

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

COMPETITIVE PRICE AND CLASSIFICATION CHANGES

Docket No. CP2023-114

**USPS NOTICE OF CHANGES IN  
RATES AND CLASSIFICATIONS OF GENERAL APPLICABILITY  
FOR PARCEL SELECT**  
(February 10, 2023)

Pursuant to 39 C.F.R. §§ 3035.102 and 3035.104, the United States Postal Service hereby gives notice of changes in rates and classifications of general applicability for Parcel Select, a competitive product. These changes are predominantly structural in nature, to simplify and streamline the Parcel Select product across all price categories. Classification changes are being proposed to establish the Destination Hub (DHub) price category, eliminate the machinable/nonmachinable price categories under Parcel Select Destination Entry, and align the entry/zone options across the various Parcel Select price tables. New prices will be established for the DHub price category, and ounce-based rates for Parcel Select Lightweight will be presented in 4, 8, 12, and 15 ounce increments.<sup>1</sup> The Postal Service is filing notice of these structural changes today in order to provide its customers and the broader industry with ample notice prior to the planned July 9, 2023, effective date of the changes.

In accordance with Rule 3035.102(b) and Rule 3035.104(b), this Notice provides the Governors' Decision establishing the changes, including a statement of explanation

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<sup>1</sup> Accordingly, Parcel Select Lightweight will have a maximum weight of 15 ounces rather than 15.999 ounces.

and justification, and certification of the vote. The new prices and classification changes will take effect on July 9, 2023. Attached to this pleading is a schedule showing the price and classification changes incorporated into a draft of the revisions to the competitive products section of the Mail Classification Schedule (MCS). Classification changes established by this Governors' Decision are shown in legislative format.

Also being filed herewith is a non-public annex showing FY 2023 projected volumes, revenues, attributable costs, contribution, and cost coverage for each product.<sup>2</sup> Additionally, in accordance with Order No. 1062, the Postal Service is filing supporting forecast data and price adjustment calculations for each affected product. An application for non-public treatment of this material is attached to this pleading, along with a redacted, public version of the annex. Redacted versions of certain supporting materials are also being filed.

In accordance with Commission Order Nos. 1062 and 6249, the following is a list of the proposed classification changes made in this docket and a thorough explanation and justification for each change:

Establishing a new Destination Hub (DHub) Price Category

The Postal Service will be establishing a new Destination Hub (DHub) price category in July 2023, and establishing new prices for that category. The Postal Service expects that this new price category and associated rates will encourage growth at new facilities. See 39 C.F.R. § 3040.181(a). This classification change will not result in the violation of 39 U.S.C § 3633 or associated regulations, as the Postal Service's

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<sup>2</sup> Projections for FY 2024 are not available at this time; however, the Postal Service expects it will file a subsequent competitive price change case for July 2023 in the coming months, at which time it will be able to provide FY 2024 projections for all competitive products.

competitive products are still expected to cover their costs and contribute an appropriate share to institutional costs. See 39 C.F.R. § 3040.181(b)(2). The Postal Service expects this classification change will have a positive impact on existing users of Parcel Select, and will have a minimal impact on competitors and the broader package market. Customers will be able to avail themselves of rates specific to the new facilities, and there will be minimal disruption to the broader market with this new offering. The Postal Service intends to incorporate DHub pricing in Parcel Select NSAs via amendments and new contracts over the coming months. See 39 C.F.R. § 3040.181(c).

#### Eliminate the Machinable/Nonmachinable Price Tables

As part of its ongoing product simplification efforts, the Postal Service will be eliminating the machinable and nonmachinable price tables under Parcel Select, such that only one set of prices will remain. Reducing the number of price tables should aid in reducing customer confusion. See 39 C.F.R. § 3040.181(a). This classification change 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. See 39 C.F.R. § 3040.181(b)(2). The Postal Service anticipates that the Nonstandard Fees for Parcel Select will make up for any potential cost differential for bulky items. Finally, the Postal Service expects this classification change will have a positive impact on existing users of Parcel Select, and will have a minimal impact on competitors and the broader package market. Customers will benefit from a more simplified and streamlined Parcel Select product, with fewer overlapping price tables that customers could potentially find confusing. See 39 C.F.R. § 3040.181(c).

### Align Entry/Zone Options across Parcel Select and Parcel Select Lightweight

Finally, the Postal Service intends to align the place of entry and zone options across the existing Parcel Select Destination Entry and Parcel Select Lightweight price tables, to further simplify and streamline the Parcel Select product. These changes will better align the Postal Service's offerings with the future state of the mail processing network and the Postal Service's package processing capabilities. Replicating the rate options between the Destination Entry and Lightweight price tables should aid in reducing customer confusion and help mailers optimize entry points for their Parcel Select packages. See 39 C.F.R. § 3040.181(a). This classification change 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. See 39 C.F.R. § 3040.181(b)(2). The Postal Service expects this classification change will have a positive impact on existing users of Parcel Select, and will have a minimal impact on competitors and the broader package market. Customers will benefit from a more simplified Parcel Select product, and the streamlined categories will help customers optimize entry points. NSAs will continue to be utilized for customers who seek to take further advantage of package sorting capabilities, entry points, and network capacity. See 39 C.F.R. § 3040.181(c).

The Governors' Decision and record of proceedings will be published in the *Federal Register* in accordance with 39 U.S.C. § 3632(b)(2).

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

James Tucker  
Chief Counsel, Pricing & Product Support

Elizabeth A. Reed

475 L'Enfant Plaza, SW  
Washington, D.C. 20260  
(202) 268-3179  
[Elizabeth.A.Reed@usps.gov](mailto:Elizabeth.A.Reed@usps.gov)  
February 10, 2023

**DECISION OF THE GOVERNORS OF THE UNITED STATES POSTAL SERVICE ON CHANGES  
IN RATES AND CLASSIFICATIONS OF GENERAL APPLICABILITY FOR COMPETITIVE  
PRODUCTS (GOVERNORS' DECISION NO. 23-2)**

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February 9, 2023

**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 rates and classifications of general applicability for Parcel Select, one of the Postal Service's competitive products. The changes are described generally below, with a detailed description of the changes in the attachment. The attachment includes the draft Mail Classification Schedule sections with classification changes in legislative format.

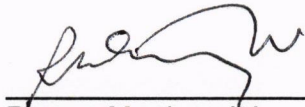
The changes we establish today will simplify and streamline the Parcel Select product in a number of ways. The place of entry and zone options will be aligned across the Parcel Select Destination Entry and Parcel Select Lightweight price tables. The separate and distinct machinable and nonmachinable price tables under Parcel Select Destination Entry will be eliminated, such that one set of prices will remain. The Postal Service expects that the Nonstandard Fees will be relied upon to make up for any cost differential for bulky items. Finally, a new Destination Hub (DHub) price category will be introduced, and new DHub rates will be established. The Postal Service expects these new rates will encourage growth at new facilities.

As with the Postal Service's other recent product simplification efforts, the Postal Service anticipates that its customers will greatly benefit from these changes to the Parcel Select product. The consolidated price tables will be easier to understand, and the streamlined categories will help mailers optimize entry points for their Parcel Select packages. Negotiated Service Agreements will continue to be utilized for Parcel Select customers who seek to take further advantage of package sorting capabilities, entry points, and network capacity.

**ORDER**

The changes in rates and classes set forth herein shall be effective at 12:01 A.M. on July 9, 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:

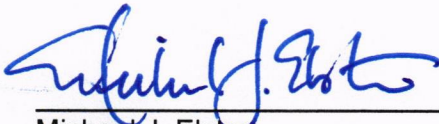
A handwritten signature in black ink, appearing to read 'Roman Martinez IV', is written over a horizontal line.

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. 23-2**

Consistent with 39 USC 3632(a), I hereby certify that, on February 9, 2023, the Governors voted on adopting Governors' Decision No. 23-2, and that a majority of the Governors then holding office voted in favor of that Decision.



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Michael J. Elston  
Secretary of the Board of Governors

February 9, 2023



## **PART B**

### **COMPETITIVE PRODUCTS**

**2115 Parcel Select**

**2115.1 Description**

- a. Any mailable matter may be mailed as Parcel Select mail, except matter required to be mailed by First-Class Mail or Priority Mail services; and publications required to be entered as Periodicals mail.
- b. Parcel Select 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.
- 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 ~~First-Class Package Service—Commercial~~ USPS Ground Advantage 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.

*Attachments and enclosures*

- a. First-Class Mail or USPS Marketing Mail pieces may be attached to or enclosed in Parcel Select mail. Postage at the applicable First-Class Mail or USPS Marketing Mail price may be required.

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

*Parcel Select*

	Length	Height	Thickness	Weight
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>1</sup>

*Lightweight*

	Length	Height	Thickness	Weight
Minimum	large enough to accommodate postage, address, and other required elements on the address side			none
Maximum	108 inches in combined length and girth			$\leq 15$ ounces

*USPS Connect Local*

	Length	Height	Thickness	Weight
Minimum	large enough to accommodate postage, address, and other required elements on the address side			none
Maximum	130 inches in combined length and girth			25 pounds <sup>1</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.

### 2115.3 Minimum Volume Requirements

	Minimum Volume Requirements
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

#### *Destination Entered*

- USPS Connect Local – Line-of-travel package pickup and next day or same day delivery within a specified service area available to mailers who use specifically authorized postage payment methods and, pursuant to a customer agreement on file with the Postal Service, enter packages at a designated destination delivery unit or other equivalent facility.
  - DDU
  - Flat Rate
  - Sunday Delivery
  - Oversized
  - Forwarding and Returns
- DDU – Entered at a designated destination delivery unit, or other equivalent facility
  - DDU
  - Dimensional Weight
  - Oversized
  - Forwarding and Returns
- DHub – Entered at a designated destination hub facility, or other equivalent facility
  - Dimensional Weight
  - Oversized
  - Forwarding and Returns
- DSCF – Entered at a designated destination processing and distribution center or facility, or other equivalent facility
  - ~~Machinable – 5-Digit, SCF~~
  - ~~Nonmachinable – 3-Digit, 5-Digit~~
  - Dimensional Weight
  - Oversized
  - Forwarding and Returns
- DNDC – Entered at a designated destination network distribution center, auxiliary service facility, or other equivalent facility

- ~~○ Machinable~~
- ~~○ Nonmachinable~~
- Dimensional Weight
- Oversized
- Forwarding and Returns

~~Non-Destination Entered~~

- Parcel Select Lightweight
  - ~~○ 5-Digit~~  
DDU, DHub, DSCF, and DNDC entry levels  
Commercial eligible
  - ~~○ SCF~~  
~~DNDC and Origin entry levels~~  
Commercial eligible
  - ~~○ NDC~~  
~~DNDC and Origin entry levels~~  
Commercial eligible
  - ~~○ Mixed NDC/Single Piece~~  
~~Origin entry level~~  
Commercial eligible

## 2115.5 Optional Features

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

- Forwarding and Return Service
- 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 (2545)
  - Adult Signature (2545.1)
  - Package Intercept Service (2545.2)
  - Premium Data Retention and Retrieval Service (USPS Tracking Plus) (2545.3)

2115.6 Prices

*Destination Entered – USPS Connect Local*

\* \* \*

*Destination Entered — DDU*

a. DDU

Maximum Weight (pounds)	DDU (\$)
1	3.78
2	3.90
3	3.91
4	3.93
5	3.95
6	4.46
7	4.59
8	4.66
9	4.68
10	4.70
11	5.17
12	5.31
13	5.41
14	5.43
15	5.45
16	5.91
17	6.05
18	6.16
19	6.18
20	6.20
21	6.87
22	6.89
23	6.91
24	6.93
25	6.95

a. DDU (Continued)

<b>Maximum Weight (pounds)</b>	<b>DDU (\$)</b>
26	7.39
27	7.44
28	7.48
29	7.53
30	7.57
31	7.62
32	7.66
33	7.71
34	7.75
35	7.80
36	8.03
37	8.07
38	8.12
39	8.16
40	8.21
41	8.26
42	8.30
43	8.34
44	8.40
45	8.44
46	8.48
47	8.54
48	8.60
49	8.66
50	8.73



a. DDU (Continued)

Maximum Weight (pounds)	DDU (\$)
51	8.82
52	8.89
53	8.99
54	9.07
55	9.17
56	9.26
57	9.35
58	9.44
59	9.54
60	9.62
61	9.72
62	9.80
63	9.90
64	9.99
65	10.08
66	10.17
67	10.26
68	10.35
69	10.44
70	10.54
Oversized	15.98

b. 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.

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.

d. 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~~ USPS Ground Advantage 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.

Destination Entered — DHub

a. DHub

<u>Maximum Weight (pounds)</u>	<u>DHub (\$)</u>
<u>1</u>	<u>3.96</u>
<u>2</u>	<u>4.31</u>
<u>3</u>	<u>4.62</u>
<u>4</u>	<u>4.90</u>
<u>5</u>	<u>5.12</u>
<u>6</u>	<u>5.47</u>
<u>7</u>	<u>5.74</u>
<u>8</u>	<u>6.00</u>
<u>9</u>	<u>6.27</u>
<u>10</u>	<u>6.53</u>
<u>11</u>	<u>6.79</u>
<u>12</u>	<u>7.05</u>
<u>13</u>	<u>7.31</u>
<u>14</u>	<u>7.56</u>
<u>15</u>	<u>7.81</u>
<u>16</u>	<u>8.06</u>
<u>17</u>	<u>8.30</u>
<u>18</u>	<u>8.55</u>
<u>19</u>	<u>8.79</u>
<u>20</u>	<u>9.03</u>
<u>21</u>	<u>9.69</u>
<u>22</u>	<u>9.88</u>
<u>23</u>	<u>10.05</u>
<u>24</u>	<u>10.17</u>
<u>25</u>	<u>10.31</u>

a. DHub (Continued)

<u>Maximum Weight (pounds)</u>	<u>DHub (\$)</u>
<u>26</u>	<u>10.44</u>
<u>27</u>	<u>10.58</u>
<u>28</u>	<u>10.71</u>
<u>29</u>	<u>10.84</u>
<u>30</u>	<u>10.96</u>
<u>31</u>	<u>11.10</u>
<u>32</u>	<u>11.21</u>
<u>33</u>	<u>11.34</u>
<u>34</u>	<u>11.47</u>
<u>35</u>	<u>11.59</u>
<u>36</u>	<u>11.90</u>
<u>37</u>	<u>12.01</u>
<u>38</u>	<u>12.14</u>
<u>39</u>	<u>12.25</u>
<u>40</u>	<u>12.38</u>
<u>41</u>	<u>12.50</u>
<u>42</u>	<u>12.61</u>
<u>43</u>	<u>12.73</u>
<u>44</u>	<u>12.85</u>
<u>45</u>	<u>12.97</u>
<u>46</u>	<u>13.08</u>
<u>47</u>	<u>13.21</u>
<u>48</u>	<u>13.35</u>
<u>49</u>	<u>13.47</u>
<u>50</u>	<u>13.61</u>

a. DHub (Continued)

<u>Maximum Weight (pounds)</u>	<u>DHub (\$)</u>
<u>51</u>	<u>13.77</u>
<u>52</u>	<u>13.90</u>
<u>53</u>	<u>14.07</u>
<u>54</u>	<u>14.22</u>
<u>55</u>	<u>14.39</u>
<u>56</u>	<u>14.53</u>
<u>57</u>	<u>14.70</u>
<u>58</u>	<u>14.85</u>
<u>59</u>	<u>15.00</u>
<u>60</u>	<u>15.16</u>
<u>61</u>	<u>15.32</u>
<u>62</u>	<u>15.47</u>
<u>63</u>	<u>15.62</u>
<u>64</u>	<u>15.77</u>
<u>65</u>	<u>15.93</u>
<u>66</u>	<u>16.08</u>
<u>67</u>	<u>16.22</u>
<u>68</u>	<u>16.38</u>
<u>69</u>	<u>16.53</u>
<u>70</u>	<u>16.68</u>
<u>Oversized</u>	<u>25.48</u>

b. 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.

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.

d. 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 USPS Ground Advantage 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.

Destination Entered — DSCF

a. ~~DSCF~~ — 5-Digit Machinable

<b>Maximum Weight (pounds)</b>	<b>DSCF 5-Digit (\$)</b>	<b>DSCF SCF (\$)</b>
1	4.52	5.52
2	4.85	5.85
3	5.15	6.15
4	5.42	6.42
5	5.63	6.63
6	5.96	6.96
7	6.22	7.22
8	6.46	7.46
9	6.72	7.72
10	6.97	7.97
11	7.22	8.22
12	7.46	8.46
13	7.71	8.71
14	7.95	8.95
15	8.19	9.19
16	8.43	9.43
17	8.65	9.65
18	8.89	9.89
19	9.12	10.12
20	9.35	10.35
21	9.98	10.98
22	10.16	11.16
23	10.32	11.32
24	10.44	11.44
25	10.57	11.57

a. ~~DSCF~~ — 5-Digit Machinable (Continued)

<b>Maximum Weight (pounds)</b>	<b><del>DSCF</del> 5-Digit (\$)</b>	<b><del>DSCF</del> SCF (\$)</b>
26	10.69	11.69
27	10.83	11.83
28	10.95	11.95
29	11.07	12.07
30	11.19	12.19
31	11.32	12.32
32	11.43	12.43
33	11.55	12.55
34	11.67	12.67
35	11.79	12.79



ba. DSCF — ~~3-Digit, 5-Digit Non-Machinable~~

Maximum Weight (pounds)	DSCF <del>3-Digit</del> (\$)	DSCF <del>5-Digit</del> (\$)
1	5.01	<del>4.52</del>
2	5.36	<del>4.85</del>
3	5.67	<del>5.15</del>
4	5.95	<del>5.42</del>
5	6.17	<del>5.63</del>
6	6.52	<del>5.96</del>
7	6.79	<del>6.22</del>
8	7.05	<del>6.46</del>
9	7.32	<del>6.72</del>
10	7.58	<del>6.97</del>
11	7.84	<del>7.22</del>
12	8.10	<del>7.46</del>
13	8.36	<del>7.71</del>
14	8.61	<del>7.95</del>
15	8.86	<del>8.19</del>
16	9.11	<del>8.43</del>
17	9.35	<del>8.65</del>
18	9.60	<del>8.89</del>
19	9.84	<del>9.12</del>
20	10.08	<del>9.35</del>
21	10.74	<del>9.98</del>
22	10.93	<del>10.16</del>
23	11.10	<del>10.32</del>
24	11.22	<del>10.44</del>
25	11.36	<del>10.57</del>

ba. DSCF — ~~3-Digit, 5-Digit Non-Machinable~~ (Continued)

Maximum Weight (pounds)	DSCF <del>3-Digit</del> (\$)	DSCF <del>5-Digit</del> (\$)
26	11.49	<del>10.69</del>
27	11.63	<del>10.83</del>
28	11.76	<del>10.95</del>
29	11.89	<del>11.07</del>
30	12.01	<del>11.19</del>
31	12.15	<del>11.32</del>
32	12.26	<del>11.43</del>
33	12.39	<del>11.55</del>
34	12.52	<del>11.67</del>
35	12.64	<del>11.79</del>
36	14.55	<del>12.08</del>
37	14.66	<del>12.19</del>
38	14.79	<del>12.31</del>
39	14.90	<del>12.42</del>
40	15.03	<del>12.54</del>
41	15.15	<del>12.65</del>
42	15.26	<del>12.76</del>
43	15.38	<del>12.87</del>
44	15.50	<del>12.99</del>
45	15.62	<del>13.10</del>
46	15.73	<del>13.21</del>
47	15.86	<del>13.33</del>
48	16.00	<del>13.46</del>
49	16.12	<del>13.58</del>
50	16.26	<del>13.71</del>

**ba. DSCF — 3-Digit, 5-Digit Non-Machinable (Continued)**

<b>Maximum Weight (pounds)</b>	<b>DSCF 3-Digit (\$)</b>	<b>DSCF 5-Digit (\$)</b>
51	16.42	<del>13.86</del>
52	16.55	<del>13.99</del>
53	16.72	<del>14.15</del>
54	16.87	<del>14.29</del>
55	17.04	<del>14.45</del>
56	17.18	<del>14.59</del>
57	17.35	<del>14.75</del>
58	17.50	<del>14.89</del>
59	17.65	<del>15.04</del>
60	17.81	<del>15.19</del>
61	17.97	<del>15.34</del>
62	18.12	<del>15.48</del>
63	18.27	<del>15.63</del>
64	18.42	<del>15.77</del>
65	18.58	<del>15.92</del>
66	18.73	<del>16.06</del>
67	18.87	<del>16.20</del>
68	19.03	<del>16.35</del>
69	19.18	<del>16.49</del>
70	19.33	<del>16.64</del>
Oversized	28.13	<del>24.45</del>

**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~~ USPS Ground Advantage 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.

Destination Entered — DNDC

a. DNDC

<u>Maximum Weight (pounds)</u>	<u>DNDC (\$)</u>
<u>1</u>	<u>5.16</u>
<u>2</u>	<u>5.69</u>
<u>3</u>	<u>6.17</u>
<u>4</u>	<u>6.62</u>
<u>5</u>	<u>6.99</u>
<u>6</u>	<u>7.47</u>
<u>7</u>	<u>7.86</u>
<u>8</u>	<u>8.24</u>
<u>9</u>	<u>8.64</u>
<u>10</u>	<u>9.02</u>
<u>11</u>	<u>9.40</u>
<u>12</u>	<u>9.75</u>
<u>13</u>	<u>10.12</u>
<u>14</u>	<u>10.48</u>
<u>15</u>	<u>10.84</u>
<u>16</u>	<u>11.18</u>
<u>17</u>	<u>11.52</u>
<u>18</u>	<u>11.87</u>
<u>19</u>	<u>12.20</u>
<u>20</u>	<u>12.54</u>
<u>21</u>	<u>13.28</u>
<u>22</u>	<u>13.57</u>
<u>23</u>	<u>13.82</u>
<u>24</u>	<u>14.04</u>
<u>25</u>	<u>14.25</u>

a. DNDC (Continued)

<u>Maximum Weight (pounds)</u>	<u>DNDC (\$)</u>
<u>26</u>	<u>14.47</u>
<u>27</u>	<u>14.69</u>
<u>28</u>	<u>14.90</u>
<u>29</u>	<u>15.11</u>
<u>30</u>	<u>15.32</u>
<u>31</u>	<u>15.53</u>
<u>32</u>	<u>15.73</u>
<u>33</u>	<u>15.93</u>
<u>34</u>	<u>16.13</u>
<u>35</u>	<u>16.34</u>
<u>36</u>	<u>19.87</u>
<u>37</u>	<u>20.07</u>
<u>38</u>	<u>20.25</u>
<u>39</u>	<u>20.44</u>
<u>40</u>	<u>20.65</u>
<u>41</u>	<u>20.84</u>
<u>42</u>	<u>21.03</u>
<u>43</u>	<u>21.21</u>
<u>44</u>	<u>21.41</u>
<u>45</u>	<u>21.60</u>
<u>46</u>	<u>21.78</u>
<u>47</u>	<u>21.98</u>
<u>48</u>	<u>22.18</u>
<u>49</u>	<u>22.38</u>
<u>50</u>	<u>22.58</u>

a. DNDC (Continued)

<u>Maximum Weight (pounds)</u>	<u>DNDC (\$)</u>
<u>51</u>	<u>22.80</u>
<u>52</u>	<u>23.01</u>
<u>53</u>	<u>23.24</u>
<u>54</u>	<u>23.46</u>
<u>55</u>	<u>23.69</u>
<u>56</u>	<u>23.90</u>
<u>57</u>	<u>24.13</u>
<u>58</u>	<u>24.34</u>
<u>59</u>	<u>24.57</u>
<u>60</u>	<u>24.78</u>
<u>61</u>	<u>25.00</u>
<u>62</u>	<u>25.21</u>
<u>63</u>	<u>25.43</u>
<u>64</u>	<u>25.64</u>
<u>65</u>	<u>25.86</u>
<u>66</u>	<u>26.07</u>
<u>67</u>	<u>26.28</u>
<u>68</u>	<u>26.50</u>
<u>69</u>	<u>26.71</u>
<u>70</u>	<u>26.92</u>
<u>Oversized</u>	<u>35.44</u>

a. ~~DNDC~~ — Machinable

Maximum Weight (pounds)	DNDC Zones 1 & 2 (\$)	DNDC Zone 3 (\$)	DNDC Zone 4 (\$)	DNDC Zones 5 (\$)
1	5.59	5.66	5.74	5.90
2	6.06	6.17	6.31	6.57
3	6.48	6.63	6.82	7.18
4	6.87	7.05	7.29	7.73
5	7.18	7.41	7.68	8.21
6	7.61	7.86	8.18	8.78
7	7.96	8.24	8.60	9.27
8	8.29	8.60	8.99	9.74
9	8.64	8.98	9.40	10.21
10	8.97	9.34	9.80	10.67
11	9.31	9.70	10.19	11.13
12	9.62	10.04	10.57	11.56
13	9.94	10.39	10.94	12.00
14	10.26	10.73	11.32	12.43
15	10.58	11.07	11.68	12.85
16	10.89	11.40	12.04	13.27
17	11.18	11.72	12.39	13.67
18	11.49	12.05	12.75	14.08
19	11.79	12.37	13.10	14.48
20	12.08	12.69	13.44	14.88
21	12.78	13.40	14.18	15.67
22	13.02	13.67	14.47	16.01
23	13.24	13.91	14.74	16.33
24	13.43	14.12	14.98	16.61
25	13.62	14.32	15.21	16.89



a. ~~DNDC — Machinable (Continued)~~

<b>Maximum Weight (pounds)</b>	<b><del>DNDC Zones 1 &amp; 2 (\$)</del></b>	<b><del>DNDC Zone 3 (\$)</del></b>	<b><del>DNDC Zone 4 (\$)</del></b>	<b><del>DNDC Zones 5 (\$)</del></b>
26	13.80	14.53	15.44	17.16
27	13.99	14.74	15.67	17.45
28	14.17	14.94	15.90	17.72
29	14.35	15.14	16.12	17.98
30	14.53	15.34	16.34	18.25
31	14.72	15.54	16.57	18.52
32	14.89	15.73	16.78	18.78
33	15.07	15.92	17.00	19.04
34	15.24	16.11	17.21	19.29
35	15.42	16.31	17.43	19.56

b. ~~DNDC~~ — Non-Machinable

<b>Maximum Weight (pounds)</b>	<b><del>DNDC</del> Zones 1 &amp; 2 (\$)</b>	<b><del>DNDC</del> Zone 3 (\$)</b>	<b><del>DNDC</del> Zone 4 (\$)</b>	<b><del>DNDC</del> Zones 5 (\$)</b>
1	8.59	8.66	8.74	8.90
2	9.06	9.17	9.31	9.57
3	9.48	9.63	9.82	10.18
4	9.87	10.05	10.29	10.73
5	10.18	10.41	10.68	11.21
6	10.61	10.86	11.18	11.78
7	10.96	11.24	11.60	12.27
8	11.29	11.60	11.99	12.74
9	11.64	11.98	12.40	13.21
10	11.97	12.34	12.80	13.67
11	12.31	12.70	13.19	14.13
12	12.62	13.04	13.57	14.56
13	12.94	13.39	13.94	15.00
14	13.26	13.73	14.32	15.43
15	13.58	14.07	14.68	15.85
16	13.89	14.40	15.04	16.27
17	14.18	14.72	15.39	16.67
18	14.49	15.05	15.75	17.08
19	14.79	15.37	16.10	17.48
20	15.08	15.69	16.44	17.88
21	15.78	16.40	17.18	18.67
22	16.02	16.67	17.47	19.01
23	16.24	16.91	17.74	19.33
24	16.43	17.12	17.98	19.61
25	16.62	17.32	18.21	19.89

b. ~~DNDC — Non-Machinable (Continued)~~

<b>Maximum Weight (pounds)</b>	<b><del>DNDC Zones 1 &amp; 2 (\$)</del></b>	<b><del>DNDC Zone 3 (\$)</del></b>	<b><del>DNDC Zone 4 (\$)</del></b>	<b><del>DNDC Zones 5 (\$)</del></b>
26	16.80	17.53	18.44	20.16
27	16.99	17.74	18.67	20.45
28	17.17	17.94	18.90	20.72
29	17.35	18.14	19.12	20.98
30	17.53	18.34	19.34	21.25
31	17.72	18.54	19.57	21.52
32	17.89	18.73	19.78	21.78
33	18.07	18.92	20.00	22.04
34	18.24	19.11	20.21	22.29
35	18.42	19.31	20.43	22.56
36	18.76	19.67	20.81	22.98
37	18.93	19.86	21.02	23.23
38	19.09	20.04	21.22	23.48
39	19.26	20.22	21.43	23.72
40	19.43	20.42	21.64	23.98
41	19.60	20.60	21.84	24.22
42	19.76	20.78	22.04	24.46
43	19.92	20.95	22.24	24.70
44	20.09	21.14	22.45	24.94
45	20.25	21.32	22.65	25.18
46	20.41	21.49	22.84	25.41
47	20.58	21.68	23.05	25.66
48	20.76	21.87	23.26	25.91
49	20.93	22.06	23.47	26.16
50	21.11	22.25	23.68	26.41

b. ~~DNDC — Non-Machinable (Continued)~~

<b>Maximum Weight (pounds)</b>	<b><del>DNDC Zones 1 &amp; 2 (\$)</del></b>	<b><del>DNDC Zone 3 (\$)</del></b>	<b><del>DNDC Zone 4 (\$)</del></b>	<b><del>DNDC Zones 5 (\$)</del></b>
51	21.30	22.46	23.91	26.67
52	21.49	22.66	24.13	26.93
53	21.69	22.88	24.37	27.20
54	21.88	23.09	24.60	27.47
55	22.08	23.31	24.83	27.74
56	22.28	23.51	25.06	28.00
57	22.48	23.73	25.29	28.27
58	22.67	23.93	25.52	28.53
59	22.86	24.15	25.75	28.80
60	23.05	24.35	25.97	29.05
61	23.25	24.56	26.20	29.32
62	23.44	24.76	26.42	29.58
63	23.63	24.97	26.65	29.84
64	23.82	25.17	26.87	30.09
65	24.01	25.38	27.10	30.35
66	24.20	25.58	27.31	30.61
67	24.38	25.78	27.53	30.86
68	24.58	25.99	27.75	31.11
69	24.76	26.19	27.97	31.36
70	24.95	26.39	28.19	31.62
Oversized	31.62	33.72	36.35	41.34

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~~USPS Ground Advantage 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.

*Parcel Select Lightweight*

<u>Maximum Weight</u> <u>(ounces)</u>	<u>DDU</u> <u>(\$)</u>	<u>DHub</u> <u>(\$)</u>	<u>DSCF</u> <u>(\$)</u>	<u>DNDC</u> <u>(\$)</u>
<u>4</u>	<u>2.46</u>	<u>2.83</u>	<u>3.36</u>	<u>4.04</u>
<u>8</u>	<u>2.48</u>	<u>2.94</u>	<u>3.54</u>	<u>4.35</u>
<u>12</u>	<u>2.65</u>	<u>3.26</u>	<u>3.99</u>	<u>4.98</u>
<u>15</u>	<u>2.84</u>	<u>3.57</u>	<u>4.57</u>	<u>5.60</u>

<u>Maximum Weight</u> <u>(ounces)</u>	<u>Entry Point/Sortation Level</u>							
	<u>DDU/ 5-Digit</u> <u>(\$)</u>	<u>DSCF/ 5-Digit</u> <u>(\$)</u>	<u>DNDC/ 5-Digit</u> <u>(\$)</u>	<u>DSCF/ SCF</u> <u>(\$)</u>	<u>DNDC/ SCF</u> <u>(\$)</u>	<u>DNDC/ NDC</u> <u>(\$)</u>	<u>None/ NDC</u> <u>(\$)</u>	<u>None/ Mixed NDC/Single -Piece</u> <u>(\$)</u>
1	2.32	2.72	3.02	3.22	3.45	3.87	4.30	4.62
2	2.32	2.72	3.02	3.22	3.45	3.87	4.30	4.62
3	2.32	2.72	3.02	3.22	3.45	3.87	4.30	4.62
4	2.32	2.72	3.02	3.22	3.45	3.87	4.30	4.62
5	2.34	2.77	3.12	3.33	3.67	4.10	4.60	4.97
6	2.34	2.77	3.12	3.33	3.67	4.10	4.60	4.97
7	2.34	2.77	3.12	3.33	3.67	4.10	4.60	4.97
8	2.34	2.77	3.12	3.33	3.67	4.10	4.60	4.97
9	2.50	3.02	3.46	3.69	4.13	4.61	5.18	5.61
10	2.50	3.02	3.46	3.69	4.13	4.61	5.18	5.61
11	2.50	3.02	3.46	3.69	4.13	4.61	5.18	5.61
12	2.50	3.02	3.46	3.69	4.13	4.61	5.18	5.61
13	2.68	3.29	3.82	4.20	4.62	5.16	5.80	6.29
14	2.68	3.29	3.82	4.20	4.62	5.16	5.80	6.29
15	2.68	3.29	3.82	4.20	4.62	5.16	5.80	6.29
15.999	2.68	3.29	3.82	4.20	4.62	5.16	5.80	6.29

*Forwarding and Return Service*

If Forwarding Service is used in conjunction with electronic Address Correction Service, forwarded Parcel Select Lightweight parcels pay \$5.25 per piece. All other Parcel Select Lightweight pieces requesting

Forwarding and Return Service that are returned are charged the appropriate ~~First-Class Package Service~~ USPS Ground Advantage or Priority Mail price for the piece multiplied by a factor of 2.472.

*Pickup On Demand Service*

Add \$26.50 for each Pickup On Demand stop.

*IMpb Noncompliance Fee*

Add \$0.25 for each IMpb-noncompliant parcel paying commercial prices, unless the eVS Unmanifested Fee was already assessed on that parcel.

*eVS Unmanifested Fee*

Add \$0.25 for each unmanifested parcel paying commercial prices, unless the IMpb Noncompliance Fee was already assessed on that parcel.

*Dimension Noncompliance Fee*

Add \$1.50 for commercial parcels that exceed 1 cubic foot or with a length greater than 22 inches, if the customer did not provide dimensions or provided inaccurate dimensions in the electronic manifest file.

*Nonstandard Fees*

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

<b><u>Entry:</u></b>	<b><u>Full Network</u></b>	<b><u>DSCF/DNDC</u></b>	<b><u>DDU/DHub</u></b>
<u>Length &gt; 22"</u>	<u>N/A</u>	<u>3.00</u>	<u>2.00</u>
<u>Length &gt; 30"</u>	<u>N/A</u>	<u>6.00</u>	<u>5.00</u>
<u>Cube &gt; 2 cu. ft.</u>	<u>N/A</u>	<u>15.00</u>	<u>15.00</u>

## Competitive Rate Changes July 09, 2023 Implementation

COMPETITIVE PRODUCT CONTRIBUTION & COST COVERAGE ANALYSIS					
Fiscal Year 2023 October	FY2023 Revenue (000's)	FY2023 Volume (000's)	FY2023 Attributable Cost (000's)	FY2023 Contribution (000's)	FY2023 Cost Coverage
<b>Priority Mail Express</b>					
Current Prices	\$ 753,139	25,502			
New Prices	\$ 753,139	25,502			
Change	\$ -	-			
<b>First Class Package Service</b>					
Current Prices	\$ 7,619,626	1,773,455			
New Prices	\$ 7,626,794	1,772,168			
Change	\$ 7,168	(1,287)			
<b>Retail Ground</b>					
Current Prices	\$ 301,140	12,378			
New Prices	\$ 300,956	12,386			
Change	\$ (184)	8			
<b>Priority Mail</b>					
Current Prices	\$ 11,928,824	1,171,549			
New Prices	\$ 11,928,824	1,171,549			
Change	\$ -	-			
<b>Parcel Select Change - Total</b>					
Current Prices	\$ 9,663,237	3,423,763			
New Prices	\$ 9,662,180	3,423,647			
Change	\$ (1,057)	(116)			
<b>Parcel Return Service - NSA</b>					
Current Prices	\$ 263,026	79,275			
New Prices	\$ 263,016	79,272			
Change	\$ (10)	(3)			
<b>Premium Forwarding Service</b>					
Current Prices	\$ 24,190	920			
New Prices	\$ 24,190	920			
Change	\$ -	-			
<b>Post Office Box Services</b>					
Current Prices	\$ 1,177,778	-			
New Prices	\$ 1,177,778	-			
Change	\$ -	-			
<b>Address Enhancement Services</b>					
Current Prices	\$ 1,932	-			
New Prices	\$ 1,932	-			
Change	\$ -	-			
<b>Shipping &amp; Mailing Supplies</b>					
Current Prices	\$ 113,119	-			
New Prices	\$ 113,119	-			
Change	\$ -	-			
<b>Other Ancillary Services</b>					
Current Prices	\$ 67,833	-			
New Prices	\$ 67,833	-			
Change	\$ -	-			
<b>Greeting Cards</b>					
Current Prices	\$ 23,848	-			
New Prices	\$ 23,848	-			
Change	\$ -	-			
<b>Competitive International*</b>					
Current Prices	\$ 1,481,149	167,165			
New Prices	\$ 1,481,149	167,165			
Change	\$ -	-			
<b>Total Competitive Products (Current)</b>	\$ 33,418,842	\$ 6,654,007			
<b>Total Competitive Products (New)</b>	\$ 33,424,759	\$ 6,652,609			
<b>Differences</b>	\$ 5,917	(1,398)			
<b>Competitive Product Contribution Calculation</b>					
Total Contribution		\$ 13,329,938			
Institutional Cost		\$ 38,382,217			
Contribution from Competitive Products as a % of Institutional Cost		34.7%			



## Competitive Rate Changes October 01, 2022 Implementation

COMPETITIVE PRODUCT CONTRIBUTION & COST COVERAGE ANALYSIS					
Fiscal Year 2023 October	FY2023 Revenue (000's)	FY2023 Volume (000's)	FY2023 Attributable Cost (000's)	FY2023 Contribution (000's)	FY2023 Cost Coverage
<b>Priority Mail Express</b>					
Current Prices	\$ 753,139	25,502			
New Prices	\$ 753,139	25,502			
Change	\$ -	-			
<b>First Class Package Service</b>					
Current Prices	\$ 7,619,626	1,773,455			
New Prices	\$ 7,652,036	1,767,680			
Change	\$ 32,410	(5,776)			
<b>Retail Ground</b>					
Current Prices	\$ 301,140	12,378			
New Prices	\$ 300,339	12,419			
Change	\$ (802)	42			
<b>Priority Mail</b>					
Current Prices	\$ 11,928,824	1,171,549			
New Prices	\$ 11,928,824	1,171,549			
Change	\$ -	-			
<b>Parcel Select Change - Total</b>					
Current Prices	\$ 9,663,237	3,423,763			
New Prices	\$ 9,657,638	3,423,087			
Change	\$ (5,600)	(676)			
<b>Parcel Return Service - NSA</b>					
Current Prices	\$ 263,026	79,275			
New Prices	\$ 262,981	79,261			
Change	\$ (45)	(14)			
<b>Premium Forwarding Service</b>					
Current Prices	\$ 24,190	920			
New Prices	\$ 24,190	920			
Change	\$ -	-			
<b>Post Office Box Services</b>					
Current Prices	\$ 1,177,778	-			
New Prices	\$ 1,177,778	-			
Change	\$ -	-			
<b>Address Enhancement Services</b>					
Current Prices	\$ 1,932	-			
New Prices	\$ 1,932	-			
Change	\$ -	-			
<b>Shipping &amp; Mailing Supplies</b>					
Current Prices	\$ 113,119	-			
New Prices	\$ 113,119	-			
Change	\$ -	-			
<b>Other Ancillary Services</b>					
Current Prices	\$ 67,833	-			
New Prices	\$ 67,833	-			
Change	\$ -	-			
<b>Greeting Cards</b>					
Current Prices	\$ 23,848	-			
New Prices	\$ 23,848	-			
Change	\$ -	-			
<b>Competitive International*</b>					
Current Prices	\$ 1,481,149	167,165			
New Prices	\$ 1,481,149	167,165			
Change	\$ -	-			
<b>Total Competitive Products (Current)</b>	\$ 33,418,842	\$ 6,654,007			
<b>Total Competitive Products (New)</b>	\$ 33,444,806	\$ 6,647,583			
<b>Differences</b>	\$ 25,964	(6,423)			
<b>Competitive Product Contribution Calculation</b>					
Total Contribution		\$ 13,360,074			
Institutional Cost		\$ 38,383,094			
Contribution from Competitive Products as a % of Institutional Cost		34.8%			

## **APPLICATION OF THE UNITED STATES POSTAL SERVICE FOR NON-PUBLIC TREATMENT OF MATERIALS**

In accordance with 39 C.F.R. § 3011.201, the Postal Service hereby applies for non-public treatment of the attributable cost, contribution, and cost coverage data in the unredacted version of the annex to Governors' Decision No. 23-2, as well as the supporting materials for those data, which include disaggregated product volume, weight, and revenue distribution information by price cell. The materials consist of spreadsheets that contain calculations to determine the weighted average price increase and cost coverage for the competitive products within the scope of this docket. The Postal Service hereby furnishes below the justification for this application as required by each subsection of 39 C.F.R. § 3011.201(b). For the reasons discussed, the Postal Service asks that the Commission grant its application for non-public treatment of the identified materials. The Postal Service is concurrently filing redacted versions of this file, where it has determined redactions to be practicable.

**(1) The rationale for claiming that the materials are non-public, including the specific statutory provision(s) supporting the claim, and an explanation justifying application of the provision(s) to the materials.**

The materials designated as non-public consist of information of a commercial nature as well as third-party business information that, under good business practice, would not be disclosed to the public. In the Postal Service's opinion, this information would be exempt from mandatory disclosure pursuant to 39 U.S.C. § 410(c)(2) and 5 U.S.C. § 552(b)(3) and (b)(4).<sup>1</sup> Because the portions of the materials filed non-publicly

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<sup>1</sup> In appropriate circumstances, the Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in maintaining the financial transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A). The Commission has indicated that "likely commercial injury" should be construed broadly to encompass other types of injury,

in this docket by the Postal Service fall within the scope of information not required to be publicly disclosed, the Postal Service asks the Commission to support its determination that these materials are exempt from public disclosure and grant the Postal Service's application for their non-public treatment.

- (2) A statement of whether the submitter, any person other than the submitter, or both have a proprietary interest in the information contained within the non-public materials, and the identification(s) specified in paragraphs (b)(2)(i) through (iii) of this section (whichever is applicable). For purposes of this paragraph, identification means the name, phone number, and email address of an individual.<sup>2</sup>**

None.

- (3) A description of the information contained within the materials claimed to be non-public in a manner that, without revealing the information at issue, would allow the Commission to thoroughly evaluate the basis for the claim that the information contained within the materials are non-public.**

The redacted information consists of the projected FY 2023 attributable cost, contribution, and cost coverage for the competitive product that is the subject of this docket. The Postal Service has filed information concerning the calculations used to develop the weighted average price increase by product and cost coverage. Protected information in the spreadsheets includes volume and revenue by price cell (weight

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such as harms to privacy, deliberative process, or law enforcement interests. PRC Order No. 194, Second Notice of Proposed Rulemaking to Establish a Procedure for According Appropriate Confidentiality, Docket No. RM2008-1, Mar. 20, 2009, at 11.

<sup>2</sup> Section 3011.201(b)(2) further states the following:

(i) If the submitter has a proprietary interest in the information contained within the materials, identification of an individual designated by the submitter to accept actual notice of a motion related to the non-public materials or notice of the pendency of a subpoena or order requiring production of the materials.

(ii) If any person other than the submitter has a proprietary interest in the information contained within the materials, identification of each person who is known to have a proprietary interest in the information. If such an identification is sensitive or impracticable, an explanation shall be provided along with the identification of an individual designated by the submitter to provide notice to each affected person.

(iii) If both the submitter and any person other than the submitter have a proprietary interest in the information contained within the non-public materials, identification in accordance with both paragraphs (b)(2)(i) and (ii) of this section shall be provided. The submitter may designate the same individual to fulfill the requirements of paragraphs (b)(2)(i) and (ii) of this section.

increment and zone), as well as product-specific cost data and other supporting data. Such information for competitive product categories is commercially sensitive at the disaggregated, cell-specific level shown in the spreadsheets.

**(4) Particular identification of the nature and extent of the harm alleged and the likelihood of each harm alleged to result from disclosure.**

If competitors of the Postal Service were to have access to this information, they would likely focus their marketing and price cutting efforts on the Postal Service's most profitable products. This will lead to erosion of contribution of these products through lost sales and/or the need to lower prices to compete. Postal product cost and contribution information would provide suppliers of postal transportation and other services with information they could use to seek higher rates for services they provide. This would lead to higher postal costs and loss of contribution. Although the extent of the commercial harm is difficult to quantify, given that Shipping Services is a multi-billion dollar enterprise, even a small change in market share, prices, or costs could lead to millions of dollars in lost revenue, higher costs, and lower contribution margins. It is highly likely that if this information were made public, the Postal Service's competitors and suppliers would take advantage of it almost immediately.

Competitors could use the product-specific revenue, pieces, and weight information to analyze the Postal Service's possible market strengths and weaknesses and to focus sales and marketing efforts on those areas, to the detriment of the Postal Service. Disclosure of this information would also undermine the Postal Service's position in negotiating favorable terms with potential customers, who would be able to ascertain critical information about relevant product trends (e.g., average revenue per piece, average weight per piece).

**(5) At least one specific hypothetical, illustrative example of each alleged harm.**

Identified harm: Competitors could use product cost, contribution, or cost coverage information to assess vulnerabilities and focus sales and marketing efforts to the Postal Service's detriment.

Hypothetical: Cost, contribution and/or cost coverage information is released to the public and available to a competitor. The competitor assesses the profitability of certain services based on the data released. The competitor then targets its advertising and sales efforts at actual or potential customers in market segments where the Postal Service has substantial contribution, thereby hindering the Postal Service's ability to maintain these customers.

Identified harm: Competitors could use disaggregated product volume, weight, and revenue distribution information to assess vulnerabilities and focus sales and marketing efforts to the Postal Service's detriment, and also during negotiations with the Postal Service.

Hypothetical: Disaggregated revenue, volume, and weights contained in the Nonpublic Annex are disclosed to the public. Another delivery service's employee monitors the filing of this information and passes it along to the firm's sales and marketing functions. The competitor assesses the profitability of certain services on a per-piece or per-pound basis or the Postal Service's relative concentration in certain service offerings. The competitor then targets its advertising and sales efforts at actual or potential customers in market segments where the Postal Service appears to have

made headway, hindering the Postal Service's ability to reach out effectively to these customers.

**(6) The extent of the protection from public disclosure alleged to be necessary.**

The Postal Service maintains that the redacted portions of the materials filed non-publicly should be withheld from persons involved in competitive decision-making in the market for domestic parcel shipping products as well as their consultants and attorneys. Additionally, suppliers of transportation or other services to the Postal Service that affect costs for competitive services should not have access to these materials; this restriction should include their consultants and attorneys. Also, the Postal Service believes that foreign postal operators, as well as actual or potential customers of a postal operator for this or similar products should not be provided access to the non-public Excel worksheets.

**(7) The length of time for which non-public treatment is alleged to be necessary with justification thereof.**

The Commission's regulations provide that non-public materials shall lose non-public status ten years after the date of filing with the Commission, unless otherwise provided by the Commission. 39 C.F.R. § 3011.401(a). However, because the Postal Service's relationships with third parties that may have a proprietary interest in protected materials often continue beyond ten years or decades, the Postal Service intends to oppose requests for disclosure of these materials pursuant to 39 C.F.R. § 3011.401(b-c).

**(8) Any other relevant factors or reasons to support the application.**

None.

**Conclusion**

For the reasons discussed in this application, the Postal Service asks that the Commission grant its application for non-public treatment of the identified materials.