

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

Before Commissioners:

Ruth Y. Goldway, Chairman;
Robert G. Taub, Vice Chairman;
Mark Acton;
Tony Hammond; and
Nanci E. Langley

Post Office Box Service Enhancements

Docket No. MC2012-26

ORDER ON ELECTIVE FILING REGARDING
POST OFFICE BOX SERVICE ENHANCEMENTS

(Issued February 14, 2013)

I. INTRODUCTION

On June 13, 2012, the Commission established the present docket as a placeholder for an elective filing by the Postal Service under 39 C.F.R. § 3020.30 concerning enhanced services for competitive Post Office Box service.¹ On July 9, 2012, the Postal Service submitted its elective filing to the Commission.² On July 12, 2012, the Commission noticed the Postal Service's Elective Filing, appointed a Public Representative to represent the interests of the general public, and provided interested

¹ Order No. 1368, Notice and Order Concerning Post Office Box Service Enhancements, June 13, 2012.

² Response of the United States Postal Service to Order No. 1366, July 9, 2012 (Elective Filing).

persons with an opportunity to file comments.³ The Postal Service, the Public Representative, and over 400 additional commenters submitted comments on the Postal Service's Elective Filing.

For the reasons set forth below, the Commission concludes that the introduction of the enhanced services at issue in this proceeding for competitive Post Office Box service does not create a new product for purposes of 39 U.S.C. § 3642(a). The Commission also concludes that the Postal Service has shown that competitive Post Office Box service complies with the standards of section 3633. However, because these enhanced services make important changes to the competitive Post Office Box service product, the Commission concludes that the Mail Classification Schedule (MCS) language for competitive Post Office Box service should be amended. As discussed below, the product description shall be amended so as to describe the significant features of the product. In addition, the list of price categories shall recognize the separate enhanced Post Office Box service fee schedule.

II. BACKGROUND

A. Transfer of Post Office Box Service to the Competitive Product List (Dockets Nos. MC2010-20 and MC2011-25)

On March 12, 2010, the Postal Service sought to transfer Post Office Box service at 49 locations from the market dominant product list to the competitive product list.⁴ This First Request generated substantial interest from commercial entities that rent private mailboxes to customers and from organizations that represent those entities.⁵

³ Order No. 1401, Notice and Order Concerning Elective Filing Regarding Post Office Box Service Enhancements, July 12, 2012.

⁴ Docket No. MC2010-20, Request of the United States Postal Service, March 12, 2010 (First Request).

⁵ Of the 42 comments that the Commission received in the First Request docket, most came from private mailbox providers. Docket No. MC2010-20, Order Approving Request to Transfer Selected Post Office Box Service Locations to the Competitive Product List, June 17, 2010, at 5 (Order No. 473). Postal Service regulations define these entities as Commercial Mail Receiving Agencies (CMRAs). See Domestic Mail Manual (DMM) Section D 508.1.8.

The commenters argued that the Postal Service would have an unfair competitive advantage if it were permitted to offer enhanced services that CMRAs offer, such as email notification, street addressing, and private carrier package delivery.⁶

The Commission granted the First Request. Order No. 473 at 16. Because the First Request involved “no changes in fees and services” the Commission found that “[p]otential changes in the nature of P.O. Box Service” were not before it. *Id.* at 9. While it acknowledged that the CMRAs’ concerns were “not insignificant,” the Commission concluded that the concerns were “premature.” *Id.* It indicated that “[i]f, in the future, the Postal Service proposes to offer ancillary P.O. Box Services, these issues can be raised.” (Footnote omitted.) *Id.*

On May 13, 2011, the Postal Service requested that Post Office Box service at an additional 6,800 locations—amounting to 44 percent of all post office boxes—be transferred to the competitive product list.⁷ In this Second Request, the Postal Service indicated that it intended to provide some enhanced services to customers, such as expanded lobby hours, signature on file, waiver of the key deposit, the use of parcel lockers, and “Baker’s Dozen” pricing.⁸ Second Request, Attachment B at 7. However, the Postal Service did not propose to introduce the enhanced services that previously prompted CMRAs to file comments with the Commission. No CMRA submitted comments on the Second Request.

⁶ Docket No. MC2010-20, Comments by Associated Mail and Parcel Centers (AMPC), March 23, 2010, at 1; Docket No. MC2010-20, Comments of the National Alliance of Retail Ship Centers (NARSC), March 31, 2010, at 2.

⁷ Docket No. MC2011-25, Request of the United States Postal Service to Transfer Post Office Box Service in Selected Locations to the Competitive Product List, May 13, 2011, at 1 (Second Request).

⁸ Baker’s Dozen pricing means offering 13 months of Post Office Box service to new customers for the price of 12 months of service. The Postal Service initially proposed this type of pricing in Docket No. CP2011-26. See Docket No. CP2011-26, Notice of the United States Postal Service of Changes in Rates of General Applicability for Competitive Products Established in Governors’ Decision No. 10-4, November 2, 2010, Attachment to Governors’ Decision No. 10-4, at 61.

The Commission granted the Second Request.⁹ Noting the absence of comments from CMRAs, the Commission observed that “it appears approving the Request will likely have minimal negative impact on them.” Order No. 780 at 13. Although the Postal Service estimated that competitive Post Office Box service would have a cost coverage of 143 percent, the Commission noted that the Postal Service did not state how it would “develop and report costs for service enhancements offered at competitive P.O. Box Service locations.” *Id.* at 14. It accordingly instructed the Postal Service “to explain how it will develop and report these costs when it proposes to change prices for competitive P.O. Box Service.” *Id.*

B. Rate Adjustment Proceeding (Docket No. CP2012-2)

On October 18, 2011, the Postal Service adopted Governors’ Decision No. 11-8, establishing new prices for competitive products and changes in classifications to define the new prices.¹⁰ Although the Governors’ Decision notes that additional Post Office Box service locations would become competitive locations in January 2012, it does not discuss any plan to introduce enhanced services at competitive Post Office Box service locations.¹¹

An attachment to Governors’ Decision No. 11-8 sets forth proposed changes to the draft MCS language and a fee schedule with price ranges for boxes in seven fee groups, designated C1 through C7. *Id.* Attachment at 141. However, a footnote to the fee schedule alludes to the private carrier package delivery enhancement by indicating:

⁹ Docket No. MC2011-25, Order Approving Request to Transfer Additional Post Office Box Service Locations to the Competitive Product List, July 29, 2011, at 15 (Order No. 780).

¹⁰ See Decision of the Governors of the United States Postal Service on Changes in Rates and Classes of General Applicability for Competitive Products (Governors’ Decision No. 11-8), October 18, 2011 (Governors’ Decision No.11-8).

¹¹ The entire discussion of Post Office Box service is as follows:

The 49 Post Office Box locations that were added to the competitive product list in June 2010 will be joined by 6,800 additional Post Office Box locations in January 2012. Additional fee ranges for these boxes in Fee Groups 2 through 7 will be added as well.

Governors’ Decision No. 11-8 at 4.

“A portion of the fee may serve as postage on packages delivered to competitive Post Office box service customers after being brought to the Post Office by a private carrier.” *Id.* at 142.

On November 22, 2011, the Postal Service filed notice of rate and classification changes for competitive products.¹² In the Rate Notice, the Postal Service alluded to the email notification and street addressing enhancements in explaining how it would develop and report costs for enhanced services:

Costs for Competitive Post Office Box service will be computed from a combination of specific finance number costs for projects, such as setting up the street address option and the costs associated with making physical changes to the locations. These would be reported as product specific costs, along with advertising for the product. Information Technology (IT) costs will be calculated by reporting the number of email or text notifications to customers and the average time and data transfer cost per notification.

Rate Notice at 2 n.1.

The Postal Service attached Governors’ Decision No. 11-8, and the proposed changes to the draft MCS, including the new fee schedule, to the Rate Notice.

The following day, the Commission issued an order that established Docket No. CP2012-2, invited interested persons to submit comments on the proposed changes, and appointed a Public Representative.¹³ In the order, the Commission asked the Postal Service to clarify the meaning of the footnote to the Post Office Box fee schedule indicating that a portion of the competitive Post Office Box service fee “may serve as postage on packages delivered to competitive Post Office box service

¹² Docket No. CP2012-2, Notice of the United States Postal Service of Changes in Rates of General Applicability for Competitive Products Established in Governors’ Decision No. 11-8, November 22, 2011 (Rate Notice). The Postal Service later submitted a corrected version of the MCS language and a non-public annex. See Notice of the United States Postal Service of Filing Revised MCS Language and Non-Public Annex [Errata], December 2, 2011.

¹³ Docket No. CP2012-2, Notice and Order Concerning Changes in Rates of General Applicability for Competitive Products, November 23, 2011, at 7 (Order No. 997).

customers after being brought to the Post Office by private carrier.”¹⁴ In response, the Postal Service explained:

Some competitive Postal Service locations will receive packages from private carriers (if addressed to the street address of the Post Office location, along with the customer’s box number), and then deliver the packages to the customer’s Post Office box. Payment for this delivery will come out of the Post Office box fees at that office, reflecting a ‘recipient pays’ model for postage payment.

...

Postal Service delivery of private carrier packages to Post Office boxes will provide a service frequently requested by Postal Service customers, and will also benefit private carriers, as well as merchants whose customers use a Post Office box. Some eCommerce merchants will not ship to a PO Box address. This enhancement will allow PO Box customers to receive shipments from all carriers. Our competitors emphasize that they accept shipments from all private carriers when they promote their mailbox services. This is clearly an option sought by customers of private mailbox providers.¹⁵

No commenter addressed competitive Post Office Box service in Docket No. CP2012-2. On December 21, 2011, the Commission determined that the Postal Service’s planned price adjustments for competitive products appeared to comply with 39 U.S.C. § 3633(a) and 39 C.F.R. § 3015.7.¹⁶ The Commission indicated, as it had in previous orders, that the MCS language suggested by the Postal Service “is illustrative and subject to change in the MCS that the Commission ultimately adopts.” *Id.* at 13 n.20.

On December 29, 2011, the Postal Service submitted a letter to the Commission indicating that it was “creating internal/customer fee groups (C30-C44) that correspond

¹⁴ *Id.* (quoting Governors’ Decision No. 11-8, Attachment at 142 n.3).

¹⁵ Docket No. CP2012-2, Notice of the United States Postal Service of Filing Supplemental Information with Portions Under Seal in Response to Commission Order No. 997, December 5, 2011, at 14.

¹⁶ Docket No. CP2012-2, Order No. 1062, Order Approving Changes in Rates of General Applicability for Competitive Products, December 21, 2011, at 13.

to the MCS fee groups (C1-C7).¹⁷ Included in the letter were fee schedules for each of the 15 new fee groups. The schedules provide a two-tiered pricing structure for competitive Post Office Box service.¹⁸ The letter indicated that the new competitive fees would take effect January 22, 2012. The Postal Service has indicated in a separate proceeding before the Commission that the two-tiered pricing structure distinguishes competitive Post Office Box service locations that offer certain enhanced services from locations that do not.¹⁹

C. The Complaint (Docket No. C2012-1)

On March 15, 2012, AMPC, NARSC, and 11 additional organizations representing CMRAs (Complainants) jointly filed a complaint with the Commission.²⁰ Complainants state that starting in January 2012, the Postal Service began offering customers the option to receive email notification of mail delivery (email notification), the option to use a street address and a “#” designation in lieu of a “P.O. Box” designation (street addressing), and the option to receive packages from private carriers (private carrier package delivery). *Id.* at 10. Complainants claim that the introduction of the service enhancements creates a new product, which the Postal Service may not offer without Commission authorization. *Id.* at 10-12. Complainants contend that due to Postal Service “tax and marketing advantages” CMRAs will be placed at a competitive disadvantage and will face a decrease in potential sales with the introduction of the enhanced services. *Id.* at 6-9.

¹⁷ Docket No. CP2012-2, Letter to Shoshana Grove on Post Office Box Fee, December 29, 2011.

¹⁸ For example, the schedules indicate that the new fee groups C34 and C41 correspond to the MCS fee group C4. Depending on box size, the 6-month prices for boxes in the C34 fee group are \$2 to \$10 higher than the 6 month prices for boxes in the boxes in the C41 fee group. The same is true for the other fee groups. The fee groups designated C30 though C37 have higher prices than the corresponding fee groups designated C38 through C44.

¹⁹ Docket No. CP2013-3, Responses of the United States Postal Service to Chairman's Information Request No. 1, October 24, 2012, at 7.

²⁰ Docket No. C2012-1, Complaint Regarding Postal Service Offering Enhanced Services Product for Competitive PO Boxes, March 15, 2012 (Complaint).

Complainants make three claims. First, they claim that the Postal Service violated 39 U.S.C. § 3642 by offering the enhanced services without first obtaining Commission approval. *Id.* at 11-12. Second, they claim that the Postal Service may have violated 39 U.S.C. § 3633 and Commission rules related to competitive products. *Id.* Third, they claim that the Postal Service violated 39 U.S.C. § 3661 because by offering the enhanced services, the Postal Service effected a “change in the nature of postal services” for which it was required to first obtain an advisory opinion from the Commission. *Id.* at 14-15.

On April 4, 2012, the Postal Service filed a motion to dismiss the Complaint.²¹ In its Motion to Dismiss, the Postal Service did not challenge Complainants’ allegation that it is offering the enhanced services. Nor did it challenge Complainants’ contention that the Postal Service is required by 39 U.S.C. § 3642 to provide notice to the Commission and the public prior to offering a new competitive service, and to show that the service satisfies the requirements of 39 U.S.C. § 3633. Instead, the Postal Service contended that the Complaint should be dismissed because the issues that Complainants’ raise were resolved in prior proceedings before the Commission. Motion to Dismiss at 3-4, 12. The Postal Service claimed that Complainants should have raised any concerns they had with the enhanced services during the Second Request proceeding. The Postal Service further claimed that the footnote in the Rate Notice discussing cost reporting for enhanced services provided Complainants with “another opportunity to be informed of the Postal Service’s intent to offer product enhancements.” *Id.* at 9. With respect to the claim that it is required to seek an advisory opinion pursuant to section 3661 prior to offering the enhanced services, the Postal Service argued that the advisory opinion provision is inapplicable because it is “not intended to cover minor service enhancements to Postal products.” *Id.* at 10.

On June 13, 2012, the Commission issued an order granting the Motion to Dismiss as to Complainants’ claim under section 3661 and denying the Motion to

²¹ Docket No. C2012-1, Motion of the United States Postal Service to Dismiss Complaint, April 4, 2012 (Motion to Dismiss).

Dismiss as to Complainants' claims under sections 3633 and 3642.²² The Commission found that the enhanced services at issue in the Complaint "were not at issue in the Second Request proceeding" and concluded that the "Complainants cannot be faulted for not raising the issue then." *Id.* at 10. With respect to the footnote in the Rate Notice discussing cost reporting for enhanced services, the Commission found that "the subject of the footnote is costing methodology for enhanced services" rather than "a proposal to adopt specific services." *Id.* at 11. It concluded that Complainants "cannot be faulted for failing to act upon a glancing reference to enhanced services buried within a footnote in a rate proceeding." *Id.*²³

The Commission granted the Postal Service's Motion to Dismiss Complainants' section 3661 claim. Order No. 1366 at 13. The Commission reasoned that section 3661 "deals with broader questions involving the nature of postal services generally" while changes to individual products, such as the enhanced services, are appropriately considered under other provisions of chapter 36, such as sections 3622, 3632, 3633, and 3642. *Id.* at 12-13. The Commission concluded that the introduction of the enhanced services "does not implicate section 3661...." *Id.* at 12.

The Commission indicated that it was unclear "whether the Complaint raises material issues of law or fact." *Id.* at 14. Because the Postal Service had not submitted an "appropriate filing that describe[d] the nature and implementing rules for [the] enhanced services," the Commission found that it could not "accurately evaluate their impact." *Id.* In the interest of efficiency, and to afford Complainants and the Postal

²² Docket No. C2012-1, Order on Motion to Dismiss Holding Complaint in Abeyance Pending Further Proceeding, June 13, 2012, at 15 (Order No. 1366).

²³ In its Motion to Dismiss, the Postal Service did not refer to the footnote in the fee schedule attached to Governors' Decision No. 11-8 that alludes to private carrier package delivery by indicating that "[a] portion of the fee may serve as postage on packages delivered to competitive Post Office box service customers after being brought to the Post Office by a private carrier." Nor did it refer to its response to the Commission's request for clarification, wherein it indicated that "[s]ome competitive Postal Service locations will receive packages from private carriers . . . and then deliver the packages to the customer's Post Office box. Payment for this delivery will come out of the Post Office box fees at that office, reflecting a 'recipient pays' model for postage payment." Postal Service Supplemental Response at 14. The Postal Service believes that had it provided this information in its Motion to Dismiss, it would have justified dismissal of the Complaint. Elective Filing at 8 n.14.

Service a forum to air their views, the Commission established the present docket to permit the Postal Service to make a filing under 39 C.F.R. § 3020.30 concerning the enhanced services and to provide “such information and data, and such statements of reasons and bases, as are necessary and appropriate to fully inform the Commission of the nature, scope, significance, and impact of the proposed modification.” *Id.* (quoting 39 C.F.R. § 3020.32). The Commission ordered that the Complaint be held in abeyance during the pendency of these proceedings. *Id.* at 14-15.

III. THE POSTAL SERVICE’S ELECTIVE FILING

On July 9, 2012, the Postal Service submitted its Elective Filing. In it, the Postal Service contends that although the enhanced services are “associated with the Competitive P.O. Box product described in [MCS] section 2640,” they do not “create a new product.” Elective Filing, Attachment A at 1-2. The Postal Service concludes that it is therefore not required to make a filing under section 3642. The Postal Service further contends that email notification and street addressing do not merit any change to the MCS and that any changes associated with private carrier package delivery were already accomplished during the Rate Adjustment proceeding (Docket No. CP2012-2). *Id.* at 6-10.

The Postal Service indicates that it expects competitive Post Office Box service to have a cost coverage that exceeds 140 percent, thereby “ensuring that the requirements of [section] 3633 will be satisfied.” *Id.* Attachment B at 2. It explains that this is due to high pre-existing cost coverage, minimal cost to implement the enhanced services, and a 10 percent revenue increase that “should only improve. . .cost coverage.” *Id.*

With respect to the impact on small businesses, the Postal Service acknowledges that the enhanced services will make Post Office Box service more comparable to the services that CMRAs provide. *Id.* at 6. It contends that the Postal Accountability and Enhancement Act (PAEA) encourages competition by permitting it to create more competitive products. *Id.* The Postal Service refutes the claim, made by

the CMRAs in the Complaint, that it can utilize tax and marketing advantages to compete unfairly with them. With respect to marketing, the Postal Service indicates that it spent less than \$20,000 to advertise the enhanced services between January and June of 2012 and that it has no plan to increase its rate of advertising spending. *Id.* at 7. With respect to taxes, the Postal Service responds that for competitive products, the PAEA eliminated many of the Postal Service's government advantages, including its tax advantage. *Id.* at 8. It concludes that the enhanced services do nothing more than place competitive Post Office Box service on a level playing field with respect to addressing standards already applicable to CMRAs. *Id.*

A. Public Comments

The Commission received comments from AMPC, NARSC, the Independent Coalition of Franchise Owners, Mail Boxes Etc., Inc. (MBE), and 478 individual CMRAs (collectively "Competitors") all of which oppose the Postal Service's introduction of the enhanced services. The Commission also received comments from David B. Popkin (Popkin), the Public Representative, and the Postal Service.

1. Competitor Comments

In their comments, Competitors make two arguments. First, they contend that the Postal Service has not provided the Commission with sufficient information about the cost of the enhanced services, the number of locations where they will be offered, and the reason why the Postal Service is offering them.²⁴ Second, they contend that CMRA regulations allow the Postal Service to compete unfairly against the entities that it regulates. Specifically, Competitors cite to a regulation that requires CMRAs to remain former customer mail for 6 months, a regulation that prohibits CMRA customers from

²⁴ See, e.g., Comments Express Pack & Ship 1 & 2, July 19, 2012, at 2; Comments of AMPC on Postal Service Elective Filing in Response of the United States Postal Service to Order No. 1366, August 7, 2012, at 1-2 (AMPC Comments); Comments of the National Alliance of Retail Ship Centers on Postal Service Elective Filing in Response of the United States Postal Service to Order No. 1366, August 7, 2012, at 1-2 (NARSC Comments).

filing change-of-address forms, a regulation that requires CMRAs to provide the local postmaster with customer lists, and a hypothetical change from 6-day to 5-day delivery service.²⁵

Competitors ask that the Commission reinstitute the Complaint (or permit them to file a new complaint) and require the Postal Service to file detailed cost information.²⁶ In addition, they ask that the Commission suspend or prohibit the Postal Service from offering the enhanced services.²⁷ Finally, they ask that the Commission direct the Postal Service to eliminate or suspend the CMRA regulations until the Commission determines whether to permit the Postal Service to offer the enhanced services, or if the Commission is unable to do so, that this case be referred to the Department of Justice to investigate whether the Postal Service is in violation of the PAEA or the Federal antitrust laws.²⁸

2. Public Representative Comments

The Public Representative contends that the enhanced services “raise serious issues related to unfair competition.”²⁹ He asserts that the PAEA charges the Commission with responsibility for safeguarding a level playing field for fair competition. *Id.* at 5. The Public Representative contends that if Competitors’ factual allegations regarding differential regulatory treatment for CMRAs and the Postal Service are true, the Postal Service may be in violation of 39 U.S.C. §§ 404a, 401(2), 403(c) and

²⁵ See, e.g., AMPC Comments at 2; NARSC Comments at 3-4; Comments of Packaging Depot LLC, August 6, 2012.

²⁶ AMPC Comments at 8; NARSC Comments at 8.

²⁷ AMPC Comments at 8; NARSC Comments at 8.

²⁸ AMPC Comments at 8; NARSC Comments at 8. One commenter asks that if the Commission allows the Postal Service “to compete with private industry (CMRAs) in a different manner than it has in the past,” that it should “take those steps necessary to ensure that the Postal Service does not have an unfair competitive advantage over private industry.” Comments of Mail Boxes Etc., Inc. on Post Office Box Service Enhancements, August 7, 2012 (MBE Comments). MBE refers specifically to changes in delivery to CMRA boxes should the Postal Service eliminate Saturday delivery. *Id.*

²⁹ Comments of the Public Representative, July 26, 2012, at 10 (PR Comments).

chapter 36, as well as Federal antitrust laws. *Id.* at 7. He urges the Commission to apply a “motion to dismiss” standard of review and “accept as true all of the factual allegations contained in the” Competitors’ comments.³⁰ He believes that there is a “material issue of disputed fact or law that needs to be resolved” before the Postal Service should be permitted to offer competitive Post Office Box service with the enhanced services. *Id.* at 7.

The Public Representative suggests that the issues in this docket be resolved through a complaint proceeding. He views a complaint proceeding as a superior vehicle for resolving competition issues because it affords the Commission broad remedial authority and provides for a discovery process. *Id.* at 8. He suggests that the Commission dismiss the Complaint currently held in abeyance without prejudice and allow Complainants to file a new complaint to examine the merits of the competitive issues. *Id.* at 9-10.

³⁰ *Id.* at n.20. (quoting *Erickson v. Pardus*, 551 U.S. 89, 94 (2007)).

3. David B. Popkin Comments

David B. Popkin filed comments on August 7, 2012,³¹ and reply comments on August 14, 2012.³² In his comments and reply comments, Popkin asks several operational questions regarding how the Postal Service intends to implement the enhanced services.³³

B. Postal Service Reply Comments

On August 17, 2012, the Postal Service submitted its reply comments. In it, the Postal Service contends that the substantial price increase for Post Office Box service at competitive locations, a loss of customers due to the price increase, and minimal advertising for the enhanced services, together demonstrate that CMRAs are not at a competitive disadvantage to the Postal Service. Postal Service Reply Comments at 4 and 9. The Postal Service contends that CMRAs retain competitive advantages over the Postal Service, such as the ability to offer packing and printing services and the ability to quickly innovate product offerings. *Id.* at 9-10.

³¹ Initial Brief of David B. Popkin, August 7, 2012.

³² Reply Comments of David B. Popkin, August 14, 2012.

³³ In addition to his comments, Popkin filed a request that the Commission issue a Presiding Officer's Information Request (POIR). Request of David B. Popkin for a Presiding Officer's Information Request, July 19, 2012 (Motion for a POIR). The Request includes suggested questions for the Commission to ask the Postal Service. The Postal Service opposed the request. Opposition of the United States Postal Service to Mr. David B. Popkin's Request for a Presiding Officer's Information Request, July 24, 2012. The Commission issued a Chairman's Information Request, and in doing so, gave due consideration to Popkin's suggested questions. See Chairman's Information Request No. 1, July 30, 2012. In addition, in its reply comments, the Postal Service addresses the issues that Popkin raised in his Motion for a POIR. Reply Comments of the United States Postal Service, August 17, 2012, at 19-20 (Postal Service Reply Comments). Because the questions that Popkin asked have been answered, the Motion for a POIR is denied as moot.

The Public Representative filed a motion for leave to respond to the Postal Service's opposition to the Motion for a POIR. Public Representative Motion for Leave to File a Response to the United States Postal Service Opposition to Mr. David B. Popkin's Request for a Presiding Officer Information Request, July 26, 2012 (Motion for Leave). The Postal Service opposed the Public Representative's Motion for Leave. Response of the United States Postal Service in Opposition to the Public Representative's Motion for Leave to File a Response, July 27, 2012. The Commission's rules do not require that a participant, like the Public Representative, obtain leave before filing a timely answer in support of, or in opposition to, a motion. 39 C.F.R. § 3001.21(b). The Motion for Leave is accordingly denied as moot.

The Postal Service contends that it has provided the Commission with sufficient information for it to conclude that competitive Post Office Box service is likely to satisfy section 3633. *Id.* at 6-7. Addressing Competitors' comments, the Postal Service argues that the Commission should only request detailed cost and revenue information if it is necessary to resolve the issues in this docket. *Id.* at 7. Responding to Competitors' claim that the Postal Service has not provided sufficient information about the number of locations offering enhanced services, the Postal Service indicates that all but 400 competitive locations will offer street addressing and private carrier package delivery, and all but 150 competitive locations will offer email notification. *Id.* The Postal Service explains that the reason it is offering the enhanced services is because the services were frequently requested by customers prior to their introduction. *Id.*

With respect to the claim of differential regulatory treatment, the Postal Service states that it "provided reasonable justifications" for the CMRA regulations when it issued its final rule adopting the regulations in 1999. *Id.* at 8-9. It adds that the regulations permit CMRAs to avoid the remailing requirement by obtaining written instructions from customers that mail not be forwarded upon termination of the contractual relationship. *Id.* at 12. The Postal Service assures Competitors and the Commission that it never has used, and has no intention of using, CMRA customer lists to solicit CMRA customers. *Id.* at 14. With respect to the claim that CMRA customers will receive only 5 days of delivery while competitive Post Office Box service customers will continue to receive 6 days of delivery service if the Postal Service eliminates Saturday delivery, the Postal Service contends that such claims are premature. *Id.* at 14-15.

The Postal Service argues that the Commission should not adopt the "motion to dismiss" standard of review that the Public Representative proposes. It asserts that Competitors could have introduced evidence of competitive harm at any stage in the Complaint proceeding or in the comments that they filed in this proceeding. *Id.* at 16-17. The Postal Service argues that it should not be forced to endure the discovery process without proof that CMRA regulations have caused economic harm. *Id.* at 17.

It contends that were the Commission to adopt the standard of review that the Public Representative proposes, it would transform its responsibility for safeguarding a level playing field into one that protects the competitor rather than competition. *Id.*

IV. COMMISSION ANALYSIS

A. Compliance with Section 3642 and Implementing Regulations

1. “New Product” for Purposes of Section 3642

Section 3642(a) provides:

Upon request of the Postal Service or users of the mails, or upon its own initiative, the Postal Regulatory Commission may change the list of market-dominant products under section 3621 and the list of competitive products under section 3631 by adding new products to the lists, removing products from the lists, or transferring products between the lists.

Complainants claim that the Postal Service violated this provision by offering the enhanced services of email notification, street addressing and private carrier package delivery³⁴—without first obtaining Commission approval. Complaint at 10.

In its Elective Filing, the Postal Service contends that the enhanced services “merely allow customers to use their mail receptacles more efficiently,” that they “do not change the definition of P.O. Box Service,” and therefore it has “not created a new product.” Elective Filing, Attachment A at 4. The Postal Service thus concludes that it is not required to make a filing under section 3642. *Id.* at 2. It explains that it has never previously made a filing under section 3642 “for an enhancement that was not

³⁴ The Postal Service states that private carrier package delivery is a part of the street addressing enhanced service. Postal Service Reply Comments at 1 n.2. By agreeing to have a street address, customers are eligible to receive packages delivered by private carriers. Notwithstanding this, customers and competitors may view street addressing and private carrier package delivery as distinct services. Indeed, the Postal Service’s flier soliciting customer interest in the enhanced services separately notes the benefits of “the credibility of a street address for your business” and acceptance of “packages from private carriers that do not deliver to a PO Box.” See Complaint, Exhibit B at 1. For analytical purposes, the Commission will treat street addressing and private carrier package delivery as distinct enhanced services.

separately priced.” *Id.* at 4. It claims that its position is in keeping with the product flexibility that the PAEA affords and warns that, were it required to make a filing under section 3642 every time it introduced an unpriced enhancement to a product, it could quickly overwhelm the resources of the Postal Service and the Commission. *Id.* at 5.

The Postal Service’s claim that the enhanced services are not separately priced is not borne out by the facts. The Postal Service has created separate fee schedules for box rental at competitive Post Office Box service locations that offer certain enhanced services and for competitive Post Office Box service locations that do not.³⁵

Even if the enhanced services were not separately priced, the Commission does not agree with the Postal Service’s suggestion that whether enhancements to a product create a new product for purposes of section 3642 should turn on whether the Postal Service decides that they should be separately priced. Such a standard would permit the Postal Service to enhance an existing product without creating a different fee schedule and then later create a separate fee schedule for the product with and without the enhancement. The PAEA specifically defines “product” as a “postal service with a distinct cost or market characteristic for which...rates are, or may reasonably be applied.” 39 U.S.C. § 102(6). By including the words, “may reasonably be applied,” Congress allowed for the possibility that a service for which the Postal Service does not charge a separate rate could nonetheless be a separate product.

In considering whether enhanced services create a separate product, the Commission must consider the context. Post Office Box service has been long recognized as a separate product. The issue is whether the enhanced services so alter competitive Post Office Box service as to create a new product. The Commission

³⁵ See Docket No. CP2012-2, Letter from David H. Rubin to Shoshana M. Grove, December 29, 2011 (announcing that the Postal Service is establishing customer fee groups C30-C44); see also Docket No. CP2013-3, Response of the United States Postal Service to Chairman’s Information Request No. 1, October 24, 2012, at 7 (explaining that the distinction between fee groups C30-C37 and fee groups C38-C44 is that the fees for boxes in the former set of fee groups “offer at least one of the following service enhancements: Real Mail Notification, Street Addressing (which always come with the option to receive packages from private carriers), 24/7 access to the boxes, and earlier availability of the mail.”)

concludes that they do not, but rather represent embellishments of, or improvements to, the existing competitive Post Office Box service product.

In reaching this conclusion, the Commission is mindful of the PAEA definition of the term “product.” In enacting that definition, Congress was well aware that not every postal service for which a rate was (or could be charged) should be classified as a separate product. It initially identified 10 then-existing postal services as market dominant products and five as competitive products. See 39 U.S.C. §§ 3621 and 3631. Under the Postal Reorganization Act, those postal services included thousands of different rates. Indeed Post Office Box service has long contained separate rate categories based on the size of the box and the geographic location of the post office.³⁶ At the time the PAEA was passed, there were 36 separate rates for Post Office Box service.³⁷ Plainly, Congress did not intend for every separate rate cell or category to be considered a separate product. By the same token, however, Congress provided that the Postal Service, users of the mail, and the Commission could seek modifications to the market dominant and competitive products lists, including the establishment of new products and the transfer of products between those lists. Such requests are subject to review and approval by the Commission. See 39 U.S.C. § 3642; 39 C.F.R. parts 3030, 3050, and 3070.

Following passage of the PAEA, the Postal Service and the Commission have consistently treated multiple cells on fee schedules as part of a single, individual product. A limited number of products have been established at the request of the Postal Service, primarily to facilitate marketing and other business purposes. While the principal impetus for establishing products has, to date, been Postal Service requests, the PAEA specifically provides for the Commission or users of the mail to request the addition of a product to the product lists. See 39 U.S.C. § 3642(a).

³⁶ See, e.g., Docket No. MC96-3, Opinion and Recommended Decision, April 2, 1997, at 43.

³⁷ See Docket No. R2006-1, Opinion and Recommended Decision, February 26, 2007, at 424.

The product, competitive Post Office Box service, provides all customers with the same basic service—a locked receptacle for the receipt of mailable matter. The enhanced services, which the Postal Service indicates that it chose to offer in response to customers' requests,³⁸ represent the evolution of an existing product more than the establishment of a new product. Email notification, for example, updates the prior practice of responding to customer inquiries by telephone regarding delivery to reflect the current widespread use of instant electronic communication. The street addressing and private carrier package delivery are inherent parts of the competitive Post Office Box service product they enhance. They provide additional options for the customer such as expanding the number of private carriers who may deliver to the customer box. Each of these enhanced services is linked exclusively to the existing product. None, it appears, would be offered but for the existence of the underlying product. Thus, under the circumstances, providing the enhancements does not so alter competitive Post Office Box service as to give rise to a new product.

Competitors contend that the Postal Service's offering of the enhancements creates an "unfair competitive advantage" for the Postal Service.³⁹ In light of these statements, the Commission has also considered the impact on post office box customers and competitors in determining whether the Postal Service has created a new product by offering these enhanced services.⁴⁰

The transfer of market dominant Post Office Box locations to the competitive product list was approved due to competition from private mailbox providers in those locations. See Order Nos. 473 and 780. Offering enhanced Post Office Box service appears to be the industry norm. As a consequence, the services provided are more

³⁸ Postal Service Reply Comments at 7.

³⁹ See, e.g., Comments of UPS Store #1862, July 20, 2012, at 1; Comments of Prince Postale, July 26, 2012; Comments of Postal Solution Inc., August 7, 2012, at 1.

⁴⁰ If the enhancements were viewed as a new product, the Commission would have to give due regard to such considerations. 39 U.S.C. § 3642(b)(3).

comparable. Competitors have not demonstrated that the Postal Service’s offering of comparable services gives it an unfair competitive advantage.

The Postal Service represents that its customers “frequently requested” that these services be added to the existing product.⁴¹ Thus, providing the enhancements is not only responsive to customers’ needs, it recognizes improvements to the underlying product. The provision of these services does not alter the basic service provided—delivery of mailable matter to a locked receptacle—but merely updates the service to the industry standard.⁴²

For the foregoing reasons, the Commission concludes that the Postal Service, by offering enhanced services, has not created a “new product” for purposes of section 3642.

2. Changes to the MCS

Commission regulations require that the Postal Service make corrections to the MCS to ensure that product descriptions accurately represent current offerings. 39 C.F.R. § 3020.90 *et seq.* The Postal Service asserts that it is not necessary to make any changes to the MCS description of competitive Post Office Box service to account for the enhanced services. Elective Filing, Attachment A at 6. It contends that email notification is merely the technological evolution of an earlier, informal practice whereby customers called a post office by telephone to inquire as to whether mail had been delivered. *Id.* at 6. It adds that street addressing is an operational matter properly addressed by the DMM rather than the MCS. *Id.* at 7. The Postal Service concedes that private carrier package delivery merits a change to the MCS because it “must be paid in some manner for delivering these packages to P.O. Box customers.” *Id.* However, it indicates that it already made the requisite filing by providing a footnote with

⁴¹ Elective Filing, Attachment B at 5.

⁴² For logistical reasons, the Postal Service is unable to offer the enhancements at some competitive post office box service locations. *Id.* at 7. The Postal Service does not suggest that there are other reasons why it does not offer the enhanced services at all competitive post office box locations.

the competitive Post Office Box fee schedule indicating that a portion of the post office box fee “may serve as postage on packages delivered to competitive Post Office Box service customers after being brought to the Post Office by private carrier.”⁴³ The Postal Service contends that this language, combined with its response to the Commission’s request for clarification, provides a sufficient description of private carrier package delivery. Elective Filing, Attachment A at 8.

The Postal Service notes that “the rules require only minimal descriptive information to be included in the [MCS].”⁴⁴ It contends that enhanced services for which a separate price is charged (such as key duplication and lock replacement) are included in the MCS description, as are some product features for which no separate price is charged. *Id.* at 9-10. But it claims that unpriced product features are included in the MCS description only “if they define the product.” *Id.* at 9. The Postal Service warns of a slippery slope if it is required to include the enhanced services in the product description. It asks whether it would also be required to include such features as the hours during which boxes may be accessed, or the time of day that the mail is supposed to be delivered to the boxes. *Id.* at 10.

The regulation that requires the Postal Service to ensure that the MCS product descriptions accurately reflect current offerings serves important functions. 39 C.F.R. § 3020.90. It ensures that accurate descriptions of the Postal Service’s products are maintained. It also provides the public and the Commission with notice and an opportunity to comment when the Postal Service changes or modifies product descriptions.

Determining which product features to include in or exclude from the MCS product description must balance the need for transparency concerning important features of the product against the Postal Service’s operational prerogatives. To develop an appropriate standard, the Commission asked two questions:

⁴³ Governors’ Decision No. 11-8, Attachment at 142.

⁴⁴ *Id.* at 10 (quoting Docket No. RM2007-1, Order Establishing Ratemaking Regulations for Market Dominant and Competitive Products, October 29, 2007, at 102).

- (1) Does the MCS language accurately describe the product?
- (2) Does the MCS language provide notice about significant product features?

The record shows that the enhanced services at issue in this proceeding are important to the public. In Docket No. MC2010-20, the CMRAs made clear that they are keenly interested in these enhanced services. There, the CMRAs expressed concern about these enhanced services even before the Postal Service offered them. The Commission recognized that the CMRAs' concerns were "not insignificant." Order No. 473 at 9. The Postal Service is surely aware that the enhanced services of email notification, street addressing, and private carrier package delivery are important features of the product that attracted substantial public attention.⁴⁵

The current draft MCS language does not sufficiently inform the public about significant features of competitive Post Office Box service. Significant features would include the option to receive email notification, and for customers who choose to use a street address, the option to receive deliveries from private carriers.⁴⁶ Draft MCS language including these features is attached to this Order. Purely operational matters such as the duration of lobby hours or the uptime for delivery of mail to boxes would not be included.

The Postal Service's contention that it is not required to make a filing under the Commission's existing rules is understandable. When it proposes to add or transfer a product to the competitive product list, the Postal Service files a request pursuant to 39 C.F.R. part 3020 subpart B, as it did when it initially proposed to move Post Office

⁴⁵ By contrast, other enhanced services have attracted very little attention. Expanded lobby hours, signature on file, waiver of the key deposit, and the use of parcel lockers, all of which were described by the Postal Service in Docket No. MC2011-25, generated few or no comments.

⁴⁶ Regarding the latter, a footnote to the fee schedule indicating how postage will be paid for this service presupposes that the Postal Service is offering the service, but the MCS product description does not describe it. A footnote to the fee schedule is insufficient to apprise the public of this important attribute of competitive Post Office Box service.

Box service to the competitive product list. Similarly, when the Postal Service proposes to make minor technical corrections to an MCS product description, it files notice of the correction, pursuant to 39 C.F.R. part 3020 subpart E. See 39 C.F.R. § 3020.91. The rules under subparts B and E are keyed to 39 U.S.C. § 3642. Requests submitted pursuant to the former require more detail, *e.g.*, whether the product is competitive, the availability and nature of private sector enterprises engaged in the delivery of the product, and the views of product users. Changes filed pursuant to the latter are reviewed for consistency with section 3642.

The addition of these enhanced services to competitive Post Office Box service does not fit squarely within either set of rules. Enhanced competitive Post Office Box service is neither a new product necessitating a filing under subpart B nor a minor technical correction to an existing product necessitating a filing under subpart E. However, the enhanced services introduce significant product features. To promote transparency, Commission rules should provide a clear path for the Postal Service when it seeks to add or eliminate a significant product feature. The Commission intends to initiate a rulemaking to amend its rules to accommodate such filings.

B. Compliance with Section 3633 and Implementing Regulations

Section 3633(a) requires the Commission to promulgate regulations that:

1. “prohibit the subsidization of competitive products by market-dominant products;”
2. “ensure that each competitive product covers its costs attributable;” and
3. “ensure that all competitive products collectively cover what the Commission determines to be an appropriate share of the institutional costs of the Postal Service.”

39 U.S.C. § 3633.

Commission regulations promulgated pursuant to this mandate require the Postal Service, when it proposes to modify the product lists, to provide supporting justification

explaining why the addition, deletion, or transfer of a product to or from a product list will not result in a violation of any of the standards of section 3633. 39 C.F.R. § 3020.32(c).

The Postal Service believes that enhanced competitive Post Office Box service will continue to satisfy the requirements of section 3633(a). In its Elective Filing the Postal Service states that in Fiscal Year (FY) 2011, prior to the transfer of Post Office Box service at 6,800 locations to the competitive product list, the cost coverage for market dominant Post Office Box service was 135.3 percent. Elective Filing, Attachment B at 2. It states that the cost associated with implementing the enhanced services—less than \$300,000—is quite modest in comparison to the hundreds of millions of dollars in revenue that Post Office Box service generated at competitive locations between January and June of 2012. *Id.* Furthermore, the Postal Service projects that competitive Post Office Box service revenue will increase by more than 10 percent as a result of a 25 percent price increase that took effect in January 2012. *Id.* at 2, n.2.

The Postal Service is still in the process of developing the means to quantify the ongoing operational costs associated with the enhanced services. Although these costs are not yet known, the Postal Service indicates that such costs are likely to be small relative to the total cost of competitive Post Office Box service.⁴⁷ It states that email notification will be an automated process and that the only additional cost for private carrier package delivery is the cost of handling the packages. *Id.* at 3. The Postal Service projects that the cost coverage for competitive Post Office Box service will exceed 140 percent. Elective Filing, Attachment B at 2.

⁴⁷ Docket No. CP2013-3, Response of the United States Postal Service to Chairman's Information Request No. 5, Question 1, November 7, 2012 (Response to CHIR No. 5, Question 1).

Competitors claim that the Postal Service has failed to provide sufficient cost information about the enhanced services. AMPC Comments at 1. They allege that the Postal Service “pretend[s] that these changes have no costs and/or were already contemplated in prior costs filings in 2011....”⁴⁸ They ask that the Commission suspend or prohibit the Postal Service from offering the enhanced services “because they have not been previously presented to the Commission and the public for comment and cost analysis.” AMPC Comments at 8.

The Postal Service contends that the high pre-existing cost coverage, the growing revenue stream, and the modest implementation costs for the enhanced services demonstrate that competitive Post Office Box service will continue to comply with section 3633. Postal Service Reply Comments at 6-7. The Postal Service contends that it should not be required to provide detailed proprietary cost and revenue information unless such information is necessary for the Commission to resolve the issues in this docket. *Id.* at 7. It indicates that if the Commission requires the Postal Service to file cost and revenue information, such information should be filed under seal.

When it proposes to add a product to the competitive product list, the Postal Service provides detailed cost data and revenue data, under seal where appropriate. The Postal Service began to offer enhanced competitive Post Office Box service in January 2012. As a result, detailed cost information concerning the enhancements is not yet available. Response to CHIR No. 5, Question 1. Nonetheless, the Postal Service has provided sufficient information from which the Commission can reasonably conclude that competitive Post Office Box service will cover its costs by a substantial margin.

⁴⁸ *Id.* They further contend that the Postal Service has failed to provide the Commission with sufficient information about the number of locations where the enhancements will be offered, and information indicating why the Postal Service is offering the enhancements. *Id.* at 2. In its Reply Comments, the Postal Service provides this information. Postal Service Reply Comments at 7.

The Postal Service indicates that revenue at competitive locations is increasing. Despite losing customers following the 25 percent price increase, revenue from post office boxes at competitive locations increased by 10 percent in the January to June 2012 period over the same period a year earlier. Elective Filing, Attachment B at 2. By comparison, the increased costs that the Postal Service will incur as a result of offering the enhanced services are likely to be modest. The estimated \$300,000 implementation costs are clearly modest. The operational costs associated with the service enhancements—automated email notification and package handling costs—are of a nature that suggests they will be modest as well.

The Commission's conclusion is buttressed by an examination of non-public information filed in Docket No. ACR2012 concerning competitive Post Office Box service.⁴⁹ That information does not in any way call into question the conclusion that competitive Post Office Box service complies with the standards of section 3633.

C. Competition Issues

The arguments that Complainants raise in the Complaint are different from the arguments that Competitors raise in response to the Elective Filing. In the Complaint, Complainants allege that the Postal Service, by offering the enhanced services, uses tax and marketing advantages to harm CMRAs. Complaint at 5, 6, 8. In its Elective Filing, the Postal Service counters these allegations. The Postal Service states that for competitive products, the PAEA eliminated the Postal Service's tax advantage for competitive products by requiring it to calculate an assumed federal income tax on competitive products income and to transfer the assumed tax from the Competitive Products Fund to the Postal Service Fund. Elective Filing, Attachment B at 8; *see also* 39 U.S.C. § 3634. The Postal Service also disputes Complainants' claim that it has an unfair marketing advantage. It points out that it spent less than \$20,000 in marketing

⁴⁹ See Docket No. ACR2012, USPS-FY12-NP11, FY 2012 Nonpublic Cost and Revenue Analysis Report; Docket No. ACR2012, USPS-FY12-NP30, FY 2012 Revenue, Pieces, and Weight Report (Nonpublic Version).

competitive Post Office Box service during the first 6 months of 2012, that it has no intention of increasing the marketing budget, and that the CMRAs are free to band together and launch a marketing campaign. Elective Filing, Attachment B at 7; Postal Service Reply Comments at 10.

In the comments filed in response to the Elective Filing, Competitors primarily focus on alleged competitive harm caused by preexisting CMRA regulations, not whether the Postal Service may lawfully offer enhanced services without prior Commission authorization. Competitors contend that the regulations impose additional costs on CMRAs and create an unfair competitive environment. AMPC Comments at 3. Specifically, they argue that a regulation that requires CMRAs to remail the mail of former customers, a regulation that prohibits customers from filing change-of-address forms, and a regulation that requires CMRAs to provide local postmasters with a customer list unfairly impose additional costs on them. Competitors also complain that were the Postal Service to end Saturday delivery of mail, it would continue to provide Saturday delivery to Post Office Box service customers, but not to CMRA customers. *Id.* at 2.⁵⁰

Competitors and the Public Representative contend that by imposing the referenced regulations, the Postal Service may be acting in violation of title 39 or the Federal antitrust laws.⁵¹ Competitors ask that the Commission direct the Postal Service to eliminate or suspend the CMRA regulations until it decides whether the Postal Service may offer the enhanced services. AMPC Comments at 8. The Public Representative contends that the opposing positions of the Competitors and the Postal Service as to the CMRA regulations appear to raise a material issue of fact or law. PR Comments at 7. He urges the Commission to dismiss the Complaint without prejudice, permit Complainants to file a new Complaint to examine these issues, and

⁵⁰ *Postal Service Announces New Delivery Schedule*, Postal News Release No. 13-019, February 6, 2013.

⁵¹ See AMPC Comments at 3; PR Comments at 7.

not approve the addition of the enhanced services until these competitive issues are resolved. *Id.*

The PAEA reflects a policy that permits the Postal Service to offer competitive postal products, so long as it does so fairly. With respect to Complainants' claims of favorable tax treatment, the Postal Service has shown, and Competitors do not dispute, that the PAEA eliminates the tax advantages for competitive products. With respect to claims that the Postal Service has superior marketing advantages, the Postal Service asserts that it neither has, nor has attempted to use any marketing advantages. Moreover, so long as it satisfies applicable statutory policies, the Postal Service is free to market its competitive products. Absent any colorable claim that the Postal Service is actually using market dominant products to subsidize competitive Post Office Box service, the essence of the Complaint is that the addition of the enhanced services will allow the Postal Service to more effectively meet the existing competition from CMRAs.

With respect to the CMRA regulations and the potential elimination of Saturday delivery, neither Competitors nor the Public Representative show that these issues are material as to whether the enhanced services are properly offered by the Postal Service. Indeed, Competitors' concerns with the CMRA regulations and the potential elimination of Saturday delivery have the same force, regardless of whether the Postal Service provides the enhanced services. The subject of this docket, and the related complaint proceeding (Docket No. C2012-1), is the lawfulness of the enhanced services for competitive Post Office Box service. The Commission stated as much when it initiated this docket. Order No. 1366 at 14 (quoting 39 C.F.R. § 3020.32(i)). Absent any nexus that links the CMRA regulations and the potential elimination of Saturday delivery to this review of the enhanced services, issues concerning these issues are outside of the scope of this docket.

V. CONCLUSION

In sum, the Commission concludes that the Postal Service has not, by offering enhanced services for competitive Post Office Box service, created a “new product” for purposes of section 3642(a). The Commission also concludes that competitive Post Office Box service with enhanced services satisfies section 3633. However, because these enhanced services introduce significant features to the competitive Post Office Box service product, the Commission concludes that the MCS language for competitive Post Office Box service should be amended. The product description shall be amended to include significant features of the product. In addition, the list of price categories shall recognize the separate enhanced Post Office Box service fee schedule.

It is ordered:

1. The product description and price categories for competitive Post Office Box service in the competitive product list shall be amended. The revision to the competitive product list appears below the signature of this Order and is effective immediately.
2. Any motions not expressly ruled on herein are denied.

By the Commission.

Shoshana M. Grove
Secretary

CHANGE IN MAIL CLASSIFICATION SCHEDULE
CHANGE IN PRODUCT DESCRIPTION

The following material represents changes to the product descriptions codified in Appendix A to 39 CFR part 3020, subpart A – Mail Classification Schedule. These changes reflect the Commission’s Order No. 1657 in Docket No. MC2012-26. The Commission uses two main conventions when making changes to the product list. New text is underlined. Deleted text is struck through.

Part B – Competitive Products

Competitive Product Descriptions

* * * * *

2640 Post Office Box Service

2640.1 Description

* * * * *

- g. Customers at some competitive Post Office Box service locations have the option to receive Real Mail Notification Service. Customers who choose to receive this service will receive either an email or a text message each delivery day to inform them that they will receive mail in their P.O. Box that day at the scheduled time.
- h. Customers at some competitive Post Office Box service locations have the option to use the post office street address and a “#” designation, in lieu of a “P.O. Box” designation, before the addressee’s box number. Customers who choose to use this designation also have the option of receiving packages from private carriers at the customer’s Post Office Box address.

* * * * *

2640.2 Price Categories

The following price categories are available for the product specified in this section:

- Regular – Fees depend on box size and Post Office location
- Enhanced – Enhanced service offers at least one of the following services: Real Mail Notification, Street Addressing (which always

comes with the option to receive packages from private carriers), 24/7 access to the boxes, and earlier availability of the mail. Fees depend on box size and Post Office location.