

ORDER NO. 6318

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

ORDER REMOVING USPS RETAIL GROUND FROM THE COMPETITIVE PRODUCT  
LIST AND APPROVING COMPETITIVE CLASSIFICATION CHANGES TO  
FIRST-CLASS PACKAGE SERVICE AND PARCEL SELECT

(Issued October 28, 2022)

I. INTRODUCTION

In these consolidated dockets, the Postal Service proposes to streamline its competitive ground package service products by: (1) removing USPS Retail Ground from the Competitive product list (i.e., discontinuing the product); (2) eliminating Parcel Select Ground from the Parcel Select product; and (3) expanding First-Class Package Service to subsume USPS Retail Ground and Parcel Select Ground and to include other enhancements. The Commission approves the Postal Service's classification

changes. All changes to the Mail Classification Schedule (MCS) appear in the Attachment to this Order and will take effect consistent with a date to be identified by the Postal Service.<sup>1</sup>

## II. PROCEDURAL HISTORY

On July 13, 2022, pursuant to 39 U.S.C. § 3642 and 39 C.F.R. §§ 3040.130 *et seq.*, the Postal Service filed a request to remove USPS Retail Ground from the Competitive product list.<sup>2</sup> To support this request, the Postal Service filed a copy of the Governors' Decision supporting the request, a Statement of Supporting Justification, and proposed changes to the MCS. See USPS Retail Ground Request, Attachments A-C. Also on July 13, 2022, pursuant to 39 C.F.R. §§ 3035.104, 3040.212, and 3040.180 *et seq.*, the Postal Service filed a notice of a set of classification changes for First-Class Package Service and Parcel Select.<sup>3</sup> The Postal Service filed a copy of the supporting Governors' Decision and proposed changes to the MCS. See Competitive Classification Notice, Attachments A-B.

On July 15, 2022, the Commission issued an order providing notice of the Proposals, appointing a Public Representative, and providing an opportunity for submitting comments.<sup>4</sup> Because the instant dockets involve related issues pertaining to product consolidation, the Commission consolidated them. See Order No. 6230 at 3. Throughout the course of these proceedings, five Chairman's Information Requests

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<sup>1</sup> This Order does not change any rates and the planned effective date of the MCS changes has not been finalized by the Postal Service; thus, no rates are included in the Attachment.

<sup>2</sup> Docket No. MC2022-81, USPS Request to Remove USPS Retail Ground from the Competitive Product List, July 13, 2022 (USPS Retail Ground Request).

<sup>3</sup> Docket No. MC2022-82, USPS Notice of Changes in Classifications of General Applicability for Competitive Products, July 13, 2022 (Competitive Classification Notice and, together with the USPS Retail Ground Request, the Proposals).

<sup>4</sup> Notice and Order Concerning Removal of USPS Retail Ground from the Competitive Product List and Competitive Classification Changes, July 15, 2022 (Order No. 6230).

were issued to the Postal Service.<sup>5</sup> The Postal Service responded to these requests.<sup>6</sup> On August 31, 2022, the Public Representative filed comments.<sup>7</sup> No other comments were filed.

### III. BACKGROUND

The Postal Service requests to remove USPS Retail Ground from the Competitive product list (see USPS Retail Ground Request at 1), to remove the Parcel Select Ground price category from Parcel Select, and to make enhancements to First-Class Package Service (see 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; and 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 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

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<sup>5</sup> Chairman’s Information Request No. 1, July 21, 2022; Chairman’s Information Request No. 2, August 5, 2022; Chairman’s Information Request No. 3 and Notice of Filing Under Seal, August 10, 2022; Chairman’s Information Request No. 4 and Notice of Filing Under Seal, August 30, 2022; Chairman’s Information Request No. 5 and Notice of Filing Under Seal, September 15, 2022.

<sup>6</sup> USPS Response to Chairman’s Information Request No. 1, July 28, 2022 (Response to CHIR No. 1); USPS Notice of Filing Material Under Seal in Response to Chairman’s Information Request No. 1, Question 2, August 3, 2022; USPS Response to Chairman’s Information Request No. 2, with Material Filed Under Seal, August 12, 2022 (Response to CHIR No. 2); USPS Response to Chairman’s Information Request No. 3, Filed Under Seal, August 17, 2022; USPS Response to Chairman’s Information Request No. 4, with Portions Filed Under Seal, September 6, 2022 (Response to CHIR No. 4); USPS Response to Chairman’s Information Request No. 5, with Portions Filed Under Seal, September 22, 2022 (Response to CHIR No. 5).

<sup>7</sup> Comments of the Public Representative, August 31, 2022 (PR Comments).

Package Service product.” USPS Retail Ground Request, Attachment A at 1; see Competitive Classification Notice, Attachment A at 1. The Postal Service intends to address expanded First-Class Package Service pricing subsequently. See Competitive Classification Notice at 2-3.

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 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 (internal citation omitted); see USPS Retail Ground Request, Attachment B at 3-4.

The Postal Service initially proposed that the Proposals be effective on January 8, 2023;<sup>8</sup> however, on August 16, 2022, the Postal Service advised the Commission of a revised effective date for the proposed changes at issue in the instant dockets.<sup>9</sup> The new effective date would be a date in Calendar Year 2023 identified by the Postal Service upon at least 30 days’ advance notice. Governors’ Decision 22-4 Notice at 1.

#### IV. COMMENTS

The Public Representative argues that the Postal Service satisfied applicable requirements for removing USPS Retail Ground from the Competitive product list and for making material changes to the product descriptions for First-Class Package Service and Parcel Select. See PR Comments at 6-7. Nevertheless, the Public Representative raises certain concerns: the difficulty of evaluating (i) the effect of the proposed changes on small businesses and (ii) compliance with 39 U.S.C. § 3633. See *id.* at 7-8.

According to the Public Representative, it is difficult to consider the effect of the proposed changes on small businesses “when the pricing for revised [First-Class

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<sup>8</sup> See Competitive Classification Notice at 1; USPS Retail Ground Request at 1.

<sup>9</sup> USPS Notice of Revised Effective Date, Pursuant to Governors’ Decision 22-4, August 16, 2022 (Governors’ Decision 22-4 Notice).

Package Service] weight steps from 1-70 lbs has not been provided.” *Id.* at 7. That said, the Public Representative does not view the unavailability of First-Class Package Service pricing as an impediment to approval of the USPS Retail Ground Request or the changes proposed in the Competitive Classification Notice. *See id.* at 10. In the Public Representative’s view, this issue may be resolved by the time that the Postal Service implements the proposed changes and “[t]he Commission can reasonably accept the Postal Service’s assertions regarding anticipated small business impacts and monitor those impacts once the Postal Service provides pricing for the remainder of [First-Class Package Service] weight steps.” *Id.*

The Public Representative also comments that the Postal Service’s failure to provide First-Class Package Service pricing has complicated evaluation of compliance with 39 U.S.C. § 3633. *See id.* at 8. The Public Representative suggests that the Commission review the prices currently in place and “the likely impact of removing Parcel Select Ground and [USPS] Retail Ground on those prices to determine compliance.” *Id.* at 9. Further, the Public Representative comments that a related 39 U.S.C. § 3633 compliance issue is also not clear. *Id.* In particular, the Public Representative cites the potential for diversion of parcel volume from Priority Mail to the revised First-Class Package Service and suggests that it is not clear how such diversion might affect “compliance with 39 U.S.C. § 3633 and the broader objectives of Title 39.” *Id.* That said, the Public Representative opines that “diversion from Priority Mail to [First-Class Package Service] is unlikely to result in either product failing to cover its costs given the cost coverages for the existing products.” *Id.* at 10.

## V. COMMISSION ANALYSIS

Although these consolidated dockets involve related issues, the USPS Retail Ground Request and the changes proposed in the Competitive Classification Notice are subject to different legal standards, as discussed further below. As a result, the Commission evaluates them separately.

A. Removal of USPS Retail Ground from the Competitive Product List

The Commission evaluates a request to remove a product from the Competitive product list under 39 U.S.C. § 3642 and 39 C.F.R. §§ 3040.130 *et seq.* Section 3642 provides, among other things, that the Postal Service may change the list of Competitive products under section 3631 by removing products from the list. 39 U.S.C. § 3642(a). Section 3642(b) states that all determinations by the Commission shall be made in accordance with criteria such as whether a product is covered by the postal monopoly and with due regard to the following additional considerations: “the availability and nature of enterprises in the private sector engaged in the delivery of the product involved; . . . the views of those who use the product involved on the appropriateness of the proposed action; and . . . the likely impact of the proposed action on small business concerns . . . .” 39 U.S.C. § 3642(b)(3). The Commission’s rules also require certain information to be provided in support of the request. See 39 C.F.R. § 3040.132. Further, the Commission also evaluates requests to remove a product from the MCS by examining whether the request is a pretext for an abuse of market power and understanding the rationale for the discontinuation.<sup>10</sup>

1. Whether USPS Retail Ground Is Covered by the Postal Monopoly

Market Dominant products covered by the postal monopoly may not be transferred from the Market Dominant product list. See 39 U.S.C. § 3642(b)(2). Because USPS Retail Ground is located on the Competitive product list,<sup>11</sup> this prohibition has no bearing on the USPS Retail Ground Request.

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<sup>10</sup> See Docket No. MC2015-8, Order Approving Removal of Return Receipt for Merchandise Service from Mail Classification Schedule, January 16, 2020, at 3, 5 (Order No. 5408). See also Docket No. MC2020-126, Order Approving Removal of Customized Postage from Mail Classification Schedule, June 16, 2020, at 5 (Order No. 5550).

<sup>11</sup> Postal Regulatory Commission, Mail Classification Schedule, posted June 30, 2022 (with revisions through June 30, 2022), § 2135, available at <http://www.prc.gov/mail-classificationschedule>.

2. The Availability and Nature of Private Sector Enterprises Delivering USPS-Retail-Ground-Equivalent Products

In ruling on the request, the Commission is required to give due regard to the availability and nature of enterprises in the private sector engaged in the delivery of services similar to USPS Retail Ground. See 39 U.S.C. § 3642(b)(3)(A). According to the Postal Service, various private firms offer shipping services, which “compete against the Postal Service’s ground products.” USPS Retail Ground Request, Attachment B at 3. Similarly, the Public Representative observes that UPS Ground and FedEx Ground offer competing “Ground” branded products with comparable service standards. See PR Comments at 3. Based on the foregoing, and having reviewed the materials filed in these dockets, including the materials filed under seal, the Commission finds that various private sector enterprises are available and offer products comparable to USPS Retail Ground.

3. The Views of Customers Using USPS Retail Ground

In ruling on the request, the Commission is required to give due regard to the views of those who use USPS Retail Ground on the appropriateness of the request. See 39 U.S.C. § 3642(b)(3)(B). The Postal Service states that “[b]ased on its contact with customers, the Postal Service believes that many customers support the Postal Service’s broader efforts to simplify and streamline its ground package service offerings.” USPS Retail Ground Request, Attachment B at 3. The Postal Service provided additional material explaining this statement under seal in Response to CHIR No. 1, question 2. See Response to CHIR No. 1, question 2. Based on review of the materials that the Postal Service filed under seal, and the fact that no adverse comments were filed, the Commission finds that the Postal Service accounted for the views of customers using USPS Retail Ground and that those views do not call into question the appropriateness of removing USPS Retail Ground from the Competitive product list.

#### 4. Likely Impact on Small Business Concerns

In ruling on the Request, the Commission is required to give due regard to “the likely impact of the proposed action on small business concerns.” 39 U.S.C.

§ 3642(b)(3)(C). The USPS Retail Ground Request involves removing USPS Retail Ground from the Competitive product list.<sup>12</sup> According to the Postal Service, “[s]mall businesses, like many retail customers, would benefit from the Postal Service’s streamlined and simplified ground package service offerings.” USPS Retail Ground Request, Attachment B at 4.

The Public Representative comments that “it is difficult for the Commission to consider the impact of the proposed changes on small businesses . . . when the pricing for revised [First-Class Package Service] weight steps from 1-70 lbs has not been provided.” PR Comments at 7. However, in the Public Representative’s view, “[t]he Commission can reasonably accept the Postal Service’s assertions regarding anticipated small business impacts and monitor those impacts once the Postal Service provides pricing for the remainder of [First-Class Package Service] weight steps.” *Id.* at 10.

Ultimately, the practical effect on small businesses of removing USPS Retail Ground from the Competitive product list is that small businesses will not be able to send packages using USPS Retail Ground. As a result, small businesses sending packages will be required to select other options for doing so, such as other Postal

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<sup>12</sup> See USPS Retail Ground Request at 1. The Postal Service’s and the Public Representative’s assertions on “the likely impact of the proposed action on small business concerns” treat “the proposed action” as the full set of proposals in the instant consolidated proceedings. See USPS Retail Ground Request at 2 n.1 (“[T]he Statement of Supporting Justification below fully explains the rationale of all elements of this entire initiative in full, and why it satisfies statutory requirements.”); PR Comments at 7 (“[I]t is difficult for the Commission to consider the impact of the proposed changes on small businesses . . .”). However, the requirement of 39 U.S.C. § 3642(b)(3)(C) applies to the Postal Service’s request under 39 U.S.C. § 3642(a), i.e., its request to remove USPS Retail Ground from the Competitive product list, not to the proposed classification changes for First-Class Package Service and Parcel Select. See 39 U.S.C. § 3642(a). Thus, the “proposed action” for this analysis is the removal of USPS Retail Ground from the Competitive product list, not a broader set of changes that include the expansion of First-Class Package Service.



Service products, including potentially the expanded First-Class Package Service the Postal Service is proposing, or products offered by competing firms. Although these products may differ from USPS Retail Ground in various ways, such products are readily available, and USPS Retail Ground is designed to be competitive with competitors' offerings. See, e.g., PR Comments at 2-3. The Commission finds that removing USPS Retail Ground from the Competitive product list will have a limited effect on small business customers because ample other comparable shipping options are available to small business customers in a competitive market.<sup>13</sup>

5. Information Required by 39 C.F.R. § 3040.132

The Postal Service must provide a justification supporting the USPS Retail Ground Request. 39 C.F.R. § 3040.132. The rules specify that this justification must do the following:

- (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;
- (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;
- (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;
- (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;

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<sup>13</sup> See, e.g., USPS Retail Ground Request, Attachment B at 3 ("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 ground products. These firms offer an array of extra services and features to entice customers to use their services instead of the Postal Service.").

- (3) Decrease quality; or
- (4) Decrease output.
- (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;
- (f) Provide a description of the availability and nature of enterprises in the private sector engaged in the delivery of the product;
- (g) Provide any information available on the views of those who use the product on the appropriateness of the proposed modification;
- (h) Provide a description of the likely impact of the proposed modification on small business concerns; and
- (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.

39 C.F.R. § 3040.132. As the Commission recently explained:

Such information is not only required by law but necessary in practice. As the Commission has previously explained in the analogous context of changes to the MCS, a full and complete request is important to ensure that the Commission has “sufficient information to make the necessary determination as to whether a [ ] MCS change is appropriate” and to avoiding the issuance of large numbers of Chairman’s Information Requests during proceedings, which leads “to the expenditure of additional resources by the Commission, the Postal Service, and other interested persons” and “complicate[s] the Commission’s review.” An insufficient initial “explanation of and justification for proposed classification changes also undermines the Commission’s objective that changes [ ] are made in an accurate and transparent manner, such that it is clear to participants in Commission proceedings, users of the mail, and the Commission the precise changes the Postal

Service is proposing, the likely effects, and the Postal Service's rationale for proposing such changes."<sup>14</sup>

The Postal Service included the 39 C.F.R. § 3040.132 justification as Attachment B to the USPS Retail Ground Request. See USPS Retail Ground Request, Attachment B. The amount of information that the Postal Service provided in its justification was limited and inconsistent with the amount of information that should have been provided to allow for efficient processing of the USPS Retail Ground Request.

In particular, the Postal Service's response to 39 C.F.R. § 3040.132(g), which requires "*any information available* on the views of those who use the product on the appropriateness of the proposed modification[.]" was deficient. See 39 C.F.R. § 3040.132(g) (emphasis added). The Postal Service provided a paragraph in response to this item. See USPS Retail Ground Request, Attachment B at 3-4. However, responses to information requests revealed that more responsive information was available. See, e.g., Response to CHIR No. 1, question 2. Thus, because the Postal Service failed to provide this information with its justification, it did not comply with the requirement of 39 C.F.R. § 3040.132(g) to "[p]rovide any information available on the views of those who use the product on the appropriateness of the proposed modification[.]" Ultimately, the Commission obtained sufficient information to evaluate the USPS Retail Ground Request through the Postal Service's responses to information requests; however, the Postal Service's initial failure to comply with 39 C.F.R. § 3040.132 resulted in the issuance of multiple requests for information, the expenditure of additional resources, and an increase in the amount of time required to evaluate the USPS Retail Ground Request. In this instance, the Commission will admonish the Postal Service but refrain from dismissing Docket No. MC2022-81 (*cf.* Order No. 6301)

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<sup>14</sup> Docket No. MC2023-13, Order Dismissing Without Prejudice Postal Service's Request to Convert USPS Connect Local Mail Market Test to a Permanent Offering, October 17, 2022, at 4 (Order No. 6301) (footnotes omitted).

or taking additional remedial action; however, the Commission expects the Postal Service to comply with 39 C.F.R. § 3040.132 going forward.

6. Whether the USPS Retail Ground Request Is a Pretext for Abuse of Market Power

The Commission also evaluates requests to remove a product from the MCS by examining whether the request is a pretext for an abuse of market power. See Order No. 5408 at 3, 5; Order No. 5550 at 5. According to the Postal Service, its removal request aims to streamline product offerings and avoid redundancy. See USPS Retail Ground Request, Attachment B at 1. Other shippers offer competing products in a robust competitive market. See *id.* at 3. Consequently, the Commission finds that the Postal Service does not possess market power with respect to USPS Retail Ground and comparable products. Because the Postal Service lacks market power in this area, it cannot use the USPS Retail Ground Request as a pretext to abuse any such market power. Thus, the Commission concludes that the USPS Retail Ground Request is not a pretext for the abuse of market power.

7. Rationale for Removal of USPS Retail Ground from the Competitive Product List

The Postal Service identifies the rationale for the USPS Retail Ground Request as “simplify[ing] and streamlin[ing] the Postal Service’s ground competitive package offerings under one product” and “avoid[ing] redundant offerings.” USPS Retail Ground Request, Attachment A at 1; see USPS Retail Ground Request, Attachment B at 1. The Public Representative views the rationale for all of the proposed changes in the instant consolidated dockets as reasonable. See PR Comments at 7. Nothing in the record indicates that this rationale is inconsistent with the policies of title 39 of the United States Code or the Commission’s rules.

8. Conclusion regarding Removal of USPS Retail Ground from the Competitive Product List

Having considered the USPS Retail Ground Request, the PR Comments, and the other applicable materials filed in these consolidated dockets (including non-public materials), the Commission finds that the USPS Retail Ground Request satisfies the requirements of 39 U.S.C. § 3642 and the Commission's other requirements for requests to modify the Competitive product lists. The Commission approves the USPS Retail Ground Request.

B. Competitive Classification Changes to First-Class Package Service and Parcel Select

Proposed changes to Competitive product descriptions are reviewed (1) to ensure ongoing compliance with 39 U.S.C. § 3633 and (2) to consider the effect of the changes on users of the product as well as competitors.<sup>15</sup> In pertinent part, 39 U.S.C. § 3633, as implemented by the Commission's rules, prohibits the subsidization of Competitive products by Market Dominant products, requires that each Competitive product cover its attributable costs, and requires that Competitive products collectively cover what the Commission determines to be an appropriate share of the Postal Service's institutional costs. See 39 U.S.C. § 3633(a); 39 C.F.R. § 3035.107.

The Postal Service summarizes the changes proposed in the Competitive Classification Notice as including six specific changes: (1) expanding the First-Class Package Service product weight limit (currently an ounce-based offering up to 15.999 ounces), up to 70 pounds; (2) updating the size (dimension) limitations for First-Class Package Service to align with the product consolidation; (3) including \$100 of insurance in the enhanced First-Class Package Service product; (4) adding cubic pricing tiers to

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<sup>15</sup> See 39 C.F.R. § 3040.181(b), (c); Docket No. MC2021-91, Order Approving Classification Changes to Outbound Single-Piece First-Class Package International Service, June 10, 2021, at 4 (Order No. 5912).

the enhanced First-Class Package Service product, along with Oversized, Dimensional Weight, and Nonstandard Fees; (5) eliminating the Parcel Select Ground price category from the Parcel Select product (i.e., subsuming Parcel Select Ground, as well as USPS Retail Ground, under the enhanced First-Class Package Service product); and (6) shifting the Limited Overland Routes price category under First-Class Package Service. See Competitive Classification Notice at 1-2.

1. Ongoing Compliance with 39 U.S.C. § 3633

*Postal Service position.* The Postal Service asserts that the changes proposed in the Competitive Classification Notice “will not result in the violation of 39 U.S.C.[.] § 3633 or associated regulations, as the Postal Service’s Competitive products are still expected to cover their costs and contribute an appropriate share to institutional costs.” Competitive Classification Notice at 2 (citation omitted). Further, the Postal Service also states that it expects that the pricing of the expanded First-Class Package Service (which it plans to address subsequently) “will continue to meet the standards of 39 U.S.C. § 3633.” *Id.* at 3.

*Public Representative comments.* The Public Representative comments that the Postal Service’s decision not to propose pricing for expanded First-Class Package Service complicates evaluation of 39 U.S.C. § 3633 compliance. See PR Comments at 8. The Public Representative suggests that, in view of this situation, “the Commission can review the prices in place and the likely impact of removing Parcel Select Ground and Retail Ground on those prices to determine compliance.” *Id.* at 9. In addition, the Public Representative asserts that there is further uncertainty about how potential diversion of packages from Priority Mail to the expanded First-Class Package Service that will result from the changes proposed in the Competitive Classification Notice will

affect 39 U.S.C. § 3633 compliance.<sup>16</sup> Nevertheless, the Public Representative opines that “diversion from Priority Mail to [First-Class Package Service] is unlikely to result in either product failing to cover its costs given the cost coverages for the existing products.” *Id.* at 10. Thus, the Public Representative states that “the Commission can reasonably anticipate that potential diversion from Priority Mail to [First-Class Package Service] will not cause violations of 39 U.S.C. § 3633 or [39 C.F.R.] part 3035 and that the Postal Service will adjust the pricing for these products to maximize contribution.” *Id.*

*Information request responses.* Various information requests and associated responses explored the Postal Service’s plans for revenue and cost reporting with the changes proposed in the Competitive Classification Notice.<sup>17</sup>

*39 U.S.C. § 3633 compliance.* Ultimately, whether the expanded First-Class Package Service complies with 39 U.S.C. § 3633 will depend on the prices that are set for the product. Because prices have not been proposed and the Postal Service expects that the expanded “First-Class Package Service will continue to meet the standards of 39 U.S.C. § 3633” after prices are established (see Competitive Classification Notice at 2-3), the Commission finds that the changes proposed in the Competitive Classification Notice to First-Class Package Service are unlikely to result in a violation of 39 U.S.C. § 3633.

Similarly, the changes proposed in the Competitive Classification Notice to Parcel Select are unlikely to result in a violation of 39 U.S.C. § 3633. The information provided indicates that the Postal Service’s Competitive products are “expected to cover

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<sup>16</sup> See *id.* (noting the potential for such diversion because “both Priority Mail and [First-Class Package Service] will be medium-speed products for most mailpieces but [First-Class Package Service] will have a lower price point”). See *also* Response to CHIR No. 1, question 4 (acknowledging that such diversion will occur but stating that its extent cannot be determined).

<sup>17</sup> See Response to CHIR No. 1, question 1; Response to CHIR No. 2, question 1; Response to CHIR No. 2, question 2; Response to CHIR No. 4, question 1; Response to CHIR No. 4, question 4.

their costs and contribute an appropriate share to institutional costs.”<sup>18</sup> For example, the Postal Service expects to calibrate the relative prices of First-Class Package Service and Priority Mail “to regulate volume flow between the two products—with the aim of increasing total contribution.” Response to CHIR No. 2, question 5; see Response to CHIR No. 1, question 4. Similarly, the Postal Service expects that “increasing First-Class Package Service’s weight limit to 70 pounds, by means of incorporating extant Parcel Select Ground and USPS Retail Ground” will “have no impact on the . . . revenue of other postal products.” Response to CHIR No. 2, question 6. Thus, the Commission finds that the changes proposed in the Competitive Classification Notice to Parcel Select should have no material effect on potential cross-subsidization of Competitive products by Market Dominant products, that they should not cause the expanded First-Class Package Service product or the Parcel Select product not to cover its attributable costs, and they should not prevent Competitive products collectively from covering the Commission-determined appropriate share of institutional costs.

*Mail processing cost model.* In Response to CHIR No. 1, question 1, the Postal Service notes that “[i]n the current Parcel Select Mail Processing Cost Model (Docket No. ACR20xx USPS-FYxx-NP15, costs by rate category (machinable, nonmachinable, and oversize) are modeled for Parcel Select Ground in addition to the destination entry Parcel Select rate categories. Response to CHIR No. 1, question 1. However, according to the Postal Service, with approval of the Proposals, “Parcel Select Ground would be removed from the NP15 cost model[.]” *Id.* The Postal Service asserts that this approach to cost modeling is appropriate because “[s]eparate mail processing costs for machinable and nonmachinable pieces are no longer needed to support the new First-Class Package Service rate structure, since there will no longer be separate prices

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<sup>18</sup> Competitive Classification Notice at 2; *cf.* PR Comments at 10 (“[D]iversion from Priority Mail to [First-Class Package Service] is unlikely to result in either product failing to cover its costs given the cost coverages for the existing products.”).



for machinable and nonmachinable pieces.” *Id.* That said, the Postal Service might consider in the future “fil[ing] a petition to change analytical principles to present [a] proposed methodology to disaggregate mail processing costs by weight group.” *Id.*

The Commission appreciates the Postal Service’s position that, because of the expanded First-Class Package Service rate structure, “there will be no need for [a First-Class Package Service] equivalent to the current NP15 model.” *See id.* However, declining to model expanded First-Class Package Service costs by rate category (machinable, nonmachinable, and oversize) when Parcel Select Ground costs are modeled in this way will reduce the quality and completeness of the data contained in the Postal Service’s annual periodic reports to the Commission. *See* 39 C.F.R. § 3050.11(a). Such a reduction in the quality and completeness of data reporting is inappropriate, absent the Postal Service’s filing and Commission’s approval of such proposed change in analytical principles,<sup>19</sup> particularly because of differences in costs between machinable and nonmachinable/oversized mailpieces.<sup>20</sup> Thus, the Commission will direct the Postal Service to continue reporting mail processing cost data (using the NP15 model) for nonmachinable, machinable, oversized pieces for the expanded First-Class Package Service.

## 2. Effect of the Changes on Users of the Product and Competitors

According to the Postal Service, the classification changes proposed in the Competitive Classification Notice “will have a positive impact on users of the Postal Service’s ground package offerings and will have a minimal impact on competitors and

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<sup>19</sup> *See* Docket No. RM2010-5, Order on Analytical Principles Used in Periodic Reporting (Proposals Twenty-Six Through Twenty-Eight), January 21, 2010, at 6 (Order No. 394) (approving Proposal 28 because the restructuring of the rate schedule in a prior rate case warranted elimination of distinctions in cost differences within the product).

<sup>20</sup> *Cf.* Response to CHIR No. 5, question 2 (“Packages that undergo machine processing and those that undergo manual processing may involve more labor hours per piece than automated distribution . . .”).

the broader package market.” Competitive Classification Notice at 3 (citation omitted). In particular, the Postal Service asserts that “[g]round package shippers, particularly retail customers and small businesses, will benefit from a simplified and streamlined offering.” *Id.* The Public Representative comments that the Postal Service’s general rationale of streamlining product offerings is “reasonable.” PR Comments at 7. Having considered the materials submitted, including non-public information request responses, the Commission finds that the changes proposed in the Competitive Classification are likely to have a positive effect on users of First-Class Package Service and Parcel Select and are not likely to have a material effect on competitors.

3. Information Required by 39 C.F.R. §§ 3040.180 *et seq.*

For future proposals of material changes to a product description in the MCS pursuant to 39 C.F.R. §§ 3040.180 *et seq.*, the Commission expects the Postal Service to “[p]rovide all supporting justification for the changes upon which the Postal Service proposes to rely.” 39 C.F.R. § 3040.180(b)(2). Here, the information filed with the Competitive Classification Notice was conclusory in nature and required supplementation via information requests.<sup>21</sup> The Commission observes that the Postal Service’s initial filing should have included all supporting justification as required by 39 C.F.R. § 3040.180(b)(2) to circumvent the need for issuing multiple sets of CHIRs to obtain this information and thereby facilitate regulatory efficiency and transparency. Although nothing in the record appears to indicate that information provided in the Competitive Classification Notice is unreasonable and the Competitive Classification Notice was filed sufficiently in advance of the planned effective date to allow for the

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<sup>21</sup> See, e.g., Response to CHIR No. 1, question 3 (quoting Competitive Classification Notice at 3), which responded to a request to explain “all supporting bases for the Postal Service’s statement that ‘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 competitors and the broader package market.’” However, this response did not fully explain the Postal Service’s statement but referred to a survey and customer group feedback that themselves required further inquiry. See CHIR No. 2, question 3 (requesting information about the survey referenced in Response to CHIR No. 1, question 3).

provision of additional information via CHIRs, obtaining such information caused the expenditure of additional resources and an increase in the amount of time required to evaluate the Competitive Classification Notice.

#### 4. Conclusion Regarding Competitive Classification Notice

Having considered the Competitive Classification Notice, the PR Comments, and the other applicable materials filed in these consolidated dockets (including non-public materials), the Commission finds that the changes proposed in the Competitive Classification Notice satisfy the requirements of 39 C.F.R. part 3040, subpart E. The Commission approves such changes.

## VI. CONCLUSION

Although the USPS Retail Ground Request failed to comply with 39 C.F.R. § 3040.132, the Commission concludes that the removal of USPS Retail Ground from the Competitive product list meets the applicable requirements of 39 U.S.C. § 3642, as well as the Commission's other applicable requirements, and that the classification changes proposed in the Competitive Classification Notice meet the requirements of 39 C.F.R. part 3040, subpart E. Thus, the Commission approves the USPS Retail Ground Request and the changes proposed in the Competitive Classification Notice as modified by the Governors' Decision 22-4 Notice. The Postal Service must provide at least 30 days' advance notice to the Commission of the effective date of these changes. Absent the Postal Service's filing and the Commission's approval of a proposed change in analytical principles, the Postal Service must continue to report mail processing cost data (using the NP15 model) for nonmachinable, machinable, oversized pieces for the expanded First-Class Package Service. The Commission admonishes the Postal Service for failing to comply with 39 C.F.R. § 3040.132, observes that the Postal Service's initial Competitive Classification Notice should have included all supporting

justification as required by 39 C.F.R. § 3040.180(b)(2), and reiterates that future filings are expected to comply with applicable law.

## VII. ORDERING PARAGRAPHS

*It is ordered:*

1. The USPS Request to Remove USPS Retail Ground from the Competitive Product List and the USPS Notice of Changes in Classifications of General Applicability for Competitive Products, filed July 13, 2022, are approved as modified by the USPS Notice of Revised Effective Date, Pursuant to Governors' Decision 22-4, filed August 16, 2022.
2. The Postal Service shall notify the Commission of the effective date by filing a notice in these dockets at least 30 days before implementing the classification changes. Revisions to the Mail Classification Schedule appear below the signature of this Order and shall take effect consistent with the Postal Service's notification.
3. Absent the Postal Service's filing and Commission's approval of a proposed change in analytical principles, the Postal Service must continue to report mail processing cost data (using the NP15 model) for nonmachinable, machinable, oversized pieces for the expanded First-Class Package Service.

By the Commission.

Erica A. Barker  
Secretary

## CHANGE IN PRODUCT LIST

The following material represents changes to the product list codified in Appendix B to 39 C.F.R. part 3040, subpart A—Competitive Product List. These changes reflect the Commission's order in Docket Nos. MC2022-81 and MC2022-82. The Commission uses two main conventions when making changes to the product list. New text is underlined. Deleted text is struck through.

### **Appendix B to Subpart A of Part 3040—Competitive Product List Domestic\***

\*\*\*\*\*

~~USPS Retail Ground~~

\*\*\*\*\*

## CHANGES TO THE MAIL CLASSIFICATION SCHEDULE

The following material represents a change to the Mail Classification Schedule. The Commission uses two main conventions when making changes to the Mail Classification Schedule. New text is underlined. Deleted text is struck through.

### Part B—Competitive Products 2000 Competitive Product List

\*\*\*\*\*

2125 First-Class Package Service

2125.1 Description

\*\*\*\*\*

h. Up to \$100.00 of General Insurance coverage is included at no additional cost in the price of First-Class Package Service pieces that bear an Intelligent Mail package barcode or retail tracking barcode, or for First-Class Package Service pieces that bear an Intelligent Mail package barcode and for which the mailer pays Commercial Plus prices or uses ePostage, Electronic Verification System, Hardcopy Manifest, or an approved Manifest Mailing System.

\*\*\*\*\*

2125.2 Size and Weight Limitations<sup>1</sup>

*Commercial*

	<b>Length</b>	<b>Height</b>	<b>Thickness</b>	<b>Weight</b>
Minimum	3.5 inches	3.0 inches	0.05 inch	none
Maximum	18 inches	15 inches	22 inch	16 ounces

*Retail*

	<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	108 inches in combined length and girth			13 ounces

	<u>Length</u>	<u>Height</u>	<u>Thickness</u>	<u>Weight</u>
<u>Minimum</u>	<u>large enough to accommodate postage, address, and other required elements on the address side</u>			<u>none</u>
<u>Maximum Cubic</u>	<u>Various, not to exceed 0.1, 0.2, 0.3, 0.4, 0.5, 0.6, 0.7, 0.8, 0.9, or 1.0 cubic feet</u>			<u>20 pounds</u>
<u>All Others</u>	<u>130 inches in combined length and girth</u>			<u>70 pounds</u>

\*\*\*\*\*

2125.3 Minimum Volume Requirements

	<b>Minimum Volume Requirements</b>
Commercial	none
Retail	none
<u>Cubic</u>	<u>none</u>
<u>Limited Overland Routes</u>	<u>none</u>

2125.4 Price Categories

The following price categories are available for the product specified in this section:

- Commercial  
\*\*\*\*\*
  - Oversized
  - Dimensional Weight
  
- Retail  
\*\*\*\*\*
  - Oversized
  - Dimensional Weight
  
- Cubic
  - Zone/Cube – Prices are based on cubic size and zone
  
- Limited Overland Routes
  - Zone/Weight – Prices are based on weight and zone

\*\*\*\*\*



2125.6 Prices

*Commercial*

<b>Maximum Weight (ounces) (oz/lb)</b>	<b>Local, Zones 1 &amp; 2 (\$)</b>	<b>Zone 3 (\$)</b>	<b>Zone 4 (\$)</b>	<b>Zone 5 (\$)</b>	<b>Zone 6 (\$)</b>	<b>Zone 7 (\$)</b>	<b>Zone 8 (\$)</b>
<u>1oz</u>							
<u>2oz</u>							
<u>3oz</u>							
<u>4oz</u>							
<u>5oz</u>							
<u>6oz</u>							
<u>7oz</u>							
<u>8oz</u>							
<u>9oz</u>							
<u>10oz</u>							
<u>11oz</u>							
<u>12oz</u>							
<u>13oz</u>							
<u>14oz</u>							
<u>15oz</u>							
<u>15.999</u>							
<u>1lb – 70lbs</u>							

*Retail'*

<b>Maximum Weight (ounces) (oz/lb)</b>	<b>Local, Zones 1 &amp; 2 (\$)</b>	<b>Zone 3 (\$)</b>	<b>Zone 4 (\$)</b>	<b>Zone 5 (\$)</b>	<b>Zone 6 (\$)</b>	<b>Zone 7 (\$)</b>	<b>Zone 8 (\$)</b>
<u>1oz</u>							
<u>2oz</u>							
<u>3oz</u>							
<u>4oz</u>							
<u>5oz</u>							
<u>6oz</u>							
<u>7oz</u>							
<u>8oz</u>							
<u>9oz</u>							
<u>10oz</u>							
<u>11oz</u>							
<u>12oz</u>							
<u>13oz</u>							
<u>14oz</u>							
<u>15oz</u>							
<u>1lb – 70lbs</u>							

\*\*\*\*\*



Limited Overland Routes

Pieces delivered to or from designated intra-Alaska ZIP Codes not connected by overland routes are eligible for the following prices.

<u>Maximum Weight (pounds)</u>	<u>Zones 1 &amp; 2 (\$)</u>	<u>Zone 3 (\$)</u>	<u>Zone 4 (\$)</u>	<u>Zone 5 (\$)</u>
<u>1</u>				
<u>2</u>				
<u>3</u>				
<u>4</u>				
<u>5</u>				
<u>6</u>				
<u>7</u>				
<u>8</u>				
<u>9</u>				
<u>10</u>				
<u>11</u>				
<u>12</u>				
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<u>14</u>				
<u>15</u>				
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<u>17</u>				
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<u>20</u>				
<u>21</u>				
<u>22</u>				
<u>23</u>				
<u>24</u>				
<u>25</u>				

Limited Overland Routes

<u>Maximum Weight (pounds)</u>	<u>Zones 1 &amp; 2 (\$)</u>	<u>Zone 3 (\$)</u>	<u>Zone 4 (\$)</u>	<u>Zone 5 (\$)</u>
<u>26</u>				
<u>27</u>				
<u>28</u>				
<u>29</u>				
<u>30</u>				
<u>31</u>				
<u>32</u>				
<u>33</u>				
<u>34</u>				
<u>35</u>				
<u>36</u>				
<u>37</u>				
<u>38</u>				
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<u>40</u>				
<u>41</u>				
<u>42</u>				
<u>43</u>				
<u>44</u>				
<u>45</u>				
<u>46</u>				
<u>47</u>				
<u>48</u>				
<u>49</u>				
<u>50</u>				

Limited Overland Routes

<u>Maximum Weight (pounds)</u>	<u>Zones 1 &amp; 2 (\$)</u>	<u>Zone 3 (\$)</u>	<u>Zone 4 (\$)</u>	<u>Zone 5 (\$)</u>
<u>51</u>				
<u>52</u>				
<u>53</u>				
<u>54</u>				
<u>55</u>				
<u>56</u>				
<u>57</u>				
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<u>59</u>				
<u>60</u>				
<u>61</u>				
<u>62</u>				
<u>63</u>				
<u>64</u>				
<u>65</u>				
<u>66</u>				
<u>67</u>				
<u>68</u>				
<u>69</u>				
<u>70</u>				
<u>Oversized</u>				

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.

Dimensional Weight

In Zones 1-8, parcels exceeding one cubic foot are priced at the actual weight or the dimensional weight, whichever is greater.

For box-shaped parcels, the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) of the parcel, and dividing by 166.

For irregular-shaped parcels (parcels not appearing box-shaped), the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) at the associated maximum cross-sections of the parcel, dividing by 166, and multiplying by an adjustment factor of 0.785.

These dimensional weight rules do not apply to the Limited Overland Routes price category.

Nonstandard Fees

Add the following fees to parcels that exceed certain dimensions, as specified below:

<u>Entry:</u>	<u>Full Network</u>	<u>DSCF/DNDC</u>	<u>DDU</u>
<u>Length &gt; 22"</u>	<u>\$4.00</u>	<u>N/A</u>	<u>N/A</u>
<u>Length &gt; 30"</u>	<u>\$15.00</u>	<u>N/A</u>	<u>N/A</u>
<u>Cube &gt; 2 cu. ft.</u>	<u>\$15.00</u>	<u>N/A</u>	<u>N/A</u>

Irregular Parcel Surcharge

Add \$0.25 for each irregularly shaped parcel (such as rolls, tubes, and triangles).

\*\*\*\*\*

~~2135~~ ~~USPS Retail Ground~~

~~2135.1~~ ~~Description~~

- ~~a. USPS Retail Ground provides reliable and economical ground package delivery service for less than urgent deliveries and oversized packages up to 130 inches in combined length and girth.~~
- ~~b. Any mailable matter may be mailed as USPS Retail Ground, except matter required to be mailed: (1) by First-Class Mail service; (2) as Customized MarketMail pieces; or (3) copies of a publication that are required to be entered as Periodicals mail.~~
- ~~c. USPS Retail Ground pieces are not sealed against postal inspection. Mailing of matter as USPS Retail Ground mail constitutes consent by the mailer to postal inspection of the contents, regardless of the physical closure.~~
- ~~d. USPS Retail Ground mail may receive deferred service.~~
- ~~e. USPS Retail Ground pieces that are undeliverable as addressed will be forwarded on request of the addressee, or forwarded and returned on request of the mailer, subject to the applicable single-piece Retail Ground when forwarded or returned from one post office to another. Pieces which combine domestic USPS Retail Ground mail with First-Class Mail or USPS Marketing Mail pieces will be forwarded if undeliverable as addressed, and returned if undeliverable.~~
- ~~f. Return parcels may be sent without prepayment of postage if authorized by the returns customer, who agrees to pay the postage.~~

~~*Attachments and enclosures*~~

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



2135.2 ~~Size and Weight Limitations<sup>1</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>4</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.~~

2135.3 ~~Minimum Volume Requirements~~

	<b>Minimum Volume Requirements</b>
Single Piece	none

2135.4 ~~Price Categories~~

- ~~USPS Retail Ground~~
  - ~~Zones 1-8~~
  - ~~Limited Overland Routes~~
  - ~~Oversized~~
  - ~~Dimensional Weight — Applies to parcels in zones 1-4 that exceed one cubic foot~~

~~2135.5~~ ~~Optional Features~~

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

- ~~• Pickup On Demand Service~~
- ~~• Ancillary Services (1505)~~
  - ~~○ Address Correction Service (1505.1)~~
  - ~~○ Certificate of Mailing (1505.6)~~
  - ~~○ Collect on Delivery (1505.7)~~
  - ~~○ USPS Tracking (1505.8)~~
  - ~~○ Insurance (1505.9)~~
  - ~~○ Return Receipt (1505.13)~~
  - ~~○ Signature Confirmation (1505.17)~~
  - ~~○ Special Handling (1505.18)~~
- ~~• Competitive Ancillary Services (2645)~~
  - ~~○ Package Intercept Service (2645.2)~~

2135.6 — Prices

*USPS Retail Ground*

<b>Maximum Weight (pounds)</b>	<b>Zones 1 &amp; 2 (\$)</b>	<b>Zone 3 (\$)</b>	<b>Zone 4 (\$)</b>	<b>Zone 5 (\$)</b>	<b>Zone 6 (\$)</b>	<b>Zone 7 (\$)</b>	<b>Zone 8 (\$)</b>
1							
2							
3							
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25							

*USPS Retail Ground*

<b>Maximum Weight (pounds)</b>	<b>Zones 1 &amp; 2 (\$)</b>	<b>Zone 3 (\$)</b>	<b>Zone 4 (\$)</b>	<b>Zone 5 (\$)</b>	<b>Zone 6 (\$)</b>	<b>Zone 7 (\$)</b>	<b>Zone 8 (\$)</b>
26							
27							
28							
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50							

*USPS Retail Ground*

<b>Maximum Weight (pounds)</b>	<b>Zones 1 &amp; 2 (\$)</b>	<b>Zone 3 (\$)</b>	<b>Zone 4 (\$)</b>	<b>Zone 5 (\$)</b>	<b>Zone 6 (\$)</b>	<b>Zone 7 (\$)</b>	<b>Zone 8 (\$)</b>
51							
52							
53							
54							
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56							
57							
58							
59							
60							
61							
62							
63							
64							
65							
66							
67							
68							
69							
70							
Oversized							

*Limited Overland Routes*

Pieces delivered to or from designated intra-Alaska ZIP Codes not connected by overland routes are eligible for the following prices.

<b>Maximum Weight (pounds)</b>	<b>Zones 1 &amp; 2 (\$)</b>	<b>Zone 3 (\$)</b>	<b>Zone 4 (\$)</b>	<b>Zone 5 (\$)</b>
4				
2				
3				
4				
5				
6				
7				
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16				
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19				
20				
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22				
23				
24				
25				

*Limited Overland Routes*

<b>Maximum Weight (pounds)</b>	<b>Zones 1 &amp; 2 (\$)</b>	<b>Zone-3 (\$)</b>	<b>Zone-4 (\$)</b>	<b>Zone-5 (\$)</b>
26				
27				
28				
29				
30				
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32				
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41				
42				
43				
44				
45				
46				
47				
48				
49				
50				

*Limited Overland Routes*

<b>Maximum Weight (pounds)</b>	<b>Zones 1 &amp; 2 (\$)</b>	<b>Zone-3 (\$)</b>	<b>Zone-4 (\$)</b>	<b>Zone-5 (\$)</b>
51				
52				
53				
54				
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59				
60				
61				
62				
63				
64				
65				
66				
67				
68				
69				
70				
Oversized				

*Balloon-Price*

Limited Overland Routes 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.



### *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.

### *Pickup On Demand Service*

Add \$25.00 for each Pickup On Demand stop.

### *Dimensional Weight*

In Zones 1-8, parcels exceeding one cubic foot are priced at the actual weight or the dimensional weight, whichever is greater.

For box-shaped parcels, the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) of the parcel, and dividing by 166.

For irregular-shaped parcels (parcels not appearing box-shaped), the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) at the associated maximum cross-sections of the parcel, dividing by 166, and multiplying by an adjustment factor of 0.785.

These dimensional weight rules do not apply to the Limited Overland Routes price category.

### *IMpb Noncompliance Fee*

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

2115 Parcel Select

2115.1 Description

\*\*\*\*

- c. Undeliverable-as-addressed Parcel Select pieces will be forwarded on request of the addressee or forwarded or returned on request of the mailer, subject to the applicable ~~Parcel Select Ground~~First-Class Package Service-Commercial price, plus an applicable fee, when forwarded or returned. Pieces which combine Parcel Select 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.

\*\*\*\*\*

2115.2 Size and Weight Limitations<sup>1</sup>

\*\*\*\*\*

*Parcel Select Ground*

	<b>Length</b>	<b>Height</b>	<b>Thickness</b>	<b>Weight</b>
<b>Minimum</b>	large enough to accommodate postage, address, and other required elements on the address side			none
<b>Maximum</b>				
— Cubic	Various, not to exceed 0.1, 0.2, 0.3, 0.4, 0.5, 0.6, 0.7, 0.8, 0.9, or 1.0 cubic feet			20 pounds
— All Others	130 inches in combined length and girth			70 pounds <sup>1</sup>

\*\*\*\*\*

2115.3 Minimum Volume Requirements

	<b>Minimum Volume Requirements</b>
<del>Parcel Select Ground</del>	50 pieces or 50 pounds per mailing
Lightweight	200 pieces or 50 pounds per mailing
USPS Connect Local	No volume minimum
All Other Parcel Select	50 pieces per mailing

2115.4 Price Categories

\*\*\*\*\*

*Non-Destination Entered*

- ~~Parcel Select Ground~~
  - ~~Parcel Select Ground~~
  - ~~Cubic~~
  - ~~Dimensional Weight~~
  - ~~Oversized~~
  - ~~Forwarding and Returns~~

\*\*\*\*\*

2115.6 Prices

\*\*\*\*\*

*Non-Destination Entered — Parcel Select Ground*

a. ~~Parcel Select Ground~~

<b>Maximum Weight (pounds)</b>	<b>Zones 1 &amp; 2 (\$)</b>	<b>Zone 3 (\$)</b>	<b>Zone 4 (\$)</b>	<b>Zone 5 (\$)</b>	<b>Zone 6 (\$)</b>	<b>Zone 7 (\$)</b>	<b>Zone 8 (\$)</b>
1							
2							
3							
4							
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23							
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a. Parcel Select Ground

<b>Maximum Weight (pounds)</b>	<b>Zones 1 &amp; 2 (\$)</b>	<b>Zone 3 (\$)</b>	<b>Zone 4 (\$)</b>	<b>Zone 5 (\$)</b>	<b>Zone 6 (\$)</b>	<b>Zone 7 (\$)</b>	<b>Zone 8 (\$)</b>
26							
27							
28							
29							
30							
31							
32							
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36							
37							
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42							
43							
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47							
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49							
50							

a. ~~Parcel Select Ground~~

<b>Maximum Weight (pounds)</b>	<b>Zones 1 &amp; 2 (\$)</b>	<b>Zone 3 (\$)</b>	<b>Zone 4 (\$)</b>	<b>Zone 5 (\$)</b>	<b>Zone 6 (\$)</b>	<b>Zone 7 (\$)</b>	<b>Zone 8 (\$)</b>
51							
52							
53							
54							
55							
56							
57							
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59							
60							
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62							
63							
64							
65							
66							
67							
68							
69							
70							
Oversized							

b. Cubic

Maximum Cubic Feet	Local, Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)	Zone 9 (\$)
0.10								
0.20								
0.30								
0.40								
0.50								
0.60								
0.70								
0.80								
0.90								
1.00								

c. Dimensional Weight

~~Parcels exceeding one cubic foot are priced at the actual weight or the dimensional weight, whichever is greater.~~

~~For box-shaped parcels, the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) of the parcel, and dividing by 166.~~

~~For irregular-shaped parcels (parcels not appearing box-shaped), the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) at the associated maximum cross-sections of the parcel, dividing by 166, and multiplying by an adjustment factor of 0.785.~~

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.~~

~~e. Forwarding and Returns~~

~~Parcel Select pieces that are forwarded on request of the addressee or forwarded or returned on request of the mailer will be subject to the applicable Parcel Select Ground price, plus \$3.00, when forwarded or returned. For customers using Address Correction Service with Shipper Paid Forwarding/Return, and also using an IMpb, the additional fee will be \$2.50.~~

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