

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

Before Commissioners:

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

Competitive Products Price Changes
Rates of General Applicability

Docket No. CP2019-3

ORDER AMENDING ORDER NO. 4876
AND RELATED MAIL CLASSIFICATION SCHEDULE CHANGES

(Issued November 28, 2018)

I. INTRODUCTION

On November 15, 2018, the Postal Service filed a notice of delayed implementation of classification changes, and response to Order No. 4876.¹ For the reasons discussed in this Order, the Commission amends Order No. 4876 and makes related Mail Classification Schedule (MCS) changes.

¹ USPS Notice of Delayed Implementation of Classification Changes, and Response to Order No. 4876, November 15, 2018 (Notice of Delayed Implementation).

II. BACKGROUND

On October 10, 2018, the Postal Service filed a notice of changes in rates of general applicability and associated classification changes for competitive products.² The Postal Service stated that it planned to implement these price and classification changes on January 27, 2019. Notice at 1.

In Order No. 4876, the Commission approved the proposed rate adjustments and mail classification changes.³ In the Order, the second ordering paragraph states “[r]evisions to the Mail Classification Schedule appear below the signature of this Order and are effective January 27, 2019.” Order No. 4876 at 9.

On November 15, 2018, the Postal Service filed a notice in this proceeding, stating that the implementation of certain classification changes approved in Order No. 4876 would be delayed until June 23, 2019. Notice of Delayed Implementation at 1. The Postal Service stated that implementation of dimensional weighting changes would be delayed “in order to allow sufficient time for the mailing industry to make the programming changes needed to comply” with the changes. *Id.* The Postal Service provided an attachment marking the MCS sections affected by the delayed implementation. *Id.*

The Postal Service’s Notice of Delayed Implementation also included a clarification by the Postal Service that it did not intend to apply dimensional weighting to Retail Ground items destined to Zones 1-4. *Id.* at 1-2. The Postal Service requested “the Commission remove the reference to dimensional weighting from the MCS changes for Retail Ground and retain Retail Ground’s balloon price category.” *Id.* at 2.

On November 20, 2018, Chairman’s Information Request No. 4 was issued, which provided a proposed revision to the Retail Ground section of the MCS to clarify the treatment of Retail Ground packages destined to Zones 1-4 and asked the Postal

² Notice of Changes in Rates of General Applicability for Competitive Products Established in Governors’ Decision No. 18-1, October 10, 2018 (Notice).

³ Order Approving Price Adjustments for Competitive Products, November 13, 2018 (Order No. 4876).

Service to confirm the proposed revision would address the issue.⁴ On November 21, 2018, the Postal Service responded to CHIR No. 4, confirming the proposed revision would resolve the concerns raised in the Notice of Delayed Implementation.⁵

III. COMMISSION ANALYSIS

The Commission previously noted that its market dominant price adjustment rules “do not contemplate staggering the implementation dates of price adjustments after the Postal Service has proposed and the Commission has approved a singular implementation date for a class of mail.”⁶ The rules for competitive products similarly do not contemplate staggered implementation dates. See 39 C.F.R. part 3015. However, staggered implementation dates may be approved if they will not affect compliance with the Commission’s regulations and statutory requirements. See Order No. 2461 at 4. As the Commission previously found in Order No. 4876, the delayed implementation of dimensional weighting will “not materially affect the compliance of the proposed prices with 39 U.S.C. § 3633(a).” Order No. 4876 at 9.

Order No. 4876 contemplated that the Postal Service might elect to change the implementation date of dimensional weighting and required the Postal Service to provide notice of the change at least 30 days prior to the scheduled implementation in the case of a delayed date. *Id.* The Postal Service’s Notice of Delayed Implementation is sufficient under the Commission’s regulations in 39 C.F.R. part 3015 and Order No. 4876.⁷

In light of the Postal Service’s delayed implementation of the price adjustments and mail classification changes related to dimensional weighting, the Commission

⁴ Chairman’s Information Request No. 4, November 20, 2018 (CHIR No. 4).

⁵ USPS Response to Chairman’s Information Request No. 4, November 21, 2018 (Response to CHIR No. 4).

⁶ Docket No. R2015-4, Order on First-Class Mail Promotions and Related Mail Classification Schedule Changes, April 30, 2015, at 4 (Order No. 2461).

⁷ See *id.*; 39 C.F.R. part 3015.

suspends the revisions to the MCS arising from Order No. 4876, as described in the Notice of Delayed Implementation, until the revised implementation date of June 23, 2019.

In response to the Postal Service's clarification in the Notice of Delayed Implementation concerning the application of dimensional weighting to Retail Ground items destined to Zones 1-4, the Commission retracts the MCS revisions to the Retail Ground section as described in the Postal Service's Notice of Delayed Implementation. In their place, the Commission incorporates the MCS revisions included in Attachment A to this Order. The revisions in Attachment A will take effect January 27, 2019. In addition, the revisions in Attachment B that reference dimensional weighting will take effect June 23, 2019.

In conclusion, the Commission makes the MCS revisions set forth in this Order to implement the dimensional weighting changes described in Order No. 4876 and revised by the Postal Service's Notice of Delayed Implementation.

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Commission suspends the revisions to the Mail Classification Schedule arising from Order No. 4876 related to dimensional weighting, as described in the Notice of Delayed Implementation, until the revised implementation date of June 23, 2019.
2. The Commission retracts the revisions to the Mail Classification Schedule arising from Order No. 4876 related to dimensional weighting for the Retail Ground product, as described in the Notice of Delayed Implementation.
3. Revisions to the Mail Classification Schedule in Attachment A are effective January 27, 2019.

4. Revisions to the Mail Classification Schedule in Attachment B are effective June 23, 2019.

By the Commission.

Stacy L. Ruble
Secretary

*Domestic Products
USPS Retail Ground*

USPS Retail Ground

2135.1 Description

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f. Pieces presented as USPS Retail Ground that contain non-hazardous materials and are permitted to travel by air transportation will be converted to Priority Mail service for Zones 1-4 only. Priority Mail prices will apply to these pieces.

* * * * *

2135.6 Prices

USPS Retail Ground¹

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Notes

1. Except for oversized pieces, the Zone 1-4 prices are applicable only to parcels containing hazardous or other material not permitted to travel by air transportation. All other parcels for shipment in Zones 1-4 will be converted to Priority Mail service.

*Domestic Products
USPS Retail Ground*

USPS Retail Ground

2135.1 Description

* * * * *

- f. Pieces presented as USPS Retail Ground that contain non-hazardous materials and are permitted to travel by air transportation will be converted to Priority Mail service for Zones 1-4 only. Priority Mail prices, including dimensional weighting, will apply to these pieces.

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2135.6 Prices

USPS Retail Ground¹

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Notes

- 1. Except for oversized pieces, the Zone 1-4 prices are applicable only to parcels containing hazardous or other material not permitted to travel by air transportation. All other parcels for shipment in Zones 1-4 will be converted to Priority Mail service.