

ORDER NO. 4932

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

Outbound Single-Piece  
First-Class Mail International

Docket No. MC2019-3

ORDER APPROVING UPDATE TO WEIGHT LIMITATION

(Issued December 19, 2018)

The Postal Service seeks to update the weight limitation for Outbound Single-Piece First-Class Mail International (FCMI) Large Envelopes (Flats). For the reasons discussed below, the Commission approves the request.

I. BACKGROUND

On October 10, 2018, the Postal Service filed a notice concerning an update to the maximum weight limit for FCMI Flats, pursuant to 39 C.F.R. § 3020.111.<sup>1</sup> The Postal Service proposes to reduce the maximum weight limit from 64 ounces to 15.994

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<sup>1</sup> Notice of the United States Postal Service of Update to the Maximum Weight Limit for Outbound Single-Piece First-Class Mail International Large Envelopes (Flats) in the Mail Classification System, October 10, 2018 (Notice).

ounces to “allow items tendered as FCMI flats to more closely correspond to the ‘G’ format items in the Universal Postal Union (UPU) system.”<sup>2</sup> The Postal Service states that the proposed update is consistent with the policies and the applicable criteria of chapter 36 of title 39 because it helps achieve the objectives of section 3622(b) and takes into account the factors of section 3622(c). *Id.* at 3-6. In particular, the Postal Service states that Objectives 1 and 8 are further advanced because the proposed change will allow rates for FCMI Flats to better correlate with costs. *Id.* at 4. Additionally, the Postal Service asserts that Factors 2 and 6 are implicated by this change due to less overlap between certain formats in FCMI. *Id.* at 6. Finally, the Postal Service explains that the proposed update should “increase efficiency ‘to help maintain high quality, affordable postal services’ (Factor 12).” *Id.* The Postal Service invites the Commission to conclude its review of the proposed update within 45 days of the filing of the Notice. *Id.*

In Docket No. R2019-1, the Postal Service discussed this proposed change in its notice of general market dominant price changes, stating that it adjusted the billing determinants for FCMI to reflect the proposed update by deleting rate cells for FCMI Flats weighing more than 15.994 ounces and zeroing out the 265,006 pieces in the deleted cells.<sup>3</sup> The Postal Service also proposed revisions to the Mail Classification Schedule (MCS) to reflect these changes. Docket No. R2019-1, Notice at 33. In a proposal to revise the *Mailing Standards of the United States Postal Service*, International Mail Manual (IMM), the Postal Service also states that FCMI Flats weighing 16 ounces or more will be charged the applicable First-Class Package

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<sup>2</sup> Notice at 2. The Postal Service states that the proposed 15.994 ounces weight limit would approach the current Universal Postal Convention Regulations maximum weight of 500 grams (17.6 ounces) for large letter post letters (format G). *Id.*

<sup>3</sup> Docket No. R2019-1, United States Postal Service Notice of Market-Dominant Price Change, October 10, 2018, at 10-11 (Docket No. R2019-1, Notice). Because the proposed change would be pending at the time the Commission decided the rate case, the Commission issued an interim order in Docket No. R2019-1 requiring the Postal Service to revise its filing by including proposed prices and associated workpapers for FCMI Flats weighing over 15.994 ounces and up to 64 ounces. See Docket No. R2019-1, Interim Order Relating to Outbound Single-Piece First-Class Mail International Flats, October 19, 2018 (Order No. 4859).

International Service (FCPIS) price.<sup>4</sup> FCPIS is an existing product on the competitive product list.

On October 12, 2018, the Commission issued an order pursuant to 39 C.F.R. § 3020.111(b), establishing this docket, appointing a Public Representative, and inviting comments from interested persons.<sup>5</sup>

The Commission also issued information requests to clarify the proposed update.<sup>6</sup> Specifically, the Commission asked the Postal Service to confirm whether the removal of FCMI Flats weighing over 15.994 ounces constituted a transfer to the competitive product list. CIR No. 1, question 1(a). The Commission also asked the Postal Service to provide the range of percentage changes in prices for FCMI Flats weighing over 15.994 ounces and up to 64 ounces. *Id.* question 2.

In response, the Postal Service states that the proposed classification change would have no effect on the market dominant product list because the FCMI product would still appear on the product list.<sup>7</sup> The Postal Service explains that pursuant to 39 U.S.C. § 3682, only the portions of MCS section 1125 that concern the weight limitations for FCMI Flats would be revised. Response to CIR No. 1 at 2-3. The Postal Service also asserts that neither section 3682 nor the Commission rules on updates to size and weight limitations refer to 39 U.S.C. § 3642 or 39 C.F.R. part 3020 subpart B governing modifications to the product lists. *Id.* at 3-4. Thus, the Postal Service concludes that it is not required to produce information conforming to the requirements for product transfers. *Id.* at 4.

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<sup>4</sup> International Mailing Services: Product and Price Changes-CPI, 83 FR 52351 (October 17, 2018). The Postal Services states that mailers could alternatively elect to use another class of mail, such as Priority Mail Express International or Priority Mail International, if the mailpiece meets the requirements for those products.

<sup>5</sup> Notice and Order Concerning Update to Weight Limitation, October 12, 2018 (Order No. 4856).

<sup>6</sup> Commission Information Request No. 1, October 19, 2018 (CIR No. 1).

<sup>7</sup> Response of the United States Postal Service to Commission Information Request No. 1, October 26, 2018, at 2 (Response to CIR No. 1).

In providing the range of percentage changes in prices for FCMI Flats weighing over 15.994 and up to 64 ounces, the Postal Service states that, if mailed as FCPIS, these mailpieces would be charged from 17 percent to 157 percent more than the prices for FCMI Flats. *Id.* at 5. The Postal Service notes that the number of potential pieces impacted is very small (265,006 pieces) and the total additional revenue impact is a small percentage of the total calculated revenue for FCMI (around \$2.6 million out of approximately \$200 million). *Id.*

## II. COMMENTS

The Public Representative filed comments on November 13, 2018.<sup>8</sup> No other interested person submitted comments. After reviewing the materials provided by the Postal Service, the Public Representative comments that the Postal Service has failed to provide an adequate basis for the finding needed to implement the proposed update. PR Comments at 4. The Public Representative cites a faulty interpretation of applicable statutory and regulatory provisions presented by the Postal Service in Response to CIR No. 1. *Id.* In particular, the Public Representative states that the Postal Service failed to acknowledge the applicability of 39 U.S.C. § 3642 to the proposal. *Id.* The Public Representative explains that the proposed update to the FCMI Flats weight limitations constitutes a change to the market dominant product list. *Id.* at 4-5. The Public Representative also asserts that changes to applicable MCS provisions that add products to, remove products from, or transfer products between product lists, are changes that implicate the requirements of section 3642. *Id.* Without an explanation of how the proposal will satisfy the requirements of section 3642, the Public Representative states that the Commission cannot make the finding required by 39 C.F.R. § 3020.111(c). *Id.* at 10. The Public Representative recommends that the Postal Service be given an opportunity to provide the support needed to implement its proposal. *Id.* at 11.

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<sup>8</sup> Public Representative Comments, November 13, 2018 (PR Comments).

### III. COMMISSION ANALYSIS

Section 3682 provides that the Postal Service may establish size and weight limitations for mail matter in the market dominant category of mail consistent with regulations the Postal Regulatory Commission may prescribe under section 3622. 39 U.S.C. § 3682. Commission rule 3020.111(a) requires the Postal Service to inform the Commission of updates to size and weight limitations for market dominant mail matter. 39 C.F.R. § 3020.111(a). The Commission is then required to evaluate proposed updates “in accordance with the policies and the applicable criteria of chapter 36 of 39 U.S.C.” 39 C.F.R. § 3020.111(c).

After reviewing the Notice, the Response to CIR No. 1, and the comments from the Public Representative, the Commission approves the change. The Commission finds that updating the weight limitation for FCMI Flats to better correlate with UPU format standards and costs is in accordance with the policies and applicable criteria of chapter 36 of title 39, particularly the objectives and factors of section 3622 as articulated by the Postal Service.

However, the Commission agrees with the Public Representative that the practical impact of the proposed update is a transfer of FCMI Flats weighing over 15.994 ounces from the market dominant product list to the competitive product list. See PR Comments at 9-10. The Postal Service has stated in several filings before the Commission and in the *Federal Register* that, with this proposed change, these heavier mailpieces will no longer be able to be mailed as FCMI Flats. Instead, consumers could mail these items at prices for products on the competitive product list such as FCPIS (or Priority Mail Express International or Priority Mail International, if the requirements for those products are met).

Furthermore, the Commission shares the Public Representative’s concern that the Postal Service could use the size and weight limitation regulations to make extensive changes to product lists without proper Commission oversight. See PR Comments at 7. Moreover, price increases that range from 17 percent to 157 percent without more information raise additional concerns. Thus, the Commission intends to

initiate a rulemaking proceeding to evaluate whether the Commission should modify its regulations to address proposed classification changes to product descriptions in the MCS that result in a modification of the market dominant and/or competitive product lists. This rulemaking will examine whether additional information should be provided pursuant to section 3642.

Accordingly, the Commission approves the update to the weight limitation for FCMI Flats. The Commission also accepts the revisions to the MCS presented in the attachment to this Order. Because the Postal Service has notified the industry that the proposed change will not be implemented in January 2019, the Postal Service shall notify the Commission of its effective date.<sup>9</sup>

#### IV. ORDERING PARAGRAPHS

*It is ordered:*

1. The Notice of the United States Postal Service of Update to the Maximum Weight Limit for Outbound Single-Piece First-Class Mail International Large Envelopes (Flats) in the Mail Classification Schedule, filed October 10, 2018, is in accordance with the policies and the applicable criteria of chapter 36 of title 39 of the United States Code.

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<sup>9</sup> On December 7, 2018, the Postal Service announced that the 64 ounce weight limit for FCMI Flats will remain in effect, and not be revised as part of the rates that will be implemented on January 27, 2019. First-Class Mail International Product Weight Limit Update, <https://postalpro.usps.com/node/6186>, December 7, 2018.

2. The revisions to Section 1125 of the Mail Classification Schedule appear below the signature of this Order. The Postal Service shall notify the Commission of the effective date.

By the Commission.

Ruth Ann Abrams  
Acting Secretary

**CHANGES TO THE MAIL CLASSIFICATION SCHEDULE**

The following material represents a change to the Mail Classification Schedule. The Commission uses two main conventions when making changes to the Mail Classification Schedule. New text is underlined. Deleted text is struck through.

**Part A—Market Dominant Products**  
**1000 Market Dominant Product List**

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**1125 Outbound Single-Piece First-Class Mail International**

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1125.2 Size and Weight Limitations

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*Large Envelopes (Flats)*

	<b>Length</b>	<b>Height</b>	<b>Thickness</b>	<b>Weight</b>
Minimum	5 inches	3.5 inches	0.007 inch	none
and at least one dimension exceeds	11.5 inches	6.125 inches	0.25 inch	
Maximum	15 inches	12 inches	0.75 inches	<del>4 pounds</del> <u>15.994</u> <u>ounces</u>

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## 1125.6 Prices

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*Large Envelopes (Flats)*

Maximum Weight (ounces)	Country Price Group								
	1 (\$)	2 (\$)	3 (\$)	4 (\$)	5 (\$)	6 (\$)	7 (\$)	8 (\$)	9 (\$)
1	2.29	2.29	2.29	2.29	2.29	2.29	2.29	2.29	2.29
2	2.50	2.97	3.23	3.23	3.23	3.18	3.18	3.18	3.18
3	2.71	3.64	4.16	4.16	4.16	4.06	4.06	4.06	4.06
4	2.91	4.32	5.10	5.10	5.10	4.94	4.94	4.94	4.94
5	3.12	5.00	6.04	6.04	6.04	5.83	5.83	5.83	5.83
6	3.33	5.67	6.97	6.97	6.97	6.71	6.71	6.71	6.71
7	3.54	6.35	7.91	7.91	7.91	7.60	7.60	7.60	7.60
8	3.75	7.03	8.85	8.85	8.85	8.48	8.48	8.48	8.48
12	4.79	8.48	10.72	10.72	10.72	10.31	10.31	10.31	10.31
<u>16-15.994</u>	5.83	9.94	12.60	12.60	12.60	12.13	12.13	12.13	12.13
20	6.87	11.40	14.47	14.47	14.47	13.95	13.95	13.95	13.95
24	7.91	12.86	16.34	16.34	16.34	15.77	15.77	15.77	15.77
28	8.95	14.31	18.22	18.22	18.22	17.59	17.59	17.59	17.59
32	9.99	15.77	20.09	20.09	20.09	19.41	19.41	19.41	19.41
36	11.03	17.23	21.97	21.97	21.97	21.24	21.24	21.24	21.24
40	12.08	18.69	23.84	23.84	23.84	23.06	23.06	23.06	23.06
44	13.12	20.14	25.71	25.71	25.71	24.88	24.88	24.88	24.88
48	14.16	21.60	27.59	27.59	27.59	26.70	26.70	26.70	26.70
52	15.20	23.06	29.46	29.46	29.46	28.52	28.52	28.52	28.52
56	16.24	24.52	31.33	31.33	31.33	30.35	30.35	30.35	30.35
60	17.28	25.97	33.21	33.21	33.21	32.17	32.17	32.17	32.17
64	18.32	27.43	35.08	35.08	35.08	33.99	33.99	33.99	33.99