

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

Before Commissioners:

Robert G. Taub, Chairman;  
Michael Kubayanda, Vice Chairman;  
Mark Acton;  
Ann C. Fisher; and  
Ashley E. Poling

Notice of Market Dominant  
Price Adjustment

Docket No. R2020-1

NOTICE AND ORDER ON PRICE ADJUSTMENTS AND  
CLASSIFICATION CHANGES FOR MARKET DOMINANT PRODUCTS

(Issued October 10, 2019)

I. INTRODUCTION AND OVERVIEW

On October 9, 2019, the Postal Service filed a notice of inflation-based price adjustments affecting market dominant domestic and international products and services, along with temporary mailing promotions and numerous proposed classification changes to the Mail Classification Schedule (MCS).<sup>1</sup> The intended effective date is January 26, 2020. Notice at 1. The Notice, which was filed pursuant to 39 U.S.C. 3622 and 39 CFR part 3010, triggers a notice-and-comment proceeding.<sup>2</sup>

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<sup>1</sup> United States Postal Service Notice of Market-Dominant Price Change, October 9, 2019 (Notice).

<sup>2</sup> This is a Type 1-B proceeding. See 39 CFR part 3010, subparts A–C for additional information.

*Contents of filing.* The Postal Service's filing consists of the Notice, which the Postal Service represents addresses the data and information required under 39 CFR 3010.12; four attachments (Attachments A-D) to the Notice; and seven sets of workpapers filed as library references.

Attachment A presents the proposed price and related product description changes to the MCS. Notice, Attachment A. Attachments B and C address workshare discounts and the price cap calculation, respectively. *Id.* Attachments B and C. Attachment D presents the promotions schedule. *Id.* Attachment D.

Several library references present supporting financial documentation for the five classes of mail. Notice at 4-5 nn.9-11. The Postal Service filed one library reference pertaining to the two international mail products within First-Class Mail (Outbound Single-Piece First-Class Mail International and Inbound Letter Post) under seal and applied for non-public treatment of those materials.<sup>3</sup>

*Planned price adjustments.* The Postal Service's planned percentage changes by class are, on average, as follows:

<b>Market Dominant Class</b>	<b>Planned Price Adjustment (%)</b>
First-Class Mail	1.919
USPS Marketing Mail	1.891
Periodicals	1.900
Package Services	1.892
Special Services	1.905

*Id.* at 4.

Price adjustments for products within classes vary from the average. *See, e.g., id.* at 7, 22 (Table 5 showing range for First-Class Mail products and Table 7 showing range for USPS Marketing Mail products). Most of the planned adjustments entail

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<sup>3</sup> See USPS Notice of Filing USPS-LR-R2020-1/NP1, October 9, 2019, Attachment 1.

increases to market dominant rates and fees; however, in a few instances, the Postal Service proposes either no adjustment or a decrease. See *id.* at 7.

*Proposed classification changes.* The Postal Service proposes numerous classification changes in its Notice and identifies the impact on the MCS in Attachment A. *Id.* at 37-39; *id.* Attachment A.

*Calendar year 2020 promotions.* The Postal Service seeks approval for the following six promotions for the indicated periods:

- Tactile, Sensory and Interactive Mailpiece Engagement Promotion (February 1 – July 31, 2020);
- Emerging and Advanced Technology Promotion (March 1 – August 31, 2020);
- Earned Value Reply Mail Promotion (April 1 – June 30, 2020);
- Personalized Color Transpromo Promotion (July 1 – December 31, 2020);
- Mobile Shopping Promotion (August 1 – December 31, 2020); and
- Informed Delivery Promotion (September 1 – November 30, 2020).

*Id.* Attachment D.

## II. INITIAL ADMINISTRATIVE ACTIONS

Pursuant to 39 CFR 3010.11(a), the Commission establishes Docket No. R2020-1 to consider the planned price adjustments for market dominant postal products and services, as well as the related classification changes, identified in the Notice. The Commission invites comments from interested persons on whether the Postal Service's filing is consistent with the applicable statutory and regulatory requirements, including 39 U.S.C. 3622 and 39 CFR part 3010. The Commission further notes that any issues specifically related to Docket No. R2019-1 First-Class Mail rates and the *Carlson* decision will be addressed in a separate order in Docket No.

R2019-1 and will not be adjudicated as part of the instant proceeding. Comments are due no later than October 29, 2019.<sup>4</sup>

The public portions of the Postal Service's filing are available for review on the Commission's website (<http://www.prc.gov>). Comments and other material filed in this proceeding will be available for review on the Commission's website, unless the information contained therein is subject to an application for non-public treatment. The Commission's rules on non-public materials (including access to documents filed under seal) appear in 39 CFR part 3007.

Pursuant to 39 U.S.C. 505, the Commission appoints Anne C. O'Connor to represent the interests of the general public (Public Representative) in this proceeding.

### III. ORDERING PARAGRAPHS

*It is ordered:*

1. The Commission establishes Docket No. R2020-1 to consider the planned price adjustments for market dominant postal products and services, as well as the related classification changes, identified in the Postal Service's October 9, 2019 Notice.
2. Comments on the planned price adjustments and related classification changes are due no later than October 29, 2019.
3. Pursuant to 39 U.S.C. 505, Anne C. O'Connor is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.

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<sup>4</sup> The Commission is mindful of the Comments on Procedure of the National Postal Policy Council, the Greeting Card Association, and the Major Mailers Association, October 10, 2019 and the United States Postal Service Response to Procedural Schedule Comments, October 10, 2019. The Commission continues to use the 20-day comment period as set forth in 39 CFR 3010.11(a)(5); however, the Commission notes that in order to sufficiently address the issues identified in the *Carlson* decision, its determination may exceed the 14-day deadline set forth in 39 CFR 3010.11(d). See *Carlson v. Postal Regulatory Commission*, No. 18-1328, slip op. (D.C. Cir. Sept. 13, 2019).

4. The Commission directs the Secretary of the Commission to arrange for prompt publication of this notice in the *Federal Register*.

By the Commission.

Darcie S. Tokioka  
Acting Secretary