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USPS Filing #1: the Annual Compliance Report

On December 30, the Postal Service filed its *Annual Compliance Report* for Fiscal Year 2024 (October 1, 2023, through September 30, 2024). As the USPS noted at the outset of the document, statute requires that it must file

"... within 90 days after the end of each fiscal year (FY), a variety of data on costs, revenues, rates, and quality of service, in order to 'demonstrate that all products during such year complied with all applicable requirements' of title 39. ..."

Publicity

The first ten pages of the report essentially spin the year's results, selectively highlight elements of the agency's performance and, as would be expected, credit them all to the implementation of Postmaster General Louis DeJoy's 10-Year Plan. For example:

"When certain **patently non-controllable** expense categories – namely, pension amortization expenses and the noncash adjustment to workers' compensation expenses – are factored out, the Postal Service posted a **relatively small adjusted net loss** in FY 2024 (\$1.8 billion), only 2.2 percent of remaining operating expenses. This adjusted net loss was nearly 20 percent smaller in FY 2024 than in FY 2023. ...

"After eight years of steadily rising work hours before the Postal Service's *Delivering for America* Plan, FY 2024 was the third straight year in which the Postal Service reduced work hours. Thanks to the **efficiency opportunities** that the past three years' substantial network transition activities have uncovered, the Postal Service has reduced work hours by a total of 45 million, a sharp reversal from prior trends.

"The financial improvement also **bespeaks the continued success of the *Delivering for America* Plan's** initiatives to improve transportation efficiency and reduce transportation expenses. ...

"Actual **service performance improved** on a year-over-year basis in FY2022 and FY2023, with FY 2023 performance eclipsing FY 2022 results for nearly all products/categories, and some reaching 95 percent. ... Maintaining our momentum on these efforts is critical to achieving the *Delivering for America* Plan's commitment to **achieving service excellence** for the long term."

After reading the Postal Service's exculpatory self-praise, customers and commercial ratepayers would be excused if they thought the USPS was reporting on a different year. FY 2024 wasn't a bad year, the USPS argues, but an improvement over how things would have been without *The Plan*.

Data and facts

The Postal Service provided the PRC with "underlying data appended as 76 separate folders" providing the nitty-gritty of costs and cost coverage, volume, service performance, and customer satisfaction. Helping readers seeking more top-level information, the report continued:

- **First-Class Mail.** "All products within First-Class Mail covered their attributable costs in FY 2024, with most of them contributing significantly to institutional costs. In FY 2024, overall First-Class Mail cost coverage was 241.6 percent, and the class's total contribution was \$15.0 billion. ...

Table 1: First-Class Mail Volume, Revenue, and Cost by Product

Product	Volume (millions)	Revenue (\$ millions)	Attributable Cost [1] (\$ millions)	Contribution (\$ millions)	Revenue / piece (\$)	Cost / piece (\$)	Unit Contribution (\$)	Cost Coverage (%)
Single-Piece Letters/Cards	10,627	7,133	4,040	3,094	0.671	0.380	0.291	176.6
Presorted Letters/Cards	32,772	16,436	4,898	11,538	0.502	0.149	0.352	335.6
Flats	878	1,733	1,396	337	1.974	1.591	0.384	124.1
Total First-Class Domestic Mail	44,277	25,302	10,466	14,836	0.571	0.236	0.335	241.6
Outbound Single-Piece First-Class Mail Intl	89	172	104	67	1.925	1.171	0.754	164.4
Inbound Letter Post	65	49	36	13	0.751	0.553	0.198	135.8
First-Class Mail Fees		99						
Total First-Class Mail (incl. fees)	44,431	25,622	10,607	15,015	0.577	0.239	0.338	241.6

[1] The total attributable cost for the class includes inframarginal cost, so the sum of the individual products' attributable costs will not equal the total attributable cost of the class.

"Of the sixteen First-Class Mail passthroughs, three are between 85 and 100 percent, one exceeds 100 percent, and twelve are under 85 percent as of this filing. It should be emphasized that all of these passthroughs were compliant with the Commission's rules when the current rates were established by the Governors and approved by the Commission, based on the most recent available cost avoidance estimates in use at that time. Needless to say, the current cost avoidances will become the basis for any Postal Service proposals to the Governors to adjust workshare discounts until cost avoidances are next computed."

- **Marketing Mail.** "...most USPS Marketing Mail products covered their attributable costs in FY 2024. This includes Carrier Route, which in prior years did not cover its attributable costs. **Only the Flats product did not.** As a class, USPS Marketing Mail covered its attributable costs and contributed to institutional costs.

Under [statute], when the Postal Service adjusts USPS Marketing Mail prices, the estimated average revenue per piece for USPS Marketing Mail sent by nonprofit mailers must equal, as nearly as

practicable, 60 percent of the estimated average revenue per piece for USPS Marketing Mail sent by commercial customers. For ACR2024, the ratio was 60.9 percent.

Table 3: USPS Marketing Mail Volume, Revenue, and Cost by Product

Product	Volume (millions)	Revenue (\$ millions)	Attributable Cost [1] (\$ millions)	Contribution (\$ millions)	Revenue / Piece (\$)	Cost / Piece (\$)	Unit Contribution (\$)	Cost Coverage (%)
HD/Sat Letters	5,536	1,184	532	652	0.214	0.096	0.118	222.7
HD/Sat Flats & Parcels	8,165	1,682	1,072	611	0.206	0.131	0.075	157.0
Carrier Route	3,459	1,288	952	336	0.372	0.275	0.097	135.3
Marketing Mail Letters	37,841	9,905	4,678	5,227	0.262	0.124	0.138	211.7
Marketing Mail Flats	1,937	1,185	1,553	(368)	0.612	0.802	(0.190)	76.3
Marketing Mail Parcels	18	62	47	15	3.417	2.582	0.836	132.4
Every Door Direct Mail Retail	583	120	40	80	0.206	0.069	0.136	297.3
Fees		20						
Total Marketing Mail (incl. fees)	57,539	15,447	9,099	6,347	0.268	0.158	0.110	169.8

[1] The total attributable cost for the class includes inframarginal cost, so the sum of the individual products' attributable costs will not equal the total attributable cost of the class.

“Of the 66 USPS Marketing Mail passthroughs, three are exactly 100 percent, eight are between 85 and 100 percent, 24 exceed 100 percent, and 31 are under 85 percent as of this filing. It should be emphasized that all of these passthroughs were compliant with the Commission’s rules when the current rates were established by the Governors and approved by the Commission, based on the most recent available cost avoidance estimates in use at that time. Needless to say, the current cost avoidances will become the basis for any Postal Service proposals to the Governors to **adjust workshare discounts** until cost avoidances are next computed. ...”

- **Periodicals.** “... both Periodicals products failed to cover their costs in FY 2024. In-County Periodicals experienced a 13 percent increase in unit revenue and a 20 percent decrease in unit costs that resulted in an increase in its cost coverage from 56.7 percent in FY 2023 to 80.7 percent in FY 2024. ...”

Table 6: Periodicals Volume, Revenue, and Cost by Product

Product	Volume (Millions)	Revenue (\$ Millions)	Attributable Cost (\$ Millions) [1]	Contribution (\$ Millions)	Revenue / Piece (\$)	Cost / Piece (\$)	Unit Contribution (\$)	Cost Coverage (%)
In-County Periodicals	483	72	90	(17)	0.150	0.185	(0.036)	80.74%
Outside County Periodicals	2,263	836	1159	(323)	0.370	0.512	(0.143)	72.12%
Fees		4						
Total Periodicals (incl. Fees)	2,746	912	1250	(338)	0.332	0.455	(0.123)	72.97%

[1] The total attributable cost for the class includes inframarginal cost, so the sum of the individual products' attributable costs will not equal the total attributable cost of the class.

“Of the nineteen Outside-County Periodicals passthroughs, two exceed 100 percent, one is between 85 percent and 100 percent, and sixteen are under 85 percent, and as of this filing. Of the eleven Within-County passthroughs, two are above 100 percent, one is between 85 percent and 100 percent, and eight under 85 percent as of this filing. It should be emphasized that all of these passthroughs were compliant with the Commission’s rules when the current rates were established by the Governors and approved by the Commission, based on the most recent available cost avoidance estimates in use at that time. Needless to say, the current cost avoidances will become the basis for any Postal Service proposals to the Governors to **adjust workshare discounts** until cost avoidances are next computed. ...”

- **Package Services.** “Overall, cost coverage for Package Services is above 100 percent; it improved from 102.3 percent in FY 2023 to 115.9 percent in FY 2024.

Table 7: Package Services Volume, Revenue, and Cost by Product

Product	Volume (Millions)	Revenue (\$ Millions)	Attributable Cost [1] (\$ Millions)	Contribution (\$ Millions)	Revenue / Piece (\$)	Cost / Piece (\$)	Unit Contribution (\$)	Cost Coverage (%)
Bound Printed Matter Flats	119	109	86	23	0.918	0.723	0.195	126.97%
Bound Printed Matter Parcels	224	328	325	2	1.465	1.454	0.011	100.75%
Media Mail/ Library Mail	82	430	332	98	5.219	4.026	1.193	129.62%
Alaska Bypass	1	38	38	(0.3)	32.997	33.223	(0.226)	99.32%
Fees		1						
Total Package Services Mail (incl. fees)	426	906	782	124	2.126	1.835	0.291	115.87%

[1] The total attributable cost for the class includes inframarginal cost, so the sum of the individual products' attributable costs will not equal the total attributable cost of the class.

“Of the twelve Package Services passthroughs, four exceed 100 percent and eight are under 85 percent as of this filing. It should be emphasized that all of these passthroughs were compliant with the Commission’s rules when the current rates were established by the Governors and approved by the Commission, based on the most recent available cost avoidance estimates in use at that time. Needless to say, the current cost avoidances will become the basis for any Postal Service proposals to the Governors to **adjust workshare discounts** until cost avoidances are next computed.

The Postal Regulatory Commission has, for some time, been pressing the Postal Service to adjust passthroughs (workshare discounts) that are either insufficient (less than 85% of avoided costs) or excessive (more than 115% of avoided costs), all with the objective that passthroughs should be as close to 100% as feasible. The PRC allows passthroughs (discounts) to be outside the desired parameters, however, if doing so is necessary to drive desirable customer behavior or to enable logical rate relationships, for example.

By contrast, the Postal Service’s statements that will propose to “adjust workshare discounts” may not spring from a similar statistical objective.

As he has already demonstrated, Postmaster General Louis DeJoy is not a friend of worksharing, and prefers to have mail flow through, rather than bypassing, the USPS network. Contrary to his predecessors who understood that worksharing reduced the overall work and cost of getting mail to addressees, DeJoy wants to ensure – as mail volume drops – that his trucks are full, his plants and personnel are busy, and that there’s *mail* to share (with *packages*) the costs of his “integrated network.” These purposes can be served by making workshare discounts – whether presort or destination entry – less attractive, driving more mail upstream.

Therefore, though the next price change filing is still three months away, and although there’s been no overt hints from the USPS, commercial mail producers and their ratepaying customers might want to pay attention to how workshare discounts are “adjusted” when the new proposed rates are announced in April.

- **Special Services.** “All Special Services covered costs in FY 2024.”

Table 8: Special Services Volume, Revenue, and Cost by Service/Product

Service/Product	Volume (Millions)	Revenue (\$ Millions)	Attributable Cost (\$ Millions) [1]	Contribution (\$ Millions)	Revenue / Piece (\$)	Cost / Piece (\$)	Unit Contribution (\$)	Cost Coverage (%)
Certified Mail	156.5	\$708.7	\$285.3	\$423.4	\$4.53	\$1.82	\$2.71	248.39%
COD	0.3	\$5.4	\$2.9	\$2.5	\$17.69	\$9.62	\$8.07	183.83%
Insurance	5.4	\$56.4	\$16.6	\$39.8	\$10.44	\$3.07	\$7.37	340.10%
Registered Mail	0.7	\$19.6	\$14.1	\$5.4	\$27.13	\$19.58	\$7.55	138.57%
Stamped Envelopes	N/A	\$12.9	\$11.1	\$1.8	N/A	N/A	N/A	115.92%
Stamped Cards	N/A	\$0.6	\$0.1	\$0.5	N/A	N/A	N/A	476.91%
Other Domestic Ancillary Services	N/A	\$433.5	\$174.6	\$258.9	N/A	N/A	N/A	248.25%
Total Domestic Ancillary Services	N/A	\$1,243.9	\$511.9	\$732.0	N/A	N/A	N/A	243.01%
Int'l Ancillary Services	0.7	\$9.3	\$5.5	\$3.8	\$12.82	\$7.57	\$5.24	169.22%
Caller Service	N/A	\$101.3	\$15.4	\$85.9	N/A	N/A	N/A	657.67%
Address Management Services	N/A	\$42.0	\$3.2	\$38.8	N/A	N/A	N/A	1303.87%
Credit Card Authentication [2]	N/A	\$20.4	\$2.6	\$17.9	N/A	N/A	N/A	792.72%
Money Orders	58.0	\$235.4	\$166.1	\$69.3	\$4.02	\$2.84	\$1.18	141.68%
Post Office Box Service	N/A	\$335.6	\$143.7	\$191.9	N/A	N/A	N/A	233.55%
Stamp Fulfillment Services	N/A	\$7.5	\$3.6	\$3.9	N/A	N/A	N/A	208.26%
Total Special Services	N/A	\$742.2	\$334.6	\$407.5	N/A	N/A	N/A	221.78%

[1] As the total attributable cost for the class includes inframarginal cost, the sum of the individual products' attributable costs does not equal the total attributable cost of the class.

[2] See USPS-FY24-4 for volume and USPS-FY24-NP26 for revenue adjustments after revenue sharing with third-party partners.

- **Competitive products.** “The total Competitive group incremental cost of \$23.696 billion is well below total Competitive products revenue of \$33.838 billion. Therefore, based on these estimates, it is clear that Competitive products in FY 2024 were not cross-subsidized by Market Dominant products and thus were in compliance with [statute].

Table 9: FY 2024 Incremental Cost Calculation For Total Competitive Products (in \$000)^[1]

	Volume Variable & Product Specific Cost	Group Specific	Group Inframarginal	Group Incremental
Total Domestic Competitive Incremental	\$ 21,302,791	\$ 31,029	\$ 1,411,963	\$ 22,745,783
Total International Competitive Incremental	\$ 885,683	\$ -	\$ 391	\$ 886,075
Total Competitive	\$ 22,188,475	\$ 32,967	\$ 1,474,914	\$ 23,696,356

[1] The Group Specific and Group Inframarginal for Total Competitive are estimated separately, and they (and thus the Total Competitive Group Incremental) are not the sum of the previous two rows.

Service

The Postal Service resumed its spinning in the twelve-page section discussing service, reporting on all that it did in FY 2024 to continue

“... implementing the Plan to achieve long term goals of service excellence and financial sustainability, including by continuing our efforts to build an efficient, cost-effective, and operationally precise network that enables us to meet our universal service mission and be competitive in the marketplace.”

The USPS then added – saying without saying – that it had decided that service was less important than cost control:

“...the current Postal Service network was not cost-effective or sustainable, nor capable of meeting our service target aspirations without unwarranted and unsound expenditures. In FY2024, the Postal Service therefore determined that it was critical to stop throwing good money after bad, and to push forward with further self-help efforts to improve our transportation and processing network operations and our financial condition. However, these modernization efforts temporarily impacted service performance results such that the Postal Service did not meet the aggressive FY 2024 service performance targets for most market dominant products. Several key factors in particular combined to contribute to these service performance results, including the administratively complex rollout of our processing and transportation changes across the network that were required to modernize our infrastructure; the emergency insourcing of STC operations after a major supplier unexpectedly went bankrupt and ceased operations, the effect of environmental disruptions, and the illogical dependencies of various inefficient physical distribution and sampling activities that are included in our service measurement.

Though the USPS might disagree, a careful reader can extract several points from this statement: (1) service levels of the past were the result of good operational management and investment in the necessary resources; (2) current USPS management is more driven by reducing transportation and operating costs than by service performance; (3) management has been unable to make network changes while providing reasonable service; (4) poor service scores are not the result of poor operational performance but caused by flaws in the service measurement system; and (5) once USPS management has sufficiently reduced service goals and modified service measurement to remove the effect of service failures, the Postal Service will be able to praise whatever level of service is then provided as meeting its standards while enabling “efficiency.”

“A number of product categories achieved their targets, most notably the high-volume Marketing Mail Letters category, which continued to have performance that exceeded 95 percent. Overall, however, and as illustrated in the table below, only 30 percent of Market Dominant products/categories matched or beat their FY2024 targets, although performance within one additional day was much higher.”

Product	FY 2024 Target	% On-Time	% On-Time Day +1
First-Class Mail			
Single-Pc Letters/Postcards (2-Day)	93.00	86.9	95.2
Single-Pc Letters/Postcards (3-to-5-Day)	90.28	73.2	88.1
Presort Letters/Postcards (overnight)	95.00	93.5	97.6
Presort Letters/Postcards (2-Day)	95.00	91.5	96.9
Presort Letters/Postcards (3-to-5-Day)	93.00	86.8	94.7
Flats (overnight)	95.00	78.6	91.2
Flats (2-Day)	93.55	76.2	88.5
Flats (3-to-5-Day)	92.00	69.1	81.9
Outbound Single-Pc FCM Int'l (Combined)	91.84	72.3	85.7
Inbound Single-Pc FCM Int'l (Combined)	91.84	67.0	87.6
Marketing Mail			
High Density and Saturation Letters	94.62	95.9	98.2
High Density and Sat Flats/Parcel	94.62	90.9	96.3
Carrier Route	94.62	93.0	96.6
Letters	94.62	95.2	97.7
Flats	94.62	85.1	89.2
EDDM-Retail	94.62	81.9	92.6
Parcels	94.62	98.8	99.3
Periodicals			
Periodicals: In-County	87.29	83.3	92.1
Periodicals: Outside County	87.29	83.0	92.1
Package Services			
BPM Flats	90.00	73.2	83.9
BPM Parcels	90.00	99.1	99.6
Media Mail/Library Mail	90.00	96.7	98.4
Special Services			
Ancillary Services (Combined)	90.00	83.6	NA
Int'l Ancillary Services	90.00	99.9	NA
Money Orders	90.00	100.0	NA
PO Box Service	90.00	86.0	NA
Stamp Fulfillment	90.00	99.0	99.7

Somehow, the Postal Service is so smitten with the better service numbers it can show applying “on-time +1” that it believes no-one can see the transparent deception it’s trying to pull off. Any measure of performance will look better if more units are added: a putt could be a birdie with only one more inch of roll; a B+ could be a A with only one more point; a kick could be good with only one more foot of height. The USPS wants customers to consider service to be on-time even when it’s a day late.

For 2025, the Postal Service has already announced significantly lower performance targets (the percentage of times it will meet its published service standards), (see the December 2 issue of *Mailers Hub News*) so the agency’s approach to providing its version of “high-quality service” is obvious.

Instead of setting a service goal, building the necessary infrastructure, and operating to achieve the goal, the DeJoy approach is to decide how much to spend, trim the operations and transportation networks accordingly, and lower service standards and targets to whatever level the resulting “efficient” network would be capable of achieving.

Meanwhile, the next step in the process is for the PRC to examine and analyze the 2024 ACR and, in turn, issue its *Annual Compliance Determination* before the end of March. As in the past, the commission will include recommendations and directives for action – which the USPS will largely ignore –and the annual exercise will be concluded.

Whether the PRC’s comments will call out the Postal Service’s puffery for what it is remains to be seen – but separating the facts from the hype would be appropriate.

USPS Filing #2: the *Annual Report to Congress*

Also on December 30, the Postal Service filed its *Fiscal Year 2024 Annual Report to Congress*, which includes the *Fiscal Year 2024 Annual Report*, *Fiscal Year 2024 Comprehensive Statement on Postal Operations*, *Fiscal Year 2024 Performance Report*, and *Fiscal Year 2025 Performance Plan*.

Unlike the plain black-and-white legal filing that was the *Annual Compliance Report*, the *Annual Report to Congress* is a glossy, full color, 63-page magazine, complete with pictures and bios of the Board of Governors, photos of top USPS executives, and a chart showing the organizational alignment of senior management (at the moment).

About half of the 23 pages forming the *Comprehensive Statement* portion cover the USPS history and mission; its operations, services, and prices; and a summary of its policies on diversity, corporate sustainability, and safety and security. Given the target audience – Congress – this synopsis may provide useful background for the legislators and staffs who are not familiar with the agency's inner workings. After that are seven pages of postal statistics and an overview of "executive compensation."

Sprinkled with pictures of happy employees, the remainder of the document is comprised of the *Performance Report* and *Performance Plan*, twenty pages where the predictable spin is applied to how the USPS did in 2024 and how it ever-so-confidently will do in 2025. As the tale is told again, the USPS made strides to overcome challenges during the past year and is in position for new levels of excellence in the months ahead, thanks to PMG Louis DeJoy and his Plan.

Facts and figures

Writing a report allows the author to use language purposefully, managing how facts are stated to maximize positive aspects while artfully diverting readers from the negative.

Financial and Operational Highlights

Totals at Sept. 30 and Percent Change

(in millions, except percentages)	FY 2024	FY 2023	FY 2022	FY 2024 Percent Change	FY 2023 Percent Change
Total mail and package volume	112,489	116,174	127,444	(3.2)	(8.8)
Total revenue with investment and interest income	\$ 80,505	\$ 79,324	\$ 78,812	1.5	0.6
Total expenses ¹	\$ 90,025	\$ 85,802	\$ 79,741	4.9	7.6
Impact of Postal Service reform legislation ²	\$ —	\$ —	\$ 56,975	0.0	0.0
Net (loss) income	\$ (9,520)	\$ (6,478)	\$ 56,046	(47.0)	(111.6)
Purchases of property and equipment	\$ 4,199	\$ 3,000	\$ 1,796	40.0	67.0
Debt	\$ 15,000	\$ 13,000	\$ 10,000	15.4	30.0
Capital contributions of U.S. Government	\$ 16,132	\$ 16,132	\$ 16,132	0.0	0.0
Deficit since 1971 reorganization	\$ (48,764)	\$ (39,244)	\$ (32,766)	24.3	19.8
Total net deficiency	\$ (32,632)	\$ (23,112)	\$ (16,634)	41.2	38.9

(in actual units indicated, unaudited)	FY 2024	FY 2023	FY 2022	FY 2024 Percent Change	FY 2023 Percent Change
Number of career employees	533,724	525,469	516,760	1.6	1.7
Number of precareer employees	105,951	114,623	118,609	(7.6)	(3.4)
Total delivery points	168,578,718	166,577,596	164,904,092	1.2	1.0
Change in delivery points served	2,001,122	1,673,504	1,764,925	19.6	(5.2)

¹ Includes interest.
² Represents the one-time non-cash benefit due to the reversal of \$57.0 billion for past due retiree health benefit obligations that were canceled by the enactment of the Postal Service Reform Act (PSRA) in FY 2022.

However, for readers who want to examine the data, there's enough to provide a less filtered view of the Postal Service's situation, albeit it through very high-level figures.

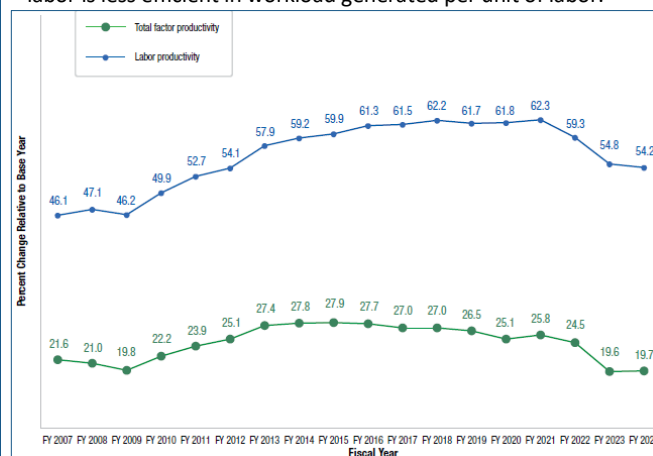
For example, a table on page 3 clearly shows that, while volume *decreased* 11.7% from 127.444 billion pieces in FY2022 to 112.489 billion in FY2024, total complement *increased* by 0.68% from 635,369 in FY 2022 to 639,675 in FY 2024 – but the career workforce – unionized employees with fixed schedules – grew by 3.28%.

However, the table on page 34 offers some important context: the number of *career* city and rural carriers increased from 247,590 in FY 2022 to 258,071 in FY 2024, reflecting the addition of over 5.4 million delivery points over the two-year span (the total of *non-career* carriers decreased, however).

Toward the end of the document was a short section on *Measures of Productivity* which did not show a positive situation. As the USPS explained:

"Total Factor Productivity (TFP) is a comprehensive measure of the **operational efficiency** with which the USPS uses resources to create output. An increase in TFP indicates that the ratio of work completed to the resources used is increasing, and the organization is operating more efficiently. Work completed, or workload, depends on three primary components: the number of delivery points, mail volume weighted by product type, and miscellaneous output (such as other services the organization provides, including passport services). ...

"Labor productivity measures the **efficiency of labor**. An increase in the labor productivity index indicates that more workload is being handled per unit of labor. A decrease in labor productivity indicates labor is less efficient in workload generated per unit of labor."



The USPS offered a range of excuses for why TFP fell again, including decreases in volume and changes in the value of "miscellaneous output." The Postal Service strove to explain why Labor Productivity – a more straightforward measure – was essentially flat, arguing that the figure "disguises significant increases in labor productivity in the areas currently targeted" by the 10-Year Plan. Moreover, the agency claimed, "productivity improvements take years for the effects to be seen, and as a result it is more useful to consider changes in TFP and labor productivity over a period of years, rather than year-to-year." In other words, (a) evaluate the numbers in a way that makes the situation look better, and (b) disregard the current numbers because work in progress under The Plan surely will improve the situation.

How many readers in Congress or elsewhere will accept the Postal Service's story is another matter.

USPS Filing #3: Schedule for Rate Changes

The Postal Service's third December 30 filing with the Postal Regulatory Commission was perhaps the most anticlimactic: the *Schedule for Regular and Predictable Rate Adjustments – Effective through Calendar Year 2027*. In that document, the USPS stated:

"Subject to the approval of the Governors, the Postal Service presently expects to implement price changes for all Market Dominant classes in July 2025, with the filing occurring in April 2025. The Postal Service would intend to be judicious in the use of available pricing authority with any such price adjustment, but given our current financial condition, anticipates that the price change for each Market Dominant class may require applying most or all pricing authority available on the date of filing.

"Likewise, subject to the approval of the Governors, the Postal Service expects that, in each subsequent year, it will implement price changes for all Market Dominant classes in January and July of such year, with the filings occurring the preceding October and April, respectively. Depending on our financial condition, the Postal Service anticipates the possibility that the price adjustment for each Market Dominant class may require applying most or all pricing authority available at the time of filing."

The agency and Postmaster General Louis DeJoy have previously indicated that semi-annual price increases would continue indefinitely, so the filing represented no more than compliance with a PRC requirement.

Moreover, the Postal Service's claim that it would be "judicious in the use of available pricing authority," while speculating that it may use "most or all pricing authority available" simply isn't credible – nor is its genuflection to the governors.

Few postal observers would believe that the Postmaster General will use anything less than every penny of rate authority available to him, or that the governors will do other than meekly acquiesce to his demands.

Seeking maximized price increases have been his trademark, and the governors' pattern of rubber-stamping what DeJoy wants is well-established. Therefore, notwithstanding the Postal Service's pretending that there may be different behavior over the next three years, commercial mail producers and their ratepaying customers shouldn't expect anything but more of the same.

Rural Customers Hit by USPS "Non-Surcharge"

While customers might not agree that the Postal Service is matching its competitors' service, the agency is certainly trying to match their revenue-generation practices. The latest example would be the removal of price breaks for commercial shippers for items sent to addresses in designated "rural" areas – which cover most of the nation.

Last September 7, *eCommerce Bytes* reported that

"Sellers who purchase postage through marketplaces or online-postage providers will pay more to send packages to certain ZIP Codes in one week because of a change to USPS Connect eCommerce rates. The increase applies to weight-based and cubic packages up to 20 lbs. for Priority Mail, Priority Mail Flat Rate, and Ground Advantage delivery. ...

"This month's changes will impact sellers on sites like eBay and Etsy and those who purchase postage through services such as Stamps.com, ShipStation, and PirateShip. Several services notified customers about the pending change in August, though we could find none that published by how much the rates were increasing. ..."

Non-surcharge

As explained by a January 8 posting by *Save the Post Office*,

"The Postal Service doesn't call the cost differential a "surcharge. Instead, there are two rates – the regular, published commercial pricing and the discount rate negotiated with merchants like eBay and XPS Connect (it's called the Merchant Rate Card). For the impacted ZIP Codes, the discount rate no longer applies for many products, and the new rate reverts to the published commercial rate. The difference is, for all intents and purposes, a surcharge."

However, consistent with Postmaster General Louis DeJoy's clear interest in ending or amending deals with shipping intermediaries and package consolidators, the pricing change does not apply to customers dealing directly with the USPS:

"The new policy does not apply when a customer deals directly with the Postal Service. It only applies when the shipper uses the discounted merchant rates offered by online retailers like eBay and Etsy and when one purchases postage through shipping software companies like ShipStation, ShipWorks, ShipSaving, and EasyShip."

As *Save the Post Office* explained, the difference in price between the two categories of business rates can vary:

"Flat Rate Priority boxes are not zoned, so there's no variation in rate dependent on the destination. This table shows the merchant rate and the commercial rate, along with the price difference and the percentage difference.

Product	Merchant	Commercial	Difference	Percent
Flat Rate Env.	\$8.05	\$9.00	\$0.95	11.80%
Legal Flat Rate Env.	\$8.35	\$9.30	\$0.95	11.38%
Padded Flat Rate Env.	\$8.80	\$9.80	\$1.00	11.36%
Small Flat Rate Box	\$8.55	\$9.55	\$1.00	11.70%
Med. Flat Rate Box	\$14.75	\$16.85	\$2.10	14.24%
Large Flat Rate Box	\$19.90	\$23.05	\$3.15	15.83%

"For zoned rates, the comparisons are more complicated"

The impact

"The list of impacted ZIPs has about 17,810 ZIP Codes. That's about 44% of all ZIP Codes. It covers a vast area of the country. About 20 million residential addresses and 1.3 million business addresses will be subject to the surcharge, while about 133 million residential and 11 million businesses will not. Overall, about 13% of delivery points are subject to the surcharge. ... Presumably, that means the impacted ZIP codes are an exception to the negotiated discount and hence subject to the regular commercial rates. ...

"Some online sellers were quick to see the list as targeting rural ZIPs, and a closer look confirms that first impression, more or less.

- The average population of the impacted ZIP Codes is about 2,230, while the average for non-impacted ZIPs is about 18,000.
- The average population density for the impacted ZIP Codes is 26 people per square mile, while the average for non-impacted ZIPs is 1,020.
- Of the 17,670 ZIPs subject to the surcharge, about 15,342 (87%) are classified by the Postal Service as 'rural,' and 1,645 (9%) are 'urban.' (Another 4% aren't unclassified.)
- Of the 19,000 ZIPs in the contiguous US classified as rural, about 15,340 (81%) are subject to the surcharge. Of the 14,100 classified as urban, 1,644 (12%) are subject to the surcharge. (Another 7% aren't classified.)

- About 16,200 ZIPs subject to a surcharge are also subject to RTO. Both their outgoing and incoming mail and packages, if sent by a commercial shipper, will slow down. About 14,300 (88%) of these ZIPs are classified as rural.

“The surcharge list, it should be noted, is not exclusively rural. It contains about 1,670 ZIP Codes the Postal Service classifies as urban, some with relatively large populations. But the list is overwhelming rural.”

Following suit

The PMG often cites UPS and FedEx as models for what he wants the Postal Service to be, especially regarding packages. In turn, as *Save the Post Office* noted:

“If there’s any doubt about whether the new pricing policy is a rural surcharge, one need only look at the origins of the list itself.

“UPS and RPS (now FedEx Ground) first implemented a Delivery Area Surcharge back in 1999. The DAS is an additional fee for remote or rural locations, and it applies to packages either picked up or delivered to specific ZIP codes. As of 2011 the two carriers were using the same DAS lists, but that may have changed since then. (A history of these surcharges can be found in a 2011 report commissioned by the PRC.)

“Some 16,000 ZIP Codes were initially affected, and since then, the number of such ZIP Codes has been extended and now includes about 23,500 ZIP Codes. ...

“The UPS list has five categories, three for the contiguous US plus two for Alaska and Hawaii. The regular DAS list includes about 7,540 ZIPs, with an average population density of 96 people per square mile. The DAS Extended (EDAS) list has about 14,410 ZIPs, and averages about 21 people per square mile.

“The third category, called the Remote Area Surcharge (RAS), originally applied only to Alaska and Hawaii, but in 2022 UPS added a new category called US48 Remote Area Surcharge. This list now has about 3,430 ZIPs in the contiguous US. The criteria aren’t clear. UPS simply says these are areas ‘beyond UPS extended areas which are less accessible for pickups and deliveries.’

“If one combines the UPS lists for Extended DAS and the US48 Remote, it produces a list of about 17,810 ZIP Codes. This list is identical to the USPS list released in September.

“In other words, the Postal Service didn’t evaluate its own network infrastructure and delivery costs to determine where to apply the surcharge. It’s applying them where UPS does, and probably FedEx as well. ...

“It may make sense for the USPS to use the same list as UPS and FedEx. Why re-invent the wheel? And besides, when an eBay shipper is comparing the rates for USPS and UPS, it’s useful that for any given destination ZIP, there’s either a surcharge or not, for both carriers. It could be confusing if the Postal Service and UPS had completely different lists of ZIPs subject to surcharges.

“At the same time, the Postal Service has a completely different network of processing facilities and retail outlets compared to UPS, and its costs to deliver to one ZIP Code versus another are not the same as for UPS. Given these differences one might ask why both UPS and USPS would impose a surcharge on the same ZIP Codes. ...”

Prior discussion

As the article noted, the USPS Office of Inspector General had examined whether the Postal Service should impose a surcharge:

“In fact, a 2020 OIG report on *Package Delivery in Rural and Dense Urban Areas* suggested that the Postal Service could develop its own list with its own criteria: ‘Were the Postal Service to consider

consider geography-based surcharges, it could consider doing a careful analysis of its costs in different parts of the country. ... Whatever the mix, the Postal Service could start charging higher prices for its higher-cost areas.’ ...

“The OIG report goes on to say, ‘Yet, there are ways USPS could charge more for some high-cost deliveries without applying an explicit surcharge.’ The possibilities are redacted. But avoiding an explicit surcharge pretty much describes what the Postal Service’s has done.

“The OIG, by the way, identified 17,423 ZIP Codes as Low Density or ‘rural’ and found that nearly all – 97% – were subject to a FedEx surcharge – yet another indication that the Postal Service’s surcharge is primarily about rural areas.”

Costs

Whether the USPS is basing the “surcharge” on its own data or simply copying its competitors’ practices is another matter the article notes that the OIG had considered:

“Using the Extended DAS ZIP Codes as a proxy for ‘rural’ areas due their low population density, the PRC study estimated the cost of delivering the last mile for UPS, FedEx, and the Postal Service. ... As explained in the OIG report, these costs include both fixed and variable delivery costs, and they were benchmarked to the Postal Service’s DDU rate, which represents the cost incurred by the private carriers for using the Postal Service network for final mile delivery.

“The lower costs for the Postal Service are one reason why UPS and FedEx have used the Postal Service for last mile deliveries. And given their higher costs for delivering to rural customers, it’s understandable why UPS and FedEx would impose a delivery area surcharge. But for the Postal Service, if the cost for rural delivery is actually lower than for urban areas, the rationale for a surcharge is less clear. ...”

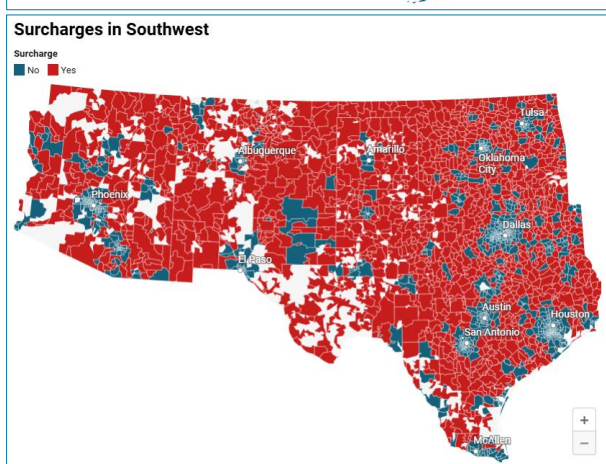
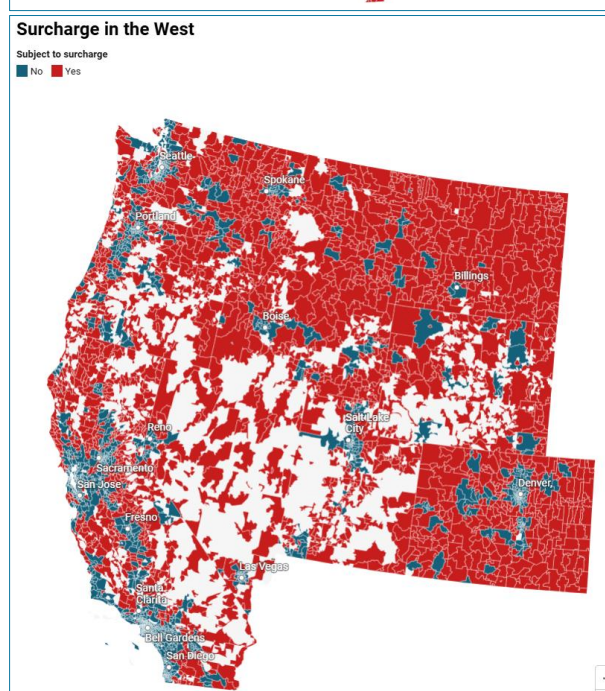
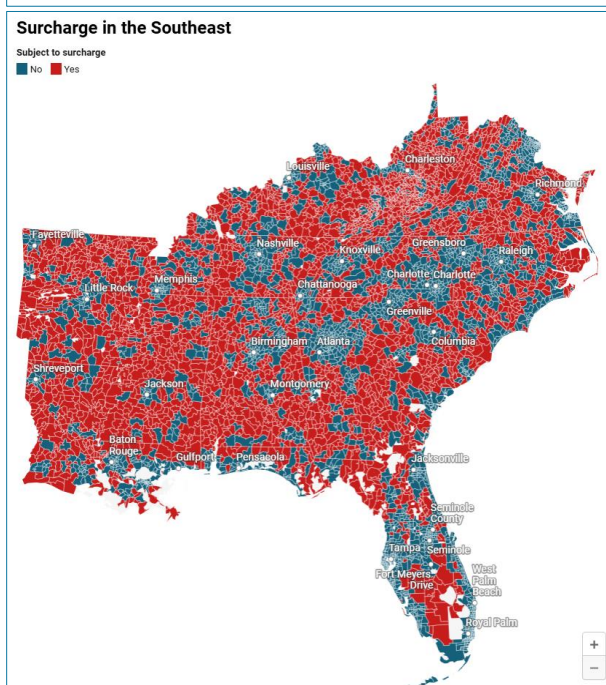
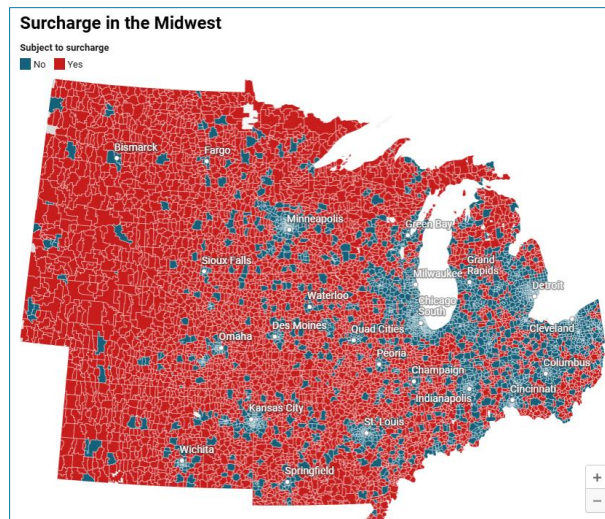
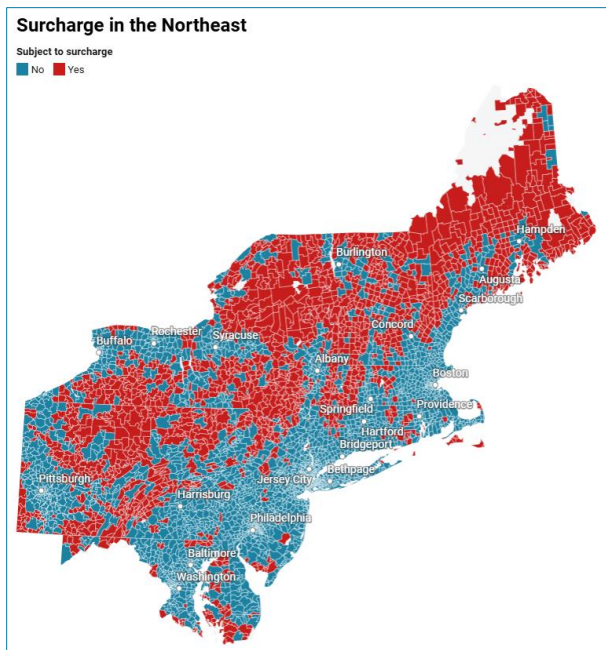
Discrimination

The *Save the Post Office* article included maps (see the next page) that showed the span of ZIP Codes where the “surcharge” would have an effect. As the maps clearly illustrate, the “rural” areas (in red) are more expansive than the “urban” areas (in blue). (The white areas are non-delivery.) An interesting comparison is the RTO areas illustrated in a September 17, 2024, posting by *Save the Post Office* (see the November 4 issue of *Mailers Hub News*.)

As *Save the Post Office* noted, because the “surcharge” applies only to shippers who purchase postage through an intermediary – not to retail or commercial ratepayers dealing directly with the Postal Service – and because those shippers pay a negotiated rate (e.g., under a negotiated service agreement reviewed and approved by the Postal Regulatory Commission), the issue of discriminatory pricing may not apply.

However, because the “surcharge” impacts the shipping costs borne by rural customers, and because the “surcharge” is based on those customers’ ZIP Codes, there still may be allegations that the USPS pricing is adversely impacting service to rural customers.

The agency has already begun implementation of Regional Transportation Optimization, which excludes many typically rural post offices from getting an afternoon collection run based on distance from a processing facility, so the effect of the “surcharge” represents, in effect, a second degradation of service to many rural customers.



Anyone expecting the PRC to defend rural customers' interests as part of NSA reviews misunderstands the process. If the terms of an NSA meet statutory standards, the PRC may not have a legal basis to inhibit the agreed-upon "surcharge" pricing. As noted, its role is to ensure legal compliance, not to evaluate the sensibility of USPS policy.

Statute (39 USC 403(c)) does prohibit the Postal Service from making "any undue or unreasonable discrimination among users of the mails" but, again, that question is outside the scope of an NSA review. A claim of discrimination related to the "surcharge" (or to RTO) may be more appropriately considered in a complaint docket, if a complaint were filed with the PRC by an impacted customer.

Other than a complaint, if the commission's advisory opinion about RTO is ignored by the USPS – as it has signaled it would – the only recourse for rural customers may be to seek legislative intervention.

Some in Congress have talked about taking such action, but whether they will ever do anything remains to be seen.

Insights on Direct Mail

In an era of intense media competition for advertising dollars and readers' attention, Mailers Hub sponsor AccuZIP has shared some useful information with subscribers about the effectiveness of direct mail.



AVERAGE SPEND

Direct mail nabs nearly **a quarter** of overall media budget.

- ✓ Challenged with convincing your customers that direct mail is an effective way to generate new business and increase revenue from existing clients?
- ✓ Looking to expand your mailing business and justify the need for mailing software, but many of your customers are hesitant about direct mail advertising?

To help you demonstrate the value of direct mail and its role in a successful multi-channel marketing campaign, we've compiled the information below. Use this to show your customers how direct mail can significantly boost their revenue.

23%

of overall media budget allocated to direct mail

35%

spent on loyal customers

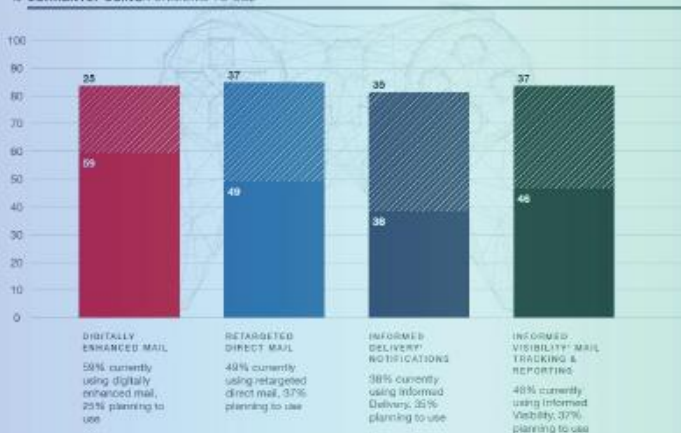
26%

spent on prospects

Digital enhancements and retargeting are a hit.

POPULAR FORMATS	PERCENTAGE OF USE
Postcards	63%
Self-Mailers	57%
Newsletters	60%
Catalogs	49%
Packages	41%

% CURRENTLY USING/PLANNING TO USE



CASE STUDIES

POSTCARDMANIA:



- **Client:** A dental practice.
- **Campaign:** The dental practice used targeted postcards to attract new patients.
- **Results:** They sent out 5,000 postcards and received 170 responses, resulting in 85 new patients. The campaign generated \$76,000 in revenue, a significant return on their investment.

VALPAK:



- **Client:** A local restaurant.
- **Campaign:** The restaurant used Valpak's direct mail coupons to drive foot traffic.
- **Results:** The campaign led to a 10% increase in customers and a notable rise in revenue. The ROI was measured at 200%, demonstrating the effectiveness of the coupon strategy.

PLOW & HEARTH:



- **Campaign:** A home and garden retailer used catalog mailings to reach both existing customers and new prospects.
- **Results:** By personalizing the catalogs based on customer data, the company saw a 15% increase in response rates and a 20% increase in sales compared to their previous campaigns.

ADOBE:



- **Client:** Adobe Creative Cloud.
- **Campaign:** Adobe used direct mail to re-engage lapsed subscribers.
- **Results:** The campaign achieved a 30% conversion rate, significantly higher than their previous digital-only efforts. The tactile experience of direct mail helped capture the attention of their audience.

DIRECT MAIL EFFECTIVENESS

10 IMPORTANT DIRECT MAIL STATISTICS

- **42.2% of direct mail** recipients either read or scan the mail they get. (source: DMA)
- Advertising mail is kept in a household for **17 days on average**. (source: Mailmen)
- **60% of catalog recipients** visit the website of the company that mailed them the catalog. (source: USPS)
- Direct mail recipients purchased **28% more items and spent 28% more money** than people who didn't get that piece of direct mail. (source: USPS)
- **73% of American consumers** say they prefer being contacted by brands via direct mail because they can read it whenever they want. (source: Epsilon)
- Direct mail offers a **29% return on investment**. (source: Marketing Charts)
- **50.9% of recipients** say they find postcards useful. (source: DMA)
- **75% of business mail stays in the home for over four weeks** and is revisited an average of 5 times (source: Marketreach)
- Only 44% of people can recall a brand immediately after seeing a digital ad compared to **75% of people who receive direct mail**. (source: Marketing Profs)
- **90% of millennials believe that direct mail marketing is more reliable than email** and 24% are likely to share it with other people. (source: USPS)

MAIL FREQUENCY

Mailing marketing material multiple times to the same address can significantly increase open rates and overall engagement compared to a single mailing. Repetition reinforces the message and increases the likelihood that the recipient will notice and respond. Here's how multiple mailings typically impact open rates:

IMPACT OF REPEATED MAILINGS ON OPEN RATES:

REINFORCEMENT AND RECALL:

- **Single Mailing:** The recipient might overlook or discard the mail due to various reasons like timing, lack of immediate relevance, or being mixed with other mail.
- **Multiple Mailings:** Repeated exposure increases familiarity and recall. Recipients are more likely to notice and remember the message, which can lead to higher open rates over time.

TRUST AND CREDIBILITY:

- **Single Mailing:** A one-time mail piece might not build enough trust or credibility, especially if the recipient is unfamiliar with the sender.
- **Multiple Mailings:** Consistent communication helps establish trust and credibility, making recipients more likely to open subsequent mailings.

RESPONSE RATES:

- Studies and industry data suggest that repeated mailings can significantly boost response rates. For instance, mailing to the same list three times can increase response rates by 50-100% compared to a single mailing.

STATISTICAL INSIGHTS:

DIRECT MARKETING ASSOCIATION (DMA) FINDINGS:

- The DMA has found that response rates for direct mail can increase substantially with multiple mailings. For example, a campaign with three mailings might see an average response rate of 1.2-2% per mailing, compared to 0.5-1% for a single mailing.

BEST PRACTICES FOR MULTIPLE MAILINGS:

TIMING AND SPACING:

- Space the mailings appropriately to avoid overwhelming the recipient. A common approach is to send mailings every 2-4 weeks.

CONSISTENCY AND VARIATION:

- Maintain a consistent message but vary the design or offer slightly in each mailing to keep the content fresh and engaging.

TRACK AND MEASURE:

- Monitor open and response rates for each mailing to assess effectiveness and adjust the strategy as needed.

PERSONALIZATION AND RELEVANCE:

- Personalize each mailing to increase relevance and engagement. Use data to tailor the content to the recipient's interests and needs.

CONCLUSION:

- While precise increases in open rates can vary depending on the industry, audience, and campaign specifics, it is clear that repeated mailings significantly improve overall engagement. The practice of mailing marketing materials three times to the same address can lead to a marked increase in open rates and response rates, thereby enhancing the effectiveness of direct mail campaigns.

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Perception vs Reality

Very few – if any – regular readers of *Mailers Hub News* may include in their daily routine monitoring the *Federal Register* or the docket postings on the Postal Regulatory Commission's website. Those who do, however, likely have noticed the dozens – hundreds – of Postal Service negotiated service agreements that have been filed and approved in recent months.

Paperwork

As those familiar with the USPS know, the 2006 *Postal Accountability and Enhancement Act* split Postal Service classifications into two types of “products”: market-dominant (e.g., First-Class Mail) where the USPS has no competition for paper-based communication, and competitive (e.g., shipping services) where competition is very real.

For the latter group, the agency is authorized to negotiate with its customers to set specific terms, notably prices. Such negotiated service agreements must be filed with, and reviewed and approved by, the PRC but, given their proprietary nature, their contents are not disclosed publicly. Several years ago, the PRC and the USPS agreed on the content parameters for largely similar NSA filings so that the review and approval process can be completed more quickly.

Growth

Based on PRC records, over the first ten full calendar years that NSAs were permitted (2007-2016), 488 were approved and 47 were terminated. Most were for some combination of Priority Mail Express, Priority Mail, First-Class Package Service, and Parcel Select. NSA activity grew modestly over the next six years (2017-2022); 1,164 new NSAs being approved, but almost as many (958) were terminated.

In mid-2023, the USPS revised its offerings, merging First-Class Package Service and Parcel Select to form USPS Ground Advantage, and the postal sales force was sent to win business:

in 2023 and 2024, 1,636 new NSAs were approved, with two-thirds occurring in the second half of 2024; 509 were terminated over the period.

The pace of new NSA filings has continued, leading to concerns that the flood of documents and the related procedural work for the PRC may be creating an impediment to the its ability to meet its other obligations. While the USPS can add people in sales, law, and other areas to support the accelerated filings, the PRC – with a much smaller staff – cannot; the PRC's budget is controlled by the USPS.

Consequences

In turn, this situation has led observers to ask two questions – albeit rhetorically. First, despite the likely intended perception of burgeoning package business created by the volume of *filings*, how much new competitive product *volume*

is really being generated? Second, consistent with Postmaster General Louis DeJoy's disdain for the PRC as unnecessary obstructionists, is the flood of filings being used to overwhelm the commission's limited resources and, in turn, their ability to resolve other dockets that he might want delayed?

Month	Volume (000)	Revenue (000)
July 2023	571,112	\$2,715,352
Aug 2023	561,893	\$2,665,059
Sep 2023	521,067	\$2,512,582
Oct 2023	560,118	\$2,666,061
Nov 2023	597,297	\$2,889,667
Dec 2023	755,688	\$3,598,991
Jan 2024	559,076	\$2,722,400
Feb 2024	499,757	\$2,483,320
Mar 2024	538,307	\$2,671,153
Apr 2024	552,539	\$2,675,859
May 2024	566,791	\$2,692,405
Jun 2024	524,900	\$2,487,751
Jul 2024	571,112	\$2,715,352
Aug 2024	561,893	\$2,665,059
Sep 2024	521,067	\$2,512,582
Oct 2024	576,823	\$2,797,367
Nov 2024	570,721	\$2,836,829

Obviously, the second question cannot be answered with certainty because internal USPS discussions aren't publicized. Regarding the first, however, the most objective answer would be derived from Postal Service data the agency is required to file monthly with the PRC, and that does not show the skyrocketing volume that the filing rate would suggest.

As would be expected, shipping volume shows seasonal trends, increasing around the holidays, but

otherwise the monthly variations stay within a relatively consistent range. Revenue has been fairly consistent also, despite seasonal pricing and other rate increases. (Data for December 2024 and the first quarter of Fiscal Year 2025 will be released after the Governors' meeting in early February.)

This circumstance had led to further questions: Are the NSAs actually securing new volume from new customers, or are they simply recasting the volume of existing customers in a format that enables tailored discounts and terms? In turn, if the latter is generally true, and the volume involved had been paid at published rates *before* an NSA, is the revenue from that volume under an NSAs increasing – or will net revenue be lessened by discounts written into the agreements?

Because an NSA is, as noted, proprietary and non-published, only the customer, the USPS, and the PRC know what it contains. Presumably, the customer and USPS are satisfied with the terms, as would be the commission if the legal requirements are met.

However, whether the Postal Service's fevered program to secure new NSAs reflects sound *business* judgement is another matter, especially if locking-up the business of existing customers means discounting the prices they pay. As for the PRC, its role is not to evaluate whether an NSA makes good business sense, only whether it meets prescribed financial and statutory criteria.

To other customers, like the ratepaying clients of commercial producers of market-dominant mail, the revenue from competitive products is a critical contributor to USPS institutional costs. In turn, regardless of the PMG's desire to become another UPS, his policies should ensure *true* growth in competitive product revenue and volume, and not just the appearance of it generated by administrative activity.

The Postal Service's bottom line is not influenced by the perception of business, only the reality of the revenue it yields.

Miscellany

Taub elected

According to a January 2 announcement by the Postal Regulatory Commission, Commissioner Robert G. Taub was unanimously elected vice chairman, effective January 1, succeeding Commissioner Tom Day. The PRC's regulations provide that the commissioners elect a member annually to serve as vice chairman for a one-year term.

Taub was first appointed to the PRC in October 2011, and served as its chairman from December 2014 until January 2021. Before joining the PRC, he was a principal civilian advisor to Secretary of the Army John M. McHugh.

Trafficking

Some misuses of the postal system are particularly shameful, such as that of two men recently prosecuted by federal officials. One was a pathology assistant at a Kansas hospital who, having the access his job allowed, stole human organs, parts of organs, and fetus corpses, then shipped them via the USPS to a colleague in Pennsylvania who sold them.

According to an announcement by the US Attorney's Office for the Middle District of Pennsylvania, the Kansas man was sentenced "to 18 months in prison for interstate transport of stolen human remains and body parts." The Pennsylvania man "previously entered a guilty plea to the same information and is awaiting sentencing."

The case was investigated by the Federal Bureau of Investigation and the US Postal Inspection Service.

Palmetto

The Postal Service's troubled Atlanta RPDC in Palmetto, 25 miles south, had another problem at the end of December when an electrical fire broke out. As reported by Atlanta's WAGA-TV, the fire was "minor" and was "quickly put out by the local management team," without injuries to personnel or damage to equipment or mail.

Suit ends

As the Postal Service was deciding on the new delivery vehicles to replace its aging Long Life Vehicle fleet, a lawsuit was filed by a variety of environmental groups and sixteen states claiming that the USPS contract with Oshkosh was signed under unlawful circumstances.

Now, however, according to *Reuters*, that lawsuit has been dropped, following the Postal Service's earlier decision to buy "mostly EVs" moving forward, rather than the original mix of 90% conventionally-powered and 10% all-electric vehicles. Reportedly, the California attorney general's office said it decided to dismiss the lawsuit "given USPS's commitment to rebuild its fleet with a majority of electric vehicles."

Postmaster General Louis DeJoy recently stated that the USPS intends to execute a 50/50 gas/electric purchasing plan in 2025, and will purchase nothing but EVs starting in 2026.

However, concerns have arisen since the election that the incoming administration may cancel the Oshkosh contract and press the USPS to stick with only gas-powered vehicles.

Bribery

A January 7 report by *Court Watch* stated that two brothers with a trucking business had paid \$2 million in bribes to Postal Service employees to win more than \$15 million in mail transport contracts, according to charging documents filed in US District Court in the Northern District of Texas. The brothers have agreed to plead guilty.

Prosecutors say the fraud scheme began in 2015 with a \$2,500 bribe, but kickbacks increased to eventually total more than \$2 million through April 2021. According to court records, the brothers used bribes to win five contracts for Colorado-based trucking companies. The article added:

"Court documents describe two unnamed postal workers as conspiring with the [brothers] to receive and conceal the illegal payments – and, in a meeting with one of the brothers, discussing the creation of a trucking company to cash in on the fraud scheme and split the proceeds.

"Court documents state one of the workers – a 'senior network operations analyst' – received about \$1.3 million in payouts tied to [the] company winning two contracts in 2018 that were extended through June 2022. The two contracts paid out about \$12.1 million to [a] Colorado-based ... company started by [one of the brothers] in 2015 ... Earlier in 2018, court records say the senior network operations analyst threatened to end the contract scheme if the bribes weren't increased

The article detailed repeated meetings between one or both brothers and postal employees at which the elements of the scheme were discussed.

The article noted that

"A US attorney's office spokeswoman did not respond to questions about any possible investigation into the postal employees. Both a US Postal Service spokeswoman and a US Postal Service Office of Inspector General spokeswoman also declined to provide information about workers identified in court filings as postal employees 'A' and 'B' citing the case as 'an ongoing investigation.'"

UPS delivers

As reported January 10 by *Supply Chain Dive*, United Parcel Service now is itself delivering many packages that it previously would have sent to the Postal Service for delivery. Under the SurePost program, UPS would drop off packages at the postal facility closest to the end customer, rather than delivering it itself, but now UPS drivers have been taking on a larger share of that volume under the Teamsters' new contract. At the same time, the Postal Service is pushing consolidators to enter packages further upstream under new agreements that eliminate discounts for delivery unit entry.

When asked about the Postal Service's current role in SurePost, a USPS spokesperson repeated ambiguous yet oft-used biz-speak that "Prior agreements failed to reflect operational and financial realities, the evolving postal network, or the enhancements to our portfolio of product offerings."

As noted earlier, this policy reflects Postmaster General Louis DeJoy's desire to fill trucks and keep employees busy rather than supporting the efficiencies enabled by worksharing, such as destination entry.

All the Official Stuff

Federal Register

Postal Service

NOTICES

December 31: Product Change [4]: Priority Mail Express, Priority Mail, and USPS Ground Advantage Negotiated Service Agreement [4], 107180, 107180, 107180, 107180.

January 6: Product Change [60]: Priority Mail Express, Priority Mail, and USPS Ground Advantage Negotiated Service Agreement [50], 687, 687, 688, 688, 688, 688, 689, 689, 689, 689, 689, 690, 690, 690, 691, 691, 691, 691, 692, 692, 692, 692, 693, 693, 693, 693, 694, 694, 694, 694, 694, 695, 695, 695, 695, 696, 696, 696, 696, 697, 697, 697, 697, 697, 698, 698, 698, 698; Priority Mail and USPS Ground Advantage Negotiated Service Agreement [10], 687, 689, 690, 690, 691, 692, 693, 695, 696, 697.

January 7: Product Change [46]: Priority Mail Express, Priority Mail, and USPS Ground Advantage Negotiated Service Agreement [33], 1204, 1204, 1204, 1204, 1205, 1205, 1205, 1205, 1205, 1206, 1206, 1207, 1207, 1207, 1208, 1208, 1208, 1209, 1209, 1209, 1209, 1210, 1210, 1210, 1210, 1211, 1211, 1211, 1211, 1212, 1212; Priority Mail and USPS Ground Advantage Negotiated Service Agreement [13], 1203, 1204, 1205, 1206, 1206, 1207, 1207, 1208, 1208, 1209, 1210, 1211, 1212.

January 8: Product Change [2]: Priority Mail Express, Priority Mail, and USPS Ground Advantage Negotiated Service Agreement, 1554; Priority Mail and USPS Ground Advantage Negotiated Service Agreement, 1554.

PROPOSED RULES

[None.]

FINAL RULES

December 31: Labeling List Updates, 107003-107012.

January 3: International Return Receipt, 248-249.

Postal Regulatory Commission

NOTICES

December 31: New Postal Products, 107177-107180.

January 2: New Postal Products, 122-123.

January 3: New Postal Products, 340-342.

January 7: New Postal Products, 1201-1203.

January 8: New Postal Products, 1552-1554.

January 10: New Postal Products, 2040-2041; FY 2024 Annual Compliance Report, 2041-2042.

January 11: New Postal Products, 2757-2758.

PROPOSED RULES

[None.]

FINAL RULES

[None.]

USPS Industry Alerts

December 30, 2024

Mail Spoken Here – December 2024 Edition – Industry Engagement & Outreach Newsletter

Please enjoy the latest edition of Mail Spoken Here attached. The newsletter contains informative and important articles on the following topics: NPF 2025 Registration Discount Opportunities are Still Available; Executive Retirement - Tom Blum, Vice President of Labor Relations; USPS is Ready for the Holidays - The Organization Provides an Update on Peak Season Preparations; USPS Advances Product Strategy - Aligned with the Delivering for America Plan; 2025 Southern Area AIM Meeting - Tampa, Florida – Register Now!; Organization Realignment—Strategic Accounts & Service Initiatives; First-Class Package International Service (FCPIS) - Customs Form Barcode Change; Changes to Airmail M-bag, International Priority Airmail (IPA) M-bag and International Surface Air Lift (ISAL) M-bag; Executive Retirement - Linda Crawford, Area Vice President of Retail and Delivery Operations; USPS Marks a Merry Milestone - This Season's 1 Billionth Holiday Mailpiece went to one of Santa's Helpers; New Stamps - Release Date, Location Updates (Here's When Next Year's First Stamps Will Arrive – The Releases will Honor Betty White, Allen Toussaint and Others); Mailers Technical Advisory Committee (MTAC); Upcoming Events; A Few Fun Facts about January!; *Federal Register* Notices; Negotiated Service Agreements – Listing; The Latest *Postal Bulletins*. Thank you very much everyone. Happy New Year.

DMM Advisory

January 3: International Service Resumption Notice – effective January 6, 2025 [Canada].

January 8: International Service Resumption Notice – effective January 10, 2024 [Cuba, Vanuatu].

Postal Bulletin (PB 22666, January 9)

- Effective **January 19**, various sections of the DMM are revised to reflect changes effective January 19, 2025, to prices and mailing standards for domestic competitive products as established by the Board of Governors of the United States Postal Service.
- Effective **January 19**, DMM 703.1.6.11 is revised to reflect a change in the allowed value for low-cost items to be mailable at Nonprofit USPS Marketing Mail prices. ... For 2025, the allowed value of a low-cost item is \$13.60 or less. The value of a low-cost item is the item's cost to the authorized nonprofit organization mailing the item or on whose behalf the item is mailed. Although the Postal Service will not publish this revision in the DMM until January 19, 2025, the standard is effective January 1, 2025.
- Effective **February 1**, Labeling Lists L007, L012, L201, L601, L605, and L606 are revised to reflect changes in mail processing operations. Mailers are expected to label according to these revised lists for mailings inducted on or after the February 1, 2025, effective date through March 31, 2025, expiration date.
- Effective **April 7**, various sections of the DMM are revised to reflect the Postal Service eliminating three labeling lists (L003, L011, and L801) and redirecting those mail sortations to labeling list L002, L005, or L009, as applicable, to commence the first phase of moving to shape-based-mail labeling lists. Although the Postal Service will not publish these revisions in the DMM until April 7, 2025, the standards are effective January 19, 2025.
- Effective **December 31**, 2024, Publication 223, *Directives and Forms Catalog*, was revised to include current information for the items noted in the article.
- The *Postal Bulletin* 2024 Annual Index is in this issue.

Postal Bulletin announcements of revisions to the DMM, IMM, or other publications often contain two dates: when a revised document is effective, and when a revised standard is effective. The effective date of a revised standard is typically earlier than when it will appear in a revised publication.

December 31, 2024

National Day of Observance for Former President Jimmy Carter

A National Day of Observance has been declared to honor the death of former President, Jimmy Carter. The Postal Service will suspend regular mail deliveries, retail services and administrative office activity on Thursday, January 9, 2025. The Postal Service will continue to accept and process volume dropped by commercial mailers at mail processing facilities. There will be limited package delivery service on January 9 to ensure the organization does not experience any impacts to its package delivery operations that may negatively affect customers or business partners. All Postal Service facilities – including Headquarters in Washington, DC, and area and district administrative offices – are included in the National Day of Observance. Regular operations will resume on Friday, January 10, 2025.

January 3, 2025

International Service Resumption Notice – Effective January 6, 2025

US Postal Service will resume acceptance of mail and packages to Canada. The US Postal Service will resume acceptance of mail and packages to Canada starting Monday, January 6, 2025. Canada Post has made significant progress in clearing delayed volumes caused by their employee strike, and now commercial and retail customers, as well as those using online systems, will be able to send mail and packages to Canada once again. 1. The US Postal Service stays in touch with its customers, including international customers via its Service Alerts page, which is found here: <https://about.usps.com/newsroom/service-alerts/international/>. 2. Information about Canada Post's status is available at <https://canadapost.ca/negotiations>.

January 6, 2025

Plant-Verified Drop Shipment Updates

In conjunction with the price change occurring on January 19, 2025, Plant-Verified Drop Shipment (PVDS) mailings will be verified and accepted as follows:

Current Prices: PVDS mailings verified and paid for on or before January 19, 2025, using the current prices will be accepted at destination entry postal facilities through Monday, February 3, 2025, when presented using eInduction or eVS processes or with appropriate verification and payment documentation (PS Form 8125 or PS Form 8017).

New Prices: PVDS mailings may be verified and paid for beginning January 5, 2025, using the new prices, provided the shipments, when presented using eInduction or eVS processes, or with appropriate verification and payment documentation (PS Form 8125 or PS Form 8017), are not deposited at destination entry postal facilities before January 19, 2025. Mailers must enter a Mail Arrival Date on all documentation that is on or after January 19, 2025.

January 6, 2025

Reminder: eVS Shippers are Required to Migrate to USPS Ship by Feb 1, 2025

Shippers enrolled in USPS Ship Pilot should access the Business Customer Gateway Shipping Services and Mailing Services tabs to enroll in USPS Ship Account Management, USPS Ship Disputes and Refund Requests, USPS Ship Reports, and Informed Delivery (IV-MTR) for data feeds. You will remain in eVS Live until you initiate enrollment to USPS Ship Live. Please contact eVS@usps.gov to begin enrollment. Until you enroll in USPS Ship Live, you will still be charged by eVS. All eVS Live shippers have been automatically enrolled in USPS Ship Pilot as of July 2, 2024. USPS Ship Weekly Webinars: The US Postal Service is hosting weekly webinars highlighting the features of USPS Ship during the transition from eVS. Existing eVS shippers and new shippers are encouraged to join an upcoming session. Please also visit Postal Pro to view presentations from prior sessions. Upcoming Webinars: January 8 at 1:00-2:00 Eastern Time: USPS Ship Overview of Data Feeds and Reports: Census and Monthly Assessments (Unmanifested and Duplicate Packages); January 15 Cancelled for MTAC; January 22 at 1:00-2:00 Eastern Time: eVS to USPS Ship Comparison and Transition. More Dates and Topic Areas to Follow. Webinar URL: <https://usps.zoomgov.com/j/1613211624?pwd=XfCNbXZiCDD6NbpfDPAEqee7kma4qG.1>; Webinar ID: 161 321 1624; Passcode: 016385. If requested, enter your name and email address. Join Audio by the options below: Call using Internet Audio; Dial: 503-336-1236 or 952-229-5070 or 650-581-7094 or 855-860-4313 or 678 317 3330 & use the Webinar ID and Passcode above.

January 6, 2025

Reminder – January Price Change 2025 – Commercial System Releases – January 5, 2025

On Sunday, January 5, 2025, the United States Postal Service has scheduled software updates in support of Price Change 2025 (effective January 19, 2025). System Changes: List of system changes can be found on PostalPro using link : January 2025 Planned Changes | PostalPro (usps.com). Reminder: New Mail.dat Client is Mandatory. PostalOne System Release 61.0.0.0 includes a new REQUIRED Mail.dat client. After implementation activities conclude, users should download Mail.dat client 61.0.0.0_PROD from the Business Customer Gateway (BCG) using the following path: Mailing Services → Electronic Data Exchange [Go to Service] → Mail.dat download (Windows 32-bit, Windows 64-bit or Solaris). The effective date for the Price Change release is January 19, 2025. We apologize for any inconvenience. All Business Service Administrators (BSAs) should alert their impacted stakeholders. During normal business hours M-F (7:00 AM CT – 7:00 PM CT), direct any inquiries or concerns to the Mailing and Shipping Solutions Center (MSSC) via eMail MSSC@usps.gov or telephone (877) 672-0007.

January 6, 2025

The Postal Service: Delivering More in 2025

As we race into 2025, the Postal Service builds on a transformative year of major network enhancements, smarter transportation strategies, and delivery system upgrades. These efforts are designed to improve service, reduce costs, and expand our product offerings, cementing our place as one of the most reliable and innovative shipping solutions in the nation. Revolutionizing Nationwide Shipping: With the introduction of USPS Ground Advantage, the Postal Service has reshaped how businesses and the public ship across the US, delivering improved service and affordability. In 2025, we'll continue optimizing this offering, integrating smarter strategies to make shipping seamless, cost-effective, and faster than ever. We will be introducing two new offerings, leveraging our expansive network. Introducing Next Day Priority: This year, we're expanding our role as the last-mile service provider of choice with Next Day Priority, a groundbreaking solution for businesses. Covering every home and business within 150 miles of our Regional Processing and Distribution Centers (RPDCs), this service will connect to 200 Local Processing Centers (LPCs) for overnight delivery to thousands of Postal Delivery Units. Next Day Priority Highlights: Unparalleled Reach: Will cover every home and business within 150 miles of our RPDCs; Expedited Delivery: Overnight

service to thousands of Postal Delivery Units, ensuring packages reach customers quickly; Broad Coverage: Will reach 87% of the U.S. population (approximately 295 million people) daily; Affordable Rates: Competitive pricing tailored to meet the needs of businesses of all sizes; Customized Solutions: Available through Negotiated Service Agreements (NSAs) to ensure flexible, scalable options; Volume Requirements: Designed for businesses with minimum daily shipping volumes that can meet defined cutoff windows; Perfect for E-commerce: Ideal for retail and online businesses needing fast, reliable, and affordable shipping solutions. USPS Connect: Same-Day and Next-Day Solutions: USPS Connect expands your regional reach with the same reliability and affordability you expect from the Postal Service; 230 Sorting and Delivery Centers (S&DCs) provide affordable same-day and next-day service; New same-day and next-day options tailored for small-to-mid-sized businesses through Negotiated Service Agreements (NSAs); Minimum daily volume: 10 pieces, 10 pounds or less; Pickup options through pre-approved agreements; With USPS Connect, local shippers are empowered to expand like national shippers to operate with local precision – all at highly competitive rates. What's Next? Stay tuned as we unveil more details about how our enhanced regional and national networks can revolutionize your shipping strategy. Discover how USPS can help your business reach farther, deliver faster, and save more. Ready to take the next step? Check out the most compelling offer you will see in the marketplace. Contact your USPS sales representative to explore tailored shipping solutions that work for you. Let's make 2025 your most connected year yet!

January 7, 2025

Postal Service Commitment to Open Communication Amid Strategic Realignments

Throughout the past year, the Postal Service has been implementing a new strategic approach with respect to its contracts with package consolidator companies – ones that consolidate large package volumes at local delivery units and use our Parcel Select offering – including negotiating new agreements. Prior agreements failed to reflect operational and financial realities, the evolving postal network, or the enhancements to our portfolio of product offerings. As a result of our new approach, some businesses negotiated new agreements with us, and some have not. We concluded our negotiations in December 2024. Our Parcel Select product still exists and any business can use it now at our published rates. Throughout this process we have been transparent – both publicly and privately – with business partners, customers and the shipping industry about our intent to either negotiate new agreements or to let prior disadvantageous agreements expire. Communications to affected businesses began in the Spring of 2024 with multiple, follow-on public announcements made through the end of the year. How these aggregating businesses have communicated about these developments to their stakeholders is beyond the control or responsibility of the Postal Service. As the Postal Service continues its strategic evolution, we remain committed to fostering productive relationships across the shipping industry creating a framework that works not just for us but for our customers. We will continue to communicate openly and transparently as we move forward.

January 8, 2024

International Service Resumption Notice – effective January 10, 2024

Effective Friday, January 10, 2024, the Postal Service will resume acceptance of mail destined to the following: Cuba; Vanuatu. This service resumption affects the following mail classes: Priority Mail Express International (PMEI), Priority Mail International (PMI), First-Class Mail International (FCMI), First-Class Package International Service (FCPIS), International Priority Airmail (IPA), and M-Bag items. Please visit our International Service Alerts page for the most up to date information: https://about.usps.com/newsroom/service-alerts/international/?utm_source=residential&utm_medium=link&utm_campaign=res_to_intl.

January 8, 2024

[Untitled]

Due to the impending winter storm impacting the FedEx Memphis operations, Lives (Day Old Poultry and Adult Birds) will be embargoed on the FedEx network. This suspension will be for Thursday 1/9/25 thru Friday 1/10/25. All Lives (Day Old Poultry and Adult Birds) will need to move on alternative transportation (surface or commercial air) to destination. FedEx will resume acceptance on Monday January 13, 2025. Thank you.

January 10, 2025

Destination Entry Packages and Flats to be Redirected from Indianapolis MPA 1 to Indianapolis, IN RPDC

Effective Immediately: Destination Entry Package Service and flats drop shipments 460-462, 465-466, 468, 472-474, 478-479 for SCF discount, will be redirected from the Indianapolis Mail Processing Annex 1 (MPA 1) NASS 462KA to the Indianapolis IN Regional Processing and Distribution Center (RPDC) NASS 462RP. Indianapolis MPA 1 is located at 7451 Tempelhof Drive Ste A, Indianapolis IN, 46241-9531 (Locale Key: 001209, NASS: 462KA) and the Indianapolis IN RPDC is located at 5505 Brookville Rd, Indianapolis IN, 46219-7153 (Locale Key: 020301, NASS: 462RP). The permanent Labeling List changes will be published in the FAST System February 1, 2025, and made effective March 1, 2025. The immediate redirect will be made available using an updated Errata File. The changes will reflect the following: SCF packages and flats redirected from Indianapolis MPA NASS: 462KA to Indianapolis IN RPDC NASS: 462RP effective January 18, 2025. Additionally, the Indianapolis RPDC was inadvertently omitted from the February effective Labeling List L010: Mailers will need to manually add MXD Indianapolis IN RPDC 462 to Labeling List L010. All corrections for both L010 Labeling Lists will be corrected in the February 1st publication of all Labeling Lists, with an effective date of March 1st. For any inquiries or assistance, feel free to reach out to the FAST Help Desk: Email: FAST@usps.gov; Phone: 877-569-6614.



The services of Brann & Isaacson are now available to provide legal advice to subscribers. The firm is the Mailers Hub recommended legal counsel for mail producers on legal issues, including tax, privacy, consumer protection, intellectual property, vendor contracts, and employment matters. As part of their subscription, Mailers Hub subscribers get an annual consultation (up to one hour) from Brann & Isaacson, and a reduced rate for additional legal assistance. The points of contact at Brann & Isaacson are: Martin I. Eisenstein; David Swetnam-Burland; Stacy O. Stitham; Jamie Szal. They can also be reached by phone at (207) 786-3566.

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Calendar

To register for any Mailers Hub webinar, go to MailersHub.com/events

Starting January 9, 2025, Mailers Hub webinars will be at 1pm on **Thursdays**, rather than Tuesdays, to minimize conflicts with other events.

January 14-15 – MTAC Meeting, USPS Headquarters
 January 30 – [Mailers Hub Webinar](#)
 February 20 – [Mailers Hub Webinar](#)
 March 11-12 – MTAC Meeting, USPS Headquarters
 March 13 – [Mailers Hub Webinar](#)
 March 27-30 – MFSA Conference, Grapevine (TX)
 April 3 – [Mailers Hub Webinar](#)
 April 24 – [Mailers Hub Webinar](#)
 April 27-30 – National Postal Forum, Nashville (TN)
 May 15 – [Mailers Hub Webinar](#)
 June 5 – [Mailers Hub Webinar](#)
 June 8-12 – IPMA Conference, Spokane (WA)

June 26 – [Mailers Hub Webinar](#)
 July 17 – [Mailers Hub Webinar](#)
 July 22-23 – MTAC Meeting, USPS Headquarters
 August 7 – [Mailers Hub Webinar](#)
 August 28 – [Mailers Hub Webinar](#)
 September 18 – [Mailers Hub Webinar](#)
 October 7-8 – MTAC Meeting, USPS Headquarters
 October 9 – [Mailers Hub Webinar](#)
 October 22-24 – Printing United, Orlando (FL)
 October 30 – [Mailers Hub Webinar](#)
 November 20 – [Mailers Hub Webinar](#)
 December 11 – [Mailers Hub Webinar](#)

Thanks to Our Supporting Partners



Thanks to Our Partner Associations and APAN Affiliates



USPS FINAL RULE – Labeling List Updates

POSTAL SERVICE

39 CFR Part 111

Labeling List Updates

AGENCY: Postal Service.

ACTION: Final rule.

SUMMARY: The Postal Service is amending *Mailing Standards of the United States Postal Service, Domestic Mail Manual* (DMM) in various sections to eliminate 3 labeling lists (L003, L011, and L801) and redirect those sortations to labeling list L002, L005 or L009, as applicable, to commence the first phase of moving to shape-based labeling lists. Additionally, all language referencing “ADC/RPDC” will be revised to read as “ADC” in support of the ongoing realignment initiatives.

DATES: Effective: January 19, 2025.

FOR FURTHER INFORMATION CONTACT: Dale Kennedy at (202) 268-6592 or Doriane Harley at (202) 268-2537.

SUPPLEMENTARY INFORMATION: Shape-based mail and package processing is a fundamental premise of the Plant/Transportation Network Redesign underway in support of the 10-year Delivering For America plan. Deficiencies in the current labeling list framework offer the opportunity to align external (Commercial) mail preparation and entry as well as internal processing steps with a new shape-based approach to labeling lists.

In various sections, the DMM will continue to reference the AADC sort for labeling list L005 until a later date. Although the container label created using labeling list L005 will reflect SCF destination, mailpieces will receive SCF pricing as per the postage statement, when applicable.

The Postal Service will extend mailers a grace period for compliance with the labeling list changes until April 1, 2025. From April 2 through May 31, 2025, mailers must request an exception from PCSC to use data from the eliminated labeling lists. Files and data for the eliminated labeling lists will no longer be available after 5/31/25.

The Postal Service believes that this change will provide numerous benefits to mailers by deleting redundant lists, aligning existing lists, and synchronizing commercial mail preparation and entry with the opening of new USPS processing/entry points (with fewer errors and re-work).

The Postal Service adopts the described changes to *Mailing Standards of the United States Postal Service, Domestic Mail Manual* (DMM), incorporated by reference in the *Code of Federal Regulations*.

We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Accordingly, the Postal Service amends *Mailing Standards of the United States Postal Service, Domestic Mail Manual* (DMM), incorporated by reference in the *Code of Federal Regulations* as follows (see 39 CFR 111.1):

PART 111 – [AMENDED]

1. The authority citation for 39 CFR part 111 continues to read as follows:

Authority: 5 USC 552(a); 13 USC 301-307; 18 USC 1692-1737; 39 USC 101, 401-404, 414, 416, 3001-3018, 3201-3220, 3401-3406, 3621, 3622, 3626, 3629, 3631-3633, 3641, 3681-3685, and 5001.

2. Revise the *Mailing Standards of the United States Postal Service, Domestic Mail Manual* (DMM) as follows:

***Mailing Standards of the United States Postal Service, Domestic Mail Manual* (DMM)**

* * * * *

200 Commercial Letters, Cards, Flats, and Parcels

* * * * *

203 Basic Postage Statement, Documentation, and Preparation Standards

* * * * *

3.0 Standardized Documentation for First-Class Mail, Periodicals, USPS Marketing Mail, and Flat-Size Bound Printed Matter

* * * * *

3.2 Format and Content

* * * * *

d. For bundles on pallets, list these required elements:

* * * * *

[Revise the second and third sentences of item 3.2d(4) to read as follows:]

4. * * * Document sectional center facility/local processing center (SCF/LPC), area distribution center (ADC), or network distribution center/regional processing and distribution center (NDC/RPDC) pallets created as a result of bundle reallocation under 705.8.11, 705.8.12, or 705.8.13 by designating the protected pallet with an identifier of “PSCF” (for an SCF/LPC pallet), “PADC” (for an ADC pallet), or “PBMC” (for a NDC/RPDC pallet). * * *

* * * * *

USPS FINAL RULE – Labeling List Updates

3.3 Price Level Column Headings

- b. Presorted First-Class Mail, barcoded and nonbarcoded Periodicals flats, nonbarcoded Periodicals letters, and machinable, nonmachinable and nonstandard USPS Marketing Mail:

PRICE ABBREVIATION

[Revise the paragraph beginning with ADC/RPDC to read as follows:]

ADC [USPS Marketing Mail nonmachinable letters, flats, and nonstandard parcels, and all Periodicals] AD

3.6.3 Entry Abbreviations

Use the price name or the authorized entry abbreviation in the listings in 3.0 and 207.17.4.2:

ZONE ABBREVIATION RATE EQUIVALENT

[Revise the paragraph beginning with ADC/RPDC to read as follows:]

ADC Outside-County, DADC

3.7 Bundle and Container Reports for Outside-County Periodicals Mail

3.7.2 Outside-County Container Report

The container report must contain, at a minimum, the following elements:

[Revise text of item 3.7.2(d) to read as follows:]

- d. Container entry level (origin, destination delivery unit/sorting and delivery center [DDU/S&DC], destination sectional center facility/local processing center [DSCF/LPC] (letters/flats), destination sectional center facility/regional processing and distribution center [DSCF/RPDC] (parcels), destination area distribution center [DADC], or destination network distribution center/regional processing and distribution center [DNDC/RPDC]).

5.0 Letter and Flat Trays

5.6 Use of Flat Trays

5.6.2 Preparation for Flats in Flat Trays

All flat tray preparation is subject to these standards:

[Revise items 5.6.2(h) and (i) to read as follows:]

- h. Pieces prepared as automation flats under the tray-based preparation option in 235.8.0 do not have to be grouped by 3-digit ZIP Code prefix in ADC trays or by ADC in mixed ADC trays if the mailing is prepared using an MLOCR/barcode sorter and standardized documentation is submitted.
- i. When pieces in a Periodicals mailing remain after one or more full trays are prepared for a 5-digit scheme, 5-digit, 3-digit, SCF/LPC, or ADC destination, an additional tray to the destination must be prepared if the remaining pieces reach the required volume. If the remaining volume is below the required minimum, the pieces must be moved to the next tray level that meets the minimum volume.

7.0 Optional Endorsement Lines (OELs)

7.2 OEL Format

7.2.5 ZIP Code Information

USPS FINAL RULE – Labeling List Updates

Exhibit 7.2.5 OEL Labeling Lists

[Revise Exhibit 7.2.5 to read as follows:]

PROCESSING CATEGORY AND PRESORT TYPE	ADC/AADC	MIXED ADC/MIXED AADC
First-Class Mail		
Letters, nonmachinable	L004	L201, Column C
Letters, machinable	L005	L201, Column C
Letters, automation	L005	L201, Column C
Flats, nonautomation	L004	L201, Column C
Flats, automation	L004	L201, Column C
Periodicals ¹		
Letters, nonbarcoded (nonautomation)	L004	L009
Letters, barcoded (automation)	L005	L009 ²
Flats, nonbarcoded	L004	L201, L009
Flats, barcoded	L004	L201, L009
Irregular parcels	L004	L201, L009
USPS Marketing Mail ¹		
Letters, nonmachinable	L004	L009 ²
Letters, machinable	L005	L009 ²
Letters, automation	L005	L009 ²
Flats, nonautomation	L004	L009
Flats, automation	L004	L009
Bound Printed Matter ¹		
Flats, nonbarcoded	L004	L009
Flats, barcoded	L004	L009
Irregular parcels	L004	L009
Media Mail		
Flats, nonautomation	L004	L009
Irregular parcels	L004	L004 ²
Library Mail		
Flats, nonautomation	L004	L009
Irregular parcels	L004	L004 ²
¹ For automation-compatible flats, label according to L007 for optional 5-digit scheme preparation. ² L010 if mail entered by mailer at a destination ASF/RPDC or NDC/RPDC or for mail placed on an ASF/RPDC or NDC/RPDC pallet under 705.8.0.		

207 Periodicals

18.0 General Mail Preparation

18.3 Presort Terms

Terms used for presort levels are defined as follows:

[Revise the text of 18.3(m) to read as follows:]

m. 3-digit scheme letters: the ZIP Code in the delivery address on all pieces begins with one of the 3-digit prefixes processed by the USPS as one scheme, as shown in L002 column B (records with S).

[Revise the text of 18.3(r) to read as follows:]

r. ADC/AADC: all pieces are addressed for delivery in the service area of the same area distribution center (ADC) or automated area distribution center (AADC) (see L004 or L005).

18.4 Mail Preparation Terms

For purposes of preparing mail:

[Revise the first sentence of 18.4(p) to read as follows:]

p. A 3-digit scheme sort for letters yields 3-digit scheme trays for those 3-digit ZIP Code prefixes listed in L002 column B (records with S) and 3-digit trays for other areas.***

USPS FINAL RULE – Labeling List Updates

aa. Machinable flats are:

[Revise the text of item 18.4.aa(1) to read as follows:]

1. Flat-size pieces meeting the standards in 201.6.0 that are sorted into 5-digit, 3-digit, ADC, and mixed ADC bundles. These pieces are compatible with processing on the AFSM 100.

* * * * *

22.0 Preparing Nonbarcoded (Presorted) Periodicals

* * * * *

22.5 Letter Tray Preparation--Letter-Size Pieces

Preparation sequence, tray size, and labeling:

* * * * *

[Revise item 22.5(d)(1) to read as follows:]

- d. Mixed ADC: required (no minimum).

1. Line 1: Use L009, Column B.* * *

* * * * *

22.6 Sack Preparation

* * * * *

[Revise the first paragraph of item 22.6(e) to read as follows:]

- e. ADC, required at 72 pieces, optional at 24 pieces minimum.* * *

* * * * *

22.7 Tray Preparation--Flat-Size Nonbarcoded Pieces

* * * * *

[Revise the first paragraph of item 22.7(f) to read as follows:]

- f. ADC, required at 72 pieces, optional at 24 pieces minimum.* * *

* * * * *

24.0 Preparing Letter-Size Barcoded (Automation) Periodicals

* * * * *

24.2 Additional Standards

24.2.1 Preparing Barcoded Price Letters

Tray size, preparation sequence, and Line 1 labeling:

* * * * *

[Revise items 24.2.1(c) and (d) to read as follows:]

- c. AADC: required (150-piece minimum); overflow allowed; group pieces by 3-digit ZIP Code prefix (or 3-digit/scheme if applicable); for Line 1, use L005, Column B.

- d. Mixed AADC: required (no minimum); group pieces by AADC; for Line 1, use L009, Column B.

* * * * *

25.0 Preparing Flat-Size Barcoded (Automation) Periodicals

25.1 Basic Standards

* * * * *

25.1.7 Exception--Barcoded and Nonbarcoded Flats on Pallets

* * * * *

[Revise the second sentence of item 25.1.7(c) to read as follows:]

- c. * * * The nonbarcoded price pieces that cannot be placed on ADC or finer pallets may be prepared as flats in flat trays and paid for at nonbarcoded prices.

* * * * *

25.4 Sacking and Labeling

* * * * *

[Revise the first paragraph of item 25.4(e) to read as follows:]

- e. ADC, required at 72 pieces, optional at 24 pieces; fewer pieces not permitted; labeling: * * *

* * * * *

25.5 Tray Preparation--Flat-Size Barcoded Pieces

* * * * *

[Revise the first paragraph of item 25.5(f) to read as follows:]

- f. ADC (required), 72-piece minimum, optional at 24 pieces, fewer pieces not permitted, no overflow tray allowed; labeling: * * *

* * * * *

29.0 Destination Entry

* * * * *

USPS FINAL RULE – Labeling List Updates

29.2 Destination Network Distribution Center/Regional Processing and Distribution Center

* * * * *

29.2.2 Price Eligibility

DNDC container prices apply as follows:

[Revise item 29.2.2(a) to read as follows:]

- a. Pieces must be prepared in bundles or in sacks or trays on ADC or more finely presorted pallets under 705.8.0.

* * * * *

29.3 Destination Area Distribution Center

* * * * *

29.3.2 Price Eligibility

The following apply:

- a. Determine price eligibility for pound prices as follows:

1. Outside-County pieces are eligible for DADC pound prices when:

[Revise items 29.3.2.a1(a) and 29.3.2.a1(b) to read as follows:]

- (a) Placed on an ADC or more finely presorted container;
 - (b) Deposited at an ADC (or USPS-designated facility); and * * *

[Revise items 29.3.2(b) to read as follows:]

- b. Pieces must be prepared in bundles or in sacks or trays on ADC or more finely presorted pallets under 705.8.0.

* * * * *

235 Mail Preparation

1.0 General Definition of Terms

* * * * *

1.3 Terms for Presort Levels

1.3.1 Letters and Cards

Terms used for presort levels are defined as follows:

* * * * *

[Delete item (e) and renumber items (f) through (k) as (e) through (j):]

* * * * *

[Revise the text of newly renumbered item 1.3.1(g) to read as follows:]

- g. ADC/AADC: all pieces are addressed for delivery in the service area of the same area distribution center (ADC) or automated area distribution center (AADC) (see L004 or L005).

* * * * *

1.3.2 Flats

Terms used for presort levels are defined as follows:

[Revise item 1.3.2(e) to read as follows:]

- e. Mixed ADC: The pieces are for delivery in the service area of more than one ADC.

1.4 Preparation Definitions and Instructions

For purposes of preparing mail:

* * * * *

[Delete item (g) and renumber items (h) through (p) as (g) through (o):]

* * * * *

[Revise the text of newly renumbered item 1.4(g) to read as follows:]

- g. An origin 3-digit tray contains all mail (regardless of quantity) for a 3-digit ZIP Code area processed by the SCF/LPC in whose service area the mail is verified. If more than one 3-digit area is served, as shown in L005, a separate tray must be prepared for each. A tray may be prepared for each 3-digit area served by the SCF/LPC/plant where mail is entered (if that differs from the SCF/LPC/plant serving the Post Office where the mail is verified). In all cases, only one less-than-full tray may be prepared for each 3-digit area.

* * * * *

5.0 Preparing Nonautomation Machinable Letters

* * * * *

5.2 Machinable Preparation

* * * * *

5.2.2 Traying and Labeling

Preparation sequence, tray size, and labeling:

- a. AADC origin trays required, with pieces grouped by 3-digit ZIP Code prefix; no minimum piece requirement; one less-than-full tray permitted; labeling:

USPS FINAL RULE – Labeling List Updates

[Revise item 5.2.2(a)(1) to read as follows:]

1. Line 1: L005. * * *

b. AADC (required); full trays (no overflow), with pieces grouped by 3-digit ZIP Code prefix; labeling:

[Revise item 5.2.2(b)(1) to read as follows:]

a. Line 1: L005. * * *

* * * * *

6.0 Preparing Automation Letters

* * * * *

6.5 Tray Preparation

* * * * *

[Revise the text of item 6.5(b) to read as follows:]

b. AADC: optional, but required for AADC price (150-piece minimum except no minimum for origin entry AADC); overflow allowed; group pieces by 3-digit ZIP Code. For Line 1, use L005, Column B.

* * * * *

8.0 Preparation of Automation Flats

* * * * *

8.6 First-Class Mail Optional Tray-Based Preparation

Tray size, preparation sequence, and Line 1 labeling:

* * * * *

[Revise the second sentence of item 8.6(d) to read as follows:]

d. * * * (ZIP Code prefixes in Column A must be combined and labeled to the corresponding ADC destination shown in Column B). * * *

* * * * *

240 Commercial Mail USPS Marketing Mail

243 Prices and Eligibility

* * * * *

5.0 Additional Eligibility Standards for Nonautomation USPS Marketing Mail Letters, Flats, and Presorted USPS Marketing Mail Parcels

* * * * *

5.6 Nonautomation Price Application--Flats

* * * * *

5.6.5 ADC Prices for Flats

ADC prices apply to flat-size pieces:

[Revise item 5.6.5(a) to read as follows:]

a. In a 5-digit/scheme, 3-digit/scheme, or ADC bundle of 10 or more pieces properly placed in an ADC flat tray (see 245.1.4).

* * * * *

[Revise item 5.6.5(c) to read as follows:]

c. When palletized under 705.8.0 and 705.10.0 through 705.13.0, in an ADC bundle of 10 or more pieces; properly placed on an ADC pallet.

* * * * *

245 Mail Preparation

1.0 General Information for Mail Preparation

* * * * *

1.3 Terms for Presort Levels

1.3.1 Letters

Terms used for presort levels are defined as follows:

* * * * *

[Revise item 1.3.1(e) to read as follows:]

e. Origin/entry AADC: the ZIP Code in the delivery address on all pieces is addressed for delivery service area of the same automated area distribution center (AADC) (see L005).

* * * * *

[Revise item 1.3.1(i) to read as follows:]

i. ADC/AADC: all pieces are addressed for delivery in the service area of the same area distribution center (ADC) or automated area distribution center (AADC) (see L004 or L005).

* * * * *

USPS FINAL RULE – Labeling List Updates

1.3.2 Flats

Terms used for presort levels are defined as follows:

* * * * *

[Revise item 1.3.2(p) to read as follows:]

p. Mixed ADC: the pieces are for delivery in the service area of more than one ADC.

* * * * *

1.4 Preparation Definitions and Instructions

For purposes of preparing mail:

* * * * *

[Delete item (p) and renumber items (q) through (z) as (p) through (y):]

* * * * *

5.0 Preparing Nonautomation Letters

* * * * *

5.3 Machinable Preparation

* * * * *

5.3.2 Traying and Labeling

* * * * *

[Revise item 5.3.2(a)(1) to read as follows:]

a. AADC Origin Tray (optional, no minimum); labeling:

1. Line 1: L005, Column B. * * *

[Revise item 5.3.2(b)(1) to read as follows:]

b. AADC (optional, but required for AADC price); 150-piece minimum (overflow allowed); group pieces by AADC when overflow pieces from AADC trays are placed in mixed AADC trays; labeling:

1. Line 1: L005, Column B. * * *

[Revise item 5.3.2(c)(1) to read as follows:]

c. Mixed AADC (required); no minimum; labeling:

1. Line 1: L009, Column B. Use L010, Column B, if entered at an ASF/NDC/RDPC or for mail placed on an ASF/NDC/RDPC, or SCF/LPC pallet under the option in 705.8.10.3. * * *

* * * * *

5.4 Nonmachinable Preparation

* * * * *

5.4.2 Traying and Labeling

* * * * *

[Revise item 5.4.2(d)(1) to read as follows:]

d. Mixed ADC (required); no minimum; labeling:

1. Line 1: L009, Column B. Use L010, Column B, if entered at an ASF/NDC/RDPC or for mail placed on an ASF/NDC/RDPC, or SCF/LPC pallet under the option in 705.8.10.3. * * *

* * * * *

5.5 Residual Pieces

* * * * *

[Revise item 5.5(a) to read as follows:]

a. Line 1: Use L009, Column B. * * *

* * * * *

7.0 Preparing Automation Letters

* * * * *

7.5 Tray Preparation

* * * * *

[Revise the last sentence of 7.5(b) to read as follows:]

b. * * * For Line 1, use L005, Column B.

[Revise the second sentence of 7.5(c) to read as follows:]

c. * * * For Line 1 labeling: use L009, Column B. * * *

* * * * *

8.0 Preparing Nonautomation Flats

* * * * *

8.3 Bundling and Labeling

* * * * *

USPS FINAL RULE – Labeling List Updates

[Revise the text of items (c) and (d) to read as follows:]

c. 3-digit scheme (required for flats meeting the automation-compatibility standards in 201.6.0), see definition in 1.4p; 10-piece minimum; green Label 3 SCH, or OEL.

d. 3-digit (required), see definition in 1.4p; 10-piece minimum; green Label 3 or OEL.

266 Enter and Deposit

4.0 Destination Network Distribution Center (DNDC)/Regional Processing and Distribution Center (DRPDC) Entry

4.5 Presorted Nonstandard Parcels

[Revise the second sentence of 4.5 to read as follows:]

*** All pieces in an ADC sack or in a palletized ADC bundle are eligible for the DNDC price if the ADC facility ZIP Code (as shown in Line 1 of the corresponding sack label or the ADC facility that is the destination of the palletized ADC bundle as would be shown on an ADC sack label for that facility using L004, Column B) is within the service area of the NDC/RPDC where the sack is deposited. ***

5.0 Destination Sectional Center Facility (DSCF)/Local Processing Center (LPC) Entry

5.1 Eligibility

Bound Printed Matter pieces in a mailing meeting the standards in 3.0 are eligible for the DSCF price when they meet all of the following additional conditions:

[Revise the last sentence of 5.1(c) to read as follows:]

c. *** This includes sacks labeled to an ADC facility with the exact same service area as the DSCF/LPC/RPDC.

275 Mail Preparation

6.0 Preparing Media Mail and Library Mail Parcels

6.3 Preparing Nonstandard Parcels

6.3.4 Sacking and Labeling

Preparation sequence and labeling:

d. Mixed ADC: required (no minimum).

[Revise 6.3.4(1) to read as follows:]

1. Line 1: Use “MXD” followed by city, state, and ZIP Code of ADC serving 3-digit ZIP Code prefix of entry Post Office, as shown in L004. If placed on an ASF/NDC/RPDC pallet under option in 705.8.10.5, use L010. ***

705 Advanced Preparation and Special Postage Payment Systems

8.0 Preparing Pallets

8.5 General Preparation

8.5.1 Presort

The following apply:

[Revise items 8.5.1(d) through (f) to read as follows:]

d. For sacks, trays, or machinable parcels on pallets, the mailer must prepare all required pallet levels before any mixed ADC or mixed NDC/RPDC pallets are prepared for a mailing or job.

e. Except as described in 15.1.3f, bundles must not be placed on mixed ADC or mixed NDC/RPDC pallets. Bundles that cannot be placed on pallets must be prepared in sacks under the standards for the price claimed.

f. The standards for bundle reallocation to protect the SCF/LPC (sectional center facility/local processing center) (letters, flats)/RPDC (parcels), ADC, or NDC/RPDC pallet (8.11, 8.13, and 8.14) are optional methods of pallet preparation designed to retain as much mail as possible at the SCF/LPC (letters, flats)/RPDC (parcels), ADC, or NDC/RPDC level.

8.5.2 Required Preparation

The following standards apply to Periodicals, USPS Marketing Mail, Parcel Select, and Package Services, except Parcel Select mailed at DSCF and DDU prices:

USPS FINAL RULE – Labeling List Updates

[Revise items 8.5.2(b) and (c) to read as follows:]

- b. For bundles of flat-size mailpieces or bundles of nonstandard parcels on pallets, after preparing all possible pallets under 8.5.2a, when 250 or more pounds of bundles remain for an ADC (Periodicals) or for an NDC/ASF/RPDC (USPS Marketing Mail, Parcel Select, and Package Services), mailers must prepare the ADC/RPDC or NDC/ASF/RPDC pallet, as applicable for the class of mail. Exception: If no ADC or NDC/ASF/RPDC pallets are in a mailing and 250 or more pounds remain for an SCF/LPC (letters, flats)/RPDC (parcels), mailers must prepare the SCF/LPC (letters, flats)/RPDC (parcels) pallet.
- c. Bundles that cannot be placed on an ADC, NDC/ASF/RPDC, or SCF/LPC (letters, flats)/RPDC (parcels) pallet may be placed on mixed ADC pallets if allowed by the specific standards for the class and shape of mail, or be placed in sacks or flat trays (when applicable) (see 8.9.1).

8.5.3 Minimum Load

The following minimum load standards apply to mail prepared on pallets:

- 4. A pallet may contain a minimum of 100 pounds of nonletter-size mail or 12 linear feet of letter trays if it is:

[Revise 8.5.3(4b) to read as follows:]

- (b) An ADC pallet entered at the destination ADC;

[Revise 8.5.3(4d) to read as follows:]

- (d) The only pallet entered at an individual destination NDC/RPDC or ASF/RPDC, ADC, or SCF/LPC (letters, flats)/RPDC (parcels) facility.

8.6 Pallet Labels

8.6.4 Line 1 (Destination Line)

Line 1 (destination line) must meet these standards:

[Revise the first sentence of 8.6.4(b) to read as follows:]

- b. Information. Line 1 must contain only the information specified by standard, including the appropriate destination facility prefix (e.g., “ADC”). ***

8.6.10 Pallet Bundle Information

[Revise 8.6.10 to read as follows:]

It is recommended that mailers preparing bundles on pallets add to the pallet label, below the office of mailing or mailer information line and according to the provisions of 8.6.8, additional information listing the number of bundles for each bundle sortation and price level on the pallet (i.e., the number of carrier route bundles, the number of 5-digit, 3-digit, and ADC automation price bundles, and the number of 5-digit, 3-digit, and ADC Presorted price bundles on each pallet).

8.10 Pallet Presort and Labeling

8.10.1 First-Class Mail--Letter Trays or Flat Trays

[Revise the third and fourth sentences of 8.10.1(b) to read as follows:]

- b. Origin SCF/LPC (local mail). Required; no minimum. Pallets contain trays destined for the 3-digit ZIP Codes serviced by the origin SCF/LPC facility in L005; all MXD AADC and MXD ADC trays. Mailers may place AADC or ADC trays on origin SCF/LPC pallets when the tray's “label to” 3-digit ZIP Code (L005 for AADC trays and L004 for ADC trays) is within the origin SCF/LPC's service area; and must place trays containing pieces paid at the single-piece price on origin SCF/LPC pallets, unless required to be presented separately by special postage payment authorization or customer service agreement (CSA). ***

[Revise the fifth sentence of item 8.10.1(c) to read as follows:]

- c. *** Mailers may, at their option, place AADC or ADC trays on SCF/LPC pallets when the tray's “label to” 3-digit ZIP Code (L005 for AADC trays and L004 for ADC) is within that SCF/LPC's service area. ***

[Revise the fourth sentence of item 8.10.1(d) to read as follows:]

- d. *** Pallet may contain letter trays only for the 3-digit ZIP Code group in L005. ***

[Revise item 8.10.1(d)(1) to read as follows:]

- 1. Line 1: L005, Column B. ***

[Revise the first sentence of item 8.10.1(e) to read as follows:]

- e. ADC. ***

USPS FINAL RULE – Labeling List Updates

[Revise the introductory text of 8.10.1(g) to read as follows:]

g. Mixed ADC Air (all other). Required; no minimum. May contain surface trays when no mixed ADC surface container is prepared under 8.10.1f. Labeling:

8.10.2 Periodicals--Bundles, Sacks, Letter or Flat Trays

[Revise the third sentence of 8.10.2(h) to read as follows:]

h. *** Mailers may place origin mixed ADC (OMX) sacks (nonstandard parcels only) or flat trays on origin SCF/LPC (letters, flats)/RPDC (parcels) pallets. ***

[Revise the first sentence of 8.10.2(i) to read as follows:]

i. ADC, required, permitted for bundles, trays, and sacks (nonstandard parcels only). ***

[Revise the first sentence of 8.10.2(j) to read as follows:]

j. Origin Mixed ADC (OMX), optional for sacks and trays; allowed with no minimum and required at 100 pounds of mail for bundles of flats. ***

[Revise the first and fourth sentence of 8.10.2(k) to read as follows:]

k. Mixed ADC, optional for sacks and trays; allowed with no minimum and required at 100 pounds of mail for bundles of flats. *** Pallets must not contain sacks, trays or bundles that should be properly placed on the origin mixed ADC (OMX) pallet. ***

8.10.3 USPS Marketing Mail--Bundles, Sacks, or Trays

[Revise the third and fourth sentences of item 8.10.3(f) to read as follows:]

f. *** Mailers may, at their option, place AADC trays on SCF/LPC (letters, flats)/RPDC (parcels) pallets when the tray's "label to" 3-digit ZIP Code (L005) is within that SCF's/LPC's (letters, flats)/RPDC's (parcels) service area. Mailers may also, at their option, place mixed ADC or mixed AADC trays, labeled per L010, on an SCF/LPC pallet entered at the SCF/LPC facility responsible for processing mixed ADC or mixed AADC trays for that NDC/ASF/RPDC facility. ***

[Revise the third through sixth sentences of item 8.10.3(g) to read as follows:]

g. *** ADC bundles, sacks, or trays are assigned to pallets according to the "label to" ZIP Code in L004 as appropriate. AADC trays are assigned to pallets according to the "label to" ZIP Code in L005. At the mailer's option, appropriate mixed ADC bundles and trays of flats--and mixed ADC and mixed AADC trays of letters--may be sorted to ASF/RPDC pallets according to the "label to" ZIP Code in L010. All mixed ADC bundles, sacks, and trays and mixed AADC trays must contain only pieces destinating within the ASF/RPDC as shown in L602. ***

[Revise the third through sixth sentences of item 8.10.3(h) to read as follows:]

h. *** ADC bundles, sacks, or trays are assigned to pallets according to the "label to" ZIP Code in L004 as appropriate. AADC trays are assigned to pallets according to the "label to" ZIP Code in L005. At the mailer's option, appropriate mixed ADC bundles and trays of flats, and mixed ADC trays and mixed AADC trays of letters, may be sorted to NDC/RPDC pallets according to the "label to" ZIP Code in L010. All mixed ADC bundles, sacks, and trays and mixed AADC trays must contain only pieces destinating within the NDC/RPDC as shown in L601 as appropriate. ***

8.10.4 Package Services Flats--Bundles and Sacks

[Revise the third through fifth sentences of 8.10.4(f) to read as follows:]

f. *** ADC bundles or sacks are assigned to pallets according to the "label to" ZIP Code in L004. At the mailer's option, appropriate mixed ADC bundles or sacks may be sorted to ASF/RPDC pallets according to the "label to" ZIP Code in L010. All mixed ADC bundles and sacks must contain only pieces destinating within the ASF/RPDC as shown in L602. ***

[Revise the third through fifth sentences of 8.10.4(g) to read as follows:]

g. *** ADC bundles or sacks are assigned to pallets according to the "label to" ZIP Code in L004. At the mailer's option, appropriate mixed ADC bundles or sacks may be sorted to NDC/RPDC pallets according to the "label to" ZIP Code in L010. All mixed ADC bundles and sacks must contain only pieces destinating within the NDC/RPDC as shown in L601. ***

8.10.5 Package Services Nonstandard Parcels--Bundles and Sacks

USPS FINAL RULE – Labeling List Updates

[Revise the third through fifth sentences of 8.10.5(i) to read as follows:]

- i. * * * ADC bundles or sacks are assigned to pallets according to the “label to” ZIP Code in L004. At the mailer's option, appropriate mixed ADC bundles or sacks may be sorted to ASF/RPDC pallets according to the “label to” ZIP Code in L010. All mixed ADC bundles and sacks must contain only pieces destinating within the ASF/RPDC as shown in L602. * * *

[Revise the third through fifth sentences of 8.10.5(j) to read as follows:]

- j. * * * ADC (L004) bundles or sacks are assigned to pallets according to the “label to” ZIP Code in L004. At the mailer's option, appropriate mixed ADC bundles or sacks may be sorted to NDC/RPDC pallets according to the “label to” ZIP Code in L010. All mixed ADC bundles and sacks must contain only pieces destinating within the NDC/RPDC as shown in L601. * * *

8.11 Bundle Reallocation To Protect SCF/LPC/RPDC Pallet for Periodicals Flats and Nonstandard Parcels and USPS Marketing Mail Flats on Pallets

8.11.3 Reallocation of Bundles if Optional 3-Digit Pallets Are Prepared

[Revise the last sentence of 8.11.3(d) to read as follows:]

- d. * * * Mail that falls beyond the SCF/RPDC pallet level must be placed on the next appropriate pallet (ADC, ASF/RPDC, NDC/RPDC or MNDC/MRPDC) or in the next appropriate sack (nonstandard parcels) or flat tray.

8.11.4 Reallocating of Bundles if Optional 3-Digit Pallets Are Not Prepared

[Revise the last sentence of 8.11.4(b) to read as follows:]

- b. * * * Mail that falls beyond the SCF/RPDC pallet level must be placed on the next appropriate pallet (ADC, ASF/RPDC, NDC/RPDC, or MNDC/MRPDC) or in the next appropriate sack (nonstandard parcels) or flat tray.

[Revise the heading of 8.12 to read as follows:]

8.12 Bundle Reallocation To Protect ADC Pallet for Periodicals Flats and Nonstandard Parcels on Pallets

8.12.1 Basic Standards

The following apply:

[Revise items 8.12.1(a) through (c) to read as follows:]

- a. Bundle reallocation to protect the ADC pallet is an optional preparation method authorized for mailers using PAVE-certified presort software and may be used to create pallets under the standards in 8.12.2 and 8.12.3. Presort software determines if mail for an ADC service area falls beyond the ADC level if all finer level pallets are prepared.
- b. Reallocation is performed only when there is mail for the ADC service area that falls beyond the ADC pallet level (e.g., to sacks or flat trays).
- c. Reallocate only the minimum number of bundles necessary to create an ADC pallet at the minimum required weight.

8.12.2 General Rules

Reallocation rules are as follows:

[Revise 8.12.2(a) to read as follows:]

- a. Bundle preparation is not affected by the reallocation process. Reallocate only complete bundles and only the minimum number of bundles necessary to create an ADC pallet meeting the minimum pallet weight. Based on the weight of individual pieces within a bundle and bundling parameters, the weight of mail that is reallocated may be slightly more than the minimum volume required to create an ADC pallet.

[Revise the first sentence of 8.12.2(b) to read as follows:]

- b. Reallocate only bundles of an SCF/LPC (letters, flats)/RPDC (parcels) pallet from the same city and state as the ADC (L005, Column B). * * *

8.16 Copalletized Letter-Size and Flat-Size Pieces--Periodicals or USPS Marketing Mail

8.16.2 Periodicals

[Revise 8.16.2c(4) to read as follows:]

4. Documentation showing that 5-digit, 3-digit, SCF/LPC, and ADC pallets are prepared when the applicable minimum volume is developed in the copalletized mailing for these destinations.

USPS FINAL RULE – Labeling List Updates

9.0 Combining Bundles of Automation and Nonautomation Flats in Flat Trays and Sacks

9.1.4 Tray Preparation and Labeling

[Revise the introductory paragraph of 9.1.4(d) to read as follows:]

d. ADC, required, full trays only (no overflow trays); use L004 to determine ZIP Codes served by each ADC; labeling: ***

9.3 USPS Marketing Mail

9.3.5 Flat Tray/Sack Preparation and Labeling

[Revise the introductory paragraph of 9.3.5(d) to read as follows:]

d. ADC, required, full tray/125-piece/15-pound minimum; use L004 to determine ZIP Codes served by each ADC; labeling: ***

10.0 Merging Bundles of Flats Using the City State Product

10.1.5 Pallet Preparation and Labeling

g. SCF/LPC through mixed ADC, use 8.10.2h through 8.10.2k, as applicable, to prepare and label the following pallet levels:

[Revise 10.1.5g(2) to read as follows:]

2. ADC;

10.2 USPS Marketing Mail

10.2.5 Pallet Preparation and Labeling

[Revise the third and fourth sentences of 10.2.5(h) to read as follows:]

h. *** ADC bundles must be sorted to ASF/RPDC pallets based on the “label to” ZIP Code for the ADC destination of the bundle in L004. At the mailer's option, appropriate mixed ADC bundles must be sorted to ASF/RPDC pallets based on the “label to” ZIP Code for the ADC destination of the bundle in L010. ***

12.0 Merging Bundles of Flats on Pallets Using a 5 Percent Threshold

12.1 Periodicals

12.1.5 Pallet Preparation and Labeling

[Revise item 12.1.5(h) to read as follows:]

h. SCF/LPC through mixed ADC, use 8.10.2h through 8.10.2k, as applicable, to prepare and label SCF/LPC, ADC, Origin Mixed ADC (OMX) and mixed ADC pallet levels.

12.2 USPS Marketing Mail

12.2.3 Pallet Preparation and Labeling

[Revise the third and fourth sentences of 12.2.3(h) to read as follows:]

h. ADC bundles must be sorted to ASF/RPDC pallets based on the “label to” ZIP Code for the ADC destination of the bundle in L004. At the mailer's option, appropriate mixed ADC bundles must be sorted to ASF/RPDC pallets based on the “label to” ZIP Code for the ADC destination of the bundle in L010.

[Revise the third sentence of 12.2.3(i) to read as follows:]

i. *** At the mailer's option, appropriate mixed ADC bundles must be sorted to NDC/RPDC pallets based on the “label to” ZIP Code for the ADC destination of the bundle in L010. ***

13.0 Merging Bundles of Flats on Pallets Using the City State Product and a 5-Percent Threshold

13.1 Periodicals

13.1.5 Pallet Preparation and Labeling

USPS FINAL RULE – Labeling List Updates

h. SCF/LPC through mixed ADC, use 8.10.2h through 8.10.2k, as applicable, to prepare and label the following pallet levels:
[Revise item 13.1.5h(2) to read as follows:]

a. ADC;

* * * * *

15.0 Combining USPS Marketing Mail Flats, Bound Printed Matter Flats, and Periodicals Flats

15.1 Basic Standards

* * * * *

15.1.10 Other Periodicals Pricing

[Revise items 15.1.10(a) through (c) to read as follows:]

a. The bundle prices applicable to the ADC container level will be applied to the ASF/NDC/RPDC container levels.

b. The container prices applicable to the ADC pallet level will apply to the ASF/NDC/RPDC pallet levels.

c. The bundle price applicable to the ADC bundle placed on the ADC container level will apply to mixed ADC bundles placed on mixed NDC pallets.

* * * * *

16.0 Plant-Load Mailings

* * * * *

16.7 Interdistrict Plant-Loaded Shipments

* * * * *

16.7.2 First-Class Mail

[Revise item 16.7.2(b) to read as follows:]

b. After making up all possible SCF/LPC vehicles, if there is enough mail for the same ADC service area to fill 60 percent or more of a vehicle by weight or by cube, the mailer must prepare a direct vehicle for that ADC.

16.7.3 Periodicals

* * * * *

[Revise items 16.7.2(b) and (c) to read as follows:]

b. After loading all possible SCF/LPC (letters, flats)/RPDC (parcels) vehicles, if there is enough mail for the same ADC service area to fill 60 percent or more of a vehicle by weight or by cube, the mailer must prepare a direct vehicle for that ADC.

c. After loading all possible SCF/LPC (letters, flats)/RPDC (parcels) and ADC vehicles, if there is enough mail for the same transfer hub service area to fill 60 percent or more of a vehicle by weight or by cube, the mailer must prepare a direct vehicle for that transfer hub.

* * * * *

16.7.7 Sufficient Volume

* * * * *

[Revise item 16.7.7(a) to read as follows:]

a. For First-Class Mail, if there is enough mail for the same ADC service area to fill 60 percent or more of a vehicle by weight or by cube, the mailer must prepare a direct vehicle for the ADC.

* * * * *

18.0 Priority Mail Express Open and Distribute and Priority Mail Open and Distribute

* * * * *

18.5 Preparation

* * * * *

18.5.2 Priority Mail Express and Priority Mail Tray and Sack Labels

[Revise item 18.5.2a(3) to read as follows:]

3. For ADC distribution, use the destination in L004, Column B.

* * * * *

18.5.3 Tags 257 and 267--Priority Mail Express Open and Distribute

[Revise item 18.5.3a to read as follows:]

a. Attach yellow Tag 267 or yellow Tag 267-EVS to sacks used as Priority Mail Express Open and Distribute containers destined to a NDC/RPDC, ASF/RPDC, ADC, or SCF/RPDC facility.

* * * * *

18.5.4 Tags 161 and 190--Priority Mail Open and Distribute

[Revise item 18.5.4a to read as follows:]

a. Attach green Tag 161 or green Tag 161-EVS to sacks used as Priority Mail Open and Distribute containers to a NDC/RPDC, ASF/RPDC, ADC, or SCF/RPDC facility.

* * * * *

USPS FINAL RULE – Labeling List Updates

[Revise the heading of 18.5.10 to read as follows:]

18.5.10 ADC Address Labels

[Revise the text of 18.5.10 to read as follows:]

For the ADC address label:

- a. Use “ADC” followed by the city, state, and ZIP Code in the “Drop Entry Point View” file on the USPS FAST website, <https://fast.usps.com>.
- b. Directly below the ADC facility name, specify the class and processing category of the enclosed mail.
- c. See Exhibit 18.5.10 for an example of an ADC address label.

[Revise the heading for Exhibit 18.5.10 to read as follows:]

Exhibit 18.5.10 ADC Address Label

* * * * *

21.0 Optional Combined Parcel Mailings

* * * * *

21.2 Price Eligibility

* * * * *

21.2.2 Price Application

* * * * *

- b. Bound Printed Matter (BPM) parcels qualify for single-piece prices or Presorted Bound Printed Matter prices as follows:

[Revise items 21.2.2b(1) and (2) to read as follows:]

1. Presorted prices for BPM pieces prepared in other than MXD ADC and MXD NDC/RPDC containers when the combined mailing contains at least 300 pieces of BPM.
2. Nonpresorted prices for pieces prepared in MXD ADC and MXD NDC/RPDC containers, and when the combined mailing contains less than 300 pieces of BPM.

* * * * *

- c. Media Mail parcels qualify for single-piece, basic, or 5-digit prices as follows:

* * * * *

[Revise items 21.2.2c(2) and (3) to read as follows:]

2. Basic prices for pieces prepared in 3-digit, ADC, and NDC/RPDC, containers when the combined mailing contains at least 300 pieces of Media Mail.
3. Single-piece prices for pieces prepared in MXD ADC and MXD NDC/RPDC containers, and when the combined mailing contains less than 300 pieces of Media Mail.

- d. Library Mail parcels qualify for single-piece, basic, or 5-digit prices as follows:

* * * * *

[Revise items 21.2.2d(2) and (3) to read as follows:]

2. Basic prices for pieces prepared in 3-digit, ADC, and NDC/RPDC, containers when the combined mailing contains at least 300 pieces of Library Mail.
3. Single-piece prices for pieces in MXD ADC and MXD NDC/RPDC containers, and when the combined mailing contains less than 300 pieces of Library Mail.

[Revise item 21.2.2e to read as follows:]

- e. Parcel Select prices are based on the destination entry for pieces in 5-digit, 3-digit, ADC, and NDC/RPDC containers.

21.3 Mail Preparation

* * * * *

21.3.3 Combining USPS Marketing Mail, Parcel Select, and Package Services APPS-Machinable Parcels

* * * * *

[Revise the column of the table in 21.3.3 titled “ADC/RPDC” to read as “ADC”]

[Revise the column of the table in 21.3.3 titled “Mixed ADC/RPDC” to read as “Mixed ADC”]

* * * * *

21.3.4 Combining USPS Marketing Mail, Parcel Select, and Package Services Parcels (Not APPS-Machinable)

* * * * *

[Revise the column of the table in 21.3.4 titled “ADC/RPDC” to read as “ADC”]

[Revise the column of the table in 21.3.4 titled “Mixed ADC/RPDC” to read as “Mixed ADC”]

* * * * *

Kevin Rayburn,
Attorney, Ethics and Legal Compliance.

USPS FINAL RULE – International Return Receipt

POSTAL SERVICE

39 CFR Part 20

International Return Receipt

AGENCY: Postal Service.

ACTION: Final rule.

SUMMARY: The Postal Service is revising *Mailing Standards of the United States Postal Service, International Mail Manual (IMM)*, and Notice 123, *Price List*, to reflect changes to international Return Receipt as established by the Governors of the United States Postal Service.

DATES: Effective: January 1, 2025.

FOR FURTHER INFORMATION CONTACT: Dale Kennedy at 202-268-6592 or Kathy Frigo at 202-268-4178.

SUPPLEMENTARY INFORMATION: On October 10, 2024, the Postal Service filed a notice in PRC Docket No. MC2025-58, which the PRC favorably reviewed on December 2, 2024, in Order No. 8179, regarding the termination of international Return Receipt as an extra service for Priority Mail International and First-Class Package International Service, effective January 1, 2025, although international Return Receipt will continue to be eligible when combined with registered letters and flats sent as First-Class Mail International.

The Postal Service hereby adopts the described changes to *Mailing Standards of the United States Postal Service, International Mail Manual (IMM)*, which is incorporated by reference in the *Code of Federal Regulations*.

We will publish an appropriate amendment to 39 CFR part 20 to reflect these changes.

List of Subjects in 39 CFR Part 20

Administrative practice and procedure, Postal Service.

Accordingly, the Postal Service amends *Mailing Standards of the United States Postal Service, International Mail Manual (IMM)*, incorporated by reference in the *Code of Federal Regulations* as follows (see 39 CFR 20.1):

PART 20 – [AMENDED]

1. The authority citation for 39 CFR part 20 continues to read as follows:

Authority: 5 USC 552(a); 13 USC 301-307; 18 USC 1692-1737; 39 USC 101, 401, 403, 404, 407, 414, 416, 3001-3011, 3201-3219, 3403-3406, 3621, 3622, 3626, 3632, 3633, and 5001.

2. Revise the *Mailing Standards of the United States Postal Service, International Mail Manual (IMM)* as follows:

1 International Mail Services

* * * * *

140 International Mail Categories

141 Definitions

* * * * *

141.4 Priority Mail International

[Revise the last sentence of the first paragraph to read as follows (removing “and return receipt service”):] * * * At the sender’s option, extra services, such as additional merchandise insurance coverage, may be added on a country-specific basis.

* * * * *

141.6 First-Class Package International Service

[Revise the last sentence of the text to read as follows (removing “and return receipt”):] * * * At the sender’s option, extra services, such as Registered Mail, may be added on a country-specific basis.

* * * * *

2 Conditions for Mailing

* * * * *

230 Priority Mail International

* * * * *

232 Eligibility

* * * * *

232.9 Extra Services

* * * * *

[Remove 232.92 in its entirety and renumber current 232.93 as 232.92.]

* * * * *

250 First-Class Package International Service

* * * * *

252 Eligibility

* * * * *

252.5 Extra Services

* * * * *

[Remove 252.53 in its entirety and renumber current 252.54 as 252.53.]

* * * * *

3 Extra Services

* * * * *

320 Insurance

* * * * *

USPS FINAL RULE – International Return Receipt

322 Priority Mail Express International Service

* * * * *

[Remove 322.4 in its entirety.]

* * * * *

323 Priority Mail International Insurance

* * * * *

[Remove 323.4 in its entirety and renumber current 323.5 through 323.7 as 323.4 through 323.6.]

* * * * *

330 Registered Mail

* * * * *

334 Processing Requests

* * * * *

334.5 Return Receipt

[Revise the text to read as follows:] Return receipts can be purchased for First-Class Mail International items with international Registered Mail service to most countries. (See 330 and 340 and Individual Country Listings.)

* * * * *

340 Return Receipt

341 Description

[Revise the first sentence of the text to read as follows:] PS Form 2865, *Return Receipt for International Mail (Avis de Reception)*, is a pink card that is attached to a First-Class Mail International item when used in conjunction with international Registered Mail service at the time of mailing and that is removed and signed at the point of delivery and returned to the sender.* * *

342 Availability

[Revise the text to read as follows:] Return receipt service can be purchased only at the time of mailing and is available only for a First-Class Mail International item when used in conjunction with international Registered Mail service. Some countries do not admit return receipts. See Individual Country Listings.

* * * * *

344 Processing Requests

344.1 Form

* * * * *

344.12 Accepting Clerk's Responsibility

The accepting clerk must:

[Revise item a. to read as follows (removing “insured or”):]

a. Record the return receipt fee on the registered mailing receipt.

* * * * *

7 Treatment of Inbound Mail

* * * * *

750 Extra Services

* * * * *

753 Return Receipt

753.1 Completion of Return Receipt Form

[Revise the first sentence of the text to read as follows (removing “or insured”):] Inbound registered mail for which the sender requests advice or confirmation of delivery will be endorsed with the words “AVIS DE RECEPTION” or with the letters “A.R.,” and be accompanied by a light red or pink card similar to PS Form 2865, Return Receipt for International Mail.* * *

* * * * *

Individual Country Listings

* * * * *

Extra Services

* * * * *

Return Receipt (340)

[For every country that permits return receipt service (which is every country except Denmark, Iraq, and North Korea, which indicate that return receipt service is “NOT Available,” and also Montenegro, which as shown below is being revised to read “NOT Available”), revise the text to read as follows:] Fee: Refer to Notice 123, *Price List*, for the applicable price. Available for First-Class Mail International Registered Mail only.

* * * * *

Montenegro

* * * * *

Extra Services

* * * * *

Return Receipt (340)

NOT Available

* * * * *

Colleen Hibbert-Kapler,

Attorney, Ethics and Legal Compliance.