



# Postal Points

Timely information of interest to mailing and fulfillment service companies ... and their suppliers

February 10, 2009  
Issue #09-03A

## ANNOUNCED RATES

FIRST-CLASS MAIL (\$)	
<b>SINGLE-PIECE</b>	
Cards, each	0.280
Qualified BRM, each	0.257
<b>Letters – First oz./fraction</b>	
Machinable	0.440
Nonmachinable	0.640
<b>Flats – First oz./fraction</b>	0.880
<b>Parcels – First oz./fraction</b>	1.220
<b>All – Each add'l. oz./fraction</b>	0.170
Qualified BRM, each	0.417
<b>PRESORTED</b>	
Cards, each	0.245
<b>Letters – First oz./fraction</b>	
Machinable	0.414
Nonmachinable	0.614
Each add'l. oz./fraction	0.125
<b>Flats – First oz./fraction</b>	0.757
Each add'l. oz./fraction	0.170
<b>Parcels – First oz./fraction</b>	
ADC *	0.950
3-digit *	0.864
5-digit	0.732
Each add'l. oz./fraction	0.170
<b>AUTOMATION</b>	
<b>Cards,** each</b>	
Mixed AADC	0.230
AADC	0.220
3-digit	0.218
5-digit	0.205
<b>Letters ** – First oz./fraction</b>	
Mixed AADC	0.382
AADC	0.360
3-digit	0.357
5-digit	0.335
Each add'l. oz./fraction	0.125
<b>Flats ** – First oz./fraction</b>	
Mixed ADC	0.725
ADC	0.603
3-digit	0.542
5-digit	0.380
Each add'l. oz./fraction	0.170
<b>Parcels – First oz./fraction</b>	
ADC *	0.950
3-digit *	0.864
5-digit	0.732
Each add'l. oz./fraction	0.170
* Surcharge, nonmachinable or nonbarcoded pieces, each	0.050
** Discount for each automation card, letter, or flat that meets the standards for the Intelligent Mail full-service option; eff. 11/29/09.	0.003
<b>Repositionable notes</b> , letters and flats only, each	0.005

## SPECIAL ISSUE

### USPS Announces 2009 Rates, Rules

As expected, the Postal Service announced postage rate and fee changes for market dominant products on February 10, and filed notice accordingly with the Postal Regulatory Commission.

The entire USPS filing is available from the PRC website ([www.prc.gov](http://www.prc.gov)); rate information is also available from the Postal Service ([www.usps.com/prices](http://www.usps.com/prices)), including the associated implementation standards.

#### A brief review

Under 2006 postal reform legislation, the Postal Service is allowed to raise rates for market dominant products upon 45 days' notice, provided other criteria are met, notably compliance with the CPI-based cap on the average rate increase per class (this year, the cap is 3.8%). On its own, the agency has assured mailers that twice the required notice will always be provided.

In 2008, the Postal Service suffered significant financial losses, as the current recession took hold and mail volume fell faster than expenses could be reduced; that trend is expected to continue well into 2009. At the same time, the agency must meet another requirement of postal reform and contribute nearly \$6 billion annually to pre-fund future retiree health care costs. Together, these factors are expected to result in a loss for 2009 greater than that experienced in 2008.

Although some observers had wondered if the Postal Service would seek an increase exceeding the cap, as the law allows in "exigent" circumstances, the agency openly rejected that option, aware that a steeper price jump would only exacerbate the volume losses already occurring.

The PRC must review the case for compliance with statutory criteria, and interested parties may file comments questioning what the Postal Service has announced. Barring any disputes or procedural issues that would delay implementation, the new rates will take effect at 12:01am on Sunday, May 11, 2009.

#### Concurrent changes

In addition to higher prices, the Postal Service also announced a variety of classification changes and issued a final rule containing implementation standards.

- Changes to rate structure include:



- Introduction of per-piece discounts for automation First-Class Mail, Periodicals, Standard Mail, and Bound Printed Matter letters and flats that meet the standards for the Intelligent Mail full-service option;
- Introduction of a \$0.07 surcharge per piece for Standard Mail that fails to meet the move update standards;
- Establishment of a new optional "Saturation Mail Volume Program" for saturation rate Standard Mail (see below);
- Elimination of separate rates for origin-entered five-digit presorted machinable parcels, irregular parcels, and NFMs; for origin-entered SCF (formerly 3-digit) irregular parcels and NFMs; for DSCF entered BMC (formerly ADC/BMC) irregular parcels and NFMs; and for DSCF and DBMC entered Mixed BMC (formerly Mixed ADC/BMC) irregular parcels and NFMs; and
- Revision to the rates for retail Parcel Post.

**Significant elements of the final rule include:**

- Effective May 2009, all automation flats must bear barcodes that include delivery point routing codes, as currently required for automation letters.
- The Saturation Mail Volume Incentive Program for Standard Mail is implemented as an incentive program for mailers who increase their saturation Standard Mail letters or flats volume. This increase can result from a growth in total mailed volume or a growth in market coverage within a defined market. Mailers able to demonstrate an increase in Standard Mail saturation mailing volume from the prior year will qualify for a per-piece credit for the incremental volume during the program period. This program begins May 11, 2009 and ends May 10, 2010. If successful, the program may be extended, on a year-by-year basis. Participating mailers must pay postage through a permit imprint advance deposit account at the time of application, must have a functioning CAPS account prior to the close of the program period, and meet several other criteria.
- The mail preparation requirements are revised for Standard Mail machinable and irregular parcels, and for NFMs prepared in sacks and pallets. Changes are also made to the names and availability of some presort levels and rates.
- A new structure for Parcel Post merges the Intra-BMC and Inter-BMC prices to create a single price (at each weight level) in each zone, similar to the structure for Priority Mail.
- The Confirm pricing structure is changed to add a lower-priced Bronze subscription level for mail owners, and separate prices for the Gold and Platinum subscription levels are added to distinguish between a mail owner and a mailing agent.
- Premium options are introduced for personalized stamped envelopes.
- Eligibility for the full-service Intelligent Mail is being extended to some carrier route flats.
- The requirement that full-service Intelligent Mail mailings have pallet placards affixed on the outside of shrinkwrap is being deferred until November 2009.
- The requirement that pink pallet placards be used for full-service Periodicals mailings will be modified to allow a pink identification bar instead of a completely pink background.
- Regarding the move update standards that took effect on November 23, 2008, the proper price for noncompliant First-Class Mail will remain the single piece rate but, as of May 11, 2009, Standard Mail mailings not meeting the move update standards will be assessed a penalty of \$0.07 per piece in addition to the applicable Standard Mail postage. The Postal Service has not formally announced the tolerance rate as yet, but indications are that penalties will not apply until errors exceed 30%.

Additional details about mailing standards changes and a complete set of updated rate charts will be in the March 6 issue of *Postal Points*. Charts for members to distribute will be available soon thereafter.

# USPS-ANNOUNCED RATES – EFFECTIVE MAY 11, 2009

## STANDARD MAIL

Annual fee – \$185.00

Customized MarketMail, per piece – \$0.460 (Commercial rate), \$0.334 (Nonprofit rate)

Repositionable notes, each – \$0.015

Automation letters or automation, high-density, or carrier route flats that meet the standards for the Intelligent Mail full-service option, discount per piece – \$0.001 (effective 11/29/2009)

Penalty surcharge for move update noncompliance, per piece – \$0.07

**All pieces weighing 3.3 ounces (0.2063 lb.) or less, each**

Commercial Rates (\$)					Nonprofit Rates (\$)							
DESTINATION ENTRY RATES					DESTINATION ENTRY RATES							
None	BMC	SCF	DDU	None	BMC	SCF	DDU	None	BMC	SCF	DDU	
<b>LETTERS</b>												
<b>ENHANCED CARRIER ROUTE</b>						<b>NONPROFIT ENHANCED CARRIER ROUTE</b>						
Basic	0.262	0.228	0.219	N/A	Basic	0.190	0.156	0.147	N/A			
High Density	0.193	0.159	0.150	N/A	High Density	0.121	0.087	0.078	N/A			
Saturation *	0.182	0.148	0.139	N/A	Saturation	0.110	0.076	0.067	N/A			
<i>* Saturation mail volume incentive discount, per qualifying piece – \$0.037</i>						<i>* Saturation mail volume incentive discount, per qualifying piece – \$0.022</i>						
<b>COMMERCIAL</b>						<b>NONPROFIT</b>						
Automation:						Automation:						
Mixed AADC	0.270	0.236	N/A	N/A	Mixed AADC	0.169	0.135	N/A	N/A			
AADC	0.253	0.219	0.210	N/A	AADC	0.152	0.118	0.109	N/A			
3-Digit	0.251	0.217	0.208	N/A	3-Digit	0.150	0.116	0.107	N/A			
5-Digit	0.233	0.199	0.190	N/A	5-Digit	0.132	0.098	0.089	N/A			
Nonautomation:						Nonautomation:						
Mixed AADC	0.273	0.239	N/A	N/A	Mixed AADC	0.172	0.138	N/A	N/A			
AADC	0.256	0.222	0.213	N/A	AADC	0.155	0.121	0.112	N/A			
Mixed ADC (Nonmachinable)	0.578	0.544	N/A	N/A	Mixed ADC (Nonmachinable)	0.477	0.443	N/A	N/A			
ADC (Nonmachinable)	0.491	0.457	0.448	N/A	ADC (Nonmachinable)	0.390	0.356	0.347	N/A			
3-digit (Nonmachinable)	0.447	0.413	0.404	N/A	3-digit (Nonmachinable)	0.346	0.312	0.303	N/A			
5-digit (Nonmachinable)	0.330	0.296	0.287	N/A	5-digit (Nonmachinable)	0.229	0.195	0.186	N/A			
<b>FLATS</b>												
<b>ENHANCED CARRIER ROUTE</b>						<b>NONPROFIT ENHANCED CARRIER ROUTE</b>						
Basic	0.262	0.228	0.219	0.210	Basic	0.190	0.156	0.147	0.138			
High Density	0.220	0.186	0.177	0.168	High Density	0.146	0.112	0.103	0.094			
Saturation *	0.194	0.160	0.151	0.142	Saturation *	0.120	0.086	0.077	0.068			
<i>* Saturation mail volume incentive discount, per qualifying piece – \$0.040</i>						<i>* Saturation mail volume incentive discount, per qualifying piece – \$0.024</i>						
<i>Surcharge for use of detached address labels, each – \$0.017</i>						<i>Surcharge for use of detached address labels, each – \$0.017</i>						
<b>COMMERCIAL</b>						<b>NONPROFIT</b>						
Automation:						Automation:						
Mixed ADC	0.496	0.462	N/A	N/A	Mixed ADC	0.362	0.328	N/A	N/A			
ADC	0.486	0.452	0.343	N/A	ADC	0.352	0.318	0.309	N/A			
3-digit	0.418	0.384	0.375	N/A	3-digit	0.284	0.250	0.241	N/A			
5-digit	0.346	0.312	0.303	N/A	5-digit	0.212	0.178	0.169	N/A			
Nonautomation:						Nonautomation:						
Mixed ADC	0.558	0.524	N/A	N/A	Mixed ADC	0.424	0.390	N/A	N/A			
ADC	0.509	0.475	0.466	N/A	ADC	0.375	0.341	0.332	N/A			
3-digit	0.464	0.430	0.421	N/A	3-digit	0.330	0.296	0.287	N/A			
5-digit	0.367	0.333	0.324	N/A	5-digit	0.233	0.199	0.190	N/A			
<b>PARCELS</b>												
<b>ENHANCED CARRIER ROUTE</b>						<b>NONPROFIT ENHANCED CARRIER ROUTE</b>						
Basic	0.584	0.538	0.485	0.455	Basic	0.486	0.440	0.387	0.357			
High Density	0.459	0.413	0.360	0.330	High Density	0.320	0.282	0.229	0.199			
Saturation	0.451	0.405	0.352	0.322	Saturation	0.320	0.274	0.221	0.191			
<i>Surcharge for use of detached address labels, each – \$0.017</i>						<i>Surcharge for use of detached address labels, each – \$0.017</i>						
<b>REGULAR</b>						<b>NONPROFIT</b>						
Nonautomation:						Nonautomation:						
Mixed BMC * (Irregular)	1.701	N/A	N/A	N/A	Mixed BMC * (Irregular)	1.497	N/A	N/A	N/A			
BMC * (Irregular)	1.226	1.182	N/A	N/A	BMC * (Irregular)	1.079	1.040	N/A	N/A			
SCF * (Irregular)	N/A	0.782	0.730	N/A	SCF * (Irregular)	N/A	0.688	0.642	N/A			
5-digit (Irregular)	N/A	0.723	0.671	0.623	5-digit (Irregular)	N/A	0.636	0.590	0.547			
<i>* Surcharge, nonbarcoded pieces, each – \$0.07</i>						<i>* Surcharge, nonbarcoded pieces, each – \$0.07</i>						
<b>NOT FLAT-MACHINABLE PIECES</b>												
<b>COMMERCIAL</b>						<b>NONPROFIT</b>						
Nonautomation:						Nonautomation:						
Mixed BMC *	1.515	N/A	N/A	N/A	Mixed ADC/BMC *	1.334	N/A	N/A	N/A			
BMC *	0.996	0.952	N/A	N/A	ADC/BMC *	0.877	0.838	N/A	N/A			
SCF *	N/A	0.598	0.546	N/A	3-digit *	N/A	0.526	0.480	N/A			
5-digit	N/A	0.565	0.513	0.465	5-digit	N/A	0.497	0.451	0.408			
<i>* Surcharge, nonbarcoded pieces, each – \$0.07</i>						<i>* Surcharge, nonbarcoded pieces, each – \$0.07</i>						

# USPS-ANNOUNCED RATES – EFFECTIVE MAY 11, 2009

## STANDARD MAIL

*For flats and parcels weighing more than 3.3 ounces (0.2063 lb.)*

### FLATS

<b>Commercial Rates (\$)</b>						<b>Nonprofit Rates (\$)</b>								
DESTINATION ENTRY RATES						DESTINATION ENTRY RATES								
	None	BMC	SCF	DDU		None	BMC	SCF	DDU		None	BMC	SCF	DDU
<b>ENHANCED CARRIER ROUTE</b>						<b>NONPROFIT ENHANCED CARRIER ROUTE</b>								
	per pc.+	per lb.	per lb.	per lb.	per lb.		per pc.+	per lb.	per lb.	per lb.	per lb.	per lb.	per lb.	per lb.
Basic	0.118	0.696	0.533	0.488	0.443	Basic	0.082	0.526	0.363	0.318	0.273			
High Density	0.086	0.649	0.486	0.441	0.396	High Density	0.047	0.479	0.316	0.271	0.226			
Saturation *	0.068	0.609	0.446	0.401	0.356	Saturation *	0.029	0.439	0.276	0.231	0.186			
* Saturation mail volume incentive discount, per qualifying piece – \$0.040						* Saturation mail volume incentive discount, per qualifying piece – \$0.024								
Surcharge for use of detached address labels, each – \$0.017						Surcharge for use of detached address labels, each – \$0.017								
<b>COMMERCIAL</b>						<b>NONPROFIT</b>								
	per pc.+	per lb.	per lb.	per lb.	per lb.		per pc.+	per lb.	per lb.	per lb.	per lb.	per lb.	per lb.	per lb.
Automation:						Automation:								
Mixed ADC	0.346	0.725	0.562	N/A	N/A	Mixed ADC	0.232	0.628	0.465	N/A	N/A			
ADC	0.336	0.725	0.562	0.517	N/A	ADC	0.222	0.628	0.465	0.420	N/A			
3-digit	0.268	0.725	0.562	0.517	N/A	3-digit	0.154	0.628	0.465	0.420	N/A			
5-digit	0.196	0.725	0.562	0.517	N/A	5-digit	0.082	0.628	0.465	0.420	N/A			
Nonautomation:						Nonautomation:								
Mixed ADC	0.408	0.725	0.562	N/A	N/A	Mixed ADC	0.294	0.628	0.465	N/A	N/A			
ADC	0.359	0.725	0.562	0.517	N/A	ADC	0.245	0.628	0.465	0.420	N/A			
3-digit	0.314	0.725	0.562	0.517	N/A	3-digit	0.200	0.628	0.465	0.420	N/A			
5-digit	0.217	0.725	0.562	0.517	N/A	5-digit	0.103	0.628	0.465	0.420	N/A			

### PARCELS

<b>Commercial Rates (\$)</b>						<b>Nonprofit Rates (\$)</b>								
DESTINATION ENTRY RATES						DESTINATION ENTRY RATES								
	None	BMC	SCF	DDU		None	BMC	SCF	DDU		None	BMC	SCF	DDU
<b>ENHANCED CARRIER ROUTE</b>						<b>NONPROFIT ENHANCED CARRIER ROUTE</b>								
	per pc.+	per lb.	per lb.	per lb.	per lb.		per pc.+	per lb.	per lb.	per lb.	per lb.	per lb.	per lb.	per lb.
Basic	0.400	0.890	0.669	0.410	0.265	Basic	0.340	0.710	0.489	0.230	0.085			
High Density	0.288	0.830	0.609	0.350	0.205	High Density	0.198	0.630	0.409	0.150	0.005			
Saturation	0.280	0.830	0.609	0.350	0.205	Saturation	0.190	0.630	0.409	0.150	0.005			
Surcharge for use of detached address labels, each – \$0.017						Surcharge for use of detached address labels, each – \$0.017								
<b>COMMERCIAL</b>						<b>NONPROFIT</b>								
	per pc.+	per lb.	per lb.	per lb.	per lb.		per pc.+	per lb.	per lb.	per lb.	per lb.	per lb.	per lb.	per lb.
Nonautomation:						Nonautomation:								
Mixed BMC * (Machinable)	1.279	0.990	N/A	N/A	N/A	Mixed BMC * (Machinable)	1.126	0.871	N/A	N/A	N/A			
BMC * (Machinable)	0.879	0.990	0.775	N/A	N/A	BMC * (Machinable)	0.774	0.871	0.682	N/A	N/A			
5-digit (Machinable)	0.440	N/A	0.775	0.566	0.370	5-digit (Machinable)	0.387	N/A	0.682	0.498	0.326			
Mixed BMC * (Irregular)	1.497	0.990	N/A	N/A	N/A	Mixed BMC * (Irregular)	1.317	0.871	N/A	N/A	N/A			
BMC * (Irregular)	1.022	0.990	0.775	N/A	N/A	BMC * (Irregular)	0.899	0.871	0.682	N/A	N/A			
SCF * (Irregular)	0.622	N/A	0.775	0.524	N/A	SCF * (Irregular)	0.547	N/A	0.682	0.461	N/A			
5-digit (Irregular)	0.563	N/A	0.775	0.524	0.289	5-digit (Irregular)	0.495	N/A	0.682	0.461	0.254			
* Surcharge, nonbarcoded pieces, each – \$0.07						* Surcharge, nonbarcoded pieces, each – \$0.07								

### NOT FLAT-MACHINABLE

<b>Commercial Rates (\$)</b>						<b>Nonprofit Rates (\$)</b>								
DESTINATION ENTRY RATES						DESTINATION ENTRY RATES								
	None	BMC	SCF	DDU		None	BMC	SCF	DDU		None	BMC	SCF	DDU
<b>COMMERCIAL</b>						<b>NONPROFIT</b>								
	per pc.+	per lb.	per lb.	per lb.	per lb.		per pc.+	per lb.	per lb.	per lb.	per lb.	per lb.	per lb.	per lb.
Nonautomation:						Nonautomation:								
Mixed BMC *	1.311	0.990	N/A	N/A	N/A	Mixed BMC *	1.154	0.871	N/A	N/A	N/A			
BMC *	0.792	0.990	0.775	N/A	N/A	BMC *	0.697	0.871	0.682	N/A	N/A			
SCF *	0.438	N/A	0.775	0.524	N/A	SCF *	0.385	N/A	0.682	0.461	N/A			
5-digit	0.405	N/A	0.775	0.524	0.289	5-digit	0.356	N/A	0.682	0.461	0.254			
* Surcharge, nonbarcoded pieces, each – \$0.07						* Surcharge, nonbarcoded pieces, each – \$0.07								

Compliments of:

## MAILING & FULFILLMENT SERVICE ASSOCIATION



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