

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

Before Commissioners:

Ruth Y. Goldway, Chairman;
Tony L. Hammond, Vice Chairman;
Mark Acton;
Dan G. Blair; and
Nanci E. Langley

Transferring Selected Post Office Box Service
Locations to the Competitive Product List

Docket No. MC2010-20

ORDER APPROVING REQUEST TO TRANSFER
SELECTED POST OFFICE BOX SERVICE LOCATIONS
TO THE COMPETITIVE PRODUCT LIST

(Issued June 17, 2010)

I. INTRODUCTION

The Postal Service proposes to transfer selected Post Office Box (P.O. Box) Service locations from the market dominant product list to the competitive product list. For the reasons discussed below, the Commission approves the proposed transfer.

II. POSTAL SERVICE PROPOSAL

On March 12, 2010, the Postal Service filed a request, pursuant to 39 U.S.C. 3642 and 39 CFR 3020.30 *et seq.*, to add a new product, P.O. Box Service, to the competitive product list.¹ More specifically, it proposes to transfer a small segment of P.O. Box Service, currently classified as a market dominant product and part of the Special Services class, to the competitive product list. Request at 1.

The Postal Service supports its Request with conforming Mail Classification Schedule (MCS) language, a Statement of Supporting Justification as required by 39 CFR 3020.32, an application for non-public treatment of materials, and a redacted version of the spreadsheet used to calculate revenue for the ZIP Code locations subject to transfer. Request, Attachments A through D. The Postal Service separately filed a non-public version of the spreadsheet. *Id.* at 3.

In the Statement of Supporting Justification, Nan McKenzie, Manager, Special Services, asserts that the transfer of P.O. Box Service in a few locations will not impair the ability of competitive products as a whole to comply with 39 U.S.C. 3633(a)(3). *Id.*, Attachment B, at 4. Thus, Ms. McKenzie contends there will be no issue of subsidization of competitive products by market dominant products as a result of the proposed change. *Id.* Additionally, she states customers have other options and may use private mailboxes (PMBs) instead of P.O. Boxes because of price or service quality issues. *Id.* at 4-5. As a result, she contends that the existence of competitive alternatives constrain the Postal Service from exercising sufficient market power to set the price of P.O. Box Service at the proposed locations substantially above costs, raise prices significantly, decrease quality, or decrease output without the risk of losing business. *Id.* at 5.

¹ Request of the United States Postal Service, March 12, 2010, at 1 (Request); see also Notice of the United States Postal Service of Filing of USPS-MC2010-20/NP1, March 12, 2010.

P.O. Box Service offers secure mail delivery to a receptacle for a fee. Request at 2. The Postal Service states that it intends to add a new product by moving P.O. Box Service from the market dominant product list to the competitive product list in a small number of locations where competitive alternatives exist. *Id.* at 1. The Postal Service describes its initial proposal as modest, involving “a few box sections where competitive conditions can be clearly demonstrated.” *Id.* It contends that because of the limited number of boxes under consideration, the initial proposal “does not require detailed examination of costing and other issues.” *Id.* The Postal Service states that if it proposes a more substantial transfer of P.O. Box Services, costing and other issues can be addressed in more detail. *Id.* It asserts that all of the P.O. Box Services subject to transfer are in fee group 1 areas, and the proposed transfer of service amounts to less than 0.5 percent of the market dominant P.O. Box product’s revenue. *Id.* at 2-3. The Postal Service notes that it is undertaking a comprehensive evaluation of all P.O. Box locations and may propose additional transfers if justified. *Id.* at 2.

The Postal Service contends that a Governors’ Decision is not required for this Request because it does not propose any changes in the parameters of P.O. Box Service, the proposed MCS language is only modified to identify box locations for the competitive product, the transfer includes only fee group 1 prices, and the transfer excludes provisions applicable to Group E boxes that are the only method of delivery for certain customers.²

Additionally, the Request advances reasons that the proposed changes to the P.O. Box Service product are in conformance with 39 CFR 3020.31, which include that: (1) It is not a special classification pursuant to 39 U.S.C. 3622(c)(10) for market dominant products; (2) upon transfer to the competitive product list, it will not be a

² *Id.* at 2-3. The Postal Service notes that the MCS language it offers is based on the current market dominant P.O. Box Service language with changes necessary to identify the competitive product. *Id.* It also states that the Group E boxes in the affected ZIP Code locations not being included in the transfer are still a part of the P.O. Box Service under evaluation, and Group E boxes may be addressed in the future. *Id.* at 3, n.3.

product not of general applicability under 39 U.S.C. 3632(b)(3); and (3) it is not a nonpostal product. *Id.* at 3.

The Postal Service contends that “transferring a small portion of Post Office box service is appropriate at this time, and is consistent with the standards of [39 U.S.C. 3642].” *Id.* It urges the Commission to approve the Request.³

In Order No. 423, the Commission gave notice of the docket, appointed a Public Representative (PR), and provided the public with an opportunity to comment.⁴ Chairman’s Information Request No. 1 was issued March 29, 2010, with responses due April 1, 2010, to clarify information in the Request.⁵ The Postal Service’s response was filed April 1, 2010.⁶ The Public Representative filed a Motion for Issuance of Information Request on March 19, 2010. The Postal Service filed notice on April 2, 2010 that it responded to the Public Representative’s motion informally.⁷

³ In support of its Request, the Postal Service filed certain financial information, including the calculation of revenue for the ZIP Code locations subject to transfer, under seal. *Id.*, Attachment C, at 1.

⁴ Notice and Order Concerning Request to Transfer Selected Post Office Box Service Locations to the Competitive Product List, March 16, 2010 (Order No. 423).

⁵ Chairman’s Information Request No. 1, March 29, 2010 (CHIR No. 1).

⁶ Response of the United States Postal Service to Chairman’s Information Request No. 1, April 1, 2010.

⁷ Notice of the United States Postal Service Concerning Public Representative Motion for Issuance of Information Request, April 2, 2010 (Notice). As a result of the Postal Service’s response, there is no need for the Commission to act further.

III. COMMENTS

The Request generated significant interest with 42 comments received.⁸ The Commission received 37 comments that are substantially the same, the bulk of which are from AIM Mail Center franchisees and other owners of mail and parcel centers.⁹ Nearly all of the commenters provide PMB services.¹⁰ The Commission also received comments from the Associated Mail & Parcel Centers, the National Alliance of Retail Ship Centers, David Popkin, the Public Representative, and Douglas Carlson.¹¹

Most commenters raised concerns that PMB providers, as small businesses, would be unable to compete with the Postal Service, particularly if it provides similar ancillary services. Letter at 1; AMPC Comments at 1; NARSC Comments at 2. They contend that these ancillary services would decrease the quality of customer service at post offices by requiring customers to wait in line at alternative locations for those services. Letter at 1. They argue that PMB providers rely significantly upon revenue generated by PMB rentals and associated products and services.¹² In particular, PMB providers view the Request as an attempt to compete with their services. *Id.* They highlight the potential negative economic impact of granting the Request on PMB

⁸ One commenter filed the same comment twice. Because of the number of comments filed in this docket, all distinct comments received are listed in Attachment A.

⁹ The Commission received 36 letters from franchisees of AIM Mail Center, a packing and shipping store, and other owners of mail and parcel centers. See, e.g., the Mail Drop Comments, March 31, 2010. For ease of reference, this order will cite the Mail Drop Comments as representative of the similar comments submitted (Letter). The Commission also received a Letter from a company providing technology services to the mail and parcel center industry. PC Synergy Comments, April 1, 2010.

¹⁰ PMB service providers are Commercial Mail Receiving Agencies (CMRAs), private businesses that act as the mail receiving agent for specific clients by providing a delivery address and other services. See Glossary of Postal Terms at 24 (July 5, 2007).

¹¹ Associated Mail & Parcel Centers Comments, March 23, 2010 (AMPC Comments); National Alliance of Retail Ship Centers Comments, March 31, 2010 (NARSC Comments); Initial Comments of David B. Popkin, March 31, 2010 (Popkin Comments); Public Representative Comments on Postal Service Request to Transfer Selected Post Office Box Service Locations to the Competitive Product List, March 31, 2010 (PR Comments); Comments of Douglas F. Carlson, April 1, 2010 (Carlson Comments).

¹² AMPC Comments at 1; NARSC Comments at 1; *MAIL IT* Comments, March 29, 2010, at 1 (“We...derive our total income from [our mail and parcel center] business.”).

providers, including the competitive disadvantages of 6-day delivery to P.O. Boxes but not to PMBs under the Postal Service's proposed 5-day delivery plan. *Id.* at 1; see also NARSC Comments at 3; Carlson Comments at 3. They also emphasize the Postal Service's substantial resources and marketing power to promote P.O. Boxes. Letter at 1.

Other commenters suggest additional reasons to distinguish between PMBs and P.O. Boxes. These include: Greater public confidence in P.O. Box security and respect it may garner; the costs associated with switching to a PMB provider; and the regulation of PMB providers by the Postal Service. Carlson Comments at 1-3; Popkin Comments at 3; NARSC Comments at 2.

Others express concern that the Postal Service will offer ancillary services to compete more directly with PMBs. AMPC Comments at 1. Currently, PMB providers distinguish themselves from the Postal Service by offering enhanced services, such as e-mail notification, free faxes, and private carrier acceptance. *Id.*; NARSC Comments at 2; Popkin Comments at 4. Citing the Postal Service's resources and tax benefits, commenters assert that future changes to P.O. Box Service would give the Postal Service an unfair competitive advantage. AMPC Comments at 1; Letter at 1; NARSC Comments at 2; Mail & More of Tega Cay Comments, March 31, 2010, at 1.

None of the commenters opposes any potential price increase. Some commenters even advocate raising P.O. Box rental rates to be in line with PMBs as long as there are no changes to the P.O. Box product itself.¹³ Other commenters contend that more information is necessary to properly review the proposal. For example, NARSC objects to the Postal Service's lack of specificity as to future plans for P.O. Boxes. NARSC Comments at 1. It asks the Commission to either deny the Request or send it back to the Postal Service to clarify and define the products and services it wishes to offer. *Id.* at 3. Similarly, Popkin argues that the Commission should deny the Request, reject it as premature, or extend it with discovery allowed.

¹³ Mail & More Comments at 1; AMPC Comments at 1; see also NARSC Comments at 1 (advocating rate increases only).

Popkin Comments at 6. Popkin questions the proposed criteria for selecting the locations for transfer and seeks further substantive data from the Postal Service, including proposed rate or service changes and the percentage of P.O. Boxes rented at a given facility. *Id.* at 1-2, 5.

The PR contends that the Commission should seek additional information, through further proceedings if necessary, to properly review the Request. PR Comments at 1-2. The PR states that the existence of PMB providers within one-half mile from a P.O. Box does not demonstrate the nature of competition, if any, between PMBs and P.O. Boxes. *Id.* at 2. Based on an earlier Commission proceeding, the PR contends that PMBs and P.O. Boxes are not competitive alternatives.¹⁴ It argues that demand for P.O. Box Service has been described as "asymmetrical" meaning that price increases or decreases do not generate much additional revenue. *Id.* The PR asserts that PMBs and P.O. Boxes serve different markets and that P.O. Box Service is more accurately characterized as a market dominant product because of the Postal Service's monopoly power over it. *Id.* at 3. The PR argues that additional information is needed to evaluate the Request.¹⁵

¹⁴ PR Comments at 2-3 (citing Docket No. MC96-3, Rebuttal Testimony of Paul M. Lion on Behalf of United States Postal Service, December 6, 1996, at 12 (USPS-RT-3)).

¹⁵ *Id.* at 4. In that regard, the PR asks the Commission to request specific information from the Postal Service, including: (1) Evidence that the proposed product covers its cost; (2) the extent of competition between PMB providers and the Postal Service; (3) the availability of P.O. Boxes in the affected ZIP Code areas; and (4) the Postal Service's intentions for future P.O. Box rates and services. *Id.* at 3-4. As noted above, the Postal Service responded informally, apparently providing the requested information on April 2, 2010. Notice, *supra* note 7.

IV. COMMISSION ANALYSIS

Under 39 U.S.C. 3642, the criteria for defining a product as market dominant are as follows: Whether the Postal Service exercises sufficient market power that it can effectively set the price of such product substantially above costs, raise prices significantly, decrease quality, or decrease output, without risk of losing a significant level of business to other firms offering similar products. 39 U.S.C. 3642(b)(1).

The Commission is further required to consider the availability and nature of enterprises in the private sector engaged in the delivery of the product, the views of those that use the product, and the likely impact on small business concerns.¹⁶ The Commission rules implementing section 3642 require the Postal Service to provide data and supporting justification when requesting the addition, removal or transfer of a product. 39 CFR 3020.30 *et. seq.*

The Request is limited to select locations with alternative private mailbox services within one-half mile. No change in price or service is proposed. The Postal Service argues that the availability of such service precludes it from exercising sufficient market power to set the price of P.O. Box Service at the proposed locations substantially above costs, raise prices significantly, decrease quality, or decrease output, without the risk of losing business.

Opposition to the Request. Comments were submitted by various interests representing the PMB industry. See Letter, *supra* note 9; NARSC Comments; AMPC Comments. The opposition expressed by these commenters is somewhat qualified. It is driven less by the proposed transfer of the select P.O. Box locations to the competitive product list than by concerns about potential changes to the services that may be offered by the Postal Service, including its proposal to curtail deliveries from

¹⁶ 39 U.S.C. 3642(b)(3). In addition, products that are covered by the postal monopoly may not be transferred from the market dominant to the competitive product list. 39 U.S.C. 3642(b)(2).

6 to 5 days, except for P.O. Box Service.¹⁷ The opposition by these commenters, however, does not extend to fees charged by the Postal Service. Some even suggest that the Postal Service should increase fees for P.O. Box Service. AMPC Comments at 1; Mail & More Comments at 1; NARSC Comments at 1.

The concerns raised by these commenters are not insignificant. They are, however, premature. First, the Postal Service's proposal is narrowly tailored, involving a limited number of locations and no changes in fees or services. Potential changes in the nature of P.O. Box Service are not before the Commission in this proceeding. If, in the future, the Postal Service proposes to offer ancillary P.O. Box Services, these issues can be raised.¹⁸

Second, the Postal Service has requested an advisory opinion regarding its plans to change carrier delivery frequency from 6 to 5 days.¹⁹ That matter remains pending before the Commission. Persons interested in the Postal Service's plan, including maintaining the current delivery frequency to P.O. Boxes, are encouraged to participate actively in that proceeding.²⁰

¹⁷ Docket No. N2010-1, Request of the United States Postal Service for an Advisory Opinion on Changes in the Nature of Postal Services, March 30, 2010 (Request for Advisory Opinion). See, e.g., Letter at 1; NARSC Comments at 3; Carlson Comments at 3.

¹⁸ Popkin argues that the Request is premature because no change in fees or services is proposed and because, as the Postal Service indicates, it is undertaking a comprehensive review of all P.O. Box locations and may propose additional transfers. Popkin Comments at 2. Neither the limited scope of the proposal nor the Postal Service's evaluation of all P.O. Box locations provides a compelling reason to reject the Request. The Postal Service is exercising its prerogative under 39 U.S.C. 3642 to seek the transfer of a product to the Competitive Product List. Moreover, Popkin's larger concern appears to be that the Postal Service's "ultimate intent" regarding P.O. Box Service is unknown. See *id.* Should changes to the service be proposed, Popkin will have an opportunity to comment on them.

¹⁹ See Request for Advisory Opinion, *supra* note 17.

²⁰ Details concerning the Request for Advisory Opinion are available on the Commission's website at www.prc.gov.

Third, the concerns expressed about potential changes to P.O. Box Service are not contingent on approval of the Request.²¹ The Postal Service is not foreclosed from proposing to add ancillary services to P.O. Box Service whether classified as a market dominant or competitive product. Consequently, concerns about potential changes to P.O. Box Service do not warrant rejecting the instant proposal.

PMBs are competitive alternatives. Many commenters contend that PMBs and P.O. Boxes currently do not compete with each other because they are dissimilar products. Letter at 1; AMPC Comments at 1; NARSC Comments at 2. PMB providers differentiate themselves from the Postal Service by providing ancillary services, such as e-mail notifications, facsimile services, street addresses, and deliveries from other carriers. AMPC Comments at 1; NARSC Comments at 2; Popkin Comments at 4. The commenters believe that the Postal Service is attempting to compete with PMB providers by introducing a similar product through the Request. AMPC Comments at 1; NARSC Comments at 2; Letter at 1 (“I object to the attempt to compete with my Private Mail Box (PMB) services”).

Notwithstanding the ancillary services offered by PMB providers, the two products are close substitutes for one another. The fundamental purpose of each is to serve as a paid receptacle for receipt of correspondence and packages sent to the addressee. Incidental differences in the services simply distinguish the products offered to the public. At bottom, each product provides a means to accomplish delivery of correspondence and packages sent to addressees.

Notably, the qualified opposition of PMB providers to the Request does not extend to fees charged by the Postal Service for P.O. Box Service. No competitor objects to the proposal based on the possibility that the fees might change.

²¹ In a similar vein, some commenters note that PMB providers are subject to rules promulgated by the Postal Service for CMRAs. See, e.g., NARSC Comments at 2; Letter at 1. There is no suggestion that the rules applicable to CMRAs have changed as a result of the instant proposal or that those rules are otherwise subject to this Request. The Postal Accountability and Enhancement Act (PAEA), Pub. L. 109-435, 120 Stat. 3198 (2006) provides a mechanism to address claims that Postal Service rules confer an unfair competitive advantage on it. See 39 U.S.C. 404a.

Furthermore, while not dispositive, no competitor located in any of the ZIP Codes affected by the transfer filed comments in opposition to the proposal. Those addressing the issue urge the Postal Service to increase P.O. Box fees, which are generally lower than PMB charges, thus demonstrating a willingness to compete on price, if not other services. See Mail & More Comments at 1; AMPC Comments at 1; NARSC Comments at 1.

The availability of PMBs within one-half mile of the P.O. Box locations being transferred constrains the Postal Service's ability to raise prices significantly, decrease quality, or decrease output without risk of losing a significant level of business to firms offering similar products. Moreover, carrier delivery is available as an alternative to P.O. Box Service in each location subject to this Request.

One commenter contends that existing P.O. Box customers may be reluctant to opt for PMB service in response to any increase in fees for P.O. Box Service. He cites, for example, the "hassles and costs" associated with such a change. Carlson Comments at 3. Another commenter asserts that he is essentially "locked into [his] existing post office box address regardless of the cost or level of service received." Popkin Comments at 3.

To be sure, some transaction costs may be incurred if an existing customer terminates P.O. Box Service. That result, however, does not justify rejecting the proposal. Universally, transaction costs will be incurred anytime an existing customer opts for a new service provider. Whether the change is warranted is an individual choice based, in part, on balancing the tradeoffs involved.²²

²² Carlson also suggests that existing customers may be reluctant to switch to a PMB, "which does not offer the security and respect that a post office box address may carry." Carlson Comments at 3. A similar argument can be made in favor of PMBs. PMBs may inspire more public confidence in terms of security and respect than P.O. Boxes because PMBs have street addresses, but P.O. Boxes do not. See http://theupsstore.com/customer/faq/pages/faq_maiposser.aspx#q1 (cited at Request, Attachment B, at 5) ("With a [PMB], you get a real street address, not a P.O. Box number. If you're a business owner, having a real street address as your mailbox can provide you with a professional image for your business."). These distinctions between the two services are not "barriers to change." Carlson Comments at 3. They are simply factors that existing and prospective customers must weigh in selecting providers.

The PMB industry was established in the 1970s “out of a public need to receive mail and packages at non-Post Office Box addresses.” NARSC Comments at 1. Since that time, PMBs have provided a competitive alternate to P.O. Box Service. While customers’ demand may vary, no customer need be locked into its existing provider. In terms of alternatives to P.O. Box Service, choice is available even if not exercised.

The PR contends that the Request fails to provide sufficient information “on which to evaluate the establishment of the proposed new competitive post office box service product.” PR Comments at 4. The PR suggests that additional information should be developed, through further proceedings if necessary. *Id.*

In its comments, the PR references materials from Docket No. MC96-3 to suggest that PMBs and P.O. Boxes serve different markets. *Id.* at 3. The Commission is not persuaded that the materials relied upon support the PR’s theory, which, in any event, is not fully developed. The proposal in Docket No. MC96-3 was developed under a different regulatory statute (the Postal Reorganization Act), and the data used with respect to P.O. Boxes are now 15 years old.²³ The PAEA affords the Postal Service flexibility with respect to pricing, including for competitive products, and the transfer of products between market dominant and competitive product lists. Had the Postal Service provided additional support for its Request, perhaps it would have addressed some of the commenters’ concerns. In the context of the narrow Request, however, the Commission concludes that the Postal Service has provided sufficient detail. This conclusion, it should be noted, is influenced by the grant of authority in 39 U.S.C. 3642 to reverse the transfer should circumstances so warrant. With respect to future proposals, if any, regarding expansion of competitive P.O. Box Service, the Postal Service would be prudent to address the requirements of 39 U.S.C. 3642 thoroughly.

²³ Docket No. MC96-3, Opinion and Recommended Decision, April 2, 1997. In its recommended decision in that proceeding, the Commission found CMRAs and P.O. Boxes to be in competition but noted that intervenors had raised pertinent questions about the comparability of the two services. *Id.* at 64.

Small business concerns. PMB providers appear to fit the definition of small business concerns,²⁴ and commenters (and the Postal Service) generally characterize them as small businesses.²⁵ The Postal Service argues that its proposal will have minimal impact on small business customers given both the limited scope of its proposal and the availability of PMBs. *Id.* Regarding PMB providers, the Postal Service argues that the principal regulatory concern is not that P.O. Box Service will be over-priced, but rather that it will be under-priced. *Id.* It asserts that the PAEA precludes such a result. *Id.*

The Postal Service's narrowly-tailored proposal, limited to 52 ZIP Code locations, is, in some respects, experimental in nature. The Postal Service indicates it is evaluating all P.O. Box locations and may propose additional transfers if warranted. Significantly, pursuant to the Commission's rules and 39 U.S.C. 3642, the transfer may be reversed if circumstances change or experience suggests that the new product has been wrongly classified as competitive.²⁶

As discussed above, the commenters' principal concerns are about potential changes to P.O. Box Service that might be offered by the Postal Service in the future. Those issues are not before the Commission in this proceeding. If and when they are presented, interested persons will have an opportunity to address them. Furthermore, as noted, no small business concern located in any of the ZIP Codes affected by the transfer filed comments in opposition to the proposal. Thus, for the foregoing reasons,

²⁴ The term "small business concern," as used in 39 U.S.C. 3641(h), is a business entity organized for profit that: (1) Has a place of business located in the United States; (2) operates primarily within the United States or makes a significant contribution to the United States economy by paying taxes or using American products, materials, or labor; (3) is independently owned and operated; (4) is not dominant in its field of operation; and (5) falls within the Small Business Administration's size standards. See 15 U.S.C. 632(a); 13 CFR 121.101, 121.105.

²⁵ See Letter at 1; Mail & More Comments at 1; NARSC Comments at 1. The Postal Service states that "[p]rivate mail box providers are generally small businesses (including UPS Stores, which are independently owned and operated by franchisees)." Request, Attachment B, at 6.

²⁶ Pursuant to section 3642(a), upon request of users of the mails, or on its own initiative, the Commission may, among other things, transfer products between the market dominant and competitive product lists.

the Commission concludes that approving the proposed transfer is likely to have little or no effect on small business concerns.

Cost considerations. The Postal Service presents a financial analysis showing that the P.O. Box Service product being proposed for transfer covers its attributable costs, does not result in subsidization of competitive products by market dominant products, and increases contribution from competitive products. The Commission has also conducted a financial analysis of the proposed product based upon the data submitted by the Postal Service and finds that the cost coverage complies with 39 U.S.C. 3633.

Based on the data submitted, the Commission finds that the proposed P.O. Box Service product should cover its attributable costs (39 U.S.C. 3633(a)(2)), should not lead to the subsidization of competitive products by market dominant products (39 U.S.C. 3633(a)(1)), and should have a positive effect on competitive products' contribution to institutional costs (39 U.S.C. 3633(a)(3)). Thus, an initial review of the proposed P.O. Box Service product indicates that it comports with the provisions applicable to rates for competitive products.

In response to CHIR No. 1, the Postal Service outlines the manner in which it will develop costs associated with the new competitive product. The Postal Service intends to use the established methodology employed to distribute costs to each fee group. In general, it will use the average cost per box for fee group 1 to develop the attributable cost for the new product. This approach is acceptable.

Other considerations. The Postal Service indicates in its Request that it is conducting a comprehensive evaluation of all P.O. Box Service locations. Request at 2. The Commission does not take lightly the numerous comments received that oppose approval of the Request. In any future request to transfer any other P.O. Box Service locations to the competitive product list, the Postal Service is directed to file supporting financial data that include an analysis of the competitive product approved in this docket.

In conclusion, having considered the applicable statutory requirements, and having reviewed the record in this proceeding—including the Request, supporting materials, and all comments received—the Commission approves the Request to transfer selected P.O. Box locations to the competitive product list. The competitive product list will be amended to include the new product Post Office Box Service, and the draft MCS text will be revised to reflect the substance of the classification changes.

The Commission previously found it consistent with 39 U.S.C. 3642 to publish product list changes on a periodic (monthly) basis in the *Federal Register*.²⁷ Therefore, this addition to the competitive product list, appearing in Attachment B, will be included in the next periodic update.

²⁷ Docket Nos. MC2010-21 and CP2010-36, Order No. 445, Order Concerning Global Reseller Expedited Package Contracts Negotiated Service Agreement, April 22, 2010, at 8.

IV. ORDERING PARAGRAPHS

It is Ordered:

1. The Commission grants the Postal Service's request to modify the market dominant and competitive product lists by transferring selected Post Office Box Service locations from the market dominant to the competitive product list.
2. Post Office Box Service is added to the competitive product list as a new product.
3. The Secretary shall arrange for publication in the *Federal Register* of an updated product list reflecting the change made in this Order.

By the Commission.

Shoshana M. Grove
Secretary

COMMENTS FILED			
Organization	Individual(s)	Comment Title	Date Filed
AIM Mail Center Irvine, CA	Michael Sawitz	Comments of AIM Mail Center	March 30, 2010
AIM Mail Center #4	J. C. Lee	Comments of AIM Mail Center #4	March 30, 2010
AIM Mail Center #6	James T. Duncan	Comments of AIM Mail Center #6	March 29, 2010
AIM Mail Center #10	Deborah Washburn	Comments of AIM Mail Center #10	March 29, 2010
AIM Mail Center #20	Eleanor Walker	Comments of AIM Mail Center #20	March 29, 2010
AIM Mail Center #23	Hansa Savsani	Comments of AIM Mail Center #23	March 29, 2010
AIM Mail Center #42	Richard Kinsall	Comments of AIM Mail Center #42	March 29, 2010
AIM Mail Center #58	Dan Cascone	Comments of AIM Mail Center #58	April 6, 2010
AIM Mail Center #92	Merlyn C. Gill	Comments of AIM Mail Center #92	April 1, 2010
AIM Mail Center #93	David S. Reid	Comments of AIM Mail Center #93	April 1, 2010
AIM Mail Center #104	Mark L. Reed	Comments of AIM Mail Center #104	March 29, 2010
AIM Mail Center #108	Scott DeWys	Comments of AIM Mail Center #108	March 29, 2010
AIM Mail Center #115	Ritchie Barlow	Comments of AIM Mail Center #115	March 30, 2010
AIM Mail Center #118	Michael Helin	Comments of AIM Mail Center #118	April 1, 2010
AIM Mail Center #145	Stephen Dalit	Comments of AIM Mail Center #145	March 30, 2010
AIM Mail Center #150	Erik Worthmann	Comments of AIM Mail Center #150	March 30, 2010
AIM Mail Center #156	James K. Spalding	Comments of AIM Mail Center #156	March 30, 2010
AIM Mail Center #164	Charles G. Steinway	Comments of AIM Mail Center #164	April 1, 2010
AIM Mail Center #166	Don A. Banks	Comments of AIM Mail Center #166	March 30, 2010
AIM Mail Center #173	Mike and Cathy Lesnick	Comments of AIM Mail Center #173	March 31, 2010
AIM Mail Center #175	Roxanna and David Heupel	Comments of AIM Mail Center #175	March 29, 2010
Associated Mail & Parcel Centers	Jim Kitzmiller	Comments of Associated Mail & Parcel Centers	March 23, 2010
Business & Shipping Center of Southbury	Craig Paige	Comments of Business & Shipping Center of Southbury	March 30, 2010
First Class Business Center	Perry Shoom	Comments of First Class Business Center	March 29, 2010

Organization	Individual(s)	Comment Title	Date Filed
Mail & More of Tega Cay	Thomas Bodiford	Comments of Mail & More of Tega Cay	March 31, 2010
Mail & More	David Gibbons	Comments of Mail & More	March 29, 2010
Mail Boxes Times	Fahimeh Zomorodian	Comments of Mail Boxes Times	March 29, 2010
Mail Drop, The	Darla Trench	Comments of The Mail Drop	March 31, 2010
<i>MAIL IT</i>	Ron and Linda Hodges	Comments of <i>MAIL IT</i>	March 29, 2010
Mail Mart USA	Larry Kaplan	Comments of Mail Mart USA	March 29, 2010
Mail Plus Chehalis	Duane-Reece:Beaver	Comments of Mail Plus Chehalis	March 31, 2010
Mail Services Unlimited	Jim Whiteside	Comments of Mail Services Unlimited	March 29, 2010
Mostly Mail	Steven Wears	Comments of Mostly Mail	March 31, 2010
National Alliance of Retail Ship Centers*	Bruce Bernstein	Comments of National Association of Retail Ship Centers	March 31, 2010
PC Synergy	Rick Crawford	Comments of PC Synergy	April 1, 2010
Pack & Ship North	Nicholas F. Leone	Comments of Pack & Ship North	March 29, 2010
Parcel Plus of Antioch	Frank Schimberg	Comments of Frank Schimberg	March 29, 2010
Postal Dispatch Business Center	John M. Koplos	Comments of Postal Dispatch Center	March 31, 2010
PostalServ, Inc.	Patrick Waring	Comments of PostalServ, Inc.	March 31, 2010
Public Representative	Jeremy Simmons Jim Callow	Public Representative Comments on Postal Service Request to Transfer Selected Post Office Box Service Locations to the Competitive Product List	March 31, 2010
N/A	Douglas F. Carlson	Comments of Douglas F. Carlson	April 1, 2010
N/A	David B Popkin	Comments of David B. Popkin	March 31, 2010
* The company letterhead reflects the company title as National Association of Retail Ship Centers. The body of the document references the company as National Alliance of Retail Ship Centers.			

CHANGE IN MAIL CLASSIFICATION SCHEDULE
CHANGE IN PRODUCT LIST

The following material represents changes to the product list codified at 39 CFR Appendix A to Subpart A of Part 3020—Mail Classification Schedule. These changes are in response to Docket No. MC2010-20. The Commission uses two main conventions when making changes to the product lists. The addition of text is indicated by underscoring. Deleted text is indicated by a strikethrough.

PART B—Competitive Products

2000 Competitive Product List

* * * * *

Parcel Return Service

Post Office Box Service

* * * * *