

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

Before Commissioners:

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

Removal from the Competitive Product List
USPS Retail Ground

Docket No. MC2022-81

Competitive Classification Changes

Docket No. MC2022-82

NOTICE AND ORDER CONCERNING REMOVAL OF
USPS RETAIL GROUND FROM THE COMPETITIVE PRODUCT LIST AND
COMPETITIVE CLASSIFICATION CHANGES

(Issued July 15, 2022)

I. INTRODUCTION

On July 13, 2022, pursuant to 39 U.S.C. 3642 and 39 CFR 3040.130 *et seq.*, the Postal Service filed a request to remove USPS Retail Ground from the competitive product list.¹ To support this request, the Postal Service filed a copy of the Governors' Decision supporting the request, a Statement of Supporting Justification in accordance with 39 CFR 3040.132, and proposed changes to the Mail Classification Schedule (MCS). See USPS Retail Ground Request, Attachments A-C.

¹ Docket No. MC2022-81, USPS Request to Remove USPS Retail Ground from the Competitive Product List, July 13, 2022 (USPS Retail Ground Request).

Also on July 13, 2022, pursuant to 39 CFR 3035.104, 3040.212, and 3040.180 *et seq.*, the Postal Service filed a notice of a set of changes for First-Class Package Service and Parcel Select.² The Postal Service filed a copy of the supporting Governors' Decision and proposed changes to the MCS. See Competitive Classification Notice, Attachments A-B.

II. SUMMARY OF CHANGES

The Postal Service requests to remove USPS Retail Ground from the competitive product list effective January 8, 2023. See USPS Retail Ground Request at 1. The Postal Service also provides notice proposing to remove the Parcel Select Ground price category from Parcel Select and make enhancements to First-Class Package Service effective January 8, 2023. Competitive Classification Notice at 1. The enhancements to First-Class Package Service include: expanding the product weight limit to 70 pounds; updating size (dimension) limitations; adding \$100 of insurance; adding cubic pricing tiers, along with Oversized, Dimensional Weight, and Nonstandard Fees. See *id.* at 1-2. In addition, the Postal Service will retain the Limited Overland Routes price category, but shift it under First-Class Package Service. See *id.* at 2.

The Postal Service proposes these changes “to simplify and streamline [its] ground competitive package offerings under one product.” USPS Retail Ground Request, Attachment A at 1; see *also* Competitive Classification Notice at 2. In the view of the Postal Service, “retail and commercial customers will all benefit from this simplified and streamlined ground package offering, and from the overall enhanced First-Class Package Service product.” USPS Retail Ground Request, Attachment A at 1; see *also* Competitive Classification Notice, Attachment A at 1. According to the Postal Service, “these classification changes will have a positive impact on users of the Postal Service’s ground package offerings and will have a minimal impact on

² Docket No. MC2022-82, USPS Notice of Changes in Classifications of General Applicability for Competitive Products, July 13, 2022 (Competitive Classification Notice).

competitors and the broader package market. Ground package shippers, particularly retail customers and small businesses, will benefit from a simplified and streamlined offering.” Competitive Classification Notice at 3 (citation omitted); see *also* USPS Retail Ground Request, Attachment B at 3-4.

The Postal Service asserts that its request to remove USPS Retail Ground from the competitive product list is consistent with applicable law and regulation. See USPS Retail Ground Request, Attachment B at 1. The Postal Service further asserts that none of these classification changes will result in the violation of 39 U.S.C. 3633 because competitive products are still expected to cover their costs and contribute an appropriate share to institutional costs. See *id.* Attachment B at 2; Competitive Classification Notice at 2.

III. NOTICE OF COMMISSION ACTION

The Commission establishes Docket No. MC2022-81 to consider matters raised by the USPS Retail Ground Request and Docket No. MC2022-82 to consider matters raised by the Competitive Classification Notice. See 39 CFR 3040.133, 3040.182. The instant dockets involve related issues pertaining to product consolidation. Accordingly, the Commission will consolidate them. See 39 CFR 3010.104.

Pursuant to 39 CFR 3040.133, the Commission has posted the USPS Retail Ground Request on its website. Pursuant to 39 CFR 3040.182, the Commission has posted the Competitive Classification Notice on its website. The Commission invites comments on the USPS Retail Ground Request and the Competitive Classification Notice. Comments are due no later than August 31, 2022. The filings can be accessed via the Commission’s website (<http://www.prc.gov>).

The Commission appoints Samuel M. Poole to represent the interests of the general public (Public Representative) in these dockets.

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. MC2022-81 to consider matters raised by the USPS Retail Ground Request.
2. The Commission establishes Docket No. MC2022-82 to consider matters raised by the Competitive Classification Notice.
3. The Commission consolidates Docket Nos. MC2022-81 and MC2022-82.
4. Comments by interested persons are due by August 31, 2022.
5. Pursuant to 39 U.S.C. 505, Samuel M. Poole is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in these proceedings.
6. The Commission directs the Secretary of the Commission to arrange for prompt publication of this notice in the *Federal Register*.

By the Commission.

Erica A. Barker
Secretary