the rules, and that most presort letters workshare discounts are “set at or close to . . . modeled costs avoided.” *Id.* at 2. Finally, Pitney Bowes argues that the Postal Service’s proposed increase to the First-Class Mail 5-Digit Automation Letters workshare discount, from 4.0 cents to 4.8 cents, which results in a passthrough of 98 percent, is “particularly important.” *Id.* Pitney Bowes asserts that sending efficient price signals for 5-Digit Automation Letters is “essential” for commercial mailers and that it is “by far the most widely used mail.” *Id.*

NAPM also commends the Postal Service for proposing First-Class Mail workshare discounts that “better reflect” fully efficient pricing, and notes that passthroughs are “set at or near” 100 percent. NAPM Comments at 4. Specifically, NAPM notes that the 5-Digit Automation Letters workshare discount “more closely reflects” fully efficient pricing, with a passthrough of 98 percent. *Id.* NAPM asserts that the Postal Service has made “significant progress” in moving the 5-Digit Automation Letters passthrough closer to 100 percent, “particularly in the past 2 years.” *Id.*

NPPC acknowledges continuing improvement in workshare discount passthroughs and notes that the Postal Service has brought all First-Class Mail workshare discounts found not compliant in the FY 2023 ACD into compliance. NPPC Comments at 3. NPPC also commends the Postal Service for setting the 5-Digit Automation Letters passthrough at 98 percent. *Id.* at 3-4. NPPC asserts that this price category has the “largest volume” in First-Class Mail and “is the most profitable to the Postal Service.” *Id.* at 4. NPPC is also pleased that Automation automated area distribution center (AADC) Letters and Automation Mixed AADC Letters have passthroughs set at 100 percent. *Id.* NPPC further praises the Postal Service for setting both 3-Digit Automation Flats and 5-Digit Automation Flats passthroughs at 95.2 percent, which it describes as “much improved” over the passthroughs identified in the FY 2023 ACD. *Id.* NPPC notes that the workshare discounts for Presort Cards also comply with the applicable regulatory requirements. *Id.*

4. Commission Analysis

In accordance with 39 C.F.R. § 3030.282, if a workshare discount is currently equal to the cost avoided by the Postal Service, the size of the discount cannot be changed; if a workshare discount currently exceeds the cost avoided by the Postal Service, then the size of the discount cannot be increased; and if a workshare discount currently is less than the cost avoided by the Postal Service, then the size of the discount cannot be decreased. 39 C.F.R. § 3030.282. The Commission has verified

that all First-Class Mail workshare discounts proposed in this proceeding comply with 39 C.F.R. § 3030.282 as required by the regulations and the FY 2023 ACD directive. See *id.*; FY 2023 ACD at 18.

The regulations also provide specific limitations on how workshare discounts that do not equal avoided costs can be set. The Postal Service states that of the 16 First-Class Mail workshare discounts, 2 are set equal to avoided costs and 14 are set below avoided costs. Notice at 8. The Postal Service asserts that the 14 workshare discounts set below avoided costs have passthroughs between 85 and 100 percent. *Id.* In accordance with 39 C.F.R. 3030.284, “[n]o proposal to adjust a rate may set a workshare discount that would be below the cost avoided by the Postal Service for not providing the applicable service” unless one of several exceptions applies. 39 C.F.R. § 3030.284(a). One of the exceptions permits workshare discounts where “[t]he percentage passthrough for the proposed workshare discount is at least 85 percent.” *Id.* § 3030.284(e). The Commission has confirmed that the 14 First-Class Mail workshare discounts set below avoided costs have passthroughs of at least 85 percent and are therefore permitted under the exception in 39 C.F.R. § 3030.284(e) consistent with the FY 2023 ACD directive. See FY 2023 ACD at 18.

The First-Class Mail workshare discounts comply with the requirements of 39 C.F.R. part 3030, subpart J. As a result, the Commission approves the First-Class Mail workshare discounts proposed in this proceeding. The Commission continues to encourage the Postal Service to use its pricing flexibility to incentivize desired mailer behavior. The Commission acknowledges that the pending review of the Market Dominant ratemaking system in Docket No. RM2024-2 will allow commenters additional opportunity to provide input on the workshare discount rules. See Pitney Bowes Comments at 1; Order No. 7032 at 23.

D. Other Comments Related to First-Class Mail

1. Introduction

Pitney Bowes comments on other issues related to First-Class Mail that have not been addressed elsewhere in this section. Pitney Bowes Comments at 2-3.

2. Comments

Pitney Bowes commends the Postal Service for maintaining a 4-cent price differential between First-Class Mail Single-Piece Stamped Letters and Single-Piece Metered Letters in this proceeding. Pitney Bowes Comments at 2. Pitney Bowes asserts that this “meaningful policy-based pricing differential” creates incentives for small- and medium-sized businesses to use Postal Service products “to grow their business” and to use more efficient postage payment channels. *Id.* at 2-3. Additionally, Pitney Bowes contends that the price differential benefits commercial mailers because the metered price serves as the benchmark for First-Class Mail Presort Letters. *Id.* at 3.

3. Commission Analysis

With respect to Pitney Bowes’ comments regarding the price differential between Stamped and Metered Letters, the Commission notes that the authority to establish prices is vested primarily in the Governors of the Postal Service. See Pitney Bowes Comments at 2-3; 39 U.S.C. § 404(b). Under the ratemaking system, the Governors of the Postal Service have the discretion to use some, none, or all of the available rate authority and to select individual prices for products and rate cells that comply with the class-level price cap. Order No. 5763 at 313-14, 315-16. The Commission encourages the Postal Service to continue to set prices that incentivize desired mailer behavior and to consider the views of stakeholders when using its price setting discretion.

VI. USPS MARKETING MAIL

A. Introduction

This section discusses the price adjustment authority, non-compensatory products, workshare discounts, classification changes, statutory preferential rates, and nonprofit discounts applicable to USPS Marketing Mail.

B. Price Adjustment Authority

1. Introduction

The USPS Marketing Mail class consists of seven products: (1) Letters; (2) Flats; (3) Parcels; (4) High Density and Saturation Letters; (5) High Density and Saturation Flats/Parcels; (6) Carrier Route; and (7) EDDM—Retail. The planned price increase for USPS Marketing Mail is, on average, 7.755 percent, which results in no remaining unused price adjustment authority.³⁹ Table VI-1 shows the percentage price change for each USPS Marketing Mail product as calculated by the Commission.

³⁹ As shown in Table II-1, *supra*, the Postal Service has 7.755 percent in available pricing authority. Subtracting the 7.755 percent that the Postal Service is using in this proceeding from its available pricing authority results in 0.000 percent remaining as unused price adjustment authority. See Library Reference PRC-LR-R2024-2-2, Excel file “PRC-COMPCALC-USPSMM-R2024-2.xlsx.”

Table VI-1
USPS Marketing Mail Price Changes (By Product)

USPS Marketing Mail Product	Price Change %
Letters	6.958
Flats	11.708
Parcels	7.790
High Density and Saturation Letters	7.327
High Density and Saturation Flats/Parcels	7.903
Carrier Route	9.918
EDDM—Retail	9.852
Overall	7.755
Source: Library Reference PRC-LR-R2024-2-2, Excel file "PRC-COMPCALC-USPSMM-R2024-2.xlsx."	

2. The Postal Service's Position

The Postal Service asserts that it complied with the applicable price cap requirements. See Notice at 4-5. The Postal Service initially proposed to make four adjustments to the hybrid year billing determinants for USPS Marketing Mail. *Id.* at 20. In the Response to CHIR No. 2, the Postal Service identifies a fifth necessary adjustment. Response to CHIR No. 2, questions 10.d., 11.f. First, the Postal Service estimates the qualified area distribution center (ADC), 3-Digit, 5-Digit, Carrier Route, High Density, High Density Plus, EDDM, and Saturation flats volumes on sectional center facility (SCF) pallets using the percentage numbers derived from the Marketing Mail Characteristics Study filed in Docket No. ACR2023 to account for the new

workshare discounts approved in Docket No. R2023-1.⁴⁰ Second, the Postal Service estimates the AADC, qualifying ADC, 3-Digit, 5-Digit, Carrier Route, High Density, High Density Plus, EDDM, and Saturation letters volume on SCF pallets using the percentage numbers derived from the Marketing Mail Characteristics Study filed in Docket No. ACR2023 to account for the new workshare discounts approved in Docket No. R2023-2.⁴¹ Third, the Postal Service adjusts the billing determinants for Saturation flats (including EDDM) and Saturation letters to account for the Marriage Mail incentive approved in Docket No. R2023-2. Notice at 21; see Order No. 6526 at 61, 80. Fourth, the Postal Service estimates the catalog volume in USPS Marketing Mail products by using data sourced from an existing catalog checkbox on USPS Marketing Mail postage statements to account for the new Catalog Incentive proposed in this proceeding. Notice at 21. This adjustment to the billing determinants is discussed in detail in Section IV.A.2., *supra*. Fifth, the Postal Service states that the billing determinants for Simple Samples volumes should be set to zero to reflect the proposed elimination of Simple Samples from the High Density and Saturation Flats/Parcels and Carrier Route

⁴⁰ Notice at 20-21; see Order No. 6341 at 62, 64. The Postal Service made the adjustment for FY 2023, quarter 2 only; the other three quarters use actual data based on the billing determinants. Notice at 21. Additionally, the Commission previously noted concern that the Postal Service, without approval, extended the workshare discounts approved in Docket No. R2023-1 to ADC bundles containing Flats that were qualified to be placed on SCF pallets. Order No. 6526 at 64. The Postal Service identified the issue in Docket No. R2023-2 and the Commission noted that extending the discount did not implicate the price cap and allowed the Postal Service to continue extending the workshare discount. See *id.* at 64-65.

⁴¹ Notice at 21; see Order No. 6526 at 61 n.50, 79-80. The Postal Service also notes that it improved the methodology for estimating the volume in this proceeding by including Nonautomation Nonmachinable Letters greater than four ounces on SCF pallets for the Flats product. Notice at 21; see Response to CHIR No. 2, question 12.

products in this proceeding.⁴² The proposed elimination of Simple Samples is discussed in more detail in Section VI.E., *infra*.

3. Comments

No commenter disputes that the proposed price adjustments comply with the price cap. GCA, PostCom, and the Public Representative state that the planned price adjustments comply with the requirements of the price cap. GCA Comments at 1; PostCom Comments at 1; PR Comments at 13.

4. Commission Analysis

The Commission finds that the Postal Service's price adjustments for USPS Marketing Mail comply with the price cap limitations specified by 39 C.F.R. part 3030. The Postal Service's planned price adjustment of 7.755 percent is equal to the total available authority; therefore, there is no unused price adjustment authority available for USPS Marketing Mail after this proceeding. In addition to the adjustment to the billing

⁴² Response to CHIR No. 2, questions 10.d., 11.f. The Postal Service states it "inadvertently failed to set the Simple Samples volume to zero to reflect their elimination" in its initial filing and that it submitted revised workpapers to correct the error. *Id.* questions 10.d., 11.f. and Excel file "COMPCALC-USPSMM-R2024-2 Rev 4.26.xlsx." The revised workpapers, however, do not correct the error, but instead treat the volume as zero only for the planned rates and continue to use non-zero billing determinant volume for the current rates. Response to CHIR No. 2, Excel file "COMPCALC-USPSMM-R2024-2 Rev 4.26.xlsx." The Postal Service does not explain its rationale for using non-zero billing determinant volume for the current rates. Response to CHIR No. 2, questions 10.d., 11.f. and Excel file "COMPCALC-USPSMM-R2024-2 Rev 4.26.xlsx." The Commission has confirmed that the failure to set the billing determinants for Simple Samples volume to zero does not affect the percentage change in rates calculation for the USPS Marketing Mail class or the affected products. The change is nonetheless necessary to bring the filing into compliance with the regulations. See 39 C.F.R. § 3030.128(b)(1), (3). Accordingly, the Commission has made the proper adjustment in its workpapers. Library Reference PRC-LR-R2024-2-2, Excel file "PRC-COMPCALC-USPSMM-R2024-2.xlsx," tabs "Misc," "HD&Saturation Flats and Parcels," "Carrier Route," "Price Change Summary," and "Detailed Price Change Summary." The Commission reminds the Postal Service that the billing determinants are meant to be used as a fixed weight and, unless the Postal Service otherwise provides a rationale, treating the volume as zero in both current and planned calculations appropriately prevents the Postal Service from generating rate adjustment authority through the elimination of a rate cell. See 39 C.F.R. § 3030.128(b)(3), (e). Failure to make appropriate adjustments to billing determinants in the future may result in the Commission remanding proposed rates.

determinants made by the Commission to reflect the elimination of Simple Samples discussed in Section VI.B.2., *supra*, the Commission accepts the Postal Service's adjustments to the billing determinants for USPS Marketing Mail as reasonable. Regarding the elimination of Simple Samples, the Commission reminds the Postal Service that 39 C.F.R. § 3030.128(b)(3) requires the Postal Service to adjust the billing determinants associated with eliminated rate cells to zero or provide the rationale for its treatment of the rate cells in accordance with 39 C.F.R. § 3030.128(b)(1), (3).

C. Non-Compensatory Products

1. Introduction

In FY 2023, two USPS Marketing Mail products did not cover their attributable costs. FY 2023 ACD at 33. These products were USPS Marketing Mail Flats and Carrier Route, which had cost coverages of 64.5 percent and 98.7 percent, respectively. *Id.* In the FY 2023 ACD, the Commission reminded the Postal Service that it must increase prices for each of these products by at least 2 percentage points above the class average in future rate adjustments consistent with 39 C.F.R. § 3030.221. *Id.* at 41-42, 48.

2. The Postal Service's Position

The Postal Service acknowledges that the Commission found that USPS Marketing Mail Flats and Carrier Route did not cover their costs in FY 2023 and that it is required by 39 C.F.R. § 3030.221 to raise rates for these products by at least 2 percentage points above the class average. Notice at 10. The Postal Service states that it is raising prices for these products by 11.708 percent and 9.918 percent, respectively. *Id.*

3. Comments

The Public Representative states that the proposed price increases for the USPS Marketing Mail Flats and Carrier Route products comply with 39 C.F.R. § 3030.221. PR Comments at 27. No other commenters raise issues pertaining to USPS Marketing Mail Flats' or Carrier Route's status as non-compensatory products.

4. Commission Analysis

As described in Section II., *supra*, there are two regulatory requirements specific to non-compensatory products in compensatory classes: (1) rates may not be reduced for non-compensatory products; and (2) rates for each non-compensatory product must increase by a minimum of 2 percentage points above the average percentage increase for its compensatory class. 39 C.F.R. §§ 3030.127(b), .221; see FY 2023 ACD at 41-42, 48.

In this price adjustment, the Postal Service has proposed price increases for the USPS Marketing Mail Flats and Carrier Route products of 11.708 percent and 9.918 percent, respectively, both of which are more than 2 percentage points above the USPS Marketing Mail class average increase of 7.755 percent. Notice at 10; Section VI.B., *supra*. This is consistent with the requirements of 39 C.F.R. § 3030.127(b) and 39 C.F.R. § 3030.221.

D. Workshare Discounts

1. Introduction

As described in Section II., *supra*, the rules in 39 C.F.R. part 3030, subpart J govern the pricing requirements for workshare discounts. In this proceeding, the Commission uses the prices currently in effect (from Docket No. R2024-1), the prices proposed in this proceeding, and the FY 2023 avoided costs to evaluate the compliance of the workshare discounts proposed in this proceeding with 39 C.F.R. part 3030,

subpart J. In the FY 2023 ACD, the Commission directed “the Postal Service to bring all current workshare discounts approved in Docket No. R2024-1 . . . that are not equal to their avoided costs based on the new FY 2023 avoided costs into compliance with 39 C.F.R. § 3030.283 and 39 C.F.R. § 3030.284 in the next rate adjustment proceeding.” FY 2023 ACD at 18. In addition, the Commission directed that “all workshare discounts proposed in rate adjustment proceedings must be consistent with 39 C.F.R. § 3030.282.” *Id.*

2. The Postal Service’s Position

The Postal Service asserts that all USPS Marketing Mail workshare discounts comply with 39 C.F.R. part 3030, subpart J. Notice at 19-20. The Postal Service states that there are now 66 passthroughs in USPS Marketing Mail, up from 58 passthroughs since the last price adjustment case as a result of the recently approved revision to the methodology for calculating workshare discount passthroughs for flat-shaped USPS Marketing Mail pieces.⁴³ The Postal Service states that “[o]f the 66 passthroughs, 32 are equal to 100 percent.” Notice at 19. The Postal Service states that the remaining 34 workshare discounts are set below avoided costs, with 26 of those workshare discounts having passthroughs of at least 85 percent, including the 8 new workshare discounts. *Id.* The Postal Service states that the remaining 8 workshare discounts that are set below avoided costs have passthroughs below 85 percent, but that the Postal Service is bringing those 8 passthroughs into compliance by raising them by at least 20 percent consistent with the exception in 39 C.F.R. § 3030.284(c). *Id.* at 19-20. The new workshare discounts for USPS Marketing Mail resulting from the revision to the methodology for calculating workshare discount passthroughs for flat-shaped USPS Marketing Mail pieces are discussed in Section VI.E., *infra*.

⁴³ *Id.* at 19; see Docket No. RM2024-3, Order Approving Analytical Principles Used in Periodic Reporting (Proposal One), March 12, 2024, at 8, 11, 17 (Order No. 7001).

3. Comments

The Public Representative states that the proposed USPS Marketing Mail workshare discounts comply with 39 C.F.R. part 3030, subpart J. PR Comments at 16-18. With respect to the workshare discounts for High Density Letters, High Density Origin Flats on SCF pallets, High Density Plus Origin Flats on SCF pallets, and Saturation Origin Flats on SCF pallets, although the Public Representative states that the proposed discounts comply with the workshare rules, he questions the rationale for setting the discounts “so far below avoided cost.” *Id.* at 17, 18-19. The Public Representative recommends that the Postal Service exceed the minimum adjustment permissible for these workshare discounts in future rate adjustment proceedings. *Id.* at 17, 19.

Pitney Bowes argues that the workshare discount rules are “helping the Postal Service improve pricing and operational efficiency.” Pitney Bowes Comments at 2. Specifically, Pitney Bowes contends that the workshare discounts for Automation AADC Letters and Automation Mixed AADC Letters are fully efficient, with 100 percent passthroughs. *Id.* Pitney Bowes asserts that the 5-Digit Automation Letters passthrough of 94.6 percent indicates “additional room for improvement in the future.” *Id.* Pitney Bowes states the pending review of the Market Dominant ratemaking system in Docket No. RM2024-4 offers “another opportunity” to ensure that workshare discounts are fully efficient to encourage efficient mail preparation, reduce Postal Service costs, improve the Postal Service’s overall financial stability, and lower the effective price paid by mailers. *Id.*

NAPM expresses concern that the proposed passthrough for 5-Digit Automation Letters will decrease from 100 percent to 94.6 percent. NAPM Comments at 5. NAPM “strongly recommends” that the Postal Service move the passthrough closer to 100 percent “as soon as possible.” *Id.* Additionally, NAPM commends the Postal Service for increasing the workshare discount for mailpieces prepared on SCF pallets. *Id.*

NAPM encourages the Postal Service to explore additional container discounts that incentivize preparation of direct containers that can be “cross-docked between postal facilities.” *Id.*

NAPM expresses “serious concern” over the proposed reduction in the workshare discount for Marketing Mail letters dropshipped at the destination sectional center facility (DSCF). *Id.* at 6. NAPM notes that the Postal Service has “experienced some issues with facility activations” as it redesigns its network, which has led to “service performance disruptions.” *Id.* NAPM argues that the “significant change” in the incentive to dropship mailpieces at the DSCF will lead to mailers electing to enter mail at origin, regional processing and delivery centers (RPDCs), or network distribution centers (NDCs), which could “further exacerbate” service issues. *Id.* While it acknowledges that “there may be little that can be done . . . in the current proceeding” related to the DSCF workshare discount, NAPM recommends that the Postal Service and Commission “plan for appropriate data gathering and analyses” to assess the impact on mail entry behavior and service degradation prior to next price adjustment. *Id.* Finally, in light of the Postal Service’s planned network redesign changes, NAPM also “strongly recommends” that the Postal Service “clearly articulate” to the mailing industry where it wants mail dropshipped into its network. *Id.*

PostCom expresses concern with the proposed differential between the workshare discount for USPS Marketing Mail letters dropshipped at the destination network distribution center (DNDC) and the workshare discount for USPS Marketing Mail letters dropshipped at the DSCF, describing the differential as “particularly egregious.” PostCom Comments at 3. PostCom asserts that, with a differential of \$3 per 1,000 pieces, or \$0.003 cents per piece, to enter mail at the DSCF compared to entering mail at the DNDC, “mailers and their suppliers will be forced to choose between inferior service performance and absorbing the costs of downstream entry.” *Id.* PostCom notes that mailers have historically used entry at the DSCF for USPS

Marketing Mail pieces when “achieving a desired in-home date is a priority,” and that service performance for letters entered closer to their destination is consistently superior to mail entered closer to origin. *Id.* PostCom asserts that even if the cost differential accurately reflects the avoided costs, the workshare discounts for Marketing Mail letters dropshipped at the DNDC and DSCF are, in effect, different products due to differences in service quality. *Id.*

4. Commission Analysis

In accordance with 39 C.F.R. § 3030.282, if a workshare discount is currently equal to the cost avoided by the Postal Service, the size of the discount cannot be changed; if a workshare discount currently exceeds the cost avoided by the Postal Service, then the size of the discount cannot be increased; and if a workshare discount currently is less than the cost avoided by the Postal Service, then the size of the discount cannot be decreased. 39 C.F.R. § 3030.282. The Commission has verified that all USPS Marketing Mail workshare discounts proposed in this proceeding comply with 39 C.F.R. § 3030.282 as required by the regulations and the FY 2023 ACD directive. *See id.*; FY 2023 ACD at 18.

The regulations also provide specific limitations on how workshare discounts that do not equal avoided costs can be set. The Postal Service states that of the 66 USPS Marketing Mail workshare discounts, 32 are set equal to avoided costs and 34 are set below avoided costs. Notice at 19. The Postal Service asserts that the 34 workshare discounts set below avoided costs have been increased by at least 20 percent or are set to result in passthroughs of at least 85 percent. *Id.* at 19-20. In accordance with 39 C.F.R. § 3030.284, “[n]o proposal to adjust a rate may set a workshare discount that would be below the cost avoided by the Postal Service for not providing the applicable service” unless an exception listed in 39 C.F.R. § 3030.284(b)-(e) applies. 39 C.F.R. § 3030.284(a). These exceptions include: (1) the proposed workshare discount is associated with a new postal service, a change to an existing postal service, or a new

workshare initiative; (2) the proposed workshare discount is a minimum of 20 percent more than the existing workshare discount; or (3) the percentage passthrough for the proposed workshare discount is at least 85 percent. *Id.* § 3030.284(b), (c), (e). The Commission has confirmed that the 34 USPS Marketing Mail workshare discounts set below avoided costs are permitted under one of the exceptions in 39 C.F.R. § 3030.284 consistent with the FY 2023 ACD directive. See FY 2023 ACD at 18.

The USPS Marketing Mail workshare discounts comply with the requirements of 39 C.F.R. part 3030, subpart J. As a result, the Commission approves the USPS Marketing Mail workshare discounts proposed in this proceeding. However, consistent with the views of the Public Representative, the Commission encourages the Postal Service to use its pricing flexibility to bring workshare discounts that are set substantially below avoided costs closer to avoided costs by exceeding the minimum changes set forth in 39 C.F.R. part 3030, subpart J in future rate adjustment proceedings. See PR Comments at 17, 18-19. The Commission also encourages the Postal Service to investigate whether additional opportunities for improved efficiencies exist in the form of new workshare discounts. See NAPM Comments at 5.

With respect to commenter concerns about the 5-Digit Automation Letters passthrough decreasing from 100 percent to 94.6 percent and the differential in the workshare discount for Marketing Mail letters dropshipped at the DSCF and those dropshipped at the DNDC, the Commission reiterates that its role in price adjustment proceedings with regard to workshare discounts is to determine whether the planned workshare discounts are consistent with applicable law, which with regard to workshare discounts means compliance with 39 C.F.R. part 3030, subpart J. See NAPM Comments at 5-6; PostCom Comments at 3. The Commission encourages the Postal Service to move the 5-Digit Automation Letters passthrough closer to fully efficient pricing. The Commission also notes that the passthroughs for Marketing Mail letters dropshipped at the DSCF and the DNDC are both set at 100 percent, and therefore are

sending the most desirable price signals. The Commission appreciates that there may be additional service-related reasons that mailers prefer to dropship to the DSCF but that is not a sufficient reason to suggest altering workshare discounts set at fully efficient levels with passthroughs of 100 percent. Nevertheless, the Commission encourages the Postal Service to engage with mailers and consider their concerns as the Postal Service implements any network changes, and to monitor mailer entry behavior and potential service degradation related to any network changes. Finally, the Commission acknowledges that the pending review of the Market Dominant ratemaking system in Docket No. RM2024-4 will allow commenters additional opportunity to provide input into the workshare discount rules. See Pitney Bowes Comments at 2; Order No. 7032 at 23.

E. Mail Classification Changes

1. Introduction

The classification changes for USPS Marketing Mail pertaining to the proposed promotions and incentives are addressed in Section IV.A., *supra*. In addition to the promotions and incentives related changes, the Postal Service proposes two substantive changes to the MCS for USPS Marketing Mail: (1) a revised rate structure for flat-shaped pieces, and (2) the removal of Simple Samples from the High Density and Saturation Flats/Parcels and Carrier Route products.⁴⁴ The only other proposed changes to the MCS for USPS Marketing Mail reflect the prices proposed in this proceeding, and thus the Commission does not include a separate discussion of those MCS changes. The changes to the MCS needed to reflect the planned new prices are shown in the Attachment to this Order.

⁴⁴ Notice at 11-14, 17-19. Additionally, the Postal Service proposed a ministerial change to the MCS by adding a missing quotation mark around a reference to a price table title. See *id.* Attachment A at 39. That change is also reflected in legislative format in the Attachment to this Order.

2. The Postal Service's Position

Revised rate structure for flat-shaped USPS Marketing Mail pieces. The Postal Service asserts that in recent years it “was faced with an anomalous situation, occasionally recurring, in which it was mathematically impossible to price some flat-shaped Marketing Mail pieces in compliance with 39 C.F.R. §§ 3030.283 and 3030.284.” Notice at 11. The Postal Service contends that, because these pieces had per-piece and per-pound components, the passthroughs “could vary widely because of large fluctuations in volumes and weights.” *Id.* As a result of difficulties with complying with 39 C.F.R. §§ 3030.283 and 3030.284, the Postal Service states that it filed for a waiver under 39 C.F.R. § 3030.286 prior to its planned January 2023 price increase.⁴⁵ The Postal Service states that the Commission granted the waiver, but ordered the Postal Service to file a proposal that would “correct the anomaly” as soon as practicable but in time for the Commission to approve the proposed new approach prior to the planned July 2023 price increase.⁴⁶ The Postal Service states that thereafter, it proposed a new methodology to calculate workshare discount passthroughs for flat-shaped USPS Marketing Mail pieces, which the Commission approved.⁴⁷

⁴⁵ *Id.* (citing Docket No. RM2022-12, United States Postal Service Application for a Waiver Under 39 CFR § 3030.286, August 8, 2022).

⁴⁶ *Id.* (citing Docket No. RM2022-12, Order Approving Postal Service Application for Waiver Under 39 C.F.R. § 3030.286, August 30, 2022, at 11 (Order No. 6261)).

⁴⁷ *Id.* at 11-12 (citing Docket No. RM2023-4, Order on Analytical Principles Used in Periodic Reporting (Proposal One), April 6, 2023, at 14 (Order No. 6474)).

Subsequently, however, the Postal Service contends that it identified “some limitations” with the methodology for calculating workshare discount passthroughs approved in Docket No. RM2023-4.⁴⁸ To address the limitations, the Postal Service states that it submitted a proposal to change the methodology for calculating workshare discount passthroughs for flat-shaped USPS Marketing Mail pieces based upon separately “deriving pricing” for pieces weighing 4 ounces or less and those pieces weighing greater than 4 ounces.⁴⁹ The Commission approved the new methodology in Order No. 7001. Order No. 7001 at 16. The Postal Service states that the new rate structure proposed and approved in Docket No. RM2024-3 results in separate passthrough calculations for pieces weighing 4 ounces or less and those weighing greater than 4 ounces. Notice at 13. These separate calculations result in the creation of the eight new USPS Marketing Mail workshare discounts mentioned in Section VI.D., *supra*. The Postal Service states that it has used the “new pricing paradigm” to develop prices in this case and to calculate the associated workshare discount passthroughs. *Id.* at 14.

Simple Samples. The Postal Service states that in 2013, in an attempt to secure a greater portion of “what was estimated to be a \$5 billion market for the distribution of samples,” it introduced lower prices for high-volume shipments of Simple Samples, which have remained price categories within the High Density and Saturation Flats/Parcels and Carrier Route products. *Id.* at 17-18. The Postal Service states that

⁴⁸ Notice at 12. As to the limitations of the methodology approved in Docket No. RM2023-4, the Postal Service states that because pound prices did not vary by dropship entry point, the methodology reduced incentives for mailers to dropship flat-shaped USPS Marketing Mail pieces weighing greater than 4 ounces closer to their delivery destinations. *Id.* Additionally, the Postal Service states that the methodology did not reflect the avoided costs of delivering flat-shaped USPS Marketing Mail pieces “as closely as they could.” *Id.* The Postal Service states that the workshare discounts for flat-shaped mailpieces weighing greater than 4 ounces were too small, and those for flat-shaped mailpieces weighing 4 ounces or less were too large. *Id.*

⁴⁹ *Id.* at 12-13 (citing Docket No. RM2024-3, Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal One), February 8, 2024).

“[t]oday, Simple Samples is a moribund rate category” within both the High Density and Saturation Flats/Parcels and Carrier Route products. *Id.* at 19. The Postal Service further states that, in FY 2023, the total volume of Simple Samples across both products was 3,685 pieces. *Id.* The Postal Service states that “[i]n FY 2023, the total volume of Simple Samples was . . . 0.0000% of total Marketing Mail volume.” Response to CHIR No. 2, question 10.g. The Postal Service acknowledges, however, that there was additional volume of 15,774 pieces mailed in FY 2024, quarter 1, but the Postal Service represents when that volume is included in the hybrid year, Simple Samples was still 0.0000 percent of total USPS Marketing Mail volume for the hybrid year. *Id.* The Postal Service states that it “does not believe [the FY 2024, quarter 1 Simple Samples volume] to be indicative of a reversal of the category’s trajectory.” *Id.* The Postal Service notes that the 15,744 pieces were sent by a total of three mailers and that the volume is “miniscule” compared to total USPS Marketing Mail. *Id.* The Postal Service explains that “[g]iven that Simple Samples is now all but unused,” it proposes to eliminate the relevant price categories in this proceeding. Notice at 19. The Postal Service states that if any of the “few remaining Simple Samples customers” wish to continue mailing their samples, the USPS Marketing Mail Parcels rates are available. *Id.*

3. Comments

Revised rate structure for flat-shaped USPS Marketing Mail pieces. The Public Representative states that the Postal Service made a sufficient showing under 39 C.F.R. §§ 3040.180-.181 to justify the revised rate structure for flat-shaped USPS Marketing Mail. PR Comments at 29.

Simple Samples. The Public Representative states that the Simple Samples volumes indicate low demand for these price categories. *Id.* at 30. He further states that precedent exists for permitting the Postal Service to remove an outdated product with declining volumes and revenues. *Id.* at 30-31. The Public Representative notes, however, that remaining Simple Samples customers will be forced to migrate from

USPS Marketing Mail High Density and Saturation Flats/Parcels or Carrier Route to USPS Marketing Mail Parcels, which “will effectively result in a substantial rate increase.” *Id.* at 31. He acknowledges, however, that the proposed changes to the MCS are consistent with applicable law. *Id.* at 29.

4. Commission Analysis

Revised rate structure for flat-shaped USPS Marketing Mail pieces. The Commission accepts the proposed changes to the MCS with respect to the new rate structure for flat-shaped USPS Marketing Mail pieces. The Commission approved the current methodology for calculating workshare discount passthroughs for dropshipped, flat-shaped USPS Marketing Mail pieces using separately derived prices for pieces weighing 4 ounces or less and those weighing greater than 4 ounces in Docket No. RM2024-3. Order No. 7001 at 6-8, 16. The separate derivation of these prices results in eight new workshare discounts for USPS Marketing Mail in this proceeding. *Id.* at 8. The MCS changes proposed by the Postal Service in this proceeding reflect the changes to the pricing structure for flat-shaped USPS Marketing Mail that are necessary to be in place to calculate workshare discount passthroughs consistently with the methodology approved in Docket No. RM2024-3. *Id.* These changes to the MCS are shown in the Attachment to this Order.

Simple Samples. The Commission accepts the proposed changes to the MCS with respect to removing Simple Samples from the USPS Marketing Mail High Density and Saturation Flats/Parcels and Carrier Route products. As the Postal Service represents, these price categories have become virtually unused with very low recent volumes that represent 0.0000 percent of total USPS Marketing Mail volume and less than 0.1000 percent of parcel-shaped USPS Marketing Mail volume. Notice at 19; Response to CHIR No. 2, question 10.g.

In its initial filing, the Postal Service proposed several changes to the MCS to reflect the removal of Simple Samples. Notice, Attachment A at 27, 30, 37, 41. CHIR No. 2 questioned whether additional changes to the MCS were necessary to reflect the elimination of Simple Samples and reminded the Postal Service that in Order No. 6536, it previously held that “[i]n any rate adjustment proceeding, whether Market Dominant or Competitive, the Postal Service must ensure that each MCS change necessary to implement the rate and classification proposals in such proceeding is proposed in such proceeding.” CHIR No. 2, questions 10-11; Order No. 6536 at 23. In the Response to CHIR No. 2, the Postal Service confirms that with the removal of Simple Samples, there are no parcel-shaped mailpieces remaining in the High Density and Saturation Flats/Parcels and Carrier Route products. Response to CHIR No. 2, questions 10.a., 11.a. As a result, in the Response to CHIR No. 2, the Postal Service identifies several additional MCS changes necessary to reflect the elimination of Simple Samples in addition to those already identified in the Notice, Attachment A. *Id.* questions 10.e.-f., 11.c.-d., g.-h., and Attachment.

For the High Density and Saturation Flats/Parcels product, the Postal Service confirms that forwarding-and-return service for parcels was included in the Notice, Attachment A in error and that it should be removed from the MCS. *Id.* questions 10.e.-f. and Attachment. Additionally, the Postal Service states that USPS Tracking and Bulk Insurance for parcels also appear in the MCS for High Density and Saturation Flats/Parcels and states that those references should be removed from the MCS. See *id.* For the Carrier Route product, the Postal Service confirms that all “Letters and Flats Only” references throughout the Carrier Route product’s section of the MCS are no longer applicable and should be removed. *Id.* questions 11.c.-d. and Attachment. The Postal Service also confirms that forwarding-and-return service for parcels was included in the Notice, Attachment A for the Carrier Route product in error and that it should be removed from the MCS. *Id.* questions 11.g.-h. and Attachment. Additionally, the Postal Service states that USPS Tracking and Bulk Insurance for parcels also appear in the

MCS for the Carrier Route product and states that those references should be removed from the MCS. *See id.* The changes to the MCS needed to reflect the elimination of Simple Samples are shown in the Attachment to this Order.

F. Statutory Preferential Rates

Nonprofit rates are required to yield per-piece revenues that equal, as nearly as practicable, 60 percent of commercial per-piece revenues. 39 U.S.C. § 3626(a)(6)(A). The Postal Service states that it has complied with this requirement in this proceeding. Notice at 38. The Public Representative acknowledges that the Postal Service fulfills the requirements of 39 U.S.C. § 3626. PR Comments at 21. No other commenter discusses compliance with 39 U.S.C. § 3626. For the planned prices in this proceeding, the percentage ratio of the nonprofit average revenue per piece to the commercial average revenue per piece is 60.15 percent.⁵⁰ The Commission finds that the revenue per-piece percentage ratio proposed by the Postal Service fulfills the requirement of 39 U.S.C. § 3626(a)(6)(A).

G. Nonprofit Discounts

The Postal Service is required to either equalize or adequately justify all unequal nonprofit and commercial discounts.⁵¹ The Postal Service states that it is “keeping nonprofit discounts equal to the comparable commercial discounts.” Notice at 38-39. No commenter challenges the Postal Service’s compliance with this requirement. The Commission finds that the Postal Service’s planned nonprofit discounts comply with this requirement by equalizing comparable nonprofit and commercial discounts.

⁵⁰ Library Reference PRC-LR-R2024-2-2, Excel file “PRC-COMPCALC-USPSMM-R2024-2.xlsx.”

⁵¹ See 39 U.S.C. § 403(c); *Nat’l Easter Seal Soc’y for Crippled Child. & Adults v. U.S. Postal Serv.*, 656 F.2d 754 (D.C. Cir. 1981).

VII. PERIODICALS

A. Introduction

This section discusses the price adjustment authority, non-compensatory products, workshare discounts, and statutory preferential rates applicable to Periodicals. This section also discusses comments related to Periodicals not addressed elsewhere in this Order. The only proposed changes to the MCS for Periodicals reflect the prices proposed in this proceeding, and thus the Commission does not include a separate discussion of MCS changes related to Periodicals. The changes to the MCS needed to reflect the planned new prices are shown in the Attachment to this Order.

B. Price Adjustment Authority

1. Introduction

The Periodicals class consists of two products: (1) In-County⁵² and (2) Outside County. The planned price increase for Periodicals is, on average, 9.754 percent, which results in no remaining unused price adjustment authority.⁵³ Table VII-1 shows the percentage price change for each Periodicals product as calculated by the Commission.

⁵² Although the Notice refers to this product as “Within County Periodicals,” this product is named In-County Periodicals in the MCS. See Notice at 22; *id.* Attachment A at 64.

⁵³ As shown in Table II-1, *supra*, the Postal Service has 9.754 percent in available pricing authority. Subtracting the 9.754 percent that the Postal Service is using in this proceeding from its available pricing authority results in 0.000 percent remaining as unused price adjustment authority. See Library Reference PRC-LR-R2024-2-3, Excel file “PRC-COMPCALC-PER-R2024-2.xlsx.”

**Table VII-1
Periodicals Price Changes (By Product)**

Periodicals Product	Price Change %
Outside County	9.758
In-County	9.701
Overall	9.754
Source: Library Reference PRC-LR-R2024-2-3, Excel file "PRC-COMPCALC-PER-R2024-2.xlsx."	

2. The Postal Service's Position

The Postal Service asserts that it complied with the applicable price cap requirements. See Notice at 4-5. In the Notice, the Postal Service proposes two adjustments to the hybrid year billing determinants for Periodicals. *Id.* at 23-24. First, the Postal Service proposes to continue to price bundles in sacks entered at origin, DNDC, and destination area distribution center (DADC) as if they are in Mixed ADC containers entered at origin with the container fee waived. *Id.* at 23. Second, the Postal Service states that it "eliminate[d] the entry of sacks containing flats at the [origin sectional center facility (OSCF)], [origin area distribution center (OADC)], [origin network distribution center (ONDC)], DNDC, and DADC" and that "[t]hese entry points will accept only sacks containing parcels." *Id.* at 24. To effectuate this, the Postal Service proposes to remove from the billing determinants the volume of sacks containing flats, "except the sacks volume at DSCF Entry, [destination delivery unit (DDU)] Entry, and all sacks volume containing parcels." *Id.*

3. Comments

No commenter disputes that the proposed price adjustments comply with the price cap. GCA, PostCom, and the Public Representative state that the planned price

adjustments comply with the requirements of the price cap. GCA Comments at 1; PostCom Comments at 1; PR Comments at 14.

4. Commission Analysis

The Commission finds that the Postal Service's price adjustments for Periodicals comply with the price cap limitations specified by 39 C.F.R. part 3030. The Postal Service's planned price adjustment of 9.754 percent is equal to the total available authority; therefore, there is no unused price adjustment authority available for Periodicals after this proceeding. The Commission accepts the Postal Service's adjustments to the billing determinants for Periodicals as reasonable.

C. Non-Compensatory Products

1. Introduction

In FY 2023, both the In-County and Outside County products did not cover their attributable costs. FY 2023 ACD at 21. As a result, the Periodicals class as a whole was non-compensatory in FY 2023 with a class cost coverage of 60.1 percent. *Id.* In the FY 2023 ACD, the Commission stated that “[i]n future rate cases, the Postal Service should consider mail mix changes when pricing Periodicals in order to maximize revenue and minimize costs” and “encourage[d] the Postal Service to continue to maximize its usage of rate authority granted under 39 C.F.R. § 3030.222 and to maximize its cost coverage by strategically pricing Periodicals.” *Id.* at 28.

2. The Postal Service's Position

The proposed percentage changes in prices for In-County and Outside County as a result of this proceeding are 9.701 and 9.758 percent, respectively. Notice at 22. The Postal Service acknowledges that the Periodicals class as a whole was non-compensatory in FY 2023 and utilizes the additional 2 percentage points of rate

authority available to non-compensatory classes in this proceeding. See *id.* at 1, 4-5. The Postal Service states that “[t]he Governors have decided to maximize the use of cap space on Outside County piece prices, after resolving workshare discount compliance” and that In-County “prices are increased to meet workshare passthrough requirements.” *Id.* at 22.

3. Comments

The Public Representative notes that the Periodicals class received an additional 2 percentage points of rate authority because the Periodicals class as a whole, as well as both products in the class, did not cover costs in FY 2023. PR Comments at 28. He notes that the use of this rate authority is optional and within the Postal Service’s discretion and that the Postal Service has chosen to use all of its available rate authority for Periodicals in this proceeding. *Id.* No other commenters raise issues pertaining to In-County’s or Outside County’s status as non-compensatory products.

4. Commission Analysis

As described in Section II., *supra*, non-compensatory products cannot have their rates reduced. 39 C.F.R. § 3030.127(b). Because the prices for both In-County and Outside County are increasing as a result of this proceeding, the proposed prices comply with 39 C.F.R. § 3030.127(b). See Notice at 22; Section VII.B., *supra*. The Commission notes that the pricing requirements of 39 C.F.R. § 3030.221 are inapplicable to non-compensatory products in non-compensatory classes and thus are inapplicable to both Periodicals products. The Commission recommends that the Postal Service continue to explore pricing strategies aimed at improving the cost coverage of the Periodicals class.

D. Workshare Discounts

1. Introduction

As described in Section II., *supra*, the rules in 39 C.F.R. part 3030, subpart J govern the pricing requirements for workshare discounts. In this proceeding, the Commission uses the prices currently in effect (from Docket No. R2024-1), the prices proposed in this proceeding, and the FY 2023 avoided costs to evaluate the compliance of the workshare discounts proposed in this proceeding with 39 C.F.R. part 3030, subpart J. In the FY 2023 ACD, the Commission directed “the Postal Service to bring all current workshare discounts approved in Docket No. R2024-1 . . . that are not equal to their avoided costs based on the new FY 2023 avoided costs into compliance with 39 C.F.R. § 3030.283 and 39 C.F.R. § 3030.284 in the next rate adjustment proceeding.” FY 2023 ACD at 18. In addition, the Commission directed that “all workshare discounts proposed in rate adjustment proceedings must be consistent with 39 C.F.R. § 3030.282.” *Id.*

2. The Postal Service’s Position

The Postal Service asserts that all Periodicals workshare discounts comply with 39 C.F.R. part 3030, subpart J. See Notice at 22-23. The Postal Service states that no planned Periodicals workshare discounts exceed their avoided costs or are equal to their avoided costs. See *id.* The Postal Service asserts that “[o]f 30 passthroughs in Periodicals, 24 are between 85 and 100 percent . . . and six are below 85 percent.” *Id.* at 22. The Postal Service states that the passthroughs between 85 and 100 percent are “compliant with 39 C.F.R. § 3030.284(e).” *Id.* Regarding the 6 passthroughs below 85 percent, the Postal Service represents that it is bringing those workshare discounts into compliance with 39 C.F.R. § 3030.284 by raising the applicable discounts at least 20 percent. *Id.* at 22-23.

3. Comments

The Public Representative states that the proposed workshare discounts comply with 39 C.F.R. part 3030, subpart J and more closely adhere to efficient component pricing principles than the current discounts. PR Comments at 19. No other commenter raises the proposed workshare discounts for the Periodicals class.

4. Commission Analysis

In accordance with 39 C.F.R. § 3030.282, if a workshare discount is currently equal to the cost avoided by the Postal Service, the size of the discount cannot be changed; if a workshare discount currently exceeds the cost avoided by the Postal Service, then the size of the discount cannot be increased; and if a workshare discount currently is less than the cost avoided by the Postal Service, then the size of the discount cannot be decreased. 39 C.F.R. § 3030.282. The Commission has verified that all Periodicals workshare discounts proposed in this proceeding comply with 39 C.F.R. § 3030.282 as required by the regulations and the FY 2023 ACD directive. See *id.*; FY 2023 ACD at 18.

The regulations also provide specific limitations on how workshare discounts that do not equal avoided costs can be set. The Postal Service represents that all Periodicals workshare discounts are set below their avoided costs but have been increased by at least 20 percent or are set to result in passthroughs of at least 85 percent. See Notice at 22-23. In accordance with 39 C.F.R. § 3030.284, “[n]o proposal to adjust a rate may set a workshare discount that would be below the cost avoided by the Postal Service for not providing the applicable service” unless one of several exceptions applies. 39 C.F.R. § 3030.284(a). One of the exceptions permits workshare discounts where “[t]he percentage passthrough for the proposed workshare discount is at least 85 percent.” *Id.* § 3030.284(e). Another permits a workshare discount set below avoided costs where “[t]he proposed workshare discount is a minimum of 20

percent more than the existing workshare discount.” *Id.* § 3030.284(c). The Commission has confirmed that all Periodicals workshare discounts are permitted under one of the exceptions in 39 C.F.R. § 3030.284 consistent with the FY 2023 ACD directive. See FY 2023 ACD at 18.

The Periodicals workshare discounts comply with the requirements of 39 C.F.R. part 3030, subpart J. As a result, the Commission approves the Periodicals workshare discounts proposed in this proceeding.

E. Statutory Preferential Rates

1. Introduction

The Periodicals class is accorded several statutory pricing preferences. See 39 U.S.C. § 3626.

2. The Postal Service’s Position

The Postal Service states that it has complied with these requirements in this proceeding. Notice at 37.

In-County. 39 U.S.C. § 3626(a)(3) requires that the prices for In-County Periodicals reflect this product’s preferred status relative to the prices for regular rate (*i.e.*, Outside County) Periodicals. The Postal Service asserts that it continues to recognize the preferential status of In-County Periodicals by setting its prices below those of Outside County Periodicals. *Id.* at 38.

Outside County—Nonprofit and Classroom. 39 U.S.C. § 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. The Postal Service asserts that, consistent with past practice, it continues 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. *Id.*

Outside County—Science of Agriculture Periodicals. 39 U.S.C. § 3626(a)(5) requires that Science of Agriculture Periodicals be given preferential treatment for advertising pounds. The Postal Service states that it will continue to provide these publications with advertising pound prices for DDU, DSCF, and DADC that are 75 percent of the advertising pound prices applicable to regular Outside County Periodicals. *Id.* In addition, the Postal Service proposes that the advertising pound price for Outside County Science of Agriculture Periodicals entered at Origin be set to 75 percent of the rate applicable to regular Outside County Periodicals. *See id.*

Limited circulation discount. 39 U.S.C. § 3626(g)(4) provides preferential treatment for Outside County pieces of a Periodicals publication with fewer than 5,000 Outside County pieces and at least 1 In-County piece. The Postal Service states that it is continuing the “limited circulation” discount that provides these pieces with a discount equivalent to the Nonprofit and Classroom discount. *Id.* at 39.

3. Comments

The Public Representative states that the Postal Service fulfills the requirements of 39 U.S.C. § 3626. PR Comments at 21. No other commenter discusses compliance with 39 U.S.C. § 3626.

4. Commission Analysis

The planned prices are consistent with the statutory preferences for mail in the Periodicals class. Specifically:

- *In-County.* The average per-piece revenue for In-County is approximately 41.6 percent of the average per-piece revenue for Outside County pieces. This satisfies 39 U.S.C. § 3626(a)(3).

- *Outside County—Nonprofit and Classroom.* Nonprofit and Classroom publications receive a 5 percent discount from regular Outside County piece, bundle, sack, and pallet prices, and editorial pound prices, consistent with 39 U.S.C. § 3626(a)(4)(A).
- *Outside County—Science of Agriculture Periodicals.* Advertising pound prices for Outside County Science of Agriculture Periodicals entered at Origin, DDU, DADC, and DSCF are 25 percent less than regular Outside County Periodicals' rates, consistent with 39 U.S.C. § 3626(a)(5). The Commission notes that setting the advertising pound price for Outside County Science of Agriculture Periodicals entered at the DDU at 75.4 percent of the rate applicable to regular Outside County Periodicals is appropriate because setting that price at exactly 75 percent of regular Outside County Periodicals' rates is not possible due to the fact that prices are set to three decimal places.
- *Limited circulation discount.* The planned limited circulation discount for qualifying Outside County pieces is 5 percent, consistent with 39 U.S.C. § 3626(g)(4).

F. Other Comments Related to Periodicals

1. Introduction

N/MA raises concerns related to costs and section 206(c) of the Postal Service Reform Act of 2022 (PSRA) that have not been addressed elsewhere in this section.⁵⁴

⁵⁴ N/MA Comments at 5-7. See Postal Service Reform Act of 2022 (PSRA), Pub. L. 117-108, 136 Stat. 1127 (2022).

2. Comments

N/MA expresses concern about “[t]he Postal Service’s chronic inability to control flats costs[,]” which it states is “a fundamental problem affecting Periodicals mail.” N/MA Comments at 5. N/MA asserts that the inability to control costs “bears responsibility for the non-compensatory status of the Periodicals class and prevents the cost coverage from improving.” *Id.* N/MA notes that section 206(c) of the PSRA requires the Postal Service to consider the findings of the Commission’s *Flats Operations Study Report* and its own plan when changing prices.⁵⁵ N/MA notes that the Postal Service states that it considers this “to the extent possible” but that the Postal Service “does not explain this statement further” and that “the Postal Service’s current operational changes do not appear to be reducing flats costs.” N/MA Comments at 6; see Notice at 2. N/MA also notes that the Postal Service states that it is increasing revenue and reducing costs until revenue exceeds attributable costs for non-compensatory flats products consistent with a Commission recommendation. N/MA Comments at 6-7; see Notice at 2. N/MA asserts that “the Postal Service appears to be taking the easy route of raising rates rather than doing the hard part of reducing its costs” and states that “[t]he Postal Service’s ‘consideration’ of Section 206(c) appears to treat it as a justification for raising rates” and not also controlling costs as was contemplated by Congress. N/MA Comments at 7.

N/MA expresses concern that there is not “accountability for whether any initiative is, in fact, working because the Postal Service does not set measurable metrics for determining the success or failure of its initiatives.” *Id.* at 6. N/MA suggests that “[c]onsistent with Section 206, the Commission should require the Postal Service to

⁵⁵ *Id.* at 6. N/MA notes the Commission’s review of the Postal Service’s plan is on-going and that the Commission has yet to approve the Postal Service’s plan. *Id.* at 5-6. See Docket No. SS2022-1, *Flats Operations Study Report*, April 6, 2023; Docket No. SS2022-1, Submission of the United States Postal Service Flats Plan Pursuant to Section 206 of the Postal Service Reform Act of 2022, October 6, 2023.

develop metrics to enable the success of initiatives to be measured and hold the [Postal] Service accountable for meeting them.” *Id.* at 7.

3. Commission Analysis

As a preliminary matter, the Commission notes that Periodicals’ costs (and the costs related to other Market Dominant products and classes) are outside the scope of this proceeding. In this proceeding, the Commission’s review is limited to ensuring the proposed prices comply with the requirements of 39 C.F.R. part 3030, Commission directives and orders, and 39 U.S.C. §§ 3626, 3627, and 3629, which the proposed price adjustments for Periodicals do. 39 C.F.R. § 3030.126(b).

The Commission does review the issues related to costs for Periodicals (and other Market Dominant mail) annually in the Annual Compliance Review proceeding. *See, e.g.*, FY 2023 ACD at 24-28. The Commission also requested, and N/MA filed, comments concerning the Postal Service’s flats plan in Docket No. SS2022-1.⁵⁶ N/MA’s comments in that proceeding raise many of the issues raised in its comments in this proceeding and that docket remains pending before the Commission. *See generally* Docket No. SS2022-1, N/MA Comments. The Commission also notes that the Postal Service’s ability to reduce costs is also within the scope of Docket No. RM2024-4. *See* 39 U.S.C. § 3622(b)(1); Section IV.B.2., *supra*.

In the FY 2023 ACD, the Commission reiterated “its longstanding findings that despite numerous cost-reduction initiatives designed to reduce flat-shaped mail costs, including Periodicals costs, these costs have risen over time.” FY 2023 ACD at 28. The Commission also encouraged “the Postal Service to continue to maximize its usage of rate authority granted under 39 C.F.R. § 3030.222 and to maximize . . . cost

⁵⁶ Docket No. SS2022-1, Comments of the News/Media Alliance in Response to Order No. 6803, January 12, 2024 (Docket No. SS2021-1, N/MA Comments); Docket No. SS2022-1, Notice and Order on Postal Service Submission of Flats Plan, November 17, 2023, at 7 (Order No. 6803).

coverage by strategically pricing Periodicals.” *Id.* Thus, the Postal Service is acting consistently with the Commission’s suggestion that it fully utilize its available rate authority for Periodicals in this proceeding. However, the Commission also shares N/MA’s concerns about Periodicals’ costs and continues to strongly encourage the Postal Service to take steps to address them.

With respect to N/MA’s concerns about the Postal Service’s consideration of the Commission’s *Flats Operations Study Report* and its own plan pursuant to section 206(c) of the PSRA, the Commission notes that section 206(c) puts the obligation to “consider” on the Postal Service but does not impose any further requirements regarding how the “consideration” is to be performed or communicated. There are also no regulatory reporting requirements associated with section 206(c) of the PSRA in Market Dominant price adjustment proceedings. See 39 C.F.R. §§ 3030.122, .123. The Commission nonetheless remains concerned about the issues raised by N/MA and is continuing to review them in Docket No. SS2022-1.

VIII. PACKAGE SERVICES

A. Introduction

This section discusses the price adjustment authority, non-compensatory products, workshare discounts, and statutory preferential rates applicable to Package Services. Except for the addition of the Catalog Incentive discussed in Section IV.A.2., *supra*, the only proposed changes to the MCS for Package Services reflect the prices proposed in this proceeding, and thus the Commission does not include a separate discussion of MCS changes related to Package Services. The changes to the MCS needed to reflect the planned new prices are shown in the Attachment to this Order.

B. Price Adjustment Authority

1. Introduction

The Package Services class consists of four products: (1) Alaska Bypass Service; (2) BPM Flats; (3) BPM Parcels; and (4) Media Mail/Library Mail. The planned price increase for Package Services is, on average, 7.755 percent, which results in no remaining unused price adjustment authority.⁵⁷ Table VIII-1 shows the percentage price change for each Package Services product as calculated by the Commission.

**Table VIII-1
Package Services Price Changes (By Product)**

Package Services Product	Price Change %
Alaska Bypass Service	4.771
BPM Flats	5.696
BPM Parcels	5.806
Media Mail/Library Mail	9.867
Overall	7.755
Source: Library Reference PRC-LR-R2024-2-4, Excel file "PRC-COMPCALC-PACKSERV-R2024-2.xlsx."	

2. The Postal Service's Position

The Postal Service asserts that it complied with the applicable price cap requirements. See Notice at 4-5. The Postal Service proposes no adjustments to the hybrid year billing determinants for Package Services. *Id.* at 26.

⁵⁷ As shown in Table II-1, *supra*, the Postal Service has 7.755 percent in available pricing authority. Subtracting the 7.755 percent that the Postal Service is using in this proceeding from its available pricing authority results in 0.000 percent remaining as unused price adjustment authority. See Library Reference PRC-LR-R2024-2-4, Excel file "PRC-COMPCALC-PACKSERV-R2024-2.xlsx."

3. Comments

No commenter disputes that the proposed price adjustments comply with the price cap. GCA, PostCom, and the Public Representative state that the planned price adjustments comply with the requirements of the price cap. GCA Comments at 1; PostCom Comments at 1; PR Comments at 15.

4. Commission Analysis

The Commission finds that the Postal Service's price adjustments for Package Services comply with the price cap limitations specified by 39 C.F.R. part 3030. The Postal Service's planned price adjustment of 7.755 percent is equal to the total available authority; therefore, there is no unused price adjustment authority available for Package Services after this proceeding.

C. Non-Compensatory Products

1. Introduction

In FY 2023, Media Mail/Library Mail was the only Package Services product that did not cover its attributable costs. FY 2023 ACD at 28. Media Mail/Library Mail had a cost coverage of 89.7 percent. *Id.* at 29. In the FY 2023 ACD, the Commission reminded the Postal Service that "under 39 C.F.R. § 3030.221, the Postal Service must increase the prices of Media Mail/Library Mail by at least 2 percentage points above the class average in each Market Dominant rate adjustment affecting Package Services through the issuance of the FY 2024 ACD." *Id.* at 32.

2. The Postal Service's Position

The Postal Service acknowledges that the Commission found that the Media Mail/Library Mail product did not cover its costs in FY 2023 and that it is required by 39 C.F.R. § 3030.221 to raise rates for this product by at least 2 percentage points above

the class average. Notice at 24. The Postal Service proposes an above-average increase of 9.867 percent for Media Mail/Library Mail. *Id.* at 24-25. The Postal Service states that that this rate increase should improve Media Mail/Library Mail's cost coverage. *Id.* at 25.

3. Comments

The Public Representative states that the proposed price increase for Media Mail/Library Mail complies with 39 C.F.R. § 3030.221. PR Comments at 28. No other commenters raise issues pertaining to Media Mail/Library Mail's status as a non-compensatory product.

4. Commission Analysis

As described in Section II., *supra*, there are two regulatory requirements specific to non-compensatory products in compensatory classes: (1) rates may not be reduced for non-compensatory products; and (2) rates for each non-compensatory product must increase by a minimum of 2 percentage points above the average percentage increase for its compensatory class. 39 C.F.R. §§ 3030.127(b), .221; see FY 2023 ACD at 32.

In this price adjustment, the Postal Service has proposed a price increase for Media Mail/Library Mail of 9.867 percent, which is more than 2 percentage points above the Package Services class average increase of 7.755 percent. Notice at 24-25; Section VIII.B., *supra*. This is consistent with the requirements of 39 C.F.R. § 3030.127(b) and 39 C.F.R. § 3030.221.

D. Workshare Discounts

1. Introduction

As described in Section II., *supra*, the rules in 39 C.F.R. part 3030, subpart J govern the pricing requirements for workshare discounts. In this proceeding, the

Commission uses the prices currently in effect (from Docket No. R2024-1), the prices proposed in this proceeding, and the FY 2023 avoided costs to evaluate the compliance of the workshare discounts proposed in this proceeding with 39 C.F.R. part 3030, subpart J. In the FY 2023 ACD, the Commission directed “the Postal Service to bring all current workshare discounts approved in Docket No. R2024-1 . . . that are not equal to their avoided costs based on the new FY 2023 avoided costs into compliance with 39 C.F.R. § 3030.283 and 39 C.F.R. § 3030.284 in the next rate adjustment proceeding.” FY 2023 ACD at 18. In addition, the Commission directed that “all workshare discounts proposed in rate adjustment proceedings must be consistent with 39 C.F.R. § 3030.282.” *Id.*

2. The Postal Service’s Position

The Postal Service asserts that all Package Services workshare discounts comply with 39 C.F.R. part 3030, subpart J. See Notice at 25-26. The Postal Service states that no planned Package Services workshare discounts exceed their avoided costs or are equal to their avoided costs. See *id.* The Postal Service asserts that “[o]f 12 passthroughs in Package Services, 10 are between 85 and 100 percent, and two are below 85 percent.” *Id.* at 25. The Postal Service states that the passthroughs between 85 and 100 percent are “compliant with 39 C.F.R. § 3030.284(e).” *Id.* at 25-26. Regarding the two passthroughs below 85 percent, the Postal Service represents that it is bringing those workshare discounts into compliance with 39 C.F.R. § 3030.284 by raising the applicable discounts at least 20 percent. *Id.*

3. Comments

The Public Representative states that the proposed workshare discounts comply with 39 C.F.R. part 3030, subpart J and represent an improvement toward the Commission’s goal of increasing adherence to efficient component pricing principles.

PR Comments at 20. No other commenter raises the proposed workshare discounts for the Package Services class.

4. Commission Analysis

In accordance with 39 C.F.R. § 3030.282, if a workshare discount is currently equal to the cost avoided by the Postal Service, the size of the discount cannot be changed; if a workshare discount currently exceeds the cost avoided by the Postal Service, then the size of the discount cannot be increased; and if a workshare discount currently is less than the cost avoided by the Postal Service, then the size of the discount cannot be decreased. 39 C.F.R. § 3030.282. The Commission has verified that all Package Services workshare discounts proposed in this proceeding comply with 39 C.F.R. § 3030.282 as required by the regulations and the FY 2023 ACD directive. See *id.*; FY 2023 ACD at 18.

The regulations also provide specific limitations on how workshare discounts that do not equal avoided costs can be set. The Postal Service represents that all Package Services workshare discounts are set below their avoided costs but have been increased by at least 20 percent or are set to result in passthroughs of at least 85 percent. See Notice at 25-26. In accordance with 39 C.F.R. § 3030.284, “[n]o proposal to adjust a rate may set a workshare discount that would be below the cost avoided by the Postal Service for not providing the applicable service” unless one of several exceptions applies. 39 C.F.R. § 3030.284(a). One of the exceptions permits workshare discounts where “[t]he percentage passthrough for the proposed workshare discount is at least 85 percent.” *Id.* § 3030.284(e). Another permits a workshare discount set below avoided costs where “[t]he proposed workshare discount is a minimum of 20 percent more than the existing workshare discount.” *Id.* § 3030.284(c). The Commission has confirmed that all Package Services workshare discounts are permitted under one of the exceptions in 39 C.F.R. § 3030.284 consistent with the FY 2023 ACD directive. See FY 2023 ACD at 18.

The Package Services workshare discounts comply with the requirements of 39 C.F.R. part 3030, subpart J. As a result, the Commission approves the Package Services workshare discounts proposed in this proceeding.

E. Statutory Preferential Rates

The Postal Service is required to set prices for Library Mail as nearly as practicable to 95 percent of Media Mail prices. See 39 U.S.C. § 3626(a)(7). The Postal Service explains that it satisfies this requirement by setting each Library Mail price element equal to 95 percent of its corresponding Media Mail price element. Notice at 39. The Public Representative states that the Postal Service fulfills the requirements of 39 U.S.C. § 3626. PR Comments at 21. No other commenter discusses compliance with 39 U.S.C. § 3626. The Commission finds that the prices for Media Mail and Library Mail comply with 39 U.S.C. § 3626(a)(7) because Library Mail prices are set as nearly as practicable to 95 percent of the corresponding Media Mail prices.

IX. SPECIAL SERVICES

A. Introduction

This section discusses the price adjustment authority and classification changes applicable to Special Services. There are no non-compensatory products, workshare discounts, and statutory preferential rates pursuant to 39 U.S.C. § 3626 applicable to Special Services. See FY 2023 ACD at 52; Notice at 28, 37-39.

B. Price Adjustment Authority

1. Introduction

Special Services consists of nine products: (1) Ancillary Services; (2) International Ancillary Services; (3) Address Management Services; (4) Caller Service; (5) Credit Card Authentication; (6) International Business Reply Mail Service;

(7) Money Orders; (8) Post Office Box Service; and (9) Stamp Fulfillment Services.⁵⁸

The planned price increase for Special Services is, on average, 7.755 percent, which results in no remaining unused price adjustment authority.⁵⁹ Table IX-1 shows the percentage price change for each Special Services product as calculated by the Commission.

**Table IX-1
Special Services Price Changes (By Product)**

Special Services Product	Percent Change %
Ancillary Services*	9.197
International Ancillary Services	4.831
Address Management Services	11.939
Caller Service	9.152
Credit Card Authentication	0.000
International Business Reply Mail Service	5.700
Money Orders	12.228
Post Office Box Service	0.000
Stamp Fulfillment Services	8.641
Overall	7.755
<p>* See Library Reference PRC-LR-R2024-2-5 for the entire list of Ancillary Services and their respective price changes.</p> <p>Source: Library Reference PRC-LR-R2024-2-5, Excel file "PRC-COMPCALC-SPECSERV-R2024-2.xlsx."</p>	

⁵⁸ The Commission also notes that International Reply Coupon Service is considered a Special Services product but that it is not generally implicated in Market Dominant rate adjustment proceedings.

⁵⁹ As shown in Table II-1, *supra*, the Postal Service has 7.755 percent in available pricing authority. Subtracting the 7.755 percent that the Postal Service is using in this proceeding from its available pricing authority results in 0.000 percent remaining as unused price adjustment authority. See Library Reference PRC-LR-R2024-2-5, Excel file "PRC-COMPCALC-SPECSERV-R2024-2.xlsx."

2. The Postal Service's Position

The Postal Service asserts that it complied with the applicable price cap requirements. See Notice at 4-5. The Postal Service proposes four adjustments to the hybrid year billing determinants for Special Services. *Id.* at 29. First, the Postal Service adjusts the billing determinants to reflect that Certified Mail and Certificates of Mailing are not available for USPS Ground Advantage.⁶⁰ Second, the Postal Service adjusts the billing determinants for Insurance to reflect that USPS Ground Advantage and USPS Ground Advantage Returns have \$100 of included insurance as a standard feature. Notice at 29. Third, the Postal Service adjusts the billing determinants for Registered Mail to reflect that the price for mailpieces with a declared value greater than \$50,000 is capped at the \$50,000 price. *Id.* Fourth, the Postal Service adjusts the billing determinants for Business Reply Mail to reflect the introduction of an IMbA pricing option for QBRM in this proceeding and to present the revenue impact of that introduction, which will cause existing IMbA customers to pay the new IMbA per-piece rate rather than the Basic or High Volume QBRM per-piece rates and avoid the associated annual and quarterly fees. *Id.* The Postal Service identified current IMbA customers that will be affected by this change using PostalOne! data, which tracks customers onboarded to the IMbA program. Response to CHIR No. 2, question 14. This change to Business Reply Mail is discussed in more detail in Section IX.C., *infra*.

3. Comments

No commenter disputes that the proposed price adjustments comply with the price cap. GCA, PostCom, and the Public Representative state that the planned price

⁶⁰ *Id.* For more information about the recent price and classification changes related to USPS Ground Advantage, see Order No. 6536. See also Docket Nos. MC2022-81 and MC2022-82, Order Removing USPS Retail Ground from the Competitive Product List and Approving Competitive Classification Changes to First-Class Package Service and Parcel Select, October 28, 2022 (Order No. 6318).

adjustments comply with the requirements of the price cap. GCA Comments at 1; PostCom Comments at 1; PR Comments at 15.

4. Commission Analysis

The Commission finds that the Postal Service's price adjustments for Special Services comply with the price cap limitations specified by 39 C.F.R. part 3030. The Postal Service's planned price adjustment of 7.755 percent is equal to the total available authority; therefore, there is no unused price adjustment authority available for Special Services after this proceeding. The Commission notes that in the Notice, the Postal Service states that the overall percentage change in prices for International Ancillary Services is 4.849 percent. Notice at 27. The Commission notes that the 4.849 percent change includes both International Ancillary Services and International Business Reply Mail and that the percentage price increase for solely the International Ancillary Services product is 4.831 percent.⁶¹ Although this is incorrect in the Notice, it is correct in the Postal Service's Special Services workpapers, and thus the change does not affect the overall percentage change in rates calculation for the Special Services class.⁶² The Commission also accepts the Postal Service's adjustments to the billing determinants for Special Services as reasonable.

C. Mail Classification Changes

1. Introduction

The Postal Service proposes the introduction of a new per-piece price for QBRM IMbA mailpieces with no quarterly or annual fees for those customers and proposes

⁶¹ Library Reference PRC-LR-R2024-2-5, Excel file "PRC-COMPCALC-SPECSERV-R2024-2.xlsx."

⁶² Library Reference USPS-LR-R2024-2-5, Excel file "R2024-2 Special Services CompCalc.xlsx," tab "Summary of Rate Increases;" Notice at 27.

changes to the MCS to reflect the proposed changes. Notice at 28; *id.* Attachment A at 81. The only other proposed changes to the MCS for Special Services reflect the prices proposed in this proceeding, and thus the Commission does not include a separate discussion of those MCS changes. The changes to the MCS needed to reflect the planned new prices are shown in the Attachment to this Order.

2. The Postal Service's Position

QBRM is a price category within Business Reply Mail, which is an offering under the Ancillary Services product. See *id.* Attachment A at 81. Currently, QBRM mailers are considered either low-volume or high-volume. See *id.* Low-volume QBRM mailers pay an annual account maintenance fee and a per-piece charge as well as the applicable First-Class Mail QBRM postage. See *id.* at 5, 6, 81. High-volume QBRM mailers pay an annual account maintenance fee, a quarterly fee, and a per-piece charge as well as the applicable First-Class Mail QBRM postage. See *id.* at 5, 6, 81.

In this proceeding, the Postal Service proposes to add a new category of QBRM mailer, IMbA, in addition to maintaining the low-volume and high-volume categories. See *id.* at 81. The Postal Service proposes to maintain the current rate structure for low-volume and high-volume QBRM mailpieces. See *id.* For the new IMbA category, mailpieces will pay only a per-piece charge and the applicable First-Class Mail QBRM postage; there will be no quarterly or annual fees. Notice at 28; *id.* Attachment A at 5, 6, 81. In addition, the per-piece charge is proposed to be lower for IMbA mailpieces (\$0.020 per piece) than for low-volume (\$0.050 per piece) and high-volume (\$0.030 per piece) mailpieces. Notice at 28; *id.* Attachment A at 81.

The Postal Service states that the goal of these changes “is to increase participation in the IMbA program, which reduces invoicing and accounting costs to the Postal Service.” Notice at 28. The Postal Service represents that new QBRM customers will be automatically onboarded to the IMbA program, while existing QBRM

customers will need to “coordinate with the Postal Service Mailing and Shipping Solutions Center to ensure that the permit account, payment method, barcode, and mail piece design requirements are met.” *Id.*

3. Comments

The Public Representative states that the Postal Service made a sufficient showing under 39 C.F.R. §§ 3040.180-.181 to justify the introduction of the new QBRM IMbA price category in this proceeding. PR Comments at 29. NPPC supports the new rate category for QBRM IMbA, stating that it supports “the growth of the IMbA program.” NPPC Comments at 5. No other commenter addresses the planned mail classification changes related to QBRM for the Special Services class.

4. Commission Analysis

The Commission accepts the proposed changes to the MCS with respect to the introduction of the QBRM IMbA category and associated per-piece charge within the Business Reply Mail offering of the Ancillary Services product. The Commission agrees that the lower QBRM IMbA per-piece charge and the lack of annual and/or quarterly fees (as compared to the low-volume and high-volume categories) should entice mailers to use the new category. That incentivization combined with the automatic enrollment of new QBRM customers into the IMbA program should help the Postal Service achieve its goal of increased participation in the IMbA program. See Notice at 28. The changes to the MCS needed to reflect the introduction of the new QBRM IMbA category and per-piece charge are shown in the Attachment to this Order.

X. ORDERING PARAGRAPHS

It is ordered:

1. The Commission finds that the Postal Service's planned price adjustments relating to First-Class Mail are consistent with applicable law and may take effect as planned.
2. The Commission finds that the Postal Service's planned price adjustments relating to USPS Marketing Mail are consistent with applicable law and may take effect as planned.
3. The Commission finds that the Postal Service's planned price adjustments relating to Periodicals are consistent with applicable law and may take effect as planned.
4. The Commission finds that the Postal Service's planned price adjustments relating to Package Services are consistent with applicable law and may take effect as planned.
5. The Commission finds that the Postal Service's planned price adjustments relating to Special Services are consistent with applicable law and may take effect as planned.
6. Revisions to the *Mail Classification Schedule* appear below the signature of this Order. The promotions-related revisions in sections 1105, 1110, 1115, 1205, 1210, 1215, 1220, and 1225 of the *Mail Classification Schedule* are effective January 1, 2025. The revisions related to the First-Class Mail and Marketing Mail Growth Incentives in sections 1110, 1115, 1205, 1210, 1215, 1220, 1225, and 1230 are also effective January 1, 2025. All other revisions, including those

related to incentives other than the First-Class Mail and Marketing Mail Growth Incentives, are effective July 14, 2024.

7. The Postal Service shall file a status update in this docket by June 14, 2024, confirming the Commission's understanding of the Add-On/Upgrade promotions and a mailer's ability to participate in an Add-On/Upgrade promotion any time it is also participating in an eligible Base/Primary promotion as further described in the body of this Order. If the Commission's understanding of the Add-On/Upgrade promotions is incorrect, the Postal Service shall file a Mail Classification case pursuant to 39 C.F.R. § 3040.190 to clarify the *Mail Classification Schedule* descriptions for the Add-On/Upgrade promotions by June 14, 2024, as further described in the body of this Order.
8. The Postal Service shall report on the First-Class Mail Growth Incentive and Marketing Mail Growth Incentive in Docket No. R2023-3 as directed in the body of this Order.

By the Commission.

Erica A. Barker
Secretary

Media Inquiries
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CHANGES TO THE MAIL CLASSIFICATION SCHEDULE

The following material represents a change to the Mail Classification Schedule. The Commission uses two main conventions when making changes to the Mail Classification Schedule. New text is underlined. Deleted text is struck through.

Part A—Market Dominant Products

1100 First-Class Mail

1105 Single-Piece Letters/Postcards

1105.4 Optional Features

- ~~Reply Mail IMbA Promotion (July 1, 2024 to December 31, 2024)~~
- Reply Mail IMbA Base/Primary Promotion (July 1, 2025 to December 31, 2025)

1105.5 Prices

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

Maximum Weight (ounces)	Machinable Letters (\$)
1	<u>0.73</u>
2	<u>1.01</u>
3	<u>1.29</u>
3.5	<u>1.57</u>

*First-Class Mail
Single-Piece Letters/Postcards*

Single-Piece Machinable Metered Letters

Maximum Weight (ounces)	Machinable Letters (\$)
1	<u>0.69</u>
2	<u>0.97</u>
3	<u>1.25</u>
3.5	<u>1.53</u>

Single-Piece Nonmachinable Stamped Letters¹

Maximum Weight (ounces)	Nonmachinable Letters (\$)
1	<u>1.19</u>
2	<u>1.47</u>
3	<u>1.75</u>
3.5	<u>2.03</u>

Single-Piece Nonmachinable Metered Letters

Maximum Weight (ounces)	Nonmachinable Letters (\$)
1	<u>1.15</u>
2	<u>1.43</u>
3	<u>1.71</u>
3.5	<u>1.99</u>

*First-Class Mail
Single-Piece Letters/Postcards*

Single-Piece QBRM Letters

Maximum Weight (ounces)	QBRM Letters (\$)
3.5	<u>0.707</u>

Single-Piece Residual Machinable Letters

Maximum Weight (ounces)	Residual Machinable Letters (\$)
1	<u>0.73¹</u>
2	<u>0.73¹</u>
3	<u>0.73¹</u>
3.5	<u>0.73¹</u>

Single-Piece Postcards^{1,2}

Maximum Weight (ounces)	Postcards (\$)	Single-Piece Double Card (\$)
not applicable	<u>0.56</u>	<u>1.12</u>

Single-Piece QBRM Postcards

Maximum Weight (ounces)	QBRM Postcards (\$)
not applicable	<u>0.537</u>

*First-Class Mail
Single-Piece Letters/Postcards*

Share Mail Letters and Postcards^{1,2}

Maximum Weight (ounces)	Share Mail Letters (\$)	Share Mail Postcards (\$)
1	<u>0.77</u>	<u>0.60</u>

Reply Mail IMbA Promotion (July 1, 2024 to December 31, 2024)

~~Provide a three percent discount for mailers that use static IMbA on the qualifying postage for First-Class Mail single-piece QBRM letters and postcards sent during the established period. Mailers receive a six percent discount if they use serialized IMbA. Mailers must enroll to participate~~

Reply Mail IMbA Base/Primary Promotion (July 1, 2025 to December 31, 2025)

Provide a three percent discount for mailers that use static IMbA on the qualifying postage for First-Class Mail single-piece QBRM letters and postcards sent during the established period. Mailers receive a six percent discount if they use serialized IMbA. Mailers must enroll to participate. To receive the discount, mailers must comply with the eligibility requirements of the program.

1110 Presorted Letters/Postcards

1110.4 Optional Features

- ~~Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2024 to July 31, 2024)~~
- ~~Emerging and Advanced Technology Promotion (Mailer selects start date for a six-month promotion period within calendar year 2024)~~
- ~~Personalized Color Transpromo Promotion (February 1, 2024 to July 31, 2024)~~
- ~~Informed Delivery Promotion (August 1, 2024 to December 31, 2024)~~
- ~~Retargeting Mail Promotion (September 1, 2024 to November 30, 2024)~~
- ~~First-Class Mail Growth Incentive (January 1, 2024 to December 31, 2024)~~
- Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion (February 1, 2025 to July 31, 2025)
- Integrated Technology Base/Primary Promotion (Mailer selects start date for a six-month promotion period within calendar year 2025)
- First-Class Mail Advertising Base/Primary Promotion (September 1, 2025 to December 31, 2025)
- Informed Delivery Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)
- Sustainability Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)
- First-Class Mail Growth Incentive (January 1, 2025 to December 31, 2025)

1110.5 Prices

Automation Letters

Maximum Weight (ounces)	5-Digit (\$)	AADC (\$)	Mixed AADC (\$)
1	<u>0.545</u>	<u>0.593</u>	<u>0.622</u>
2	<u>0.545</u>	<u>0.593</u>	<u>0.622</u>
3	<u>0.545</u>	<u>0.593</u>	<u>0.622</u>
3.5	<u>0.545</u>	<u>0.593</u>	<u>0.622</u>

Nonautomation Presorted Machinable Letters

Maximum Weight (ounces)	AADC (\$)	Mixed AADC (\$)
1	<u>0.596</u>	<u>0.636</u>
2	<u>0.596</u>	<u>0.636</u>
3	<u>0.596</u>	<u>0.636</u>
3.5	<u>0.596</u>	<u>0.636</u>

Nonmachinable Letters

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	Mixed ADC (\$)
1	<u>0.798</u>	<u>0.908</u>	<u>1.032</u>
2	<u>0.798</u>	<u>0.908</u>	<u>1.032</u>
3	<u>0.798</u>	<u>0.908</u>	<u>1.032</u>
3.5	<u>0.798</u>	<u>0.908</u>	<u>1.032</u>

Automation Postcards

Maximum Weight (ounces)	5-Digit (\$)	AADC (\$)	Mixed AADC (\$)
not applicable	<u>0.384</u>	<u>0.406</u>	<u>0.419</u>

First-Class Mail
Presorted Letters/Postcards*Nonautomation Presorted Machinable Postcards*

Maximum Weight (ounces)	Presorted (\$)
not applicable	<u>0.435</u>

Full-service Intelligent Mail Option

Subtract ~~\$0.003~~\$0.005 for each automation letter or automation postcard that complies with the requirements for the Full-service Intelligent Mail option.

Seamless Incentive

Subtract ~~\$0.004~~\$0.002 for each piece eligible for Seamless Acceptance and prepared under the Full-Service Intelligent Mail option.

~~Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2024 to July 31, 2024)~~

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

~~Emerging and Advanced Technology Promotion (Mailer selects start date for a six-month promotion period within calendar year 2024)~~

~~Provide a three or four percent discount on the qualifying postage for First-Class Mail letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established program period, and which either include affixed or embedded technology that allows the recipient to engage in technological experience, or were automatically generated by the recipient's applicable online activities. Mailers will receive a discount based on the complexity of the technology involved and its perceived benefit to the recipient. Qualifying mail utilizing technology with low barriers to entry will receive a three percent discount,~~

*First-Class Mail
Presorted Letters/Postcards*

~~while technology featuring high barriers to entry will receive a four percent discount. To receive the discount, mailers must comply with the eligibility requirements of the program. Mailers have the ability to register for this promotion at any point in the year and can select their start date for a specified six-month period. All activity must be completed within calendar year 2024, and mailers are not permitted to extend this promotion into new calendar years.~~

Personalized Color Transpromo Promotion (February 1, 2024 to July 31, 2024)

~~Provide a three or four percent discount on qualifying postage for First-Class Mail presort and automation letters sent during the established program period. All mailpieces must contain bills or statements with dynamic variable color messaging. In addition, in mailpieces sent by a prior year's participant the color messaging will be required to be personalized to the recipient, unless it meets the exceptions in the program requirements for sales-related content. The color messaging must be on the bill or statement and be for marketing or consumer information purposes. Qualifying mail that does not include Courtesy Reply Mail or Business Reply Mail will receive a three percent discount, while mailers receive a four percent discount for Courtesy Reply Mail or Business Reply Mail inclusion. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

Informed Delivery Promotion (August 1, 2024 to December 31, 2024)

~~Provide a four percent discount for the mailer and a half percent incentive for the mail preparer on the qualifying postage for First-Class Mail automation letters, postcards, and flats, and USPS Marketing Mail automation letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

Retargeting Promotion (September 1, 2024 to November 30, 2024)

~~Provide a five percent discount to mailers on qualifying postage for First-Class Mail automation postcards that were mailed as a result of website or app behavior during the established program period. Mailers must be preapproved prior to participation.~~

First-Class Mail Growth Incentive (January 1, 2024 to December 31, 2024)

*First-Class Mail
Presorted Letters/Postcards*

~~Provide credits for growth in volume of First-Class Mail Presort Letters, Presort Cards, and Presort Flats (eligible pieces). Minimum 1 million pieces required during the incentive period. Credits equal 30 percent of overall, average per-piece price paid for eligible pieces during the incentive period. Credits earned *only* for pieces that exceed the greater of 1 million eligible pieces or the mailer's FY 2023 volume of eligible pieces. Credits earned may only be used toward future mailings of eligible pieces. Mailers must enroll and meet incentive terms.~~

Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion (February 1, 2025 to July 31, 2025)

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

Integrated Technology Base/Primary Promotion (Mailer selects start date for a six-month promotion period within calendar year 2025)

Provide a three percent discount on the qualifying postage for First-Class Mail letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established promotion period, and which either include a qualifying affixed or embedded technology that allows the recipient to engage in a technological experience or were automatically generated by the recipient's applicable online activities. Mailers must enroll their participating Customer Registration ID (CRID) through the Business Customer Gateway. To receive the discount, mailers must also comply with the other eligibility requirements of the program. Mailers have the ability to register for this promotion at any point in the year and can select their start date for a specified six-month period. All activity must be completed before the end of calendar year 2025, and mailers are not permitted to extend this promotion into new calendar years.

First-Class Mail Advertising Base/Primary Promotion (September 1, 2025 to December 31, 2025)

Provide a three percent discount for mailers to promote their other offerings within their First-Class Mail presort and automation letters, postcards, and flats. To receive the discount, mailers must comply with the eligibility requirements of the program.

*First-Class Mail
Presorted Letters/Postcards*

Informed Delivery Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)

Provide an additional one percent discount for the mailer and a half percent credit for the mail preparer on the qualifying postage for First-Class Mail automation letters, postcards, and flats, and USPS Marketing Mail automation letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must already be receiving an eligible base/primary promotion and comply with the eligibility requirements of the program. This promotion can be added onto other add-on/upgrade promotions.

Sustainability Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)

Provide an additional one percent discount for mailers who demonstrate the paper used in First-Class Mail presort and automation letters, postcards, and flats, and USPS Marketing Mail letters and flats is responsibly sourced and sustainably produced. Mailers must prove this by exhibiting a certification from a recognized entity, such as the Sustainable Forest Initiative, Forest Stewardship Council, Cradle to Cradle. To receive the discount, mailers must already be receiving an eligible base/primary promotion and comply with the eligibility requirements of the program. This promotion can be added onto other add-on/upgrade promotions.

First-Class Mail Growth Incentive (January 1, 2025 to December 31, 2025)

Provide credits for growth in volume of First-Class Mail Presort Letters, Presort Cards, and Presort Flats (eligible pieces). Minimum 1 million pieces required during the incentive period. Credits equal 30 percent of overall, average per-piece price paid for eligible pieces during the incentive period. Credits earned only for pieces that exceed the greater of 1 million eligible pieces or the mailer's FY 2024 volume of eligible pieces. Credits earned may only be used toward future mailings of eligible pieces. Mailers must enroll and meet incentive terms.

1115 Flats

1115.4 Optional Features

- ~~Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2024 to July 31, 2024)~~
- ~~Emerging and Advanced Technology Promotion (Mailer selects start date for a six-month promotion period within calendar year 2024)~~
- ~~Informed Delivery Promotion (August 1, 2024 to December 31, 2024)~~
- ~~First-Class Mail Growth Incentive (January 1, 2024 to December 31, 2024)~~
- Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion (February 1, 2025 to July 31, 2025)
- Integrated Technology Base/Primary Promotion (Mailer selects start date for a six-month promotion period within calendar year 2025)
- First-Class Mail Advertising Base/Primary Promotion (September 1, 2025 to December 31, 2025)
- Informed Delivery Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)
- Sustainability Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)
- First-Class Mail Growth Incentive (January 1, 2025 to December 31, 2025)

*First-Class Mail
Flats*

1115.5 Prices

Automation Flats

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
1	<u>0.874</u>	<u>1.132</u>	<u>1.212</u>	<u>1.355</u>
2	<u>1.144</u>	<u>1.402</u>	<u>1.482</u>	<u>1.625</u>
3	<u>1.414</u>	<u>1.672</u>	<u>1.752</u>	<u>1.895</u>
4	<u>1.684</u>	<u>1.942</u>	<u>2.022</u>	<u>2.165</u>
5	<u>1.964</u>	<u>2.222</u>	<u>2.302</u>	<u>2.445</u>
6	<u>2.244</u>	<u>2.502</u>	<u>2.582</u>	<u>2.725</u>
7	<u>2.524</u>	<u>2.782</u>	<u>2.862</u>	<u>3.005</u>
8	<u>2.804</u>	<u>3.062</u>	<u>3.142</u>	<u>3.285</u>
9	<u>3.084</u>	<u>3.342</u>	<u>3.422</u>	<u>3.565</u>
10	<u>3.384</u>	<u>3.642</u>	<u>3.722</u>	<u>3.865</u>
11	<u>3.684</u>	<u>3.942</u>	<u>4.022</u>	<u>4.165</u>
12	<u>3.984</u>	<u>4.242</u>	<u>4.322</u>	<u>4.465</u>
13	<u>4.284</u>	<u>4.542</u>	<u>4.622</u>	<u>4.765</u>

*First-Class Mail
Flats*

Presorted Flats

Maximum Weight (ounces)	Presorted (\$)
1	<u>1.400</u>
2	<u>1.670</u>
3	<u>1.940</u>
4	<u>2.210</u>
5	<u>2.490</u>
6	<u>2.770</u>
7	<u>3.050</u>
8	<u>3.330</u>
9	<u>3.610</u>
10	<u>3.910</u>
11	<u>4.210</u>
12	<u>4.510</u>
13	<u>4.810</u>

Single-Piece Flats¹

Maximum Weight (ounces)	Single-Piece (\$)
1	<u>1.50</u>
2	<u>1.77</u>
3	<u>2.04</u>
4	<u>2.31</u>
5	<u>2.59</u>
6	<u>2.87</u>
7	<u>3.15</u>
8	<u>3.43</u>
9	<u>3.71</u>
10	<u>4.01</u>
11	<u>4.31</u>
12	<u>4.61</u>
13	<u>4.91</u>

Keys and Identification Devices

Maximum Weight (ounces)	Keys and Identification Devices (\$)
1	4.15
2	<u>4.43</u>
3	<u>4.71</u>
4	<u>4.99</u>
5	<u>5.27</u>
6	<u>5.55</u>
7	<u>5.83</u>
8	<u>6.11</u>
9	<u>6.39</u>
10	<u>6.67</u>
11	<u>6.95</u>
12	<u>7.23</u>
13	<u>7.51</u>
1 (pound)	Priority Mail Retail Zone 4 postage plus <u>1.15</u>
2 (pounds)	Priority Mail Retail Zone 4 postage plus <u>1.15</u>

Full-service Intelligent Mail Option

Subtract ~~\$0.003~~\$0.005 for each automation flat that complies with the requirements for the Full-service Intelligent Mail option.

Seamless Incentive

Subtract ~~\$0.001~~\$0.002 for each piece eligible for Seamless Acceptance and prepared under the Full-Service Intelligent Mail option.

~~*Tactile, Sensory, and Interactive Mailpiece Engagement Promotion
(February 1, 2024 to July 31, 2024)*~~

~~Provide a five percent discount on the qualifying postage for First-Class Mail letters, postcards, and flats, and USPS Marketing Mail letters and flats that incorporate scent, sound, visual, textural, dimensional, or other~~

~~qualifying enhancements. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.~~

Emerging and Advanced Technology Promotion (Mailer selects start date for a six-month promotion period within calendar year 2024)

~~Provide a three or four percent discount on the qualifying postage for First-Class Mail letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established program period, and which either include affixed or embedded technology that allows the recipient to engage in technological experience, or were automatically generated by the recipient's applicable online activities. Mailers will receive a discount based on the complexity of the technology involved and its perceived benefit to the recipient. Qualifying mail utilizing technology with low barriers to entry will receive a three percent discount, while technology featuring high barriers to entry will receive a four percent discount. To receive the discount, mailers must comply with the eligibility requirements of the program. Mailers have the ability to register for this promotion at any point in the year and can select their start date for a specified six-month period. All activity must be completed within calendar year 2024, and mailers are not permitted to extend this promotion into new calendar years.~~

Informed Delivery Promotion (August 1, 2024 to December 31, 2024)

~~Provide a four percent discount for the mailer and a half percent incentive for the mail preparer on the qualifying postage for First-Class Mail automation letters, postcards, and flats, and USPS Marketing Mail automation letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

First-Class Mail Growth Incentive (January 1, 2024 to December 31, 2024)

~~Provide credits for growth in volume of First-Class Mail Presort Letters, Presort Cards, and Presort Flats (eligible pieces). Minimum 1 million pieces required during the incentive period. Credits equal 30 percent of overall, average per-piece price paid for eligible pieces during the incentive period. Credits earned *only* for pieces that exceed the greater of 1 million eligible pieces or the mailer's FY 2023 volume of eligible pieces. Credits earned may only be used toward future mailings of eligible pieces. Mailers must enroll and meet incentive terms.~~

Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion (February 1, 2025 to July 31, 2025)

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

Integrated Technology Base/Primary Promotion (Mailer selects start date for a six-month promotion period within calendar year 2025)

Provide a three percent discount on the qualifying postage for First-Class Mail letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established promotion period, and which either include a qualifying affixed or embedded technology that allows the recipient to engage in a technological experience or were automatically generated by the recipient's applicable online activities. Mailers must enroll their participating Customer Registration ID (CRID) through the Business Customer Gateway. To receive the discount, mailers must also comply with the other eligibility requirements of the program. Mailers have the ability to register for this promotion at any point in the year and can select their start date for a specified six-month period. All activity must be completed before the end of calendar year 2025, and mailers are not permitted to extend this promotion into new calendar years.

First-Class Mail Advertising Base/Primary Promotion (September 1, 2025 to December 31, 2025)

Provide a three percent discount for mailers to promote their other offerings within their First-Class Mail presort and automation letters, postcards, and flats. To receive the discount, mailers must comply with the eligibility requirements of the program.

Informed Delivery Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)

Provide an additional one percent discount for the mailer and a half percent credit for the mail preparer on the qualifying postage for First-Class Mail automation letters, postcards, and flats, and USPS Marketing Mail automation letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must

*First-Class Mail
Flats*

already be receiving an eligible base/primary promotion and comply with the eligibility requirements of the program. This promotion can be added onto other add-on/upgrade promotions.

Sustainability Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)

Provide an additional one percent discount for mailers who demonstrate the paper used in First-Class Mail presort and automation letters, postcards, and flats, and USPS Marketing Mail letters and flats is responsibly sourced and sustainably produced. Mailers must prove this by exhibiting a certification from a recognized entity, such as the Sustainable Forest Initiative, Forest Stewardship Council, Cradle to Cradle. To receive the discount, mailers must already be receiving an eligible base/primary promotion and comply with the eligibility requirements of the program. This promotion can be added onto other add-on/upgrade promotions.

First-Class Mail Growth Incentive (January 1, 2025 to December 31, 2025)

Provide credits for growth in volume of First-Class Mail Presort Letters, Presort Cards, and Presort Flats (eligible pieces). Minimum 1 million pieces required during the incentive period. Credits equal 30 percent of overall, average per-piece price paid for eligible pieces during the incentive period. Credits earned only for pieces that exceed the greater of 1 million eligible pieces or the mailer's FY 2024 volume of eligible pieces. Credits earned may only be used toward future mailings of eligible pieces. Mailers must enroll and meet incentive terms.

*First-Class Mail
Outbound Single-Piece First-Class Mail International*

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	<u>1.65</u>	<u>1.65</u>	<u>1.65</u>	<u>1.65</u>	<u>1.65</u>	<u>1.65</u>	<u>1.65</u>	<u>1.65</u>	<u>1.65</u>
2	<u>1.65</u>	<u>2.50</u>	<u>2.98</u>	<u>2.98</u>	<u>2.98</u>	<u>2.98</u>	<u>2.98</u>	<u>2.98</u>	<u>2.98</u>
3	<u>2.36</u>	<u>3.30</u>	<u>4.36</u>	<u>4.36</u>	<u>4.36</u>	<u>4.36</u>	<u>4.36</u>	<u>4.36</u>	<u>4.36</u>
3.5	<u>3.02</u>	<u>4.14</u>	<u>5.75</u>	<u>5.75</u>	<u>5.75</u>	<u>5.75</u>	<u>5.75</u>	<u>5.75</u>	<u>5.75</u>

Nonmachinable Letters

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	<u>2.11</u>	<u>2.11</u>	<u>2.11</u>	<u>2.11</u>	<u>2.11</u>	<u>2.11</u>	<u>2.11</u>	<u>2.11</u>	<u>2.11</u>
2	<u>2.11</u>	<u>2.96</u>	<u>3.44</u>	<u>3.44</u>	<u>3.44</u>	<u>3.44</u>	<u>3.44</u>	<u>3.44</u>	<u>3.44</u>
3	<u>2.82</u>	<u>3.76</u>	<u>4.82</u>	<u>4.82</u>	<u>4.82</u>	<u>4.82</u>	<u>4.82</u>	<u>4.82</u>	<u>4.82</u>
3.5	<u>3.48</u>	<u>4.60</u>	<u>6.21</u>	<u>6.21</u>	<u>6.21</u>	<u>6.21</u>	<u>6.21</u>	<u>6.21</u>	<u>6.21</u>

Postcards

Maximum Weight (ounces)	Canada (\$)	Mexico (\$)	All Other Countries (\$)
not applicable	<u>1.65</u>	<u>1.65</u>	<u>1.65</u>

*First-Class Mail
Outbound Single-Piece First-Class Mail International*

Large Envelopes (Flats)

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	<u>3.15</u>	<u>3.15</u>	<u>3.15</u>	<u>3.15</u>	<u>3.15</u>	<u>3.15</u>	<u>3.15</u>	<u>3.15</u>	<u>3.15</u>
2	<u>3.55</u>	<u>4.22</u>	<u>4.48</u>	<u>4.48</u>	<u>4.48</u>	<u>4.48</u>	<u>4.48</u>	<u>4.48</u>	<u>4.48</u>
3	<u>3.86</u>	<u>5.16</u>	<u>5.78</u>	<u>5.78</u>	<u>5.78</u>	<u>5.78</u>	<u>5.78</u>	<u>5.78</u>	<u>5.78</u>
4	<u>4.12</u>	<u>6.13</u>	<u>7.11</u>	<u>7.11</u>	<u>7.11</u>	<u>7.11</u>	<u>7.11</u>	<u>7.11</u>	<u>7.11</u>
5	<u>4.43</u>	<u>7.09</u>	<u>8.41</u>	<u>8.41</u>	<u>8.41</u>	<u>8.41</u>	<u>8.41</u>	<u>8.41</u>	<u>8.41</u>
6	<u>4.73</u>	<u>8.03</u>	<u>9.71</u>	<u>9.71</u>	<u>9.71</u>	<u>9.71</u>	<u>9.71</u>	<u>9.71</u>	<u>9.71</u>
7	<u>5.02</u>	<u>9.01</u>	<u>11.01</u>	<u>11.01</u>	<u>11.01</u>	<u>11.01</u>	<u>11.01</u>	<u>11.01</u>	<u>11.01</u>
8	<u>5.32</u>	<u>9.96</u>	<u>12.31</u>	<u>12.31</u>	<u>12.31</u>	<u>12.31</u>	<u>12.31</u>	<u>12.31</u>	<u>12.31</u>
12	<u>6.79</u>	<u>12.03</u>	<u>14.92</u>	<u>14.92</u>	<u>14.92</u>	<u>14.92</u>	<u>14.92</u>	<u>14.92</u>	<u>14.92</u>
15.994	<u>8.27</u>	<u>14.10</u>	<u>17.53</u>	<u>17.53</u>	<u>17.53</u>	<u>17.53</u>	<u>17.53</u>	<u>17.53</u>	<u>17.53</u>

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

1200 USPS Marketing Mail (Commercial and Nonprofit)

1205 High Density and Saturation Letters

1205.5 Optional Features

- ~~Emerging and Advanced Technology Promotion (Mailer selects start date for a six-month promotion period within calendar year 2024)~~
- ~~Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2024 to July 31, 2024)~~
- ~~Informed Delivery Promotion (August 1, 2024 to December 31, 2024)~~
- ~~Marketing Mail Growth Incentive (January 1, 2024 to December 31, 2024)~~
- Catalog Incentive
- Integrated Technology Base/Primary Promotion (Mailer selects start date for a six-month promotion period within calendar year 2025)
- Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion (February 1, 2025 to July 31, 2025)
- Continuous Contact Base/Primary Promotion (April 1, 2025 to December 31, 2025)
- Informed Delivery Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)
- Sustainability Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)
- Marketing Mail Growth Incentive (January 1, 2025 to December 31, 2025)

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

1205.6 Prices

Saturation Letters (3.5 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	<u>0.237</u>	<u>0.148</u>
DNDC	<u>0.213</u>	<u>0.124</u>
DSCF	<u>0.210</u>	<u>0.121</u>

High Density Plus Letters (3.5 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.264	0.168
DNDC	<u>0.240</u>	<u>0.144</u>
DSCF	<u>0.237</u>	<u>0.141</u>

High Density Letters (3.5 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	<u>0.338</u>	<u>0.171</u>
DNDC	<u>0.314</u>	<u>0.147</u>
DSCF	<u>0.311</u>	<u>0.144</u>

Forwarding-and-Return Service

If Forwarding Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay ~~\$0.62~~\$0.67 per piece. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece multiplied by a factor of 2.472.

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

Full-service Intelligent Mail Option

Subtract ~~\$0.003~~\$0.005 for each letter that complies with the requirements for the Full-service Intelligent Mail option.

Seamless Incentive

Subtract ~~\$0.004~~\$0.002 for each piece eligible for Seamless Acceptance and prepared under the Full-Service Intelligent Mail option.

Catalog Incentive

Subtract \$0.001 for each piece that complies with the requirements for the Catalog Incentive.

Plus One

Add ~~\$0.110~~\$0.115 for each Plus One card mailed with a Saturation Letter marriage mail "host" mailpiece.

~~*Emerging and Advanced Technology Promotion (Mailer selects start date for a six-month promotion period within calendar year 2024)*~~

~~Provide a three or four percent discount on the qualifying postage for First-Class Mail letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established program period, and which either include affixed or embedded technology that allows the recipient to engage in technological experience, or were automatically generated by the recipient's applicable online activities. Mailers will receive a discount based on the complexity of the technology involved and its perceived benefit to the recipient. Qualifying mail utilizing technology with low barriers to entry will receive a three percent discount, while technology featuring high barriers to entry will receive a four percent discount. To receive the discount, mailers must comply with the eligibility requirements of the program. Mailers have the ability to register for this promotion at any point in the year and can select their start date for a specified six-month period. All activity must be completed within calendar year 2024, and mailers are not permitted to extend this promotion into new calendar years.~~

*USPS Marketing Mail (Commercial and Nonprofit)
High Density and Saturation Letters**~~Tactile, Sensory, and Interactive Mailpiece Engagement Promotion
(February 1, 2024 to July 31, 2024)~~*

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

~~Informed Delivery Promotion (August 1, 2024 to December 31, 2024)~~

~~Provide a four percent discount for the mailer and a half percent incentive for the mail preparer on the qualifying postage for First-Class Mail automation letters, postcards, and flats, and USPS Marketing Mail automation letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~Marketing Mail Growth Incentive (January 1, 2024 to December 31, 2024)~~

~~Provide credits for growth in volume of Marketing Mail Letters, Flats, Parcels, Carrier Route, High Density & Saturation Letters, and High Density & Saturation Flats & Parcels (eligible pieces). Minimum 1 million pieces required during the incentive period. Credits equal 30 percent of overall, average per-piece price paid for eligible pieces during the incentive period. Credits earned *only* for pieces that exceed the greater of 1 million eligible pieces or the mailer's FY 2023 volume of eligible pieces. Credits earned may only be used toward future mailings of eligible pieces. Mailers must enroll and meet incentive terms.~~

Integrated Technology Base/Primary Promotion (Mailer selects start date for a six-month promotion period within calendar year 2025)

Provide a three percent discount on the qualifying postage for First-Class Mail letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established promotion period, and which either include a qualifying affixed or embedded technology that allows the recipient to engage in a technological experience or were automatically generated by the recipient's applicable online activities. Mailers must enroll their participating Customer Registration ID (CRID) through the Business Customer Gateway. To receive the discount, mailers must also comply with the other eligibility requirements of the program. Mailers have the ability to register for this promotion at any point in the year and can select their start date for a specified six-month period. All activity must be

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

completed before the end of calendar year 2025, and mailers are not permitted to extend this promotion into new calendar years.

Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion (February 1, 2025 to July 31, 2025)

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

Continuous Contact Base/Primary Promotion (April 1, 2025 to December 31, 2025)

Provide a three percent discount for mailers that repeatedly send qualifying USPS Marketing Mail letters and flats to the same addresses. Participant must mail to an address two or more times within the promotion period. Mailers will receive the discount on all subsequent mailings, within the promotion period, following the first mailing. Mailers will not receive a discount on the first mailing to an address. Content of each mailpiece must be iterative or complementary, not duplicative. To receive the discount, mailers must comply with the eligibility requirements of the program.

Informed Delivery Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)

Provide an additional one percent discount for the mailer and a half percent credit for the mail preparer on the qualifying postage for First-Class Mail automation letters, postcards, and flats, and USPS Marketing Mail automation letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must already be receiving an eligible base/primary promotion and comply with the eligibility requirements of the program. This promotion can be added onto other add-on/upgrade promotions.

Marketing Mail Growth Incentive (January 1, 2025 to December 31, 2025)

Provide credits for growth in volume of Marketing Mail Letters, Flats, Parcels, Carrier Route, High Density & Saturation Letters, and High Density & Saturation Flats & Parcels (eligible pieces). Minimum 1 million pieces required during the incentive period. Credits equal 30 percent of

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

overall, average per-piece price paid for eligible pieces during the incentive period. Credits earned only for pieces that exceed the greater of 1 million eligible pieces or the mailer's FY 2024 volume of eligible pieces. Credits earned may only be used toward future mailings of eligible pieces. Mailers must enroll and meet incentive terms.

Sustainability Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)

Provide an additional one percent discount for mailers who demonstrate the paper used in First-Class Mail presort and automation letters, postcards, and flats, and USPS Marketing Mail letters and flats is responsibly sourced and sustainably produced. Mailers must prove this by exhibiting a certification from a recognized entity, such as the Sustainable Forest Initiative, Forest Stewardship Council, Cradle to Cradle. To receive the discount, mailers must already be receiving an eligible base/primary promotion and comply with the eligibility requirements of the program. This promotion can be added onto other add-on/upgrade promotions.

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

1210 High Density and Saturation Flats/Parcels

1210.2 Size and Weight Limitations

Saturation Parcels (Small and Large)

	Length	Height	Thickness	Weight
Small				
Minimum	large enough to accommodate postage, address, and other required elements on the address side			none
Maximum	6 inches	4 inches	1.5 inch	<16 ounces
Large				
Minimum: at least one dimension exceeds	6 inches	4 inches	1.5 inch	none
Maximum	12 inches	9 inches	2 inch	<16 ounces

1210.4 Price Categories

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

- Saturation Parcels
~~Volume Tiers, with Handling Fees for DNDC/DSCF entry levels
Commercial and Nonprofit eligible~~

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

1210.5 Optional Features

- Ancillary Services (1505)
 - Address Correction Service (1505.1)
 - Certificate of Mailing (1505.6)
 - ~~USPS Tracking: parcels only (1505.8)~~
 - ~~Bulk Insurance: parcels only (1505.9)~~

- ~~Emerging and Advanced Technology Promotion (Mailer selects start date for a six-month promotion period within calendar year 2024)~~
- ~~Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2024 to July 31, 2024)~~
- ~~Informed Delivery Promotion (August 1, 2024 to December 31, 2024)~~
- ~~Marketing Mail Growth Incentive (January 1, 2024 to December 31, 2024)~~
- Catalog Incentive
- Integrated Technology Base/Primary Promotion (Mailer selects start date for a six-month promotion period within calendar year 2025)
- Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion (February 1, 2025 to July 31, 2025)
- Continuous Contact Base/Primary Promotion (April 1, 2025 to December 31, 2025)
- Informed Delivery Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)
- Sustainability Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)
- Marketing Mail Growth Incentive (January 1, 2025 to December 31, 2025)

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

1210.6 Prices

Saturation Flats (4.0 ounces or less)

<u>Entry Point</u>	<u>Commercial (\$)</u>		<u>Nonprofit (\$)</u>	
	<u>EDDM</u>	<u>Other</u>	<u>EDDM</u>	<u>Other</u>
<u>Origin</u>	<u>0.300</u>	<u>0.299</u>	<u>0.197</u>	<u>0.196</u>
<u>DNDC</u>	<u>0.234</u>	<u>0.233</u>	<u>0.131</u>	<u>0.130</u>
<u>DSCF</u>	<u>0.230</u>	<u>0.229</u>	<u>0.127</u>	<u>0.126</u>
<u>DDU</u>	<u>0.219</u>	<u>0.218</u>	<u>0.116</u>	<u>0.115</u>

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

	<u>Commercial (\$)</u>		<u>Nonprofit (\$)</u>	
	<u>EDDM</u>	<u>Other</u>	<u>EDDM</u>	<u>Other</u>
<u>Per Piece</u>	<u>0.097</u>	<u>0.096</u>	<u>0.053</u>	<u>0.052</u>

b. Per Pound

<u>Entry Point</u>	<u>Commercial (\$)</u>		<u>Nonprofit (\$)</u>	
	<u>EDDM</u>	<u>Other</u>	<u>EDDM</u>	<u>Other</u>
<u>Origin</u>	<u>1.040</u>	<u>1.040</u>	<u>0.803</u>	<u>0.803</u>
<u>DNDC</u>	<u>0.592</u>	<u>0.592</u>	<u>0.355</u>	<u>0.355</u>
<u>DSCF</u>	<u>0.562</u>	<u>0.562</u>	<u>0.325</u>	<u>0.325</u>
<u>DDU</u>	<u>0.489</u>	<u>0.489</u>	<u>0.252</u>	<u>0.252</u>

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

Saturation Flats

a. ~~Per Piece~~

Entry Point	Commercial (\$)		Nonprofit (\$)	
	EDDM	Other	EDDM	Other
Origin				
DNDG				
DSCF				
DDU				

b. ~~Per Pound~~

Entry Point	Commercial (\$)		Nonprofit (\$)	
	EDDM	Other	EDDM	Other
Origin				
DNDG				
DSCF				
DDU				

Saturation Flats (less than 4.0 ounces)

~~Pay only the applicable per-piece price~~

Saturation Flats (greater than 4.0 ounces)

~~Pay the applicable per-piece price plus the pound rate for pounds above 4.0 ounces~~

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

Saturation Parcels

a. Per Piece

Mailing Volume Tier	Commercial		Nonprofit	
	Small (\$)	Large (\$)	Small (\$)	Large (\$)
0-200,000				
200,001 and above				

b. Handling Fees for DNDC/DSCF Entry

	Commercial (\$)	Nonprofit (\$)
Entry Point/ Presort	Pallet	Pallet
DNDC—3-Digit DNDC—5-Digit DSCF—5-Digit		
Pallet Presort	Carton/Sack	Carton/Sack
3-Digit		

High Density Plus Flats (4.0 ounces or less)

<u>Entry Point</u>	<u>Commercial (\$)</u>	<u>Nonprofit (\$)</u>
<u>Origin</u>	<u>0.342</u>	<u>0.231</u>
<u>DNDC</u>	<u>0.276</u>	<u>0.165</u>
<u>DSCF</u>	<u>0.272</u>	<u>0.161</u>
<u>DDU</u>	<u>0.261</u>	<u>0.150</u>

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.

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

a. Per Piece

	<u>Commercial</u> <u>(\$)</u>	<u>Nonprofit</u> <u>(\$)</u>
<u>Per Piece</u>	<u>0.139</u>	<u>0.093</u>

b. Per Pound

<u>Entry Point</u>	<u>Commercial</u> <u>(\$)</u>	<u>Nonprofit</u> <u>(\$)</u>
<u>Origin</u>	<u>1.040</u>	<u>0.803</u>
<u>DNDC</u>	<u>0.592</u>	<u>0.355</u>
<u>DSCF</u>	<u>0.562</u>	<u>0.325</u>
<u>DDU</u>	<u>0.489</u>	<u>0.252</u>

High-Density Plus Flats

a. Per Piece

<u>Entry Point</u>	<u>Commercial</u> <u>(\$)</u>	<u>Nonprofit</u> <u>(\$)</u>
Origin		
DNDC		
DSCF		
DDU		

b. Per Pound

<u>Entry Point</u>	<u>Commercial</u> <u>(\$)</u>	<u>Nonprofit</u> <u>(\$)</u>
Origin		
DNDC		
DSCF		
DDU		

High-Density Plus Flats (less than 4.0 ounces)

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

~~Pay only the applicable per-piece price~~

~~High Density Plus Flats (greater than 4.0 ounces)~~

~~Pay the applicable per-piece price plus the pound rate for pounds above 4.0 ounces.~~

~~High Density Flats (4.0 ounces or less)~~

<u>Entry Point</u>	<u>Commercial (\$)</u>	<u>Nonprofit (\$)</u>
<u>Origin</u>	<u>0.419</u>	<u>0.336</u>
<u>DNDC</u>	<u>0.353</u>	<u>0.270</u>
<u>DSCF</u>	<u>0.349</u>	<u>0.266</u>
<u>DDU</u>	<u>0.338</u>	<u>0.255</u>

~~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~~

	<u>Commercial (\$)</u>	<u>Nonprofit (\$)</u>
<u>Per Piece</u>	<u>0.184</u>	<u>0.162</u>

~~b. Per Pound~~

<u>Entry Point</u>	<u>Commercial (\$)</u>	<u>Nonprofit (\$)</u>
<u>Origin</u>	<u>1.167</u>	<u>0.948</u>
<u>DNDC</u>	<u>0.719</u>	<u>0.500</u>
<u>DSCF</u>	<u>0.689</u>	<u>0.470</u>
<u>DDU</u>	<u>0.616</u>	<u>0.397</u>

~~High Density Flats~~

~~a. Per Piece~~

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

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin		
DNDG		
DSCF		
DDU		

~~b. Per Pound~~

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin		
DNDG		
DSCF		
DDU		

~~High Density Flats (less than 4.0 ounces)~~

~~Pay only the applicable per-piece price.~~

~~High Density Flats (greater than 4.0 ounces)~~

~~Pay the applicable per-piece price plus the pound rate for pounds above 4.0 ounces~~

Containerization Discounts

Saturation and EDDM Flat-shaped pieces in a 5-Digit or 5-Digit Scheme Container receive a discount of ~~\$0.014~~\$0.017.

High Density Plus Flat-shaped pieces in a 5-Digit or 5-Digit Scheme Container receive a discount of ~~\$0.018~~\$0.022.

High Density Flat-shaped pieces in a 5-Digit or 5-Digit Scheme Container receive a discount of ~~\$0.022~~\$0.027.

Saturation and EDDM Flat-shaped pieces prepared on a SCF Pallet receive a discount of ~~\$0.004~~\$0.005.

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

High Density Plus Flat-shaped pieces on a SCF Pallet receive a discount of ~~\$0.011~~\$0.014.

High Density Flat-shaped pieces on a SCF Pallet receive a discount of ~~\$0.012~~\$0.015.

Flat-shaped pieces including a Detached Address Label

Add ~~\$0.075~~\$0.080 for each piece addressed using a Detached Address Label with no advertising, and ~~\$0.100~~\$0.110 for each piece using a Detached Address Label containing advertising (Detached Marketing Label).

Forwarding-and-Return Service

If Forwarding Service is used in conjunction with electronic Address Correction Service, forwarded flats pay ~~\$2.05~~\$2.24 per piece and forwarded parcels pay ~~\$8.19~~ per piece. All other pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail or USPS Ground Advantage price for the piece multiplied by a factor of 2.472.

Full-service Intelligent Mail Option: High Density and High Density Plus Flats Only

Subtract ~~\$0.003~~\$0.005 for each high density flat that complies with the requirements for the Full-service Intelligent Mail option.

Seamless Incentive: High Density and High Density Plus Flats Only

Subtract ~~\$0.001~~\$0.002 for each piece eligible for Seamless Acceptance and prepared under the Full-Service Intelligent Mail option.

Catalog Incentive

Subtract \$0.001 for each piece that complies with the requirements for the Catalog Incentive.

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

~~Emerging and Advanced Technology Promotion (Mailer selects start date for a six-month promotion period within calendar year 2024)~~

~~Provide a three or four percent discount on the qualifying postage for First-Class Mail letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established program period, and which either include affixed or embedded technology that allows the recipient to engage in technological experience, or were automatically generated by the recipient's applicable online activities. Mailers will receive a discount based on the complexity of the technology involved and its perceived benefit to the recipient. Qualifying mail utilizing technology with low barriers to entry will receive a three percent discount, while technology featuring high barriers to entry will receive a four percent discount. To receive the discount, mailers must comply with the eligibility requirements of the program. Mailers have the ability to register for this promotion at any point in the year and can select their start date for a specified six-month period. All activity must be completed within calendar year 2024, and mailers are not permitted to extend this promotion into new calendar years.~~

~~Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2024 to July 31, 2024)~~

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

~~Informed Delivery Promotion (August 1, 2024 to December 31, 2024)~~

~~Provide a four percent discount for the mailer and a half percent incentive for the mail preparer on the qualifying postage for First-Class Mail automation letters, postcards, and flats, and USPS Marketing Mail automation letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~Marketing Mail Growth Incentive (January 1, 2024 to December 31, 2024)~~

~~Provide credits for growth in volume of Marketing Mail Letters, Flats, Parcels, Carrier Route, High Density & Saturation Letters, and High Density & Saturation Flats & Parcels (eligible pieces). Minimum 1 million~~

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

~~pieces required during the incentive period. Credits equal 30 percent of overall, average per-piece price paid for eligible pieces during the incentive period. Credits earned only for pieces that exceed the greater of 1 million eligible pieces or the mailer's FY 2023 volume of eligible pieces. Credits earned may only be used toward future mailings of eligible pieces. Mailers must enroll and meet incentive terms.~~

Integrated Technology Base/Primary Promotion (Mailer selects start date for a six-month promotion period within calendar year 2025)

Provide a three percent discount on the qualifying postage for First-Class Mail letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established promotion period, and which either include a qualifying affixed or embedded technology that allows the recipient to engage in a technological experience or were automatically generated by the recipient's applicable online activities. Mailers must enroll their participating Customer Registration ID (CRID) through the Business Customer Gateway. To receive the discount, mailers must also comply with the other eligibility requirements of the program. Mailers have the ability to register for this promotion at any point in the year and can select their start date for a specified six-month period. All activity must be completed before the end of calendar year 2025, and mailers are not permitted to extend this promotion into new calendar years.

Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion (February 1, 2025 to July 31, 2025)

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

Continuous Contact Base/Primary Promotion (April 1, 2025 to December 31, 2025)

Provide a three percent discount for mailers that repeatedly send qualifying USPS Marketing Mail letters and flats to the same addresses. Participant must mail to an address two or more times within the promotion period. Mailers will receive the discount on all subsequent mailings, within the promotion period, following the first mailing. Mailers will not receive a discount on the first mailing to an address. Content of each mailpiece must be iterative or complementary, not duplicative. To receive the discount, mailers must comply with the eligibility requirements of the program.

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

Informed Delivery Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)

Provide an additional one percent discount for the mailer and a half percent credit for the mail preparer on the qualifying postage for First-Class Mail automation letters, postcards, and flats, and USPS Marketing Mail automation letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must already be receiving an eligible base/primary promotion and comply with the eligibility requirements of the program. This promotion can be added onto other add-on/upgrade promotions.

Sustainability Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)

Provide an additional one percent discount for mailers who demonstrate the paper used in First-Class Mail presort and automation letters, postcards, and flats, and USPS Marketing Mail letters and flats is responsibly sourced and sustainably produced. Mailers must prove this by exhibiting a certification from a recognized entity, such as the Sustainable Forest Initiative, Forest Stewardship Council, Cradle to Cradle. To receive the discount, mailers must already be receiving an eligible base/primary promotion and comply with the eligibility requirements of the program. This promotion can be added onto other add-on/upgrade promotions.

Marketing Mail Growth Incentive (January 1, 2025 to December 31, 2025)

Provide credits for growth in volume of Marketing Mail Letters, Flats, Parcels, Carrier Route, High Density & Saturation Letters, and High Density & Saturation Flats & Parcels (eligible pieces). Minimum 1 million pieces required during the incentive period. Credits equal 30 percent of overall, average per-piece price paid for eligible pieces during the incentive period. Credits earned only for pieces that exceed the greater of 1 million eligible pieces or the mailer's FY 2024 volume of eligible pieces. Credits earned may only be used toward future mailings of eligible pieces. Mailers must enroll and meet incentive terms.

1215 Carrier Route

1215.2 Size and Weight Limitations

Parcels (Small and Large)

	Length	Height	Thickness	Weight
Small				
—Minimum	large enough to accommodate postage, address, and other required elements on the address side			none
—Maximum	6 inches	4 inches	1.5 inch	<16 ounces
Large				
—Minimum: —at least one —dimension —exceeds	6 inches	4 inches	1.5 inch	none
—Maximum	12 inches	9 inches	2 inch	<16 ounces

1215.4 Price Categories

- **Parcels**
~~Volume Tiers, with Handling Fee for DNDC/DSCF entry levels
Commercial and Nonprofit eligible~~

1215.5 Optional Features

- **Ancillary Services (1505)**
 - ~~Address Correction Service (1505.1)~~
 - ~~Certificate of Mailing (1505.6)~~
 - ~~USPS Tracking: parcels only (1505.8)~~
 - ~~Bulk Insurance: parcels only (1505.9)~~
- **Full-service Intelligent Mail Option: ~~Letters and Flats Only~~**

*USPS Marketing Mail (Commercial and Nonprofit)
Carrier Route*

- ~~Seamless Incentive: Letters and Flats Only~~

- ~~Emerging and Advanced Technology Promotion: Letters and Flats Only (Mailer selects start date for a six-month promotion period within calendar year 2024)~~
- ~~Tactile, Sensory, and Interactive Mailpiece Engagement Promotion: Letters and Flats Only (February 1, 2024 to July 31, 2024)~~
- ~~Informed Delivery Promotion (August 1, 2024 to December 31, 2024)~~
- ~~Marketing Mail Growth Incentive (January 1, 2024 to December 31, 2024)~~
- Catalog Incentive
- Integrated Technology Base/Primary Promotion (Mailer selects start date for a six-month promotion period within calendar year 2025)
- Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion (February 1, 2025 to July 31, 2025)
- Continuous Contact Base/Primary Promotion (April 1, 2025 to December 31, 2025)
- Informed Delivery Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)
- Sustainability Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)
- Marketing Mail Growth Incentive (January 1, 2025 to December 31, 2025)

USPS Marketing Mail (Commercial and Nonprofit)
Carrier Route

1215.6 Prices

Carrier Route Letters (3.5 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	<u>0.610</u>	<u>0.443</u>
DNDC	<u>0.586</u>	<u>0.419</u>
DSCF	<u>0.583</u>	<u>0.416</u>

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” price table (1215.6). These pieces cannot be entered at a DDU and must be prepared as letters.

Carrier Route Flats (4.0 ounces or less)

<u>Entry Point</u>	<u>Commercial (\$)</u>	<u>Nonprofit (\$)</u>
<u>Origin</u>	<u>0.502</u>	<u>0.419</u>
<u>DNDC</u>	<u>0.436</u>	<u>0.353</u>
<u>DSCF</u>	<u>0.432</u>	<u>0.349</u>
<u>DDU</u>	<u>0.421</u>	<u>0.338</u>

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

	<u>Commercial (\$)</u>	<u>Nonprofit (\$)</u>
<u>Per Piece</u>	<u>0.263</u>	<u>0.217</u>

USPS Marketing Mail (Commercial and Nonprofit)
Carrier Route

b. Per Pound

<u>Entry Point</u>	<u>Commercial (\$)</u>	<u>Nonprofit (\$)</u>
<u>Origin</u>	<u>1.183</u>	<u>1.038</u>
<u>DNDC</u>	<u>0.735</u>	<u>0.590</u>
<u>DSCF</u>	<u>0.705</u>	<u>0.560</u>
<u>DDU</u>	<u>0.632</u>	<u>0.487</u>

Carrier Route Flats

a. Per Piece

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin		
DNDC		
DSCF		
DDU		

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin		
DNDC		
DSCF		
DDU		

Carrier Route Flats (less than 4.0 ounces)

Pay only the applicable per-piece price.

Carrier Route Flats (greater than 4.0 ounces)

Pay the applicable per-piece price plus the pound rate only for pounds above 4.0 ounces.

USPS Marketing Mail (Commercial and Nonprofit)
Carrier Route

Carrier Route Parcels

a. ~~Per Piece~~

Mailing Volume Tier	Commercial		Nonprofit	
	Small (\$)	Large (\$)	Small (\$)	Large (\$)
0-200,000				
200,001 and above				

b. ~~Handling Fees for DNDC/DSCF Entry~~

	Commercial (\$)	Nonprofit (\$)
Entry Point/ Presort	Pallet	Pallet
DNDC—3-Digit DNDC—5-Digit DSCF—5-Digit		
Pallet Presort	Carton/Sack	Carton/Sack
3-Digit		

Containerization Discounts

Carrier Route Flat-shaped pieces in a 5-Digit or 5-Digit Scheme Container receive a discount of ~~\$0.027~~ \$0.031.

Carrier Route Flat-shaped pieces on a SCF Pallet receive a discount of ~~\$0.017~~ \$0.021.

Forwarding-and-Return Service

If Forwarding Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay ~~\$0.62~~ \$0.67 per piece, forwarded flats pay ~~\$2.05~~ \$2.24 per piece, and forwarded parcels pay ~~\$8.19~~ per piece. All other pieces requesting Forwarding-and-Return

*USPS Marketing Mail (Commercial and Nonprofit)
Carrier Route*

Service that are returned are charged the appropriate First-Class Mail or USPS Ground Advantage price for the piece multiplied by a factor of 2.472.

Full-service Intelligent Mail Option: ~~Letters and Flats Only~~

Subtract ~~\$0.003~~\$0.005 for each carrier route letter or flat that complies with the requirements for the Full-service Intelligent Mail option.

Seamless Incentive: ~~Letters and Flats Only~~

Subtract ~~\$0.004~~\$0.002 for each piece eligible for Seamless Acceptance and prepared under the Full-Service Intelligent Mail option.

Catalog Incentive

Subtract \$0.001 for each piece that complies with the requirements for the Catalog Incentive.

*~~Emerging and Advanced Technology Promotion: Letters and Flats Only
(Mailer selects start date for a six-month promotion period within calendar year 2024)~~*

~~Provide a three or four percent discount on the qualifying postage for First-Class Mail letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established program period, and which either include affixed or embedded technology that allows the recipient to engage in technological experience, or were automatically generated by the recipient's applicable online activities. Mailers will receive a discount based on the complexity of the technology involved and its perceived benefit to the recipient. Qualifying mail utilizing technology with low barriers to entry will receive a three percent discount, while technology featuring high barriers to entry will receive a four percent discount. To receive the discount, mailers must comply with the eligibility requirements of the program. Mailers have the ability to register for this promotion at any point in the year and can select their start date for a specified six-month period. All activity must be completed within calendar year 2024, and mailers are not permitted to extend this promotion into new calendar years.~~

*~~Tactile, Sensory, and Interactive Mailpiece Engagement Promotion:
Letters and Flats Only (February 1, 2024 to July 31, 2024)~~*

*USPS Marketing Mail (Commercial and Nonprofit)
Carrier Route*

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

~~Informed Delivery Promotion (August 1, 2024 to December 31, 2024)~~

~~Provide a four percent discount for the mailer and a half percent incentive for the mail preparer on the qualifying postage for First-Class Mail automation letters, postcards, and flats, and USPS Marketing Mail automation letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~Marketing Mail Growth Incentive (January 1, 2024 to December 31, 2024)~~

~~Provide credits for growth in volume of Marketing Mail Letters, Flats, Parcels, Carrier Route, High Density & Saturation Letters, and High Density & Saturation Flats & Parcels (eligible pieces). Minimum 1 million pieces required during the incentive period. Credits equal 30 percent of overall, average per-piece price paid for eligible pieces during the incentive period. Credits earned *only* for pieces that exceed the greater of 1 million eligible pieces or the mailer's FY 2023 volume of eligible pieces. Credits earned may only be used toward future mailings of eligible pieces. Mailers must enroll and meet incentive terms.~~

Integrated Technology Base/Primary Promotion (Mailer selects start date for a six-month promotion period within calendar year 2025)

Provide a three percent discount on the qualifying postage for First-Class Mail letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established promotion period, and which either include a qualifying affixed or embedded technology that allows the recipient to engage in a technological experience or were automatically generated by the recipient's applicable online activities. Mailers must enroll their participating Customer Registration ID (CRID) through the Business Customer Gateway. To receive the discount, mailers must also comply with the other eligibility requirements of the program. Mailers have the ability to register for this promotion at any point in the year and can select their start date for a specified six-month period. All activity must be

*USPS Marketing Mail (Commercial and Nonprofit)
Carrier Route*

completed before the end of calendar year 2025, and mailers are not permitted to extend this promotion into new calendar years.

Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion (February 1, 2025 to July 31, 2025)

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

Continuous Contact Base/Primary Promotion (April 1, 2025 to December 31, 2025)

Provide a three percent discount for mailers that repeatedly send qualifying USPS Marketing Mail letters and flats to the same addresses. Participant must mail to an address two or more times within the promotion period. Mailers will receive the discount on all subsequent mailings, within the promotion period, following the first mailing. Mailers will not receive a discount on the first mailing to an address. Content of each mailpiece must be iterative or complementary, not duplicative. To receive the discount, mailers must comply with the eligibility requirements of the program.

Informed Delivery Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)

Provide an additional one percent discount for the mailer and a half percent credit for the mail preparer on the qualifying postage for First-Class Mail automation letters, postcards, and flats, and USPS Marketing Mail automation letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must already be receiving an eligible base/primary promotion and comply with the eligibility requirements of the program. This promotion can be added onto other add-on/upgrade promotions.

Sustainability Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)

Provide an additional one percent discount for mailers who demonstrate the paper used in First-Class Mail presort and automation letters, postcards, and flats, and USPS Marketing Mail letters and flats is

*USPS Marketing Mail (Commercial and Nonprofit)
Carrier Route*

responsibly sourced and sustainably produced. Mailers must prove this by exhibiting a certification from a recognized entity, such as the Sustainable Forest Initiative, Forest Stewardship Council, Cradle to Cradle. To receive the discount, mailers must already be receiving an eligible base/primary promotion and comply with the eligibility requirements of the program. This promotion can be added onto other add-on/upgrade promotions.

Marketing Mail Growth Incentive (January 1, 2025 to December 31, 2025)

Provide credits for growth in volume of Marketing Mail Letters, Flats, Parcels, Carrier Route, High Density & Saturation Letters, and High Density & Saturation Flats & Parcels (eligible pieces). Minimum 1 million pieces required during the incentive period. Credits equal 30 percent of overall, average per-piece price paid for eligible pieces during the incentive period. Credits earned only for pieces that exceed the greater of 1 million eligible pieces or the mailer's FY 2024 volume of eligible pieces. Credits earned may only be used toward future mailings of eligible pieces. Mailers must enroll and meet incentive terms.

USPS Marketing Mail (Commercial and Nonprofit)
Letters**1220** **Letters**

1220.5 Optional Features

- ~~Emerging and Advanced Technology Promotion (Mailer selects start date for a six-month promotion period within calendar year 2024)~~
- ~~Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2024 to July 31, 2024)~~
- ~~Informed Delivery Promotion (August 1, 2024 to December 31, 2024)~~
- ~~Marketing Mail Growth Incentive (January 1, 2024 to December 31, 2024)~~
- Catalog Incentive
- Integrated Technology Base/Primary Promotion (Mailer selects start date for a six-month promotion period within calendar year 2025)
- Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion (February 1, 2025 to July 31, 2025)
- Continuous Contact Base/Primary Promotion (April 1, 2025 to December 31, 2025)
- Informed Delivery Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)
- Sustainability Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)
- Marketing Mail Growth Incentive (January 1, 2025 to December 31, 2025)

USPS Marketing Mail (Commercial and Nonprofit)
Letters

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	<u>0.345</u>	<u>0.380</u>	<u>0.402</u>	0.173	0.208	<u>0.230</u>
DNDC	<u>0.321</u>	<u>0.356</u>	<u>0.378</u>	<u>0.149</u>	<u>0.184</u>	<u>0.206</u>
DSCF	<u>0.318</u>	<u>0.353</u>		<u>0.146</u>	<u>0.181</u>	

Machinable Letters (3.5 ounces or less)

Entry Point	Commercial		Nonprofit	
	AADC (\$)	Mixed AADC (\$)	AADC (\$)	Mixed AADC (\$)
Origin	<u>0.380</u>	<u>0.408</u>	0.208	<u>0.236</u>
DNDC	<u>0.356</u>	<u>0.384</u>	<u>0.184</u>	<u>0.212</u>
DSCF	<u>0.353</u>		<u>0.181</u>	

Forwarding-and-Return Service

If Forwarding Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay ~~\$0.62~~\$0.67 per piece. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece multiplied by a factor of 2.472.

Full-service Intelligent Mail Option: Automation Letters Only

Subtract ~~\$0.003~~\$0.005 for each automation letter that complies with the requirements for the Full-service Intelligent Mail option.

Seamless Incentive: Automation Letters Only

*USPS Marketing Mail (Commercial and Nonprofit)
Letters*

Subtract ~~\$0.001~~\$0.002 for each piece eligible for Seamless Acceptance and prepared under the Full-Service Intelligent Mail option.

Catalog Incentive

Subtract \$0.001 for each piece that complies with the requirements for the Catalog Incentive.

~~*Emerging and Advanced Technology Promotion (Mailer selects start date for a six-month promotion period within calendar year 2024)*~~

~~Provide a three or four percent discount on the qualifying postage for First-Class Mail letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established program period, and which either include affixed or embedded technology that allows the recipient to engage in technological experience, or were automatically generated by the recipient's applicable online activities. Mailers will receive a discount based on the complexity of the technology involved and its perceived benefit to the recipient. Qualifying mail utilizing technology with low barriers to entry will receive a three percent discount, while technology featuring high barriers to entry will receive a four percent discount. To receive the discount, mailers must comply with the eligibility requirements of the program. Mailers have the ability to register for this promotion at any point in the year and can select their start date for a specified six-month period. All activity must be completed within calendar year 2024, and mailers are not permitted to extend this promotion into new calendar years.~~

~~*Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2024 to July 31, 2024)*~~

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

~~*Informed Delivery Promotion (August 1, 2024 to December 31, 2024)*~~

~~Provide a four percent discount for the mailer and a half percent incentive for the mail preparer on the qualifying postage for First-Class Mail automation letters, postcards, and flats, and USPS Marketing Mail automation letters and flats that are sent during the established program~~

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Letters*

~~period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~Marketing Mail Growth Incentive (January 1, 2024 to December 31, 2024)~~

~~Provide credits for growth in volume of Marketing Mail Letters, Flats, Parcels, Carrier Route, High Density & Saturation Letters, and High Density & Saturation Flats & Parcels (eligible pieces). Minimum 1 million pieces required during the incentive period. Credits equal 30 percent of overall, average per-piece price paid for eligible pieces during the incentive period. Credits earned *only* for pieces that exceed the greater of 1 million eligible pieces or the mailer's FY 2023 volume of eligible pieces. Credits earned may only be used toward future mailings of eligible pieces. Mailers must enroll and meet incentive terms.~~

Integrated Technology Base/Primary Promotion (Mailer selects start date for a six-month promotion period within calendar year 2025)

Provide a three percent discount on the qualifying postage for First-Class Mail letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established promotion period, and which either include a qualifying affixed or embedded technology that allows the recipient to engage in a technological experience or were automatically generated by the recipient's applicable online activities. Mailers must enroll their participating Customer Registration ID (CRID) through the Business Customer Gateway. To receive the discount, mailers must also comply with the other eligibility requirements of the program. Mailers have the ability to register for this promotion at any point in the year and can select their start date for a specified six-month period. All activity must be completed before the end of calendar year 2025, and mailers are not permitted to extend this promotion into new calendar years.

Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion (February 1, 2025 to July 31, 2025)

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

Continuous Contact Base/Primary Promotion (April 1, 2025 to December 31, 2025)

*USPS Marketing Mail (Commercial and Nonprofit)
Letters*

Provide a three percent discount for mailers that repeatedly send qualifying USPS Marketing Mail letters and flats to the same addresses. Participant must mail to an address two or more times within the promotion period. Mailers will receive the discount on all subsequent mailings, within the promotion period, following the first mailing. Mailers will not receive a discount on the first mailing to an address. Content of each mailpiece must be iterative or complementary, not duplicative. To receive the discount, mailers must comply with the eligibility requirements of the program.

Informed Delivery Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)

Provide an additional one percent discount for the mailer and a half percent credit for the mail preparer on the qualifying postage for First-Class Mail automation letters, postcards, and flats, and USPS Marketing Mail automation letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must already be receiving an eligible base/primary promotion and comply with the eligibility requirements of the program. This promotion can be added onto other add-on/upgrade promotions.

Sustainability Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)

Provide an additional one percent discount for mailers who demonstrate the paper used in First-Class Mail presort and automation letters, postcards, and flats, and USPS Marketing Mail letters and flats is responsibly sourced and sustainably produced. Mailers must prove this by exhibiting a certification from a recognized entity, such as the Sustainable Forest Initiative, Forest Stewardship Council, Cradle to Cradle. To receive the discount, mailers must already be receiving an eligible base/primary promotion and comply with the eligibility requirements of the program. This promotion can be added onto other add-on/upgrade promotions.

Marketing Mail Growth Incentive (January 1, 2025 to December 31, 2025)

Provide credits for growth in volume of Marketing Mail Letters, Flats, Parcels, Carrier Route, High Density & Saturation Letters, and High Density & Saturation Flats & Parcels (eligible pieces). Minimum 1 million pieces required during the incentive period. Credits equal 30 percent of overall, average per-piece price paid for eligible pieces during the incentive period. Credits earned only for pieces that exceed the greater of

*USPS Marketing Mail (Commercial and Nonprofit)
Letters*

1 million eligible pieces or the mailer's FY 2024 volume of eligible pieces.
Credits earned may only be used toward future mailings of eligible pieces.
Mailers must enroll and meet incentive terms.

*USPS Marketing Mail (Commercial and Nonprofit)
Flats*

1225

Flats

1225.5

Optional Features

- ~~Emerging and Advanced Technology Promotion (Mailer selects start date for a six-month promotion period within calendar year 2024)~~
- ~~Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (February 1, 2024 to July 31, 2024)~~
- ~~Informed Delivery Promotion (August 1, 2024 to December 31, 2024)~~
- ~~Marketing Mail Growth Incentive (January 1, 2024 to December 31, 2024)~~
- Catalog Incentive
- Integrated Technology Base/Primary Promotion (Mailer selects start date for a six-month promotion period within calendar year 2025)
- Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion (February 1, 2025 to July 31, 2025)
- Continuous Contact Base/Primary Promotion (April 1, 2025 to December 31, 2025)
- Informed Delivery Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)
- Sustainability Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)
- Marketing Mail Growth Incentive (January 1, 2025 to December 31, 2025)

USPS Marketing Mail (Commercial and Nonprofit)
Flats

1225.6 Prices

Automation Flats (4.0 ounces or less)

Commercial				
<u>Entry Point</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
<u>Origin</u>	<u>0.687</u>	<u>0.864</u>	<u>0.971</u>	<u>1.041</u>
<u>DNDC</u>	<u>0.621</u>	<u>0.798</u>	<u>0.905</u>	<u>0.975</u>
<u>DSCF</u>	<u>0.617</u>	<u>0.794</u>	<u>0.901</u>	

Nonprofit				
<u>Entry Point</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
<u>Origin</u>	<u>0.451</u>	<u>0.628</u>	<u>0.735</u>	<u>0.805</u>
<u>DNDC</u>	<u>0.385</u>	<u>0.562</u>	<u>0.669</u>	<u>0.739</u>
<u>DSCF</u>	<u>0.381</u>	<u>0.558</u>	<u>0.665</u>	

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				
<u>Entry Point</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
<u>Origin</u>	<u>0.428</u>	<u>0.605</u>	<u>0.712</u>	<u>0.782</u>
<u>DNDC</u>	<u>0.428</u>	<u>0.605</u>	<u>0.712</u>	<u>0.782</u>
<u>DSCF</u>	<u>0.428</u>	<u>0.605</u>	<u>0.712</u>	

USPS Marketing Mail (Commercial and Nonprofit)
Flats

Nonprofit				
<u>Entry Point</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
<u>Origin</u>	<u>0.240</u>	<u>0.417</u>	<u>0.524</u>	<u>0.594</u>
<u>DNDC</u>	<u>0.240</u>	<u>0.417</u>	<u>0.524</u>	<u>0.594</u>
<u>DSCF</u>	<u>0.240</u>	<u>0.417</u>	<u>0.524</u>	

b. Per Pound

Commercial				
<u>Entry Point</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
<u>Origin</u>	<u>1.234</u>	<u>1.234</u>	<u>1.234</u>	<u>1.234</u>
<u>DNDC</u>	<u>0.786</u>	<u>0.786</u>	<u>0.786</u>	<u>0.786</u>
<u>DSCF</u>	<u>0.756</u>	<u>0.756</u>	<u>0.756</u>	

Nonprofit				
<u>Entry Point</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
<u>Origin</u>	<u>1.042</u>	<u>1.042</u>	<u>1.042</u>	<u>1.042</u>
<u>DNDC</u>	<u>0.594</u>	<u>0.594</u>	<u>0.594</u>	<u>0.594</u>
<u>DSCF</u>	<u>0.564</u>	<u>0.564</u>	<u>0.564</u>	

Automation Flats

a. Per Piece

Commercial				
<u>Entry Point</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
<u>Origin</u>				
<u>DNDC</u>				

USPS Marketing Mail (Commercial and Nonprofit)
Flats

DSCF				
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Nonprofit

Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin				
DNDG				
DSCF				

b. Per Pound

Commercial

Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin				
DNDG				
DSCF				

Nonprofit

Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin				
DNDG				
DSCF				

Automation Flats (less than 4.0 ounces)

Pay only the applicable per-piece price.

Automation Flats (greater than 4.0 ounces)

Pay the applicable per-piece price plus the pound rate for pounds above 4.0 ounces.

USPS Marketing Mail (Commercial and Nonprofit)
Flats

Nonautomation Flats (4.0 ounces or less)

Commercial				
<u>Entry Point</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
<u>Origin</u>	<u>0.770</u>	<u>0.917</u>	<u>0.981</u>	<u>1.072</u>
<u>DNDC</u>	<u>0.704</u>	<u>0.851</u>	<u>0.915</u>	<u>1.006</u>
<u>DSCF</u>	<u>0.700</u>	<u>0.847</u>	<u>0.911</u>	

Nonprofit				
<u>Entry Point</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
<u>Origin</u>	<u>0.534</u>	<u>0.681</u>	<u>0.745</u>	<u>0.836</u>
<u>DNDC</u>	<u>0.468</u>	<u>0.615</u>	<u>0.679</u>	<u>0.770</u>
<u>DSCF</u>	<u>0.464</u>	<u>0.611</u>	<u>0.675</u>	

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				
<u>Entry Point</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
<u>Origin</u>	<u>0.511</u>	<u>0.658</u>	<u>0.722</u>	<u>0.813</u>
<u>DNDC</u>	<u>0.511</u>	<u>0.658</u>	<u>0.722</u>	<u>0.813</u>
<u>DSCF</u>	<u>0.511</u>	<u>0.658</u>	<u>0.722</u>	

USPS Marketing Mail (Commercial and Nonprofit)
Flats

Nonprofit				
<u>Entry Point</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
<u>Origin</u>	<u>0.323</u>	<u>0.470</u>	<u>0.534</u>	<u>0.625</u>
<u>DNDC</u>	<u>0.323</u>	<u>0.470</u>	<u>0.534</u>	<u>0.625</u>
<u>DSCF</u>	<u>0.323</u>	<u>0.470</u>	<u>0.534</u>	

b. Per Pound

Commercial				
<u>Entry Point</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
<u>Origin</u>	<u>1.234</u>	<u>1.234</u>	<u>1.234</u>	<u>1.234</u>
<u>DNDC</u>	<u>0.786</u>	<u>0.786</u>	<u>0.786</u>	<u>0.786</u>
<u>DSCF</u>	<u>0.756</u>	<u>0.756</u>	<u>0.756</u>	

Nonprofit				
<u>Entry Point</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
<u>Origin</u>	<u>1.042</u>	<u>1.042</u>	<u>1.042</u>	<u>1.042</u>
<u>DNDC</u>	<u>0.594</u>	<u>0.594</u>	<u>0.594</u>	<u>0.594</u>
<u>DSCF</u>	<u>0.564</u>	<u>0.564</u>	<u>0.564</u>	

Nonautomation Flats

a. Per Piece

Commercial				
<u>Entry Point</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
<u>Origin</u>				
<u>DNDC</u>				
<u>DSCF</u>				

USPS Marketing Mail (Commercial and Nonprofit)
Flats

Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin				
DNDG				
DSCF				

b. Per Pound

Commercial				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin				
DNDG				
DSCF				

Nonprofit				
Entry Point	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin				
DNDG				
DSCF				

Nonautomation Flats (less than 4.0 ounces)

~~Pay only the applicable per-piece price.~~

Nonautomation Flats (greater than 4.0 ounces)

~~Pay the applicable per-piece price plus the pound rate for pounds above 4.0 ounces~~

USPS Marketing Mail (Commercial and Nonprofit)
Flats

Customized MarketMail Prices

	Commercial (\$)	Nonprofit (\$)
Per Piece	<u>0.673</u>	<u>0.498</u>

Containerization Discounts

Qualifying ADC 3-Digit and 5-Digit (Automation and Nonautomation) Flat-shaped pieces on a SCF Pallet receive a discount of ~~\$0.021~~ \$0.026.

Forwarding-and-Return Service

If Forwarding Service is used in conjunction with electronic Address Correction Service, forwarded flats pay ~~\$2.05~~ \$2.24 per piece. All other flats requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece multiplied by a factor of 2.472.

Full-service Intelligent Mail Option: Automation Flats Only

Subtract ~~\$0.003~~ \$0.005 for each automation flat that complies with the requirements for the Full-service Intelligent Mail option.

Seamless Incentive: Automation Flats Only

Subtract ~~\$0.004~~ \$0.002 for each piece eligible for Seamless Acceptance and prepared under the Full-Service Intelligent Mail option.

Catalog Incentive

Subtract \$0.001 for each piece that complies with the requirements for the Catalog Incentive.

~~*Emerging and Advanced Technology Promotion (Mailer selects start date for a six-month promotion period within calendar year 2024)*~~

~~Provide a three or four percent discount on the qualifying postage for First-Class Mail letters, postcards, and flats, and USPS Marketing Mail~~

*USPS Marketing Mail (Commercial and Nonprofit)
Flats*

~~letters and flats that are sent during the established program period, and which either include affixed or embedded technology that allows the recipient to engage in technological experience, or were automatically generated by the recipient's applicable online activities. Mailers will receive a discount based on the complexity of the technology involved and its perceived benefit to the recipient. Qualifying mail utilizing technology with low barriers to entry will receive a three percent discount, while technology featuring high barriers to entry will receive a four percent discount. To receive the discount, mailers must comply with the eligibility requirements of the program. Mailers have the ability to register for this promotion at any point in the year and can select their start date for a specified six-month period. All activity must be completed within calendar year 2024, and mailers are not permitted to extend this promotion into new calendar years.~~

*~~Tactile, Sensory, and Interactive Mailpiece Engagement Promotion
(February 1, 2024 to July 31, 2024)~~*

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

~~Informed Delivery Promotion (August 1, 2024 to December 31, 2024)~~

~~Provide a four percent discount for the mailer and a half percent incentive for the mail preparer on the qualifying postage for First-Class Mail automation letters, postcards, and flats, and USPS Marketing Mail automation letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~Marketing Mail Growth Incentive (January 1, 2024 to December 31, 2024)~~

~~Provide credits for growth in volume of Marketing Mail Letters, Flats, Parcels, Carrier Route, High Density & Saturation Letters, and High Density & Saturation Flats & Parcels (eligible pieces). Minimum 1 million pieces required during the incentive period. Credits equal 30 percent of overall, average per-piece price paid for eligible pieces during the incentive period. Credits earned *only* for pieces that exceed the greater of 1 million eligible pieces or the mailer's FY 2023 volume of eligible pieces. Credits earned may only be used toward future mailings of eligible pieces. Mailers must enroll and meet incentive terms.~~

*USPS Marketing Mail (Commercial and Nonprofit)
Flats*

Integrated Technology Base/Primary Promotion (Mailer selects start date for a six-month promotion period within calendar year 2025)

Provide a three percent discount on the qualifying postage for First-Class Mail letters, postcards, and flats, and USPS Marketing Mail letters and flats that are sent during the established promotion period, and which either include a qualifying affixed or embedded technology that allows the recipient to engage in a technological experience or were automatically generated by the recipient's applicable online activities. Mailers must enroll their participating Customer Registration ID (CRID) through the Business Customer Gateway. To receive the discount, mailers must also comply with the other eligibility requirements of the program. Mailers have the ability to register for this promotion at any point in the year and can select their start date for a specified six-month period. All activity must be completed before the end of calendar year 2025, and mailers are not permitted to extend this promotion into new calendar years.

Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion (February 1, 2025 to July 31, 2025)

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

Continuous Contact Base/Primary Promotion (April 1, 2025 to December 31, 2025)

Provide a three percent discount for mailers that repeatedly send qualifying USPS Marketing Mail letters and flats to the same addresses. Participant must mail to an address two or more times within the promotion period. Mailers will receive the discount on all subsequent mailings, within the promotion period, following the first mailing. Mailers will not receive a discount on the first mailing to an address. Content of each mailpiece must be iterative or complementary, not duplicative. To receive the discount, mailers must comply with the eligibility requirements of the program.

Informed Delivery Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)

Provide an additional one percent discount for the mailer and a half percent credit for the mail preparer on the qualifying postage for First-

*USPS Marketing Mail (Commercial and Nonprofit)
Flats*

Class Mail automation letters, postcards, and flats, and USPS Marketing Mail automation letters and flats that are sent during the established program period, and which incorporate Informed Delivery campaigns as a component of their mailings. To receive the discount, mailers must already be receiving an eligible base/primary promotion and comply with the eligibility requirements of the program. This promotion can be added onto other add-on/upgrade promotions.

Sustainability Add-On/Upgrade Promotion (January 1, 2025 to December 31, 2025)

Provide an additional one percent discount for mailers who demonstrate the paper used in First-Class Mail presort and automation letters, postcards, and flats, and USPS Marketing Mail letters and flats is responsibly sourced and sustainably produced. Mailers must prove this by exhibiting a certification from a recognized entity, such as the Sustainable Forest Initiative, Forest Stewardship Council, Cradle to Cradle. To receive the discount, mailers must already be receiving an eligible base/primary promotion and comply with the eligibility requirements of the program. This promotion can be added onto other add-on/upgrade promotions.

Marketing Mail Growth Incentive (January 1, 2025 to December 31, 2025)

Provide credits for growth in volume of Marketing Mail Letters, Flats, Parcels, Carrier Route, High Density & Saturation Letters, and High Density & Saturation Flats & Parcels (eligible pieces). Minimum 1 million pieces required during the incentive period. Credits equal 30 percent of overall, average per-piece price paid for eligible pieces during the incentive period. Credits earned only for pieces that exceed the greater of 1 million eligible pieces or the mailer's FY 2024 volume of eligible pieces. Credits earned may only be used toward future mailings of eligible pieces. Mailers must enroll and meet incentive terms.

USPS Marketing Mail (Commercial and Nonprofit)
Parcels

1230 Parcels

1230.5 Optional Features

- Marketing Mail Growth Incentive (January 1, 2024 to December 31, 2024)
- Marketing Mail Growth Incentive (January 1, 2025 to December 31, 2025)
- Catalog Incentive

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			<u>3.411</u>	<u>3.835</u>			<u>3.279</u>	<u>3.703</u>
DNDC	<u>2.186</u>	<u>3.058</u>	<u>3.273</u>		<u>2.054</u>	<u>2.926</u>	<u>3.141</u>	
DSCF	<u>2.176</u>	<u>3.048</u>			<u>2.044</u>	<u>2.916</u>		
DDU	<u>2.108</u>				<u>1.976</u>			

Marketing Parcels (greater than 3.3 ounces)

a. Per Piece

	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	<u>1.772</u>	<u>2.644</u>	<u>2.859</u>	3.283	<u>1.686</u>	<u>2.558</u>	<u>2.773</u>	<u>3.197</u>

USPS Marketing Mail (Commercial and Nonprofit)
Parcels

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Origin			<u>2.674</u>	<u>2.674</u>			<u>2.451</u>	<u>2.451</u>
DNDC	<u>2.009</u>	<u>2.009</u>	<u>2.009</u>		<u>1.786</u>	<u>1.786</u>	<u>1.786</u>	
DSCF	<u>1.960</u>	<u>1.960</u>			<u>1.737</u>	<u>1.737</u>		
DDU	1.630				1.407			

Nonprofit Machinable Parcels Prices (3.5 ounces or more)

a. Per Piece

	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)
Per Piece	<u>2.204</u>	<u>3.007</u>	<u>3.570</u>

b. Per Pound

Entry Point	5-Digit (\$)	NDC (\$)	Mixed NDC (\$)
Origin		<u>2.420</u>	<u>2.420</u>
DNDC	<u>1.721</u>	<u>1.721</u>	
DSCF	<u>1.636</u>		
DDU	<u>1.303</u>		

USPS Marketing Mail (Commercial and Nonprofit)
Parcels

Nonprofit Irregular Parcels (3.3 ounces or less)

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin			<u>3.995</u>	<u>4.170</u>
DNDC	<u>2.559</u>	<u>3.522</u>	<u>3.851</u>	
DSCF	<u>2.541</u>	<u>3.504</u>		
DDU	<u>2.473</u>			

Nonprofit Irregular Parcels (greater than 3.3 ounces)

a. Per Piece

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Per Piece	<u>2.204</u>	<u>3.167</u>	<u>3.496</u>	<u>3.671</u>

b. Per Pound

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin			<u>2.420</u>	<u>2.420</u>
DNDC	<u>1.721</u>	<u>1.721</u>	<u>1.721</u>	
DSCF	<u>1.636</u>	<u>1.636</u>		
DDU	<u>1.303</u>			

Forwarding-and-Return Service

If Forwarding Service is used in conjunction with electronic Address Correction Service, forwarded parcels pay ~~\$8.19~~ \$8.82 per piece. All other parcels requesting Forwarding-and-Return Service that are returned are charged the appropriate USPS Ground Advantage or Priority Mail price for the piece multiplied by a factor of 2.472.

*USPS Marketing Mail (Commercial and Nonprofit)
Parcels**Non-barcoded Parcels Surcharge*

For non-barcoded parcels, add ~~\$0.040~~ \$0.042 per piece. The surcharge does not apply to pieces sorted to 5-Digit ZIP Codes.

Marketing Mail Growth Incentive (January 1, 2024 to December 31, 2024)

~~Provide credits for growth in volume of Marketing Mail Letters, Flats, Parcels, Carrier Route, High Density & Saturation Letters, and High Density & Saturation Flats & Parcels (eligible pieces). Minimum 1 million pieces required during the incentive period. Credits equal 30 percent of overall, average per-piece price paid for eligible pieces during the incentive period. Credits earned *only* for pieces that exceed the greater of 1 million eligible pieces or the mailer's FY 2023 volume of eligible pieces. Credits earned may only be used toward future mailings of eligible pieces. Mailers must enroll and meet incentive terms.~~

Marketing Mail Growth Incentive (January 1, 2025 to December 31, 2025)

Provide credits for growth in volume of Marketing Mail Letters, Flats, Parcels, Carrier Route, High Density & Saturation Letters, and High Density & Saturation Flats & Parcels (eligible pieces). Minimum 1 million pieces required during the incentive period. Credits equal 30 percent of overall, average per-piece price paid for eligible pieces during the incentive period. Credits earned only for pieces that exceed the greater of 1 million eligible pieces or the mailer's FY 2024 volume of eligible pieces. Credits earned may only be used toward future mailings of eligible pieces. Mailers must enroll and meet incentive terms.

Catalog Incentive

Subtract \$0.001 for each piece that complies with the requirements for the Catalog Incentive.

*USPS Marketing Mail (Commercial and Nonprofit)
Every Door Direct Mail—Retail*

1235 **Every Door Direct Mail—Retail**

1235.6 Prices

Saturation Flats (3.3 ounces or less)

Entry Point	(\$)
DDU	<u>0.223</u>

1300 Periodicals

1305 In-County Periodicals

1305.6 Prices

In-County Automation

b. Piece Prices (per addressed piece)

Presort Level	Letters (\$)	Flats (\$)
5-Digit	0.059	<u>0.340</u>
3-Digit	0.083	<u>0.424</u>
Basic	<u>0.093</u>	<u>0.492</u>

In-County Nonautomation

b. Piece Prices (per addressed piece)

Presort Level	Letters, Flats, and Parcels (\$)
Carrier Route Saturation	0.041
Carrier Route High Density	<u>0.083</u>
Carrier Route Basic	<u>0.124</u>
5-Digit	<u>0.393</u>
3-Digit	<u>0.505</u>
Basic	<u>0.574</u>

Worksharing Discount for DDU

Each DDU entered piece receives a discount of ~~\$0.018~~ \$0.023.

1310 Outside County Periodicals

1310.6 Prices

Piece Price (per addressed piece)

a. Carrier Route Letters, Flats, and Parcels

Bundle Level	Letters, Flats, and Parcels (\$)
Saturation	<u>0.205</u>
High Density	<u>0.248</u>
Basic	<u>0.289</u>

b. Barcoded Letters

Bundle Level	Barcoded Letters (\$)
5-Digit	<u>0.342</u>
3-Digit/SCF	<u>0.366</u>
ADC	<u>0.374</u>
Mixed ADC	<u>0.393</u>

c. Machinable Flats and Nonbarcoded Letters

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Nonbarcoded Letters (\$)
5-Digit	<u>0.526</u>	<u>0.553</u>	<u>0.553</u>
3-Digit/SCF	<u>0.657</u>	<u>0.702</u>	<u>0.702</u>
ADC	<u>0.706</u>	<u>0.761</u>	<u>0.761</u>
Mixed ADC	<u>0.770</u>	<u>0.842</u>	<u>0.842</u>

d. Nonmachinable Flats and Parcels

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Parcels (\$)
5-Digit	<u>0.814</u>	<u>0.816</u>	<u>0.816</u>
3-Digit/SCF	<u>0.922</u>	<u>0.922</u>	<u>0.922</u>
ADC	<u>0.975</u>	<u>0.980</u>	<u>0.980</u>
Mixed ADC	<u>1.106</u>	<u>1.106</u>	<u>1.106</u>

f. Firm Bundle Piece Price

Firm bundles are charged a single-piece price of ~~\$0.226~~\$0.232.

*Package Services
Alaska Bypass*

1400 **Package Services**

1405 **Alaska Bypass Service**

1405.6 Prices

Alaska Bypass

Maximum Weight (pounds)	Zones 1 & 2 (\$)
70	<u>35.57</u>

1415 Bound Printed Matter Flats

1415.5 Optional Features

- Catalog Incentive

1415.6 Prices

Carrier Route

	DDU (\$)	DSCF (\$)	DNDC (\$)	Origin Entry (\$)
Per Piece	<u>0.325</u>	<u>0.748</u>	<u>1.387</u>	<u>1.513</u>
Per Pound	<u>0.053</u>	<u>0.053</u>	<u>0.053</u>	<u>0.053</u>

Presorted

1. Destination Entry¹

	DDU (\$)	DSCF (\$)	DNDC (\$)	Origin Entry (\$)
Per Piece	<u>0.485</u>	<u>0.908</u>	<u>1.547</u>	<u>1.673</u>
Per Pound	<u>0.053</u>	<u>0.053</u>	<u>0.053</u>	<u>0.053</u>

Catalog Incentive

Subtract \$0.001 for each piece that complies with the requirements for the Catalog Incentive.

1420 Bound Printed Matter Parcels

1420.5 Optional Features

- Catalog Incentive

1420.6 Prices

Carrier Route

	DDU	DSCF	DNDC	Origin Entry
	(\$)	(\$)	(\$)	(\$)
Per Piece	<u>0.854</u>	<u>1.294</u>	<u>1.918</u>	<u>2.044</u>
Per Pound	<u>0.072</u>	<u>0.072</u>	<u>0.135</u>	<u>0.272</u>

Presorted

	DDU	DSCF	DNDC	Origin Entry
	(\$)	(\$)	(\$)	(\$)
Per Piece	<u>1.014</u>	<u>1.454</u>	<u>2.078</u>	<u>2.204</u>
Per Pound	<u>0.072</u>	<u>0.072</u>	<u>0.135</u>	<u>0.272</u>

Catalog Incentive

Subtract \$0.001 for each piece that complies with the requirements for the Catalog Incentive.

*Package Services
Media Mail/Library Mail***1425 Media Mail/Library Mail**

1425.6 Prices

Media Mail

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
1	<u>3.26</u>	<u>4.40</u>	<u>4.63</u>
2	<u>4.01</u>	<u>5.15</u>	<u>5.38</u>
3	<u>4.76</u>	<u>5.90</u>	<u>6.13</u>
4	<u>5.51</u>	<u>6.65</u>	<u>6.88</u>
5	<u>6.26</u>	<u>7.40</u>	<u>7.63</u>
6	<u>7.01</u>	<u>8.15</u>	<u>8.38</u>
7	<u>7.76</u>	<u>8.90</u>	<u>9.13</u>
8	<u>8.51</u>	<u>9.65</u>	<u>9.88</u>
9	<u>9.26</u>	<u>10.40</u>	<u>10.63</u>
10	<u>10.01</u>	<u>11.15</u>	<u>11.38</u>
11	<u>10.76</u>	<u>11.90</u>	<u>12.13</u>
12	<u>11.51</u>	<u>12.65</u>	<u>12.88</u>
13	<u>12.26</u>	<u>13.40</u>	<u>13.63</u>
14	<u>13.01</u>	<u>14.15</u>	<u>14.38</u>
15	<u>13.76</u>	<u>14.90</u>	<u>15.13</u>
16	<u>14.51</u>	<u>15.65</u>	<u>15.88</u>
17	<u>15.26</u>	<u>16.40</u>	<u>16.63</u>
18	<u>16.01</u>	<u>17.15</u>	<u>17.38</u>
19	<u>16.76</u>	<u>17.90</u>	<u>18.13</u>
20	<u>17.51</u>	<u>18.65</u>	<u>18.88</u>
21	<u>18.26</u>	<u>19.40</u>	<u>19.63</u>
22	<u>19.01</u>	<u>20.15</u>	<u>20.38</u>
23	<u>19.76</u>	<u>20.90</u>	<u>21.13</u>
24	<u>20.51</u>	<u>21.65</u>	<u>21.88</u>
25	<u>21.26</u>	<u>22.40</u>	<u>22.63</u>

Package Services
Media Mail/Library Mail*Media Mail (Continued)*

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
26	<u>22.01</u>	<u>23.15</u>	<u>23.38</u>
27	<u>22.76</u>	<u>23.90</u>	<u>24.13</u>
28	<u>23.51</u>	<u>24.65</u>	<u>24.88</u>
29	<u>24.26</u>	<u>25.40</u>	<u>25.63</u>
30	<u>25.01</u>	<u>26.15</u>	<u>26.38</u>
31	<u>25.76</u>	<u>26.90</u>	<u>27.13</u>
32	<u>26.51</u>	<u>27.65</u>	<u>27.88</u>
33	<u>27.26</u>	<u>28.40</u>	<u>28.63</u>
34	<u>28.01</u>	<u>29.15</u>	<u>29.38</u>
35	<u>28.76</u>	<u>29.90</u>	<u>30.13</u>
36	<u>29.51</u>	<u>30.65</u>	<u>30.88</u>
37	<u>30.26</u>	<u>31.40</u>	<u>31.63</u>
38	<u>31.01</u>	<u>32.15</u>	<u>32.38</u>
39	<u>31.76</u>	<u>32.90</u>	<u>33.13</u>
40	<u>32.51</u>	<u>33.65</u>	<u>33.88</u>
41	<u>33.26</u>	<u>34.40</u>	<u>34.63</u>
42	<u>34.01</u>	<u>35.15</u>	<u>35.38</u>
43	<u>34.76</u>	<u>35.90</u>	<u>36.13</u>
44	<u>35.51</u>	<u>36.65</u>	<u>36.88</u>
45	<u>36.26</u>	<u>37.40</u>	<u>37.63</u>
46	<u>37.01</u>	<u>38.15</u>	<u>38.38</u>
47	<u>37.76</u>	<u>38.90</u>	<u>39.13</u>
48	<u>38.51</u>	<u>39.65</u>	<u>39.88</u>
49	<u>39.26</u>	<u>40.40</u>	<u>40.63</u>
50	<u>40.01</u>	<u>41.15</u>	<u>41.38</u>

Package Services
Media Mail/Library Mail*Media Mail (Continued)*

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
51	<u>40.76</u>	<u>41.90</u>	<u>42.13</u>
52	<u>41.51</u>	<u>42.65</u>	<u>42.88</u>
53	<u>42.26</u>	<u>43.40</u>	<u>43.63</u>
54	<u>43.01</u>	<u>44.15</u>	<u>44.38</u>
55	<u>43.76</u>	<u>44.90</u>	<u>45.13</u>
56	<u>44.51</u>	<u>45.65</u>	<u>45.88</u>
57	<u>45.26</u>	<u>46.40</u>	<u>46.63</u>
58	<u>46.01</u>	<u>47.15</u>	<u>47.38</u>
59	<u>46.76</u>	<u>47.90</u>	<u>48.13</u>
60	<u>47.51</u>	<u>48.65</u>	<u>48.88</u>
61	<u>48.26</u>	<u>49.40</u>	<u>49.63</u>
62	<u>49.01</u>	<u>50.15</u>	<u>50.38</u>
63	<u>49.76</u>	<u>50.90</u>	<u>51.13</u>
64	<u>50.51</u>	<u>51.65</u>	<u>51.88</u>
65	<u>51.26</u>	<u>52.40</u>	<u>52.63</u>
66	<u>52.01</u>	<u>53.15</u>	<u>53.38</u>
67	<u>52.76</u>	<u>53.90</u>	<u>54.13</u>
68	<u>53.51</u>	<u>54.65</u>	<u>54.88</u>
69	<u>54.26</u>	<u>55.40</u>	<u>55.63</u>
70	<u>55.01</u>	<u>56.15</u>	<u>56.38</u>

Package Services
Media Mail/Library Mail*Library Mail*

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
1	<u>3.10</u>	<u>4.18</u>	<u>4.40</u>
2	<u>3.81</u>	<u>4.89</u>	<u>5.11</u>
3	<u>4.52</u>	<u>5.60</u>	<u>5.82</u>
4	<u>5.23</u>	<u>6.31</u>	<u>6.53</u>
5	<u>5.94</u>	<u>7.02</u>	<u>7.24</u>
6	<u>6.65</u>	<u>7.73</u>	<u>7.95</u>
7	<u>7.36</u>	<u>8.44</u>	<u>8.66</u>
8	<u>8.07</u>	<u>9.15</u>	<u>9.37</u>
9	<u>8.78</u>	<u>9.86</u>	<u>10.08</u>
10	<u>9.49</u>	<u>10.57</u>	<u>10.79</u>
11	<u>10.20</u>	<u>11.28</u>	<u>11.50</u>
12	<u>10.91</u>	<u>11.99</u>	<u>12.21</u>
13	<u>11.62</u>	<u>12.70</u>	<u>12.92</u>
14	<u>12.33</u>	<u>13.41</u>	<u>13.63</u>
15	<u>13.04</u>	<u>14.12</u>	<u>14.34</u>
16	<u>13.75</u>	<u>14.83</u>	<u>15.05</u>
17	<u>14.46</u>	<u>15.54</u>	<u>15.76</u>
18	<u>15.17</u>	<u>16.25</u>	<u>16.47</u>
19	<u>15.88</u>	<u>16.96</u>	<u>17.18</u>
20	<u>16.59</u>	<u>17.67</u>	<u>17.89</u>
21	<u>17.30</u>	<u>18.38</u>	<u>18.60</u>
22	<u>18.01</u>	<u>19.09</u>	<u>19.31</u>
23	<u>18.72</u>	<u>19.80</u>	<u>20.02</u>
24	<u>19.43</u>	<u>20.51</u>	<u>20.73</u>
25	<u>20.14</u>	<u>21.22</u>	<u>21.44</u>

Package Services
Media Mail/Library Mail*Library Mail (Continued)*

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
26	<u>20.85</u>	<u>21.93</u>	<u>22.15</u>
27	<u>21.56</u>	<u>22.64</u>	<u>22.86</u>
28	<u>22.27</u>	<u>23.35</u>	<u>23.57</u>
29	<u>22.98</u>	<u>24.06</u>	<u>24.28</u>
30	<u>23.69</u>	<u>24.77</u>	<u>24.99</u>
31	<u>24.40</u>	<u>25.48</u>	<u>25.70</u>
32	<u>25.11</u>	<u>26.19</u>	<u>26.41</u>
33	<u>25.82</u>	<u>26.90</u>	<u>27.12</u>
34	<u>26.53</u>	<u>27.61</u>	<u>27.83</u>
35	<u>27.24</u>	<u>28.32</u>	<u>28.54</u>
36	<u>27.95</u>	<u>29.03</u>	<u>29.25</u>
37	<u>28.66</u>	<u>29.74</u>	<u>29.96</u>
38	<u>29.37</u>	<u>30.45</u>	<u>30.67</u>
39	<u>30.08</u>	<u>31.16</u>	<u>31.38</u>
40	<u>30.79</u>	<u>31.87</u>	<u>32.09</u>
41	<u>31.50</u>	<u>32.58</u>	<u>32.80</u>
42	<u>32.21</u>	<u>33.29</u>	<u>33.51</u>
43	<u>32.92</u>	<u>34.00</u>	<u>34.22</u>
44	<u>33.63</u>	<u>34.71</u>	<u>34.93</u>
45	<u>34.34</u>	<u>35.42</u>	<u>35.64</u>
46	<u>35.05</u>	<u>36.13</u>	<u>36.35</u>
47	<u>35.76</u>	<u>36.84</u>	<u>37.06</u>
48	<u>36.47</u>	<u>37.55</u>	<u>37.77</u>
49	<u>37.18</u>	<u>38.26</u>	<u>38.48</u>
50	<u>37.89</u>	<u>38.97</u>	<u>39.19</u>

Library Mail (Continued)

Maximum Weight (pounds)	5-Digit (\$)	Basic (\$)	Single-Piece (\$)
51	<u>38.60</u>	<u>39.68</u>	<u>39.90</u>
52	<u>39.31</u>	<u>40.39</u>	<u>40.61</u>
53	<u>40.02</u>	<u>41.10</u>	<u>41.32</u>
54	<u>40.73</u>	<u>41.81</u>	<u>42.03</u>
55	<u>41.44</u>	<u>42.52</u>	<u>42.74</u>
56	<u>42.15</u>	<u>43.23</u>	<u>43.45</u>
57	<u>42.86</u>	<u>43.94</u>	<u>44.16</u>
58	<u>43.57</u>	<u>44.65</u>	<u>44.87</u>
59	<u>44.28</u>	<u>45.36</u>	<u>45.58</u>
60	<u>44.99</u>	<u>46.07</u>	<u>46.29</u>
61	<u>45.70</u>	<u>46.78</u>	<u>47.00</u>
62	<u>46.41</u>	<u>47.49</u>	<u>47.71</u>
63	<u>47.12</u>	<u>48.20</u>	<u>48.42</u>
64	<u>47.83</u>	<u>48.91</u>	<u>49.13</u>
65	<u>48.54</u>	<u>49.62</u>	<u>49.84</u>
66	<u>49.25</u>	<u>50.33</u>	<u>50.55</u>
67	<u>49.96</u>	<u>51.04</u>	<u>51.26</u>
68	<u>50.67</u>	<u>51.75</u>	<u>51.97</u>
69	<u>51.38</u>	<u>52.46</u>	<u>52.68</u>
70	<u>52.09</u>	<u>53.17</u>	<u>53.39</u>

1500 Special Services

1505 Ancillary Services

1505.1 Address Correction Service

1505.1.2 Prices

	(\$)
Manual correction, each	
First-Class Mail or USPS Ground Advantage piece, on- piece correction only	0.00
Other	<u>0.90</u>
Electronic correction, each	
First-Class Mail or USPS Ground Advantage piece	<u>0.21</u>
Other	<u>0.46</u>
Automated correction (Letters Only)	
First-Class Mail piece	
First two notices, for a given address change, each	<u>0.16</u>
Additional notices, for a given address change, each	<u>0.24</u>
USPS Marketing Mail piece	
First two notices, for a given address change, each	<u>0.18</u>
Additional notices, for a given address change, each	<u>0.40</u>
Full-service correction, each	0.00

1505.2 Applications and Mailing Permits

1505.2.2 Prices

	(\$)
First-Class Mail Presort Mailing Fee (per year)	<u>350.00</u>
USPS Marketing Mail Mailing Fee (per year)	<u>350.00</u>
Periodicals Application Fees (one-time only for each)	
A. Original Entry	<u>1,040.00</u>
B. Re-entry	<u>135.00</u>
C. Registration for News Agents	<u>135.00</u>
Bound Printed Matter: Destination Entry Mailing Fee (per year) ¹	<u>350.00</u>
Application to Use Permit Imprint (one-time only)	<u>350.00</u>

1505.3 Business Reply Mail

1505.3.2 Prices

	(\$)
Permit (All categories)	<u>350.00¹</u>
Regular (no account maintenance fee)	
Per-piece charge	<u>1.15</u>
Regular (with account maintenance fee)	
Account maintenance (per year)	<u>1,020.00</u>
Per-piece charge	<u>0.144</u>
Qualified Business Reply Mail, low-volume	
Account maintenance (per year)	<u>1,020.00</u>
Per-piece charge	<u>0.050</u>
Qualified Business Reply Mail, high-volume	
Account maintenance (per year)	<u>1,020.00</u>
Quarterly	<u>3,470.00</u>
Per-piece charge	<u>0.030</u>
<u>Qualified Business Reply Mail, IMbA (no account maintenance or quarterly fees)</u>	
<u>Per-piece charge</u>	<u>0.020</u>
Bulk Weight Averaged (Non-letters only)	
Account maintenance (per year)	<u>1,020.00</u>
Per-piece charge	<u>0.028</u>
Monthly maintenance	<u>1,675.00</u>

1505.5 Certified Mail

1505.5.2 Prices

(Per piece)	(\$)
Certified Mail	<u>4.85</u>
Certified Mail with Restricted Delivery and/or Adult Signature	<u>12.75</u>

1505.6 Certificate of Mailing

1505.6.2 Prices

Individual Piece Prices

	(\$)
Original Certificate of Mailing, Form 3817, individual article presented at retail	<u>2.20</u>
Three or more pieces individually listed on Form 3665-Firm or USPS approved customer provided manifest (per piece listed)	<u>0.65</u>
Each additional copy of original Certificate of Mailing, or original mailing receipt (Form 3877) for Registered Mail, insured mail, Certified Mail, and COD mail (each copy)	<u>2.20</u>

Quantity of Pieces

	(\$)
Up to 1,000 identical-weight pieces (one Form 3606 for total number)	<u>12.50</u>
Each additional 1,000 identical-weight pieces or fraction thereof	<u>1.60</u>
Each additional copy of the original Form 3606	<u>2.20</u>

1505.7 Collect on Delivery

1505.7.2 Prices

(\$)	(\$)	(\$)
Amount to be collected, or insurance coverage desired, whichever is higher:		
0.01	to	50.00
		<u>12.10</u>
50.01	to	100.00
		<u>14.95</u>
100.01	to	200.00
		<u>18.30</u>
200.01	to	300.00
		<u>21.65</u>
300.01	to	400.00
		<u>25.00</u>
400.01	to	500.00
		<u>28.35</u>
500.01	to	600.00
		<u>31.70</u>
600.01	to	700.00
		<u>35.05</u>
700.01	to	800.00
		<u>38.40</u>
800.01	to	900.00
		<u>41.75</u>
900.01	to	1,000.00
		<u>45.10</u>
Additional Fees for Optional Features:		
COD Restricted Delivery		<u>7.70</u>

1505.8 USPS Tracking

1505.8.2 Prices

	(\$)
USPS Marketing Mail Parcels Electronic	<u>0.32</u>

1505.9 Insurance

1505.9.2 Prices

Merchandise Coverage^{1, 2, 3}

(\$)		(\$)	(\$)
0.01	to	50.00	<u>2.50</u>
50.01	to	100.00	<u>3.15</u>
100.01	to	200.00	<u>4.15</u>
200.01	to	300.00	<u>5.45</u>
300.01	to	400.00	<u>6.85</u>
400.01	to	500.00	<u>8.25</u>
500.01	to	600.00	<u>11.00</u>
600.01	to	5,000.00	<u>11.00</u> plus <u>1.70</u> for each 100.00 or fraction thereof over 600.00
Additional Fee for Optional Feature			
Insurance Restricted Delivery			<u>7.70</u>

1505.11 Parcel Airlift (PAL)

1505.11.2 Prices

	(\$)
For pieces weighing:	
Not more than 2 pounds	<u>1.30</u>
Over 2 but not more than 3 pounds	<u>2.20</u>
Over 3 but not more than 4 pounds	<u>2.95</u>
Over 4 but not more than 30 pounds	<u>3.85</u>

1505.12 Registered Mail

1505.12.2 Prices

	(\$)		(\$)	(\$)
Declared Value:				
	0.00			<u>18.60</u>
	0.01	to	100.00	<u>19.30</u>
	100.01	to	500.00	<u>22.20</u>
	500.01	to	1,000.00	<u>24.90</u>
	1,000.01	to	2,000.00	<u>27.60</u>
	2,000.01	to	3,000.00	<u>30.30</u>
	3,000.01	to	4,000.00	<u>33.00</u>
	4,000.01	to	5,000.00	<u>35.70</u>
	5000.01	to	50,000	<u>35.70</u> plus <u>2.70</u> for each 1,000.00 or fraction thereof over 5,000.00
	Greater than		50,000*	<u>157.20</u>
*Customers must declare the full value of registered items. Items with declared value of more than \$50,000 can be registered, but <i>insurance</i> compensation for loss, damage or missing contents is limited to \$50,000.				
Additional Fees for Optional Features:				
	Registered Mail Restricted Delivery			<u>7.70</u>
	Registered COD			<u>8.60</u>

1505.13 Return Receipt

1505.13.2 Prices

	(\$)
Original signature (hardcopy)	<u>4.10</u>
Copy of signature (electronic)	<u>2.62</u>

1505.16 Shipper-Paid Forwarding/Return

1505.16.2 Prices

	(\$)
Account Maintenance Fee (per year)	<u>1,020.00</u>

1505.17 Signature Confirmation

1505.17.2 Prices

	(\$)
Electronic	<u>3.70</u>
Retail	<u>4.55</u>
Additional Fee for Optional Feature: Signature Confirmation Restricted Delivery	<u>7.70</u>

1505.19 Stamped Envelopes

1505.19.2 Prices

	(\$)
Plain stamped envelopes	
Basic, size 6-3/4, each	<u>0.22</u>
Basic, size 6-3/4, 500	<u>27.25</u>
Basic, over size 6-3/4, each	<u>0.22</u>
Basic, over size 6-3/4, 500	<u>31.00</u>
Personalized stamped envelopes	
Basic, size 6-3/4, 50	<u>8.75</u>
Basic, size 6-3/4, 500	<u>41.70</u>
Basic, over size 6-3/4, 50	<u>8.75</u>
Basic, over size 6-3/4, 500	<u>47.35</u>
Additional Charges for premium options, per 50 envelopes	
Pressure-sensitive sealing	<u>8.30</u>
Font size, font style, and/or ink color (for one, two, or all three)	<u>1.75</u>
Window	<u>1.75</u>
Additional Charges for premium options, per 500 envelopes	
Pressure-sensitive sealing	<u>24.50</u>
Font size, font style, and/or ink color (for one, two, or all three)	<u>3.50</u>
Window	<u>3.55</u>

*Special Services
Ancillary Services*

	(\$)
Shipping—Boxes of 50	
1 box	<u>8.10</u>
2 boxes	<u>9.90</u>
3 boxes	<u>11.70</u>
4 boxes	<u>13.20</u>
5 boxes	<u>16.20</u>
6 boxes	<u>17.50</u>
7 boxes	<u>19.40</u>
8 boxes	<u>21.50</u>
9 or more boxes	<u>24.40</u>
Shipping—Boxes of 500	
1 box	<u>14.90</u>
2 or more boxes	<u>24.40</u>

1505.20 Stamped Cards

1505.20.2 Prices

	(\$)
Single card	<u>0.06</u>
Double reply-paid card	<u>0.12</u>
Sheet of 40 cards (uncut)	<u>2.40</u>
Pack of 10 sheets of 4 cards each	<u>2.70</u>
Premium Options (Additional Charge)	(\$)
Per order of 250 cards	
Printing of return address	<u>27.00</u>
Font size, font style, and/or ink color (for one, two, or all three)	<u>1.40</u>
Monogram	<u>1.40</u>
4-Color logo – first 250 cards	<u>111.00</u>
4-Color logo – additional 250 cards	<u>6.90</u>
Per Order of 1,000 cards	
Printing of return address	<u>67.00</u>
Font size, font style, and/or ink color (for one, two, or all three)	<u>2.80</u>
Monogram	<u>2.80</u>
4-Color logo – first 1,000 cards	<u>117.00</u>
4-Color logo – additional 1,000 cards	<u>13.70</u>

1510 International Ancillary Services

1510.1 International Certificate of Mailing

1510.1.2 Prices

Individual Piece Prices

	(\$)
Original certificate of mailing for listed pieces of ordinary Single-Piece First-Class Mail International items	<u>2.10</u>
Three or more pieces individually listed in a firm mailing book or an approved customer provided manifest (per piece)	<u>0.61</u>
Each additional copy of original certificate of mailing or firm mailing bills (each copy)	<u>2.10</u>

Multiple Piece Prices

	(\$)
Up to 1,000 identical-weight pieces (one certificate for total number)	<u>11.65</u>
Each additional 1,000 identical-weight pieces or fraction thereof	<u>1.52</u>
Duplicate copy	<u>2.10</u>

1510.2 International Registered Mail

1510.2.2 Prices

Outbound International Registered Mail Prices

	(\$)
Per Piece	<u>21.75</u>

1510.3 International Return Receipt

1510.3.2 Prices

Outbound International Return Receipt Prices

	(\$)
Per Piece	<u>6.10</u>

1510.4 Customs Clearance and Delivery Fee

1510.4.2 Prices

	(\$)
Per Dutiable Item	<u>8.85</u>

1515 Address Management Services

1515.2 Prices

	(\$)
Address Sequencing	
Per correction (removal of each undeliverable address, or addition of each missing or new address)	<u>0.64</u>
Insertion of blanks	0.00
AEC II Service	
1-100 records resolved, minimum fee	<u>54.00</u>
Additional records resolved, per record	<u>0.54</u>
AIS (Address Information System) Viewer (per year, per site)	
City State Delivery Type Retrieval Annual Subscription	<u>135.00</u>
County Name Retrieval Annual Subscription	<u>135.00</u>
Delivery Statistic Retrieval Annual Subscription	<u>175.00</u>
ZIP + 4 Retrieval Annual Subscription	<u>135.00</u>
CRIS Route (per year)	
Per state (annual subscription)	<u>100.00*</u>
All States (annual subscription)	<u>1,480.00*</u>
CASS Certification	
Cycle Testing: (for next cycle) August-January	<u>1,020.00</u>
Cycle Testing: February, March	<u>1,020.00</u>
Cycle Testing: April	<u>1,020.00</u>
Cycle Testing: May	<u>1,020.00</u>
Cycle Testing: June	<u>1,020.00</u>
Cycle Testing: July	<u>1,020.00</u>
Cycle Testing: (for current cycle) After July 31 st	<u>1,020.00</u>

*Special Services
Address Management Services*

	(\$)
Change-of-Address Information for Election Boards and Registration Commissions	
Per change of address	<u>0.64</u>
Change-of-Address Customer Notification Letter Reprint	<u>85.00</u>
City State (per year)	
All States (annual subscription)	<u>615.00*</u>
CDS (per address, per year)	0.020
Minimum (per year)	<u>100.00</u>
Delivery Statistics (per year)	
All States (annual subscription)	<u>635.00*</u>
DMM Labeling Lists	<u>100.00*</u>
DPV System (per year) ³	<u>17,700.00</u>
DSF ² Service (per year) ⁴	<u>178,000.00</u>
Each additional location per year	<u>89,000.00</u>
Each additional platform per location per year	<u>89,000.00</u>
eLOT Service (per year)	
Per state (annual subscription)	<u>100.00*</u>
All States (annual subscription)	<u>1,500.00*</u>
Extended Mail Forwarding	
6-month extension	<u>22.50</u>
12-month extension	<u>33.50</u>
18-month extension	<u>44.50</u>

	(\$)
Five-Digit ZIP (per year)	
All States (annual subscription)	<u>875.00*</u>
LACSLink5	
Interface Developer (first year)	<u>1,900.00⁶</u>
Interface Developer (each one-year extension)	<u>550.00⁶</u>
Interface Distributor (per year)	<u>2,120.00⁷</u>
Data Distributor (per year)	<u>550.00</u>
End User (per year)	<u>550.00⁸</u>
MASS Certification	
MASS Manufacturers (MLOCR)	
Cycle Testing: (for next cycle) November – June	<u>1,280.00</u>
Cycle Testing: July	<u>1,280.00</u>
Cycle Testing: (for current cycle) After July 31 st	<u>1,280.00</u>
MASS End-Users (MLOCR)	
Cycle Testing: (for next cycle) March – June	<u>1,280.00</u>
Cycle Testing: July	<u>1,280.00</u>
Cycle Testing: (current cycle) After July 31 st	<u>1,280.00</u>
MASS Manufacturers (Encoder)	
Cycle Testing: (for next cycle) November – June	<u>1,280.00</u>
Cycle Testing: July	<u>1,280.00</u>
Cycle Testing: (for current cycle) After July 31 st	<u>1,280.00</u>
MASS End-Users (Encoder)	
Cycle Testing: (for next cycle) March – June	<u>1,280.00</u>
Cycle Testing: July	<u>1,280.00</u>
Cycle Testing: After July 31 st	<u>1,280.00</u>
MASS IMb Quality Testing	<u>640.00</u>

Special Services
Address Management Services

	(\$)
NCOA^{Link} Service¹¹	
Initial Interface Developer (first year fee)	<u>10,100.00</u>
Interface Developer (per each one year extension)	<u>2,110.00</u>
Interface Distributor (per year)	<u>48,200.00</u>
Full Service Provider (per year)	<u>336,000.00</u>
Full Service Provider Each Additional Site (per year)	<u>166,000.00</u>
Limited Service Provider (per year)	<u>28,000.00</u>
Limited Service Provider (per each one year extension)	
One Site only	<u>28,000.00</u>
Each additional site	<u>14,000.00</u>
ANKLink Service Option (per year)	
First Site	<u>6,700.00</u>
Each Additional Site	<u>3,100.00</u>
End User/MPE (first year)	<u>14,000.00</u>
End User/MPE (each renewal year)	
One site (each site for MPE)	<u>14,000.00</u>
Each additional site (End User only)	<u>6,700.00</u>
ANK ^{Link} Service Option (per year)	<u>1,520.00</u>
NCOA ^{Link} Test, Audit (each)	<u>2,040.00</u>
Official National Zone Charts (per year)	
Matrix	<u>92.00*</u>
RDI Service (per year) ¹	<u>560.00*</u>
Z4 Change (per year)	
All States	<u>5,240.00*</u>
ZIP + 4 Service (per year)	
Per state (annual subscription)	<u>100.00*</u>
All States (annual subscription)	<u>1,500.00*</u>
ZIP Move (per year)	
All States (annual subscription)	<u>205.00*</u>
99 Percent Accurate Method (per 1,000 addresses per year)	<u>1.85</u>
Minimum (per year)	<u>185.00</u>

AMS Price Table for Single Issues or Additional Copies

Number of Copies	*Price (from above)	Multiply by	Factor
Single Issue	*Price	x	<u>0.90</u>
1-100	*Price	x	2.0
101-200	*Price	x	4.0
201-300	*Price	x	6.0
301-400	*Price	x	8.0
401-500	*Price	x	10.0
501-600	*Price	x	12.0
601-700	*Price	x	14.0
701-800	*Price	x	16.0
801-900	*Price	x	18.0
901-1000	*Price	x	20.0
1001-10,000	*Price	x	25.0
10,001 – 20,000	*Price	x	30.0
20,001 – 30,000	*Price	x	35.0
30,001 and over	*Price	x	40.0
Unlimited quantity of any of the following: Five-Digit ZIP, City State, CRIS, Delivery Statistics, eLot, RDI Service, Z4Change, ZIPMove, ZIP + 4, DMM Labeling Lists, Official National Zone Charts	<u>\$18,600</u>	n/a	n/a

1520 Caller Service

1520.2 Prices

	(\$)
Groups based on Post Office location (Semi-Annual):	
Group 1	<u>1,160.00</u>
Group 2	<u>1,065.00</u>
Group 3	<u>990.00</u>
Group 4	<u>920.00</u>
Group 5	<u>870.00</u>
Group 6	<u>805.00</u>
Group 7	<u>770.00</u>
Call Number Reservation (Annual ¹)	<u>81.00</u>

*Special Services
International Business Reply Mail Service*

1540 International Business Reply Mail Service

1540.3 Prices

Outbound International Business Reply Mail Service Prices

	(\$)
Card	<u>2.30</u>
Envelope	<u>2.85</u>

*Special Services
Money Orders*

1545 Money Orders

1545.2 Prices

	(\$)		(\$)	(\$)
Domestic	0.01	to	500.00	<u>2.35</u>
Domestic	500.01	to	1,000.00	<u>3.40</u>
APO/FPO/DPO	0.01	to	1,000.00	<u>0.79</u>
Inquiry, including a copy of paid money order				<u>20.15</u>

*Special Services
Stamp Fulfillment Services*

1560 Stamp Fulfillment Services

1560.2 Prices

Orders mailed to domestic United States destinations	(\$)
Orders up to \$50.00	<u>1.85</u> ¹ , add <u>3.30</u> ² for custom orders
Orders over \$50.00	<u>2.55</u> ¹ , add <u>3.30</u> ² for custom orders
Orders mailed to destinations outside of domestic United States	(\$)
Orders up to \$50.00	<u>9.50</u> add <u>3.30</u> ² for custom orders
Orders over \$50.00	<u>10.20</u> add <u>3.30</u> ² for custom orders
