

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Market Test of Experimental Product –
Extended Mail Forwarding

Docket No. MT2020-2

PUBLIC REPRESENTATIVE COMMENTS
(February 10, 2021)

On January 29, 2021, the Postal Service filed a request pursuant to 39 U.S.C. § 3641(e)(2) and 39 C.F.R. § 3045.16 for an exemption from the \$10 million annual revenue limitation for its Extended Mail Forwarding market test.¹ The Commission issued a public notice of the filing on February 3, 2021.² In its notice, the Commission continued the appointment of the undersigned as Public Representative and established February 10, 2021, as the deadline for comments.

I. BACKGROUND

The Commission authorized a market test of Extended Mail Forwarding on July 20, 2020.³ Extended Mail Forwarding provides customers who submit a permanent change-of-address request with the option of extending forwarding of all First-Class Mail, First-Class Package Service Commercial, and Priority Mail mailpieces beyond the 1 year forwarding period. See Order No. 5591 at 1. On September 18, 2020, the Postal Service extended the geographic scope of the market test from nine postal districts to the entire nation.⁴

¹ See United States Postal Service Request for Exemption from Dollar Amount Limitation, January 29, 2021 (Request).

² Notice and Order Concerning Request for Exemption from Revenue Limitation for Extended Mail Forwarding Market Test, February 3, 2021.

³ See Order Authorizing Extended Mail Forwarding Market Test, July 20, 2020 (Order No. 5591).

⁴ See United States Postal Service Notice of Material Change to Market Test, September 18, 2020.

II. THE POSTAL SERVICE'S PROPOSAL

The Postal Service requests that its Extended Mail Forwarding market test be exempted from the \$10 million annual revenue limitation.⁵ It projects that by the end of FY 2021 it will collect revenues of \$31.8 million and anticipates that it will collect a similar amount through FY 2022. Request at 3. Revenues in FY 2022 will, however, be limited by the fact that the market test is scheduled to expire at the end of third quarter of FY 2022. *Id.* If the Commission approves the requested exemption, the annual revenue limit will increase to \$60,139,860.⁶ The Postal Service notes that projected revenues for FY 2021 and FY 2022 would be well below the increased annual limitation. Request at 3.

III. APPLICABLE LEGAL REQUIREMENTS

The Commission shall approve the Postal Service's request for exemption if it finds that: (1) the product is likely to benefit the public and meet an expected demand; (2) the product is likely to contribute to the financial stability of the Postal Service; and (3) the product is not likely to result unfair or otherwise inappropriate competition. 39 U.S.C. § 3641(e)(2).

IV. COMMENTS

The Postal Service asserts that its requested exemption from the current annual revenue limitation satisfies all three statutory requirements. Request at 2. The Public Representative has reviewed the Postal Service's Request and agrees that the legal requirements for exempting Extended Mail Forwarding from the current annual revenue limitation have been satisfied.

⁵ Request at 1. The \$10 million limitation is set forth in 39 U.S.C. § 3641(e)(1) and is adjusted annually for changes in the CPI-U index as provided for in 39 U.S.C. § 3641(g). The current limitation is \$12,027,972. See <https://www.prc.gov/sites/default/files/120520%20CPIweb.pdf>, "FY 2021 Market Test Revenue Limitations."

⁶ *Id.* The \$50 million annual revenue limitation is set forth in 39 U.S.C. § 3641(e)(2) and is subject to annual adjustment for changes in the CPI-U index as provided for in 39 U.S.C. § 3641(g). The current \$50 Million Adjusted Limitation is \$60,139,860. See <https://www.prc.gov/sites/default/files/120520%20CPIweb.pdf>, "FY 2021 Market Test Revenue Limitations."

First, the requested exemption is likely to benefit the public and meet an expected demand as required by 39 U.S.C. § 3641(e)(2)(A). As the Postal Service pointed out in its initial market test notice, Extended Mail Forwarding is “a customer-focused service” that will give “[i]ndividuals, families, and businesses...greater control over their mail forwarding expiration date to better fit their needs, with more time to update and communicate with their mailing contacts.”⁷ The increasing demand for the service demonstrates benefit to the public and the need to meet expected demand. See Request at 3.

Second, the requested exemption satisfies the requirements of 39 U.S.C. § 3641(e)(2)(B) because it will contribute to the Postal Service’s financial stability by providing a meaningful new revenue stream, as well as cost savings by reducing Undeliverable as Addressed mailpieces. See Request at 2.

Third, the requested exemption is not likely to result in unfair or otherwise inappropriate competition. The Commission has previously found that Extended Mail Forwarding would not result in unfair or inappropriate competition because only the Postal Service forwards mail under a permanent change-of-address request. See *id.*

Finally, the Postal Service explains that its Request has been submitted less than 45 days in advance of the date the it expects to exceed the current annual revenue limit because of the recent surge in revenues due to increases in customer adoption of Expanded Mail Forwarding service. See *id.* at 3-4. The Public Representative submits that good cause exists for prompt approval of the Request.

Respectfully submitted,

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⁷ United States Postal Service Notice of Market Test of Experimental Product – Extended Mail Forwarding, June 8, 2020, at 3.