

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

TRANSFERRING BOUND PRINTED MATTER
PARCELS TO THE COMPETITIVE PRODUCT
LIST

Docket No. MC2021-78

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO THE SEPTEMBER 13,
2021, COMMENTS OF SCHOLASTIC INC.
(September 15, 2021)

The Postal Service believes this matter has been more than sufficiently briefed, but it wishes to reply to the mischaracterization of its position in the September 13, 2021, comments filed by Scholastic Inc.

The Postal Service has not changed its position or provided inconsistent answers to the Commission's questions, as Scholastic suggests. Rather, the Postal Service provided two different answers to two different questions. ChIR No. 1, Q 1, asked specifically about Scholastic's "educational multi-component bundles":

Is the Postal Service aware of any organizations other than Scholastic that mail multi-component bundles at Bound Printed Matter Parcel rates to schools (referred to as "educational multi-component bundles" below)?

CIR No. 1, Q 1, however, asked about "non-containerized volume":

Please confirm that the Postal Service accepts non-containerized volume as BPM Parcels. If confirmed, please provide the percentage of BPM Parcels volume that is not containerized. If reliable data are unavailable, please provide the best available estimate and indicate the source of that estimate.

If the Commission meant to refer only to educational multi-component bundles in the latter question, it would have said so, and, as the Postal Service's answers make clear, "non-containerized volume" is a much broader term.

Accordingly, in response to the first question, the Postal Service stated that it was “not aware of any other organizations that mail ‘educational multi-component bundles.’” Responses of the United States Postal Service to Questions 1 – 9a and 10 - 12 of Chairman’s Information Request No. 1, April 21, 2021, at Response 1 (ChIR No. 1).

In response to the second question, the Postal Service stated that it “accepts BPM Parcels that are ‘non-containerized,’” meaning parcels “wrapped in plastic sturdy enough to withstand handling on a parcel sorting machine” rather than in a cardboard box. The Postal Service further stated that it “accepts non-containerized parcels for products other than BPM Parcels, both Market Dominant and competitive, such as First-Class Package Service, Priority Mail, and Parcel Select,” and that it “estimates that more than half of BPM Parcels volume is sent in packaging other than cardboard boxes.” Responses of the United States Postal Service to Commission Information Request No. 1, September 2, 2021, at Response 1 (CIR No. 1).

All of this simply continues the argument that the Postal Service has consistently maintained. The relevant market for the purpose of this transfer request is suggested by the characteristics of BPM Parcels: inexpensive ground delivery of light- to moderate-weight packages containing books, catalogs, and similar printed matter to individuals and businesses. United States Postal Service Request to Transfer Bound Printed Matter Parcels to the Competitive Product List, March 26, 2021, at 6. And Scholastic’s bundles are not a separate product unto themselves or a “distinct subordinate unit of BPM Parcels.” See, Responses 1, 2, and 10 to ChIR No. 1 (the Postal Service does not distinguish “educational multi-component bundles” from other BPM Parcels,

“educational multi-component bundles” are “not a sub-category of BPM Parcels,” and “educational multi-component bundles are not a distinct product,” as that term is defined); Response 3 to CIR No. 1 (the Postal Service does not consider containerized or non-containerized parcels to be subclasses or subordinate units of BPM Parcels, and Scholastic accounted for only a very small fraction of BPM Parcels mailed in FY 2020).

The Postal Service believes that any further briefing of this matter by the parties is unnecessary.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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September 15, 2021