

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Before Commissioners:

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

Public Inquiry on the  
Classification of the  
Inbound Letter Post Product

Docket No. PI2018-1

COMMISSION INFORMATION REQUEST NO. 2

(Issued September 13, 2018)

To better understand the Inbound Letter Post product<sup>1</sup> and the market in which it resides, the Postal Service is requested to provide written responses to the following questions. Answers to the questions should be provided as soon as possible, but no later than October 4, 2018.

1. Please refer to the Postal Service's Responses to Commission Information Request No. 1 (CIR No. 1), question 2.a.<sup>2</sup> The Postal Service states that a foreign mailer could opt to mail an Inbound Letter Post mailpiece as a "parcel post" mailpiece using Inbound Parcel Post (at UPU rates), Inbound Air Parcel Post (at non-UPU rates), or "parcel post provisions in any applicable Inbound

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<sup>1</sup> As defined by section 1130 of the Mail Classification Schedule.

<sup>2</sup> Responses of the United States Postal Service to Questions 1-11 of Commission Information Request No. 1, August 1, 2018 (Responses to CIR No. 1).

Competitive Multi-Service Agreements with Foreign Postal Operators contract[.]”  
Responses to CIR No. 1, question 2.a.

- a. Please explain why a mailer would send an item that is eligible to be mailed as an Inbound Letter Post mailpiece as a parcel post mailpiece.
  - b. Please explain why this situation (*i.e.*, a mailer having the option of sending a mailpiece by market dominant or competitive product offerings) is unique to the Inbound Letter Post product. For example, a mailer can opt to mail a Library/Media Mail mailpiece as a Priority Mail or a First-Class Package Service Retail mailpiece. In situations where a mailer could opt to send a mailpiece by either market dominant or competitive products, please confirm that it is the Postal Service’s position that the applicable competitive products compete with the applicable market dominant products. If not confirmed, please explain.
2. Please refer to the Postal Service’s Responses to CIR No. 1, question 2.b. The Postal Service states that “[p]arcel or other packages that competitors ship from abroad to the United States can compete with [the] Inbound Letter Post product. These include the package shipping products of integrators, such as FedEx, UPS, and DHL, and freight forwarders and consolidators, such as SkyBox, BraBox, and Amazon.” *Id.* question 2.b.
- a. Please identify the FedEx products that directly compete with the Inbound Letter Post product. For each product, please provide the basis for the Postal Service’s determination that the product competes with the Inbound Letter Post product and whether it competes on service, price, or both.
  - b. Please identify the UPS products that directly compete with the Inbound Letter Post product. For each product, please provide the basis for the Postal Service’s determination that the product competes with the Inbound Letter Post product and whether it competes on service, price, or both.
  - c. Please identify the DHL products that directly compete with the Inbound Letter Post product. For each product, please provide the basis for the Postal Service’s determination that the product competes with the Inbound Letter Post product and whether it competes on service, price, or both.

- d. Please identify the SkyBox products that directly compete with the Inbound Letter Post product. For each product, please provide the basis for the Postal Service's determination that the product competes with the Inbound Letter Post product and whether it competes on service, price, or both.
  - e. Please identify the BraBox products that directly compete with the Inbound Letter Post product. For each product, please provide the basis for the Postal Service's determination that the product competes with the Inbound Letter Post product and whether it competes on service, price, or both.
  - f. Please identify the Amazon products that directly compete with the Inbound Letter Post product. For each product, please provide the basis for the Postal Service's determination that the product competes with the Inbound Letter Post product and whether it competes on service, price, or both.
  - g. Please identify all other integrators, freight forwarders, and consolidators that offer products that directly compete with the Inbound Letter Post product. For each integrator, freight forwarder, and consolidator that offers products that directly compete with the Inbound Letter Post product, please identify the specific products and provide the basis for the Postal Service's determination that the products compete with the Inbound Letter Post product and whether they compete on service, price, or both.
3. Please refer to the Postal Service's Responses to CIR No. 1, question 5.
    - a. The Postal Service indicates that the first page of Non-Public Attachment 1 was created on or about May 2017, and finalized by June 1, 2017.<sup>3</sup> The Postal Service also indicates that the second page of Non-Public Attachment 1 was finalized on or before April 6, 2018. Responses to CIR

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<sup>3</sup> *Id.* question 5.b.ii. See Library Reference USPS-PI2018-1/NP1, file "NONPUBLIC CIR1 Q5aAtt1.pdf," August 1, 2018 (Non-Public Attachment 1); see also Notice of the United States Postal Service of Filing Nonpublic Folder USPS-PI2018-1/NP1 and Application for Nonpublic Treatment, August 1, 2018.

No. 1, question 5.b.ii. Please provide the date Non-Public Attachment 1, pages 3-38 were finalized or presented to the Postal Service.

- b. The Postal Service states that Non-Public Attachment 1, page 1 “was part of a draft for an anticipated presentation that did not occur on that date.”  
*Id.* Please confirm that the anticipated presentation took place. If confirmed, please provide the date of presentation. If not confirmed, please explain.
4. Please refer to Non-Public Attachment 1.
    - a. Non-Public Attachment 1 references “USPS Inbound package[s].” Non-Public Attachment 1 at 3. Please identify the specific Postal Service market dominant or competitive products that are included within the term “USPS Inbound package[s].”
    - b. Non-Public Attachment 1 provides the Postal Service’s share of the “US Inbound Market.” *Id.* at 7. Please identify the specific Postal Service market dominant or competitive products that are included within the term “USPS Inbound Market.”
    - c. Non-Public Attachment 1 provides “Integrators (and Other Shippers)” share of the “US Inbound Market.” *Id.* Please identify the companies included in the term “Integrators (and Other Shippers).”
    - d. Please discuss how the Postal Service and the “Integrators (and Other Shippers)” shares of the “USPS Inbound Market” were calculated. *See id.*
    - e. Non-Public Attachment 1 references “market dominant products.” *Id.* at 15. Please identify the specific Postal Service market dominant product(s) included in this usage of the term “market dominant products.”
    - f. Non-Public Attachment 1 refers to specific “international letters.” *Id.* at 22. Please identify the specific Postal Service market dominant product(s) included in “international letters.”
    - g. Non-Public Attachment 1 references “impacted international FCMI.” *Id.* Please identify the specific Postal Service market dominant product(s) included in the term “impacted international FCMI.”

5. Please refer to the Postal Service's Motion for Reconsideration. The Postal Service stated that the primary reason why it has not requested to transfer the Inbound Letter Post product, or parts thereof, from the market dominant to the competitive product list is because it is unable "to separate Inbound Letter Post that is subject to the Private Express Statutes ('PES') from Inbound Letter Post that is not subject to PES."<sup>4</sup> Specifically, the Postal Service pointed to the fact that small packets may contain documents as well as goods as the source of its inability to separate Inbound Letter Post mailpieces that are subject to the PES and those that are no subject to the PES.<sup>5</sup>
  - a. Please provide examples of the types of "documents" that may be included in small packets.
  - b. Please provide the percentage of Inbound Letter Post small packets that include "documents" that are considered "letters" and are subject to the PES.
  - c. In the Motion for Reconsideration, the Postal Service stated that if small packets contained only goods, then it would be in "a much better position to seek transfer of the new 'small packets' items (containing only goods) to the competitive products list." Motion for Reconsideration at 7. Please explain how the Postal Service planned to separate Inbound Letter Post small packets from Inbound Letter Post bulky letters if Inbound Letter Post small packets contained only goods.
6. In Docket No. MC2011-22, to allow for the transfer of commercial First-Class Mail Parcels to the competitive Lightweight Commercial Parcels product,<sup>6</sup> the Postal Service proposed a classification change that restricted the contents of

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<sup>4</sup> Docket No. ACR2017, United States Postal Service Motion for Reconsideration of Order No. 4451, April 6, 2018, at 6 (Motion for Reconsideration).

<sup>5</sup> See Motion for Reconsideration at 6-7; see *a/so* Responses to CIR No. 1, question 4.a.

<sup>6</sup> In Docket No. MC2011-28, the Postal Service requested, and the Commission approved, changing the name of the Lightweight Commercial Parcels product to Commercial First-Class Package Service. See Docket No. MC2011-28, Order Regarding Commercial First-Class Package Service, August 31, 2011, at 1 (Order No. 835).

Lightweight Commercial Parcels product to prohibit the product from containing items classified as “letters” under the PES.<sup>7</sup>

- a. Please confirm that is possible for the U.S. government to seek a reservation to the Universal Postal Union Convention to restrict small packets to only goods (and documents related to those goods such as invoices or receipts) at the appropriate time for reservations.
- b. If confirmed, please discuss the process for seeking such a reservation.
- c. If not confirmed, please explain.

By the Commission.

Stacy L. Ruble  
Secretary

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<sup>7</sup> Docket No. MC2011-22, Request of the United States Postal Service Under Section 3642, February 24, 2011, Attachment B at 7.