

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

Market Test of Experimental Product –
Extended Mail Forwarding

Docket No. MT2020-2

NOTICE AND ORDER CONCERNING MARKET TEST OF
EXPERIMENTAL PRODUCT – EXTENDED MAIL FORWARDING

(Issued June 9, 2020)

I. INTRODUCTION

In accordance with 39 U.S.C. 3641 and 39 CFR part 3045, the Postal Service filed notice of its intent to conduct a market test of an experimental product called Extended Mail Forwarding.¹ The Postal Service states that currently, when residential and commercial postal customers move, they may file a permanent Change of Address (COA) request for the forwarding of mail addressed to their old address to the new address for one year. Notice at 1. After one year, mail bearing the customer's old address is returned to sender or wasted. *Id.* at 2. Extended Mail Forwarding will provide customers who submit a permanent COA request with the option of extending

¹ United States Postal Service Notice of Market Test of Experimental Product – Extended Mail Forwarding, June 8, 2020 (Notice).

forwarding of all First-Class Mail, First-Class Package Service Commercial, and Priority Mail pieces beyond the one year period for a fee. *Id.* The Postal Service intends for the market test to run for two full years beginning on August 1, 2020. *Id.* at 3.

II. BACKGROUND

On June 8, 2020, the Postal Service filed the Notice proposing the Extended Mail Forwarding market test. The Postal Service asserts that Extended Mail Forwarding will ensure customers receive mailpieces for which they are the intended recipient and which is more essential than ever before in light of the Coronavirus-19 pandemic. It states that customers will exercise greater control over their mail forwarding expiration dates with more time to update and communicate with their mailing contacts. *Id.* The Postal Service also asserts that Extended Mail Forwarding will provide cost savings for the Postal Service because the cost of forwarding is less than the cost of handling Undeliverable as Addressed mailpieces. *Id.* at 4.

The Postal Service states that Extended Mail Forwarding will be available to customers when they submit their permanent COA request. After that time, customers would be able to request and pay for Extended Mail Forwarding either up until the end date of the market test, or within 18 months of submitting their initial COA request, whichever comes first. *Id.*

The Postal Service states that Extended Mail Forwarding will be tested in nine postal districts throughout the country that represent a cross-sample of COA requests by volume according to 2019 data. *Id.* at 3. Customers submitting permanent COA requests in these districts during the market test will be eligible to participate in the market test. *Id.*

The Postal Service plans to offer initial pricing for Extended Mail Forwarding of \$19.95 for one 6-month extension, \$29.95 for two 6-month extensions, and \$39.98 for three 6-month extensions. *Id.* at 2. Any customer who signs up initially for one or two extensions for \$19.95 or \$29.95 would be able to request additional extensions up to a total of three 6-month extensions for \$19.95 for each extension. *Id.*

III. COMPLIANCE WITH LEGAL REQUIREMENTS

The Postal Service asserts that the proposed market test meets the requirements in 39 U.S.C. 3641 and 39 CFR part 3045. First, the Postal Service explains that Extended Mail Forwarding is “significantly different from all products offered by the Postal Service within the last two years” as required by 39 U.S.C. 3641(b)(1). *Id.* at 4. The Postal Service states that Extended Mail Forwarding is “critically different” from the Premium Forwarding Service competitive product because Extended Mail Forwarding is associated with a permanent COA request enabled by the Postal Automated Redirection System (PARS). Premium Forwarding Service is first delivered to the address on the mailpiece, then repackaged and inducted back into the postal network for delivery to the forwarding address. *Id.*

The Postal Service also asserts that the proposed service is “significantly distinct” from Commercial PO Box Redirect Service because that service will be available only to Commercial PO Box customers to redirect automated First-Class Mail letters to a PO Box with Caller Service using a different postal system. *Id.* at 5. Thus, the Postal Service asserts that Extended Mail Forwarding, while it may be considered similar to Commercial PO Box Redirect Service, will service a significantly different market with different cost characteristics. *Id.*

Second, the Postal Service asserts that Extended Mail Forwarding “will not create an unfair or otherwise inappropriate competitive advantage for the Postal Service or any mailer” as required by 39 U.S.C. 3641(b)(2). *Id.* The Postal Service states that all individuals, families, and businesses who are currently eligible to file a permanent COA request moving from or into one of the test districts may participate. *Id.*

The Postal Service asserts that because only it forwards mail under a permanent COA request, no other business offers a similar product or service. It also asserts that Extended Mail Forwarding will have no impact on small business concerns except to provide them with the option of extending their forwarding requests if they permanently change addresses. *Id.*

Third, the Postal Service states that Extended Mail Forwarding is properly categorized as market dominant as required by 39 U.S.C. 3641(b)(3). *Id.*

IV. DATA COLLECTION

To better understand the results of the market test, the Postal Service asserts that it will collect the following data on a quarterly basis: number of extension requests, number of customers, ratio of individuals, families, and businesses, volume of mailpieces forwarded, and revenues. *Id.* at 6. The Postal Service also states that it will collect data on the attributable costs of Extended Mail Forwarding, including administrative costs. *Id.*

V. NOTICE OF COMMISSION ACTION

The Commission establishes Docket No. MT2020-2 to consider matters raised by the Notice. The Commission invites comments on whether the Postal Service's filing is consistent with the requirements of 39 U.S.C. 3641 and 39 CFR part 3045. Comments are due no later than June 30, 2020. The filing can be accessed via the Commission's website (<http://www.prc.gov>).

The Commission appoints Richard A. Oliver to serve as an officer of the Commission to represent the interests of the general public in these proceedings (Public Representative).

VI. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. MT2020-2 to consider the matters raised by the Notice.

2. Pursuant to 39 U.S.C. 505, Richard A. Oliver is appointed to serve as an officer of the Commission to represent the interests of the general public in these proceedings (Public Representative).
3. Comments are due no later than June 30, 2020.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Erica A. Barker
Secretary