



POSTAL SERVICE

39 CFR Part 111

Domestic Competitive Products Pricing and Mailing Standards Changes

AGENCY: Postal Service™.

ACTION: Final rule.

SUMMARY: The Postal Service is amending *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®), to reflect changes to prices and mailing standards for competitive products.

DATES: *Effective Date:* January 22, 2017.

FOR FURTHER INFORMATION CONTACT: Karen Key at (202) 268-7492 or Garry Rodriguez at (202) 268-7281.

SUPPLEMENTARY INFORMATION: This final rule describes new prices and product features for competitive products, by class of mail, established by the Governors of the United States Postal Service®. New prices are available under Docket Number CP2017-20 on the Postal Regulatory Commission's (PRC) web site at <http://www.prc.gov>, and also located on the Postal Explorer® website at <http://pe.usps.com>.

The Postal Service will revise *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), to reflect changes to prices and mailing standards for the following competitive products:

- Priority Mail Express®.
- Priority Mail®.
- First-Class Package Service®.

- Parcel Select[®].
- USPS Retail Ground[™].
- Extra Services.
- Return Services.
- Mailer Services.
- Recipient Services.

Competitive product prices and changes are identified by product as follows:

Priority Mail Express

Prices

Overall, Priority Mail Express prices will increase 3.3 percent. Priority Mail Express will continue to offer zoned Retail, Commercial Base[™], and Commercial Plus[™] pricing tiers.

Retail prices will increase an average of 3.7 percent. The Flat Rate Envelope price will increase to \$23.75, the Legal Flat Rate Envelope will increase to \$23.95, and the Padded Flat Rate Envelope will increase to \$24.45.

Commercial Base prices offer lower prices to customers who use authorized postage payment methods. Commercial Base prices will increase an average of 2.4 percent. Commercial Base pricing offers a flat 11.2 percent discount off retail prices.

Commercial Plus prices were matched to the Commercial Base prices in 2016 and will continue to be matched in 2017.

Priority Mail

Prices

Overall, Priority Mail prices will increase 3.9 percent. Priority Mail will continue to offer zoned Retail, Commercial Base, and Commercial Plus pricing tiers.

Retail prices will increase an average of 3.3 percent. The Flat Rate Envelope price will increase to \$6.65, the Legal Flat Rate Envelope will increase to \$6.95, and the Padded Flat Rate Envelope will increase to \$7.20. The Small Flat Rate Box price will increase to \$7.15 and the Medium Flat Rate Boxes will increase to \$13.60. The Large Flat Rate Box will increase to \$18.85 and the APO/FPO/DPO Large Flat Rate Box will increase to \$17.35.

Commercial Base prices offer lower prices to customers who use authorized postage payment methods. Commercial Base prices will increase an average of 4.1 percent. Commercial Base pricing offers an average 13.6 percent discount off retail prices.

The Commercial Plus price category offers price incentives to large volume customers. Commercial Plus prices will increase an average of 4.5 percent. Commercial Plus pricing offers an average 16.8 percent discount off retail prices.

First-Class Package Service

Prices

Overall, First-Class Package Service prices will increase 4.1 percent.

First-Class Package Service Optional ADC Presort

The Postal Service will offer an optional Area Distribution Center (ADC) presort for First-Class Package Service (FCPS) parcels to improve service for mailers. As a result, a new optional FCPS ADC labeling list, L015, will be added.

Parcel Select

Prices

Overall Parcel Select non-lightweight prices will increase an average of 3.5 percent. The average price increase for Parcel Select Destination Entry is 4.9 percent. Parcel Select Ground™ prices will increase an average of 2.7 percent. The prices for Parcel Select Lightweight® (PSLW) will increase an average of 8.0 percent.

USPS Retail Ground

Overall, USPS Retail Ground prices will increase an average of 3.8 percent.

Extra Services

Adult Signature Service

Adult Signature Required and Adult Signature Restricted Delivery service prices are increasing 3.5 and 3.4 percent respectively. The price for Adult Signature Required will increase to \$5.90 and Adult Signature Restricted Delivery will increase to \$6.15.

Return Services

Parcel Return Service

Overall, Parcel Return Service (PRS) prices will increase an average of 5.5 percent.

Return Sectional Center Facility (RSCF) prices will increase an average of 5.8 percent and Return Delivery Unit (RDU) prices will increase an average of 5.2 percent.

Information on the Parcel Return Service annual permit fee and annual account maintenance fee can be found in the “Other” section below and in the Domestic Mailing Services *Federal Register* Notice.

Mailer Services

Premium Forwarding Service

Premium Forwarding Service® (PFS®) prices will increase an average of 3.8 percent. The enrollment fee paid at the retail counter will increase to \$19.35 and the residential and commercial enrollment fee paid online will increase to \$17.75 per application. The price of the weekly reshipment charge for PFS-Residential will increase to \$19.35.

Premium Forwarding Service Commercial

The Postal Service will add 1-foot and 2-foot managed mail tray box flat rate pricing as an option to the current shipment containers for Premium Forwarding Service Commercial® dispatches.

USPS Package Intercept

The USPS Package Intercept™ fee will increase 3.2 percent to \$12.95.

Pickup on Demand Service

The Pickup on Demand® service daily fee will increase 10.0 percent to \$22.00.

Recipient Services

Post Office Box Service

The competitive Post Office Box™ service prices will increase an average of 6.5 percent within the existing price ranges.

Enterprise Post Office Box Online Fee Payment

The Postal Service is providing customers using the Enterprise PO Box Online (EPOBOL) system the option to prorate semi-annual fees one time to align payment periods for multiple boxes. The prorated fee for each such box will be based on the number of months between the expiration of the current fee and the month of the payment alignment. Additional information on prorating of the semi-annual EPOBOL fees can be found in the Domestic Mailing Services

Federal Register Notice.

Other

Address Enhancement Service

Address Enhancement Service competitive product prices will be increasing between 1.9 and 7.9 percent.

Topological Integrated Geographic Encoding and Referencing (Tiger/ZIP+4)

The Postal Service is retiring Topological Integrated Geographic Encoding and Referencing (Tiger/ZIP+4) service.

Annual Mailing and Account Maintenance Fees

The Postal Service is eliminating the payment of annual mailing fees for Parcel Select and Parcel Select Lightweight. The annual return service permit fee and annual account maintenance fee for Parcel Return Service will also be eliminated. Additional information on the elimination of annual mailing and

account maintenance fees can be found in the Domestic Mailing Services *Federal Register* Notice.

Permit Imprint Application Fee

The Postal Service is eliminating the payment of permit imprint application fees for Priority Mail Express, Priority Mail, First-Class Package Service, Parcel Select, and Parcel Select Lightweight competitive products. Additional information on the elimination of the permit imprint application fee can be found in the Domestic Mailing Services *Federal Register* Notice.

Resources

The Postal Service provides additional resources to assist customers with this price change for competitive products. These tools include price lists, downloadable price files, and *Federal Register* Notices, which may be found on the Postal Explorer[®] website at <http://pe.usps.com>.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

The Postal Service adopts the following changes to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), incorporated by reference in the *Code of Federal Regulations*. See 39 CFR 111.1.

Accordingly, 39 CFR part 111 is amended as follows:

PART 111 – [AMENDED]

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

Authority: 5 U.S.C. 552(a); 13 U.S.C. 301-307; 18 U.S.C. 1692-1737; 39 U.S.C. 101, 401, 403, 404, 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*, Domestic Mail Manual (DMM) as follows:

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

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200 Commercial Letters, Cards, Flats, and Parcels

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250 Parcel Select

253 Prices and Eligibility

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[Delete 1.3, Annual Mailing Fee, in its entirety and renumber current 1.4 as new 1.3.]

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4.0 Price Eligibility for Parcel Select and Parcel Select Lightweight

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4.3 Parcel Select Lightweight

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4.3.1 General Eligibility

Parcel Select Lightweight parcels are presorted machinable or irregular parcels.

The following also applies:

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[Revise the text of item c to read as follows:]

c. Postage must be paid under 254.1.1.2.

* * * * *

254 Postage Payment and Documentation

1.0 Basic Standards for Postage Payment

1.1 Postage Payment Options

[Renumber the text of 1.1 as new 1.1.1 and revise the introductory text of 1.1.1 to read as follows:]

1.1.1 Parcel Select

Parcel Select postage may be paid with:

* * * * *

[Add new 1.1.2 to read as follows:]

1.1.2 Parcel Select Lightweight

Parcel Select Lightweight postage may be paid with permit imprint.

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280 First-Class Package Service

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285 Mail Preparation

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[Add new 2.0 to read as follows:]

2.0 Optional ADC Presort

Each optional ADC presorted First-Class Package Service mailing must meet the applicable standards in 280 and must be labeled as follows:

a. Line 1: L015.

b. Line 2: "FC PKG ADC."

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500 Additional Mailing Services

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505 Return Services

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4.0 Parcel Return Service

4.1 Prices and Fees

[Revise the heading and text of 4.1.1 to read as follows:]

4.1.1 Permit

The participant must obtain a permit and pay postage at the Post Office where the permit is held through an advance deposit account (see Notice 123—*Price List*).

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4.2 Basic Standards

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4.2.2 Conditions for Mailing

Parcels may be mailed as PRS when all of the following conditions apply:

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[Revise the text of item c to read as follows:]

c. Parcels show the permit number.

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4.2.7 Reapplying After Cancellation

To receive a new PRS permit after cancellation under 5.1, the mailer must:

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[Delete item b and renumber current items c and d as new items b and c.]

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507 Mailer Services

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3.0 Premium Forwarding Service

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3.3 Premium Forwarding Service Commercial

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3.3.3 Conditions

*** PFS-Commercial service is subject to these conditions:

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c. The postage is charged per shipment container as follows:

[Revise the text of item c1 to read as follows:]

1. A sack and its contents are considered one piece for calculation of the price of postage and must not exceed 70 pounds. Postage is calculated by the weight of the sack and the zone, based on the ZIP Code of the servicing Post Office and the delivery address for the shipment, minus the tare weight.

[Renumber item c2 as new item c3 and add new item c2 as follows:]

2. A 1-foot managed mail (MM) tray box or 2-foot MM tray box are considered one piece for the applicable Premium Forwarding Service Commercial branded flat rate tray box price.

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509 Other Services

1.0 Address Information System Services

1.1 General Information

[Revise the second sentence of 1.1 to read as follows:]

*** These services are described in 1.2 through 1.34. ***

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[Delete 1.29, Topological Integrated Geographic Encoding and Referencing, in its entirety and renumber current 1.30 through 1.35 as new 1.29 through 1.34.]

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

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