

USPS Periodicals Pricing Overview

May 2015

To listen to a recording of this presentation: [Click here](#)

Periodicals®

- Overview
- FSS
- Carrier Route – 5-Digit Pallets
- Exigent

**Total average increase of ~2.0% on Market
Dominant products**

The Price Cap

- CPI: 1.966%
- Based on Consumer Price Index
- PRC formula a moving average of CPI data

Key Activity	Date
Original CPI Rate Case Filing with PRC	Jan 15
PRC Approval of First-Class Mail Prices	Feb 19
PRC Approval of Competitive Prices	Feb 24
PRC Remand of Standard Mail, Periodicals and Package Services Prices	Feb 26
PRC Approval of Special Services Prices	Mar 6
New Prices Submitted with PRC	Mar 10
PRC Remand of Standard Mail, Periodicals and Package Services Prices	Mar 12
Response to Remand	April 16
PRC Decision	May 7
Implementation of New CPI Prices	May 31

<u>Periodicals</u>	CPI Percent Change
Barcoded Machinable Flats Carrier Route Basic (Piece Rates)	2.5%
Barcoded Machinable Flats 5-Digit (Piece Rates)	1.7%
Outside County	2.0%
Inside County	2.0%

Outside County				
Pound Rates (per pound or fraction)				
Entry Level	Regular		Science of Agriculture	
	Advertising	Editorial	Advertising	Editorial
DDU	0.126	0.093	0.095	0.093
DSCF	0.185	0.140	0.138	0.140
DFSS	0.185	0.140	0.138	0.140
DADC	0.198	0.149	0.148	0.149
Zones 1 & 2	0.223	0.166	0.168	0.166
Zone 3	0.242	0.166	0.242	0.166
Zone 4	0.306	0.166	0.306	0.166
Zone 5	0.383	0.166	0.383	0.166
Zone 6	0.468	0.166	0.468	0.166
Zone 7	0.567	0.166	0.567	0.166
Zone 8	0.656	0.166	0.656	0.166
Zone 9	0.656	0.166	0.656	0.166

Piece Rates (per addressed piece)							
Bundle Level	Letters		Machinable Flats		Nonmachinable Flats		Parcels
	Barcoded	Nonbarcoded	Barcoded	Nonbarcoded	Barcoded	Nonbarcoded	
CR Saturation	0.150	0.150	0.150	0.150	0.150	0.150	0.150
CR High Density	0.177	0.177	0.177	0.177	0.177	0.177	0.177
CR Basic	0.210	0.210	0.210	0.210	0.210	0.210	0.210
FSS	-	-	0.239	0.375	-	-	-
5-Digit	0.229	0.326	0.313	0.326	0.341	0.341	0.341
3-Digit/SCF	0.297	0.431	0.404	0.431	0.484	0.497	0.497
ADC	0.317	0.451	0.422	0.451	0.573	0.604	0.604
Mixed ADC	0.353	0.490	0.454	0.490	0.680	0.682	0.682

Bundle Level	CR/5-Digit	FSS Scheme	FSS Facility	3-Digit/SCF	ADC	Mixed ADC
Firm	0.107	-	-	0.220	0.275	0.370
Carrier Route	0.277	-	-	0.562	0.709	0.946
5-Digit	0.319	-	-	0.361	0.502	0.762
FSS Scheme	-	0.006	0.320	0.320	0.472	0.717
3-Digit/SCF	-	-	-	0.320	0.465	0.715
ADC	-	-	-	-	0.322	0.589
Mixed ADC	-	-	-	-	-	0.216

Container Rate (per pallet, sack, or tray)							
Entry	Carrier Route	5-Digit	3-Digit/SCF	Pallet		ADC	MXD ADC
				FSS Facility	FSS Scheme		
DDU	3.120	-	-	-	-	-	-
DSCF	19.966	40.749	24.335	24.335	13.840	-	-
DFSS	-	-	-	24.335	6.664	-	-
DADC	37.720	58.503	42.080	42.080	31.585	25.118	-
DNDC	42.047	62.830	46.473	46.473	35.977	43.825	-
Origin	62.042	82.825	66.275	66.275	55.762	63.402	6.409

Entry	CR/5-Digit	Tray/Sack		3-Digit/SCF	ADC	Mixed ADC
		FSS Facility	FSS Scheme			
DDU	1.016	-	-	-	-	-
DSCF	1.468	0.903	0.903	0.903	-	-
DFSS	-	0.903	0.470	-	-	-
DADC	1.919	1.355	1.355	1.355	0.903	-
DNDC	2.258	1.694	1.694	1.694	1.580	-
Origin	3.048	2.371	2.371	2.371	2.260	0.482

Periodicals Classification Changes

- ✓ Provide more robust pricing for Flats Sequencing System (FSS) sorted mail
- ✓ Provide pricing for Carrier-Route Pallets in non-FSS locations

Pricing for FSS sorted mail

Periodicals

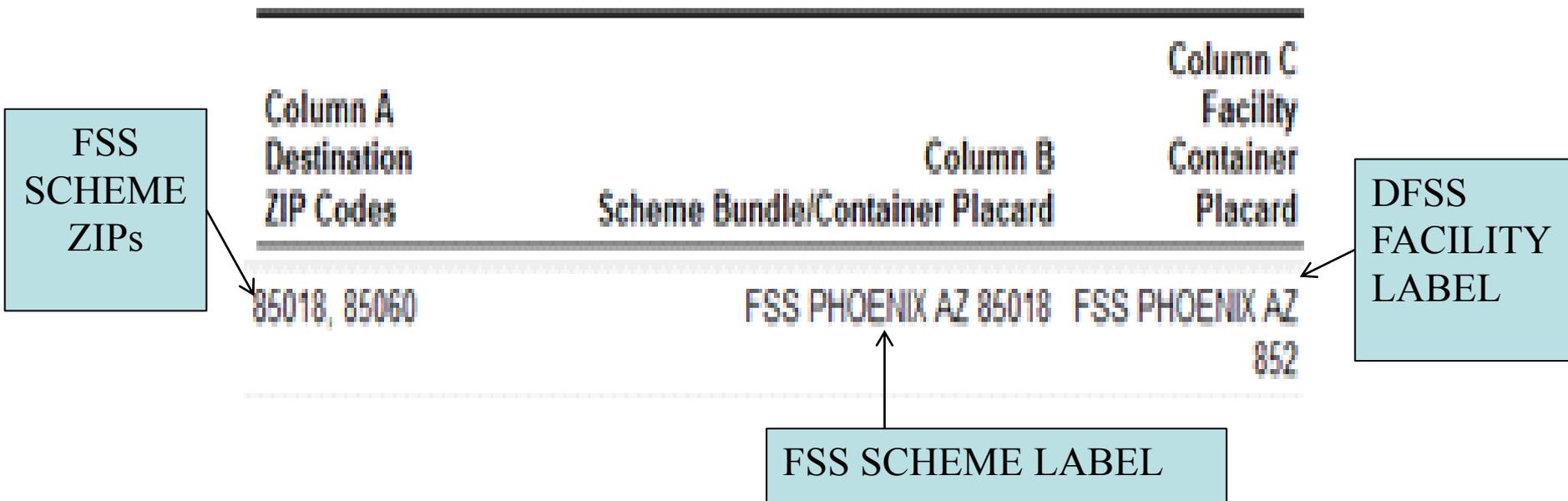
- Created a piece price for FSS Flats
- Bundles priced to encourage scheme containers
- Introduced FSS scheme Sack and Tub prices
- Introduces FSS facility Pallet, Sack and Tub prices

Flats Sequencing System (FSS)

- **FSS is the equipment/machine we use to Delivery Point Sequence (DPS) flat-size mail**
- **Limited to 20%-30% of ZIP Codes**
- **ZIP Codes on L006**
- **Separated by Schemes (single on multiple ZIP combinations)**
- **For BPM Flats, Periodicals and Standard Mail Machinable Flats**
- **Other Flat-Size mail still processed on ASF 100 (Including all ZIPs for First Class)**

Flats Sequencing System (FSS)

L006 5-Digit FSS Scheme - Periodicals, Standard Mail, and Package Services Flats in Bundles



Flats Sequencing System (FSS)

- FSS preparation introduced in 2013 as an optional sort
- In January 2014 mandatory sort however, default/tiered pricing
- Now mandatory FSS prep for these ZIPs with an FSS piece price (*some exceptions)
- **EXCEPTIONS:** Periodicals In-County & Saturation, High Density & High Density Plus (Also recommended not to sort to Newspaper formatted publications)

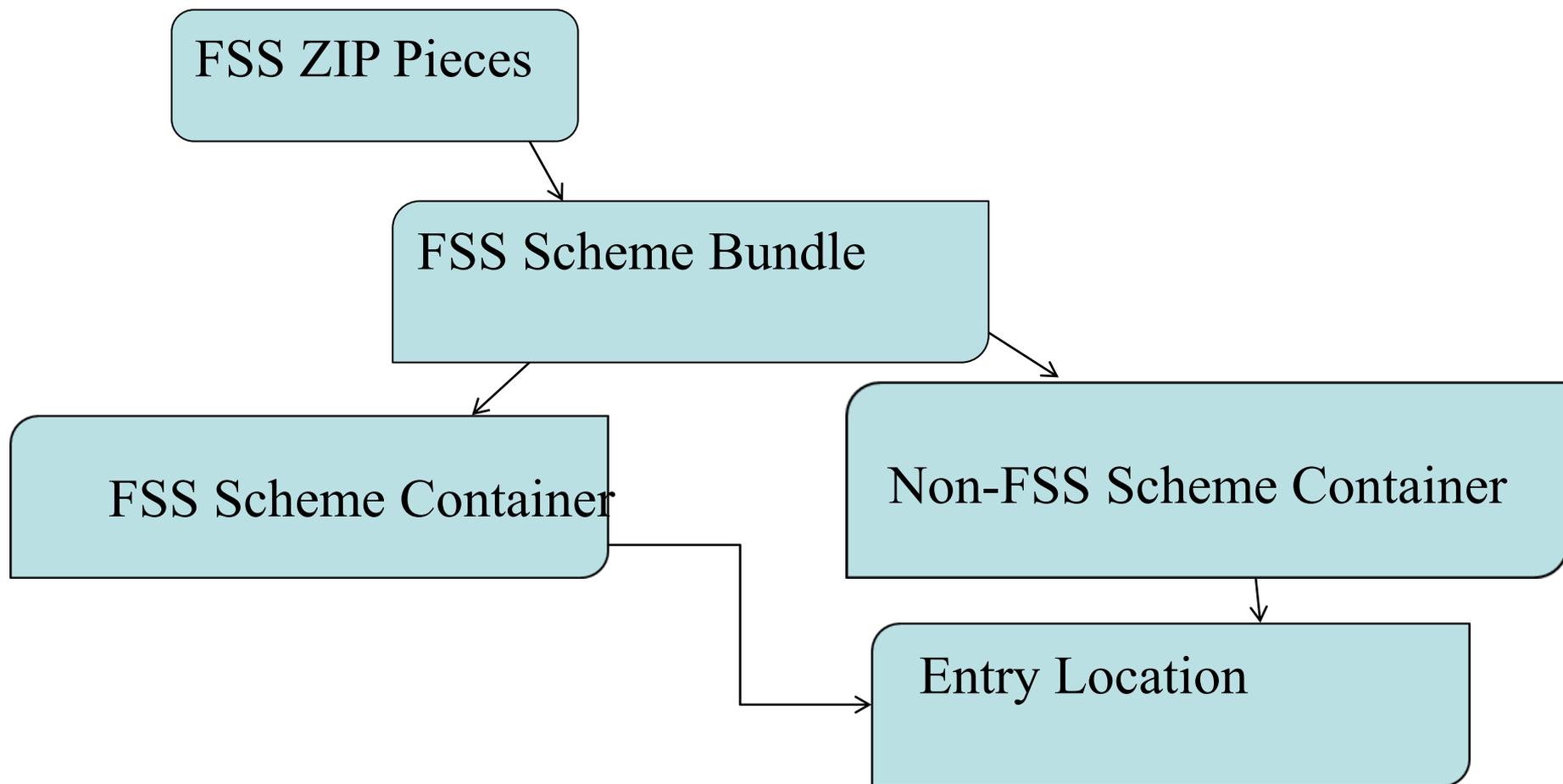
Flats Sequencing System (FSS)

- FSS ZIP pieces on L006 may get FSS price if machinable flat-size pieces and meets the following minimums:
 - **Periodicals - 6 or more pieces to one FSS scheme**
 - **Standard Mail – 10 or more pieces to one FSS scheme**
 - **Bound Printed Matter – 10 pieces or 10 pounds to one FSS scheme**

Flats Sequencing System (FSS)

- **FSS Scheme Required at 250 lb. Pallet**
- **Facility Container Optional**
- **Sack Requirements same as non-FSS**
- **Standard Mail - 125 pcs or 15 lbs to a scheme**
- **Periodicals – 4 bundles or 24 pcs minimum**
- **BPM – 20 pieces**

Flats Sequencing System (FSS)



Flats Sequencing System (FSS)

Machinable Flat Criteria

- **Minimum height is 5 inches. Maximum height is 12 inches.**
- **Minimum length is 6 inches. Maximum length is 15 inches, except for polywrapped flats as allowed in 4.1.**
- **For bound or folded pieces, the edge perpendicular to the bound or folded edge may not exceed 12 inches.**
- **Minimum thickness is 0.009 inch. Maximum thickness is 0.75 inch.**

Flats Sequencing System (FSS)

Machinable Flat Criteria

Maximum weight limits are as follows:

- For Critical Mail, 13 ounces.
- For First-Class Mail, 13 ounces.
- **For Periodicals, 20 ounces. (24 ounces for comail)**
- For Standard Mail, less than 16 ounces.
- For Bound Printed Matter, 20 ounces.

Flats Sequencing System (FSS)

PERIODICALS

- **FSS Piece price for machinable BC & Non-BC**
- **FSS Bundle price varies depending on container level**
- **Entry (ZONE) price for DFSS Entered Mail**
- **Container Prices**
 - **FSS Scheme (Pallet, Sack, Tray)**
 - **FSS Facility (Pallet, Sack)**
- **If In-County included in FSS Sort receives 5D piece price**

New Pricing for Periodicals

- **Per piece price for FSS Flats**
 - **Barcoded and Nonbarcoded piece rates offered**

Periodicals - One Issue or One Edition - Outside-County				
<input type="checkbox"/> Part C Outside-County - Piece Prices				<i>Check box</i>
Machinable Flats				
	Level	Price Level	Total Copies	Addressed Pieces
C1	Mixed ADC	Barcoded		
C2		Nonbarcoded		
C3	ADC	Barcoded		
C4		Nonbarcoded		
C5	3-Digit	Barcoded		
C6		Nonbarcoded		
C7	5-Digit	Barcoded		
C8		Nonbarcoded		
C9	FSS	Barcoded		
C10		Nonbarcoded		

**PS Form 3541
Postage Statement - Periodicals**

New Pricing for Periodicals (Cont'd)

- New FSS scheme Sack and Tray prices

Periodicals - One Issue or One Edition - Outside-County				
<input type="checkbox"/> Part E		<i>Check box at left if pri</i>		
Outside-County - Sack and Tray Prices				
Outside-County - Sack/Tray Prices				
	Container Level	Entry	Sacks/Trays	Price
E26	FSS Scheme Sack/Tray	Origin NDC		
E27		Origin ADC		
E28		Origin SCF		
E29		Origin Post Office/DMU		
E30		Destination NDC		
E31		Destination ADC		
E32		Destination FSS*		
E33		Destination SCF		
E34		Origin NDC		

Price Change 2015

New Pricing for Periodicals (Cont'd)

- New FSS facility Pallet, Sack and Tub prices

Periodicals - One Issue or One Edition - Outside-County

 Part E
 Outside-County - Sack and Tray Prices

Check box at left if price

Outside-County - Sack/Tray Prices

	Container Level	Entry	Sacks/Trays	Price
E18	FSS Facility Sack/Tray	Origin NDC		
E19		Origin ADC		
E20		Origin SCF		
E21		Origin Post Office/DMU		
E22		Destination NDC		
E23		Destination ADC		
E24		Destination FSS		
E25		Destination SCF		
E60	FSS Facility Pallet	Origin NDC		
E61		Origin ADC		
E62		Origin SCF		
E63		Origin Post Office/DMU		
E64		Destination NDC		
E65		Destination ADC		
E66		Destination FSS		
E67		Destination SCF		

PS Form 3541
Postage Statement - Periodicals

Pricing for CR Flats: Non-FSS Zones

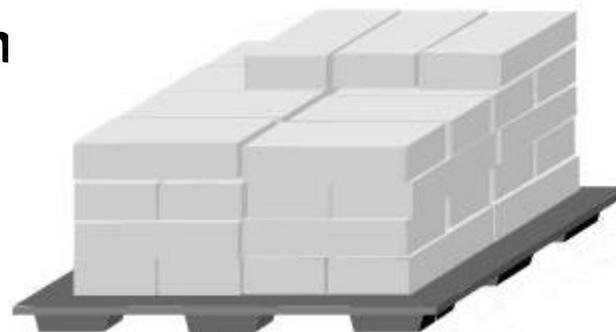
Periodicals

- Introduce a pure Carrier Route pallet price for 5-Digit pallets with all Carrier Route bundles at all entry levels

5-Digit Pallets of Carrier Route Bundles

New Rate Category

- **For Periodicals and Standard Mail flats that are:**
 - Addressed to ZIP Codes not served by FSS -or-
 - Non-machinable mailpieces addressed to FSS ZIP Codes
- **Provides price incentives for mailers to prepare pallets of Carrier Route bundles**
- **Available at all entry levels in**
 - DNDC
 - DSCF
 - DDU



5-Digit Pallets of Carrier Route Bundles

Pricing

- Periodicals

- Introducing a pure Carrier Route pallet price for pallets with all Carrier Route bundles at all entry levels

Periodicals - One Issue or One Edition - Outside-County				
<input type="checkbox"/> Part E - Continued		<i>Check box at left if prices are populated in this section.</i>		
Outside-County - Pallet Prices				
Container Level	Entry	Pallets	Price	Total Postage
E83	Carrier Route Pallet	Origin NDC		
E84		Origin ADC		
E85		Origin SCF		
E86		Origin Post Office/DMU		
E87		Destination NDC		
E88		Destination ADC		
E89		Destination SCF		
E90		DDU		

Exigent

- **PRC approved as a surcharge**
 - **Up to ~\$3.2 B**
 - **~\$2.0 B collected through Postal Q1**
- **Appeal Decision not back yet**
- **If roll-back occurs projected late summer**
- **45 day notice required**

Resources

Online

- Postal Explorer® — pe.usps.com
 - Current and new prices
 - Including downloadable price files in excel and CSV formats
 - *Federal Register* notices
 - *Domestic Mail Manual & International Mail Manual*

DMM® Advisory — posted on Postal Explorer, also special e-mail updates



Questions?