

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

REMOVAL FROM THE COMPETITIVE PRODUCT LIST  
PARCEL RETURN SERVICE

Docket No. MC2022-95

**USPS REQUEST TO REMOVE PARCEL RETURN SERVICE  
FROM THE COMPETITIVE PRODUCT LIST**  
(August 12, 2022)

In accordance with 39 U.S.C. § 3642 and 39 C.F.R. § 3040.130 *et seq.*, the United States Postal Service hereby requests to remove Parcel Return Service, a product of general applicability, from the competitive product list. Although the product will be removed from the competitive product list and Notice 123, the Postal Service intends to continue to offer Parcel Return Service via negotiated service agreements. As required by 39 C.F.R. § 3041.131, a copy of the Governors' Decision supporting this request is included at Attachment A. Attachment B contains a Statement of Supporting Justification provided in accordance with 39 C.F.R. § 3041.132, which demonstrates that the Request fulfills the criteria set forth in Section 3642. The proposed Mail Classification Schedule language appears at Attachment C. If this proposal is favorably reviewed by the Commission, the Postal Service would intend to have the changes set forth herein take effect on January 22, 2023.

As required by 39 U.S.C. § 3642(d)(1), a notice describing the Request is being published in the Federal Register.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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August 12, 2022

**Attachment A**

**Governors' Decision and Certification**

**DECISION OF THE GOVERNORS OF THE UNITED STATES POSTAL SERVICE ON CHANGES  
IN CLASSIFICATIONS OF GENERAL APPLICABILITY FOR COMPETITIVE PRODUCTS  
(GOVERNORS' DECISION NO. 22-5)**

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August 9, 2022

**STATEMENT OF EXPLANATION AND JUSTIFICATION**

Pursuant to authority under section 3632 of title 39, as amended by the Postal Accountability and Enhancement Act of 2006 ("PAEA"), we establish changes in classifications of general applicability for a competitive product, and do so here with regard to the removal of Parcel Return Service from the competitive product list. The changes are described generally below, with a detailed description of the changes in the attached draft of the relevant sections of the Mail Classification Schedule, with the classification changes in legislative format.

Parcel Return Service was originally designed for shippers, shipping agents, or return logistics providers who can retrieve items in bulk from the Postal Service's Return Delivery Units (RDUs) and/or Return Sectional Center Facilities (RSCFs). Over time, Parcel Return Service has evolved to become almost solely provided through negotiated service agreements (NSAs). There are currently only three customers using Parcel Return Service at published rates. With these changes, the Parcel Return Service product will be removed from the competitive product list, but will continue to be offered solely through NSAs. The volume from these three customers would still be able to be covered via NSAs, as appropriate.

The Postal Service expects that there will be minimal impact to its retail and commercial customers from the elimination of Parcel Return Service. All customers interested in a bulk package return service will still be able to utilize Parcel Return Service via an NSA. Eliminating Parcel Return Service from the competitive product list will further simplify and streamline the Postal Service's offerings, and avoid customer confusion.

**ORDER**

The changes in classes set forth herein shall be effective at 12:01 A.M. on January 22, 2023. We direct the Secretary to have this decision published in the *Federal Register* in accordance with 39 U.S.C. § 3632(b)(2) and direct management to file with the Postal Regulatory Commission appropriate notice of these changes.

By The Governors:



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Roman Martinez IV  
Chairman, Board of Governors

**UNITED STATES POSTAL SERVICE  
OFFICE OF THE BOARD OF GOVERNORS**

**CERTIFICATION OF GOVERNORS' VOTE ON  
GOVERNORS' DECISION NO. 22-5**

Consistent with 39 USC 3632(a), I hereby certify that, on August 9, 2022, the Governors voted on adopting Governors' Decision No. 22-5, and that a majority of the Governors then holding office voted in favor of that Decision.



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Elda Merho  
Assistant Secretary of the Board of Governors

August 9, 2022

**Attachment B**

**Statement of Supporting Justification**

## Statement of Supporting Justification

I, Sharon Owens, Vice President, Pricing & Costing, sponsor this Request that the Postal Regulatory Commission remove Parcel Return Service from the competitive product list. This statement supports the Postal Service Request by providing the information required by each applicable subsection of 39 C.F.R. § 3040.132, as indicated below. I attest to the accuracy of the information contained herein.

*(a) Explain the reason for initiating the docket and explain why the change is not inconsistent with the applicable requirements of this part and any applicable Commission directives and orders;*

As described in Governors' Decision 22-5, Parcel Return Service has evolved over time to become almost solely provided through negotiated service agreements (NSAs). There are currently only three customers using Parcel Return Service at published rates. The Postal Service intends to continue to offer Parcel Return Service through NSAs. The elimination of Parcel Return Service from the competitive product list will simplify and streamline the Postal Service's product offerings, and minimize customer confusion. The volume from the three existing customers would still be able to be covered via NSAs, as appropriate. As demonstrated below, the change is consistent with the applicable regulations and Commission directives.

*(b) Explain why, as to market dominant products, the change is not inconsistent with the policies and the applicable criteria of chapter 36 of title 39 of the United States Code;*



As the Request is for the removal of Parcel Return Service from the competitive product list, this subsection is not applicable.

(c) *Explain why, as to competitive products, the addition, deletion, or transfer will not result in the violation of any of the standards of 39 U.S.C. 3633;*

Upon the removal of Parcel Return Service from the competitive product list, the remaining competitive products will continue to cover their attributable costs and make a positive contribution to institutional costs, such that no issue of subsidization of competitive products by market dominant products will arise. Pricing for all current and any future Parcel Return Service NSAs will be set so that those products will continue to meet the standards of 39 U.S.C. § 3633.

(d) *Verify that the change does not classify as competitive a product over which the Postal Service exercises sufficient market power that it can, without risk of losing a significant level of business to other firms offering similar products: (1) set the price of such product substantially above costs; (2) raise prices significantly; (3) decrease quality; or (4) decrease output.*

As the Request is for the removal of Parcel Return Service from the competitive product list, this subsection is not applicable.

(e) *Explain whether or not each product that is the subject of the request is covered by the postal monopoly as reserved to the Postal Service under 18 U.S.C. 1696 subject to the exceptions set forth in 39 U.S.C. 601.*

I am advised that the Parcel Return Service product is not covered by these provisions.

(f) *Provide a description of the availability and nature of enterprises in the private sector engaged in the delivery of the product.*

Shipping services are widely available from well-known and successful private firms at both published and contract prices. These services directly compete against the Postal Service's products, including Parcel Return Service. These firms offer an array of extra services and features to entice customers to use their services instead of the Postal Service.

(g) *Provide any information available on the views of those who use the product on the appropriateness of the proposed modification.*

The Postal Service believes that, because there are so few customers currently using Parcel Return Service at published prices, there will be minimal negative reaction to the elimination of Parcel Return Service. Additionally, customers will still be able to access Parcel Return Service via NSAs. Based on its contact with customers, the Postal Service believes that many customers support the Postal Service's broader efforts to simplify and streamline its product offerings.

(h) *Provide a description of the likely impact of the proposed modification on small business concerns.*

See the response to subsection (g) above. Very few small businesses utilize Parcel Return Service because it is a bulk parcel return service, and most lack the volume to avail themselves of the service. Most that do utilize Parcel Return Service likely do so by partnering with existing NSA customers. As discussed above, the Postal Service will continue to offer this service via NSAs, and the existing Parcel Return Service NSAs will be unaffected.

(i) *Include such information and data, and such statements of reasons and bases, as are necessary and appropriate to fully inform the Commission of the nature, scope, significance, and impact of the proposed modification.*

N/A.

**Attachment C**

**Mail Classification Schedule (MCS) Language**

## **PART B**

### **COMPETITIVE PRODUCTS**

**2000**

**COMPETITIVE PRODUCT LIST**

**DOMESTIC PRODUCTS**

Priority Mail Express

Priority Mail

Parcel Select

~~Parcel Return Service~~

First-Class Package Service

USPS Retail Ground

**2120 Parcel Return Service**

**2120.1 Description**

- a. ~~Parcel Return Service mail consists of returned merchandise meeting preparation and entry requirements, which is retrieved or delivered in bulk, with postage paid by the addressee.~~
- b. ~~Any mailable matter may be mailed as Parcel Return Service mail, except matter required to be mailed by First-Class Mail or Priority Mail services; as Customized MarketMail pieces; and publications required to be entered as Periodicals mail.~~
- c. ~~Parcel Return Service mail is not sealed against postal inspection. Mailing of matter as such constitutes consent by the mailer to postal inspection of the contents, regardless of the physical closure.~~
- d. ~~Undeliverable as addressed Parcel Return Service pieces will be forwarded on request of the addressee or forwarded or returned on request of the mailer, subject to the applicable USPS Retail Ground price when forwarded or returned from one Post Office location to another. Pieces which combine Parcel Return Service matter with First-Class Mail or USPS Marketing Mail matter will be forwarded or returned if undeliverable as addressed, as specified in the Domestic Mail Manual.~~

*Attachments and enclosures*

- a. ~~First-Class Mail or USPS Marketing Mail pieces may be attached to or enclosed in Parcel Return Service mail. Additional postage may be required. Parcel Return Service mail may have limited written additions placed on the wrapper, on a tag or label attached to the outside of the parcel, or inside the parcel, either loose or attached to the article.~~

**2120.2 Size and Weight Limitations<sup>†</sup>**

	<b>Length</b>	<b>Height</b>	<b>Thickness</b>	<b>Weight</b>
Minimum	large enough to accommodate postage, address, and other required elements on the address side			none
Maximum	130 inches in combined length and girth			70 pounds <sup>†</sup>

### Notes

- ~~1. A charge of \$100.00 applies to pieces found in the postal network that exceed the 70-pound maximum weight limitation or the 130-inch length plus girth maximum dimensional limit for Postal Service products. Such items are nonmailable and will not be delivered. As described in the Domestic Mail Manual, this charge is payable before release of the item, unless the item is picked up at the same facility where it was entered.~~

#### 2120.3 Minimum Volume Requirements

	<b>Minimum Volume Requirements</b>
All other Parcel Return Service	none

#### 2120.4 Price Categories

- ~~RSCF – Contains merchandise and is retrieved in bulk at a return sectional center facility, or other equivalent facility~~
  - ~~○ Machinable~~
  - ~~○ Nonmachinable~~
  - ~~○ Balloon Price~~
  - ~~○ Oversized~~
- ~~RDU – Contains merchandise and is retrieved in bulk at a designated destination delivery unit, or other equivalent facility~~
  - ~~○ Machinable~~
  - ~~○ Nonmachinable~~
  - ~~○ Oversized~~

#### 2120.5 Optional Features

~~The following additional postal services may be available in conjunction with the product specified in this section:~~

- ~~Ancillary Services (1505)~~
  - ~~○ Certificate of Mailing (1505.6)~~
- ~~Pickup On Demand Service~~



2120.6 — Prices

*RSCF Entered*

a. ~~Machinable RSCF~~

<b>Maximum Weight (pounds)</b>	<b>RSCF (\$)</b>
1	4.22
2	4.77
3	5.12
4	5.51
5	5.93
6	6.50
7	6.95
8	7.54
9	8.06
10	8.61
11	9.12
12	9.76
13	10.20
14	10.55
15	10.93
16	11.30
17	11.72
18	12.04
19	12.36
20	12.78
21	13.11
22	13.50
23	13.77
24	14.19
25	14.50

a. ~~Machinable RSCF~~ (Continued)

<b>Maximum Weight (pounds)</b>	<b>RSCF (\$)</b>
26	14.96
27	15.27
28	15.60
29	15.93
30	16.23
31	16.58
32	16.91
33	17.19
34	17.63
35	17.95

b. Nonmachinable RSCF

<b>Maximum Weight (pounds)</b>	<b>RSCF (\$)</b>
1	7.36
2	7.92
3	8.27
4	8.65
5	9.07
6	9.65
7	10.10
8	10.69
9	11.20
10	11.76
11	12.26
12	12.90
13	13.34
14	13.70
15	14.08
16	14.44
17	14.86
18	15.19
19	15.50
20	15.92
21	16.26
22	16.65
23	16.92
24	17.34
25	17.64

b. Nonmachinable RSCF (Continued)

<b>Maximum Weight (pounds)</b>	<b>RSCF (\$)</b>
26	18.11
27	18.42
28	18.75
29	19.08
30	19.38
31	19.73
32	20.06
33	20.34
34	20.78
35	21.10
36	21.43
37	21.55
38	21.87
39	22.03
40	22.32
41	22.61
42	22.76
43	23.10
44	23.38
45	23.68
46	23.95
47	24.16
48	24.57
49	24.93
50	25.17

b. Nonmachinable RSCF (Continued)

Maximum Weight (pounds)	RSCF (\$)
51	25.57
52	25.86
53	26.28
54	26.63
55	26.86
56	27.27
57	27.60
58	27.91
59	28.26
60	28.43
61	28.85
62	29.16
63	29.53
64	29.84
65	30.18
66	30.39
67	30.87
68	31.09
69	31.48
70	31.62
Oversized	47.94

c. Balloon Price

RSCF entered pieces exceeding 84 inches in length and girth combined, but not more than 108 inches, and weighing less than 20 pounds are subject to a price equal to that for a 20-pound parcel for the zone to which the parcel is addressed.

~~d. Oversized Pieces~~

~~Regardless of weight, any piece that measures more than 108 inches (but not more than 130 inches) in length plus girth must pay the oversized price. As stated in the Domestic Mail Manual, any piece that is found to be over the 70 pound maximum weight limitation is nonmailable, will not be delivered, and may be subject to the \$100.00 overweight item charge.~~

*RDU Entered*

a. ~~Machinable RDU~~

<b>Maximum Weight (pounds)</b>	<b>RDU (\$)</b>
1	3.37
2	3.46
3	3.55
4	3.66
5	3.74
6	3.86
7	3.94
8	4.03
9	4.14
10	4.23
11	4.34
12	4.43
13	4.54
14	4.63
15	4.71
16	4.83
17	4.91
18	5.02
19	5.11
20	5.22
21	5.31
22	5.39
23	5.51
24	5.59
25	5.71

a. ~~Machinable RDU (Continued)~~

<b>Maximum Weight (pounds)</b>	<b>RDU (\$)</b>
26	5.75
27	5.84
28	5.95
29	6.04
30	6.15
31	6.25
32	6.33
33	6.43
34	6.52
35	6.63



b. ~~Nonmachinable RDU~~

<b>Maximum Weight (pounds)</b>	<b>RDU (\$)</b>
1	3.37
2	3.46
3	3.55
4	3.66
5	3.74
6	3.86
7	3.94
8	4.03
9	4.14
10	4.23
11	4.34
12	4.43
13	4.54
14	4.63
15	4.71
16	4.83
17	4.91
18	5.02
19	5.11
20	5.22
21	5.31
22	5.39
23	5.51
24	5.59
25	5.71

b. Nonmachinable RDU (Continued)

<b>Maximum Weight (pounds)</b>	<b>RDU (\$)</b>
26	5.75
27	5.84
28	5.95
29	6.04
30	6.15
31	6.25
32	6.33
33	6.43
34	6.52
35	6.63
36	6.72
37	6.83
38	6.91
39	7.01
40	7.11
41	7.21
42	7.31
43	7.41
44	7.49
45	7.59
46	7.69
47	7.80
48	7.89
49	8.00
50	8.07

b. ~~Nonmachinable RDU (Continued)~~

<b>Maximum Weight (pounds)</b>	<b>RDU (\$)</b>
51	8.18
52	8.29
53	8.38
54	8.49
55	8.58
56	8.66
57	8.76
58	8.86
59	8.97
60	9.06
61	9.17
62	9.24
63	9.35
64	9.44
65	9.55
66	9.64
67	9.72
68	9.83
69	9.92
70	10.03
Oversized	14.60

c. ~~Oversized Pieces~~

~~Regardless of weight, any piece that measures more than 108 inches (but not more than 130 inches) in length plus girth must pay the oversized price. As stated in the Domestic Mail Manual, any piece that is found to be over the 70 pound maximum weight limitation is nonmailable, will not be delivered, and may be subject to the \$100.00 overweight item charge.~~

*IMpb Noncompliance Fee*

Add \$0.25 for each IMpb-noncompliant parcel paying commercial prices.