

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

COMPETITIVE PRICE CHANGES

Docket No. CP2023-151

**USPS NOTICE OF CHANGES IN
RATES AND CLASSIFICATIONS OF GENERAL APPLICABILITY
FOR COMPETITIVE PRODUCTS**
(May 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 competitive products. 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 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 new prices and classification changes incorporated into a draft of the revisions to the competitive products section of the Mail Classification Schedule. Classification changes established by this Governors' Decision are shown in legislative format.

Also being filed herewith is a non-public annex showing FY 2024 projected volumes, revenues, attributable costs, contribution, and cost coverage for each product. 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.

Proposed Price Changes for July 2023

The price changes proposed in this filing are limited in scope. No price changes are being made for Priority Mail Express, Priority Mail, Domestic Extra Services, or the majority of International Products. Some International Ancillary Services will receive a price change for July, and the upper bound for stamp-related or postal-branded merchandise for Officially Licensed Retail Products (OLRP) will be increased. The higher price limit for OLRP is intended to give the Postal Service more flexibility to enter into licensing partnerships with retailers on items that may have a higher price point. Certain price adjustments to Parcel Select and First-Class Package Service (which will be renamed USPS Ground Advantage) are scheduled for July, most of which were previously established in Governors' Decision 23-2 and addressed in Docket Nos. CP2023-113 and CP2013-114.

As the newly-constituted USPS Ground Advantage product, customers will see a 3.2 percent decrease in Retail prices and 0.7 percent decrease in Commercial prices for July 2023. The Postal Service is including the requisite revenue and cost data and certified statement in accordance with 39 C.F.R. § 3035.103. The certified statement is attached to this Notice. USPS Ground Advantage will continue to cover its costs, and competitive products as a whole will remain in compliance with 39 U.S.C. § 3633(a)(1) and (3).

Proposed Classification Changes for July 2023

As the Postal Service outlined in Docket Nos. CP2023-113 and CP2023-114, in July 2023, the Postal Service plans to rename its expanded and enhanced First-Class Package Service as “USPS Ground Advantage” and make certain classification changes to simplify the Parcel Select product. Those classification changes are the vast majority of what the Postal Service has proposed to change for July 2023. The details for those changes were previously addressed in the Postal Service’s filings in Docket Nos. CP2023-113 and CP2023-114, in accordance with Commission Order Nos. 1062 and 6249. The Postal Service has assumed, for the purposes of this filing, that those dockets will receive favorable review from the Commission later this month. Accordingly, the underlines and strike-throughs for the pending changes from those dockets have been removed for ease of use in this docket. The only substantive classification change proposed for July 2023, reflected in the attached MCS document, and introduced in this docket is detailed below.

Maintaining the 15.999 oz. Weight Limit (USPS GA and PSLW)

In response to mailers’ concerns regarding programming changes, the Postal Service will be maintaining its ounce-based prices at 15.999 ounces, as well as including a one-pound price for USPS Ground Advantage and Parcel Select. Existing prices are offered for each ounce from 1 oz. through 15 oz. and an additional price point just below one pound, at 15.999 oz. Removing the 15.999 oz. price point would require customers to make programming changes for lightweight products to end at 15 oz. instead of 15.999 oz. and also utilize different service type codes for their packages. The Postal Service received industry feedback indicating that these changes would be

too difficult for many customers to implement by July 9. Removing the 15.999 oz. price would require considerable amounts of work to be done with some customer systems requiring major upgrades to allow reprogramming. To address these challenges, the Postal Service will maintain the 15.999 ounce weight limit and price point for Parcel Select Lightweight and for ounce-based USPS Ground Advantage. Pound-based pricing for both products would begin at 1 pound, up to 70 pounds. 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, as reflected in the non-public annex showing FY 2024 projected volumes, revenues, attributable costs, contribution, and cost coverage for each product, as well as the supporting forecast data and price adjustment calculations for each affected product which are also being filed. See 39 C.F.R. § 3040.181(b)(2). Further, as discussed above, the Postal Service expects this classification change will have a positive impact on existing users of these products by minimizing disruption, avoiding costly programming changes on a short timeline, and allowing customers to maintain existing service type codes. This change will have a minimal impact on competitors and the broader package market, as the 15.999 ounce price point currently exists today. Because the Postal Service's original proposal in Docket Nos. MC2022-81 and MC2022-82 to eliminate the 15.999 ounce price point did not actually take effect, and the 15.999 ounce rate is still available to customers today, this change will simply maintain the status quo. 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

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May 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. 23-3)**

May 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 prices and classifications of general applicability for the Postal Service's competitive products. The changes are described generally below, with a detailed description of the changes in the Postal Service's associated draft Mail Classification Schedule change document. That document contains the draft Mail Classification Schedule sections with classification changes in legislative format, and new prices displayed in the price charts.

As shown in the nonpublic annex being filed under seal herewith, the changes we establish should enable each competitive product to cover its attributable costs (39 U.S.C. § 3633(a)(2)) and should result in competitive products as a whole complying with 39 U.S.C. § 3633(a)(3), which, as implemented by 39 C.F.R. § 3035.107(c), requires competitive products collectively to contribute a minimum of 10.4 percent to the Postal Service's institutional costs. Accordingly, no issue of subsidization of competitive products by market dominant products should arise (39 U.S.C. § 3633(a)(1)). We therefore find that the new prices and classification changes are in accordance with 39 U.S.C. §§ 3632–3633 and 39 C.F.R. §§ 3035.102 and 104.

I. Domestic Products

A. Priority Mail Express

Priority Mail Express prices will remain unchanged for July 2023, and the existing structure of Retail and Commercial price categories will be maintained.

B. Priority Mail

Priority Mail prices will remain unchanged for July 2023, and the existing structure of Retail and Commercial price categories will be maintained.

C. Parcel Select

On average, Parcel Select prices as a whole will increase 1.4 percent. Prices for destination-entered non-Lightweight Parcel Select, the Postal Service's bulk ground shipping product, will increase 2.1 percent on average. For destination delivery unit (DDU) entered parcels, prices will remain unchanged. For destination sectional center facility (DSCF) destination entered parcels, the average price increase is 5.7 percent. For destination network distribution center (DNDC) parcels, the average price increase is 0.9 percent. No additional price changes for destination hub (DHub) parcels are planned beyond what we previously established in Governors' Decision 23-2. Prices for Parcel Select Lightweight will decrease by 0.1 percent on average. Prices for USPS Connect Local, introduced in 2022, will remain unchanged for 2023. To accommodate mailers' concerns regarding programming changes, the Postal Service will maintain its ounce-based prices at 15.999 ounces, as well as including a one-pound price. No other structural changes are proposed.

D. First-Class Package Service (Renamed USPS Ground Advantage)

Consistent with the prior order of the Postal Regulatory Commission in October of 2022, the Postal Service intends to implement the enhanced and expanded First-Class Package Service (FCPS) product. Beginning on July 9, 2023, FCPS will be extended up to seventy pounds, will incorporate USPS Retail Ground (including Limited Overland Routes) and Parcel Select Ground (including cubic pricing), and will be renamed USPS Ground Advantage. Minor price changes are planned for FCPS as it transitions to USPS Ground Advantage in July 2023. Prices for the Limited Overland Routes (LOR) will remain unchanged. As the newly-constituted USPS Ground Advantage product,

customers will see a 3.2 percent decrease in Retail prices and 0.7 percent decrease in Commercial prices for July 2023. To accommodate mailers' concerns regarding programming changes, the Postal Service will maintain its ounce-based prices at 15.999 ounces, as well as including a one-pound price. No other structural changes are proposed.

E. Domestic Extra Services

Domestic Special Services prices will remain unchanged for July 2023.

II. International Products

A. International Ancillary Services and Special Services

Prices for several international ancillary services will be increased, with an average overall increase of 6.3 percent.

No other price or classification changes for International Products are being made.

ORDER

The changes in prices 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:

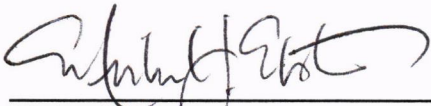


Roman Martinez IV
Chairman, Board of Governors

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

**CERTIFICATION OF GOVERNORS' VOTE ON
GOVERNORS' DECISION NO. 23-3**

Consistent with 39 USC 3632(a), I hereby certify that, on May 9, 2023, the Governors voted on adopting Governors' Decision No. 23-3, and that a majority of the Governors then holding office voted in favor of that Decision.

A handwritten signature in dark ink, appearing to read "Michael J. Elston", written over a horizontal line.

Michael J. Elston
Secretary of the Board of Governors

May 9, 2023

PART B

COMPETITIVE PRODUCTS

2115 Parcel Select

* * *

2115.2 Size and Weight Limitations¹

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 ¹

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			<= <u>15.999</u> 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 ¹

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.

* * *

2115.6 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)

Maximum Weight (pounds)	DDU (\$)
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 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

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

a. DHub (Continued)

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

a. DHub (Continued)

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

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

Maximum Weight (pounds)	DSCF (\$)
1	5.01
2	5.36
3	5.67
4	5.95
5	6.17
6	6.52
7	6.79
8	7.05
9	7.32
10	7.58
11	7.84
12	8.10
13	8.36
14	8.61
15	8.86
16	9.11
17	9.35
18	9.60
19	9.84
20	10.08
21	10.74
22	10.93
23	11.10
24	11.22
25	11.36

a. DSCF (Continued)

Maximum Weight (pounds)	DSCF (\$)
26	11.49
27	11.63
28	11.76
29	11.89
30	12.01
31	12.15
32	12.26
33	12.39
34	12.52
35	12.64
36	14.55
37	14.66
38	14.79
39	14.90
40	15.03
41	15.15
42	15.26
43	15.38
44	15.50
45	15.62
46	15.73
47	15.86
48	16.00
49	16.12
50	16.26

a. DSCF (Continued)

Maximum Weight (pounds)	DSCF (\$)
51	16.42
52	16.55
53	16.72
54	16.87
55	17.04
56	17.18
57	17.35
58	17.50
59	17.65
60	17.81
61	17.97
62	18.12
63	18.27
64	18.42
65	18.58
66	18.73
67	18.87
68	19.03
69	19.18
70	19.33
Oversized	28.13

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 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

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

a. DNDC (Continued)

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

a. DNDC (Continued)

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

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 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

Maximum Weight	DDU	DHub	DSCF	DNDC
(ounces)	(\$)	(\$)	(\$)	(\$)
4	2.46	2.83	3.36	4.04
8	2.48	2.94	3.54	4.35
12	2.65	3.26	3.99	4.98
<u>15.999</u>	2.84	3.57	4.57	5.06

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 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:

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

2125 USPS Ground Advantage

* * *

2125.6 Prices

Commercial

Maximum Weight (oz/lb)	Zone 1 (\$)	Zone 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)	Zone 9 (\$)
4 oz.	3.59	3.64	3.66	3.75	3.81	3.90	3.97	4.13	4.13
8 oz.	3.99	4.06	4.09	4.15	4.20	4.24	4.31	4.44	4.44
12 oz.	4.62	4.69	4.74	4.81	4.88	5.04	5.17	5.33	5.33
<u>15.999 oz.</u>	5.85	5.93	6.00	6.07	6.22	6.44	6.60	6.78	6.78
1 lb.	6.47	6.55	6.63	6.76	7.10	7.98	8.18	8.45	8.45
2	6.83	6.94	7.15	7.35	7.85	9.17	9.47	9.88	9.88
3	7.17	7.26	7.73	8.07	8.75	10.03	10.68	11.43	11.43
4	7.40	7.48	8.11	8.56	9.35	10.61	11.49	12.47	12.47
5	7.57	7.64	8.40	8.92	9.90	11.16	12.22	13.42	13.42
6	7.74	7.80	8.69	9.28	10.45	11.72	12.96	14.37	14.37
7	7.99	8.06	9.09	9.78	11.06	12.39	13.82	15.45	15.45
8	8.33	8.38	9.53	10.30	11.67	13.06	14.68	16.53	16.53
9	8.80	8.86	10.01	10.86	12.27	13.74	15.53	17.63	17.63
10	9.38	9.44	10.51	11.43	12.87	14.43	16.38	18.73	18.73
11	10.22	10.27	11.03	12.02	13.47	15.14	17.23	19.82	19.82
12	10.74	10.80	11.53	12.59	14.09	15.86	18.10	20.91	20.91
13	11.22	11.30	12.02	13.14	14.71	16.60	18.97	22.01	22.01
14	11.64	11.75	12.46	13.64	15.33	17.36	19.86	23.11	23.11
15	11.99	12.11	12.85	14.09	15.95	18.11	20.73	24.19	24.19
16	12.27	12.41	13.18	14.48	16.55	18.84	21.57	25.24	25.24
17	12.54	12.70	13.52	14.88	16.99	19.34	22.19	26.04	26.04
18	12.86	13.03	13.88	15.29	17.48	19.92	22.89	26.93	26.93
19	13.16	13.36	14.23	15.69	17.96	20.49	23.57	27.79	27.79
20	13.45	13.67	14.57	16.08	18.43	21.05	24.23	28.62	28.62
21	14.80	15.91	16.86	17.67	21.56	25.79	31.31	35.17	35.17
22	15.90	17.09	18.29	19.70	24.26	29.79	36.01	40.44	40.44
23	17.10	18.38	19.85	21.97	27.29	34.41	41.41	46.51	46.51
24	18.38	19.76	21.53	24.49	30.70	39.74	47.62	53.48	53.48
25	19.76	21.24	23.36	27.31	34.54	45.90	54.76	61.51	61.51

Commercial (Continued)

Maximum Weight (oz/lb)	Zone 1 (\$)	Zone 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)	Zone 9 (\$)
26	22.59	24.28	27.79	35.48	45.76	57.74	67.83	77.39	77.39
27	23.96	25.76	29.07	37.67	49.93	58.54	69.55	80.27	80.27
28	24.71	26.56	29.46	38.76	51.25	59.36	71.22	83.48	83.48
29	25.48	27.39	29.77	39.82	51.94	60.38	72.90	85.84	85.84
30	26.25	28.22	30.21	40.76	52.66	62.11	74.55	87.68	87.68
31	27.01	29.04	30.51	41.41	53.34	63.03	76.24	89.72	89.72
32	27.32	29.37	31.17	42.11	53.97	63.87	77.93	91.35	91.35
33	27.75	29.83	32.05	43.17	54.69	65.14	79.58	93.24	93.24
34	28.01	30.11	32.90	44.28	55.89	66.73	81.26	95.08	95.08
35	28.33	30.45	33.68	44.92	57.09	68.55	82.93	96.55	96.55
36	28.69	30.84	34.68	45.52	58.34	70.32	84.08	98.28	98.28
37	28.99	31.16	35.33	46.18	59.39	72.20	85.19	99.96	99.96
38	29.28	31.48	36.20	46.77	60.59	74.25	86.18	101.64	101.64
39	29.57	31.79	37.07	47.31	61.86	76.04	88.52	103.22	103.22
40	29.88	32.12	37.85	47.93	63.16	77.28	90.54	104.69	104.69
41	30.21	32.48	38.49	48.45	63.72	78.61	92.52	106.37	106.37
42	30.44	32.72	38.79	48.88	64.81	80.02	93.81	107.73	107.73
43	30.80	33.11	39.08	49.32	65.89	81.97	95.00	108.89	108.89
44	31.02	33.35	39.36	49.75	66.96	83.30	96.16	110.46	110.46
45	31.22	33.56	39.65	50.20	68.05	84.24	97.22	111.83	111.83
46	31.50	33.86	39.94	50.64	69.13	85.20	98.29	113.14	113.14
47	31.73	34.11	40.23	51.07	70.21	86.10	99.44	114.50	114.50
48	32.00	34.40	40.52	51.51	71.28	87.22	100.41	115.66	115.66
49	32.26	34.68	40.79	51.95	72.37	88.44	101.48	116.81	116.81
50	32.39	34.82	41.08	52.40	73.46	89.70	102.80	118.07	118.07

Commercial (Continued)

Maximum Weight (oz/lb)	Zone 1 (\$)	Zone 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)	Zone 9 (\$)
51	32.88	35.35	41.37	52.80	74.72	90.95	104.30	119.23	119.23
52	33.37	35.87	41.66	53.25	75.25	91.84	105.90	120.59	120.59
53	34.00	36.55	41.94	53.69	75.87	92.63	107.67	122.17	122.17
54	34.50	37.09	42.24	54.12	76.53	93.30	109.24	123.95	123.95
55	35.05	37.68	42.51	54.56	77.02	94.09	111.01	125.58	125.58
56	35.54	38.21	42.81	55.00	77.61	94.72	112.56	126.89	126.89
57	36.11	38.82	43.09	55.44	78.07	95.46	113.30	127.79	127.79
58	36.67	39.42	43.38	55.87	78.57	96.03	114.35	128.89	128.89
59	37.20	39.99	43.67	56.30	79.05	96.58	115.08	129.83	129.83
60	37.67	40.50	43.95	56.73	79.50	97.07	115.82	130.67	130.67
61	38.29	41.16	44.23	57.17	79.89	97.62	117.18	132.51	132.51
62	38.77	41.68	44.52	57.60	80.25	98.08	118.61	134.72	134.72
63	39.48	42.44	44.81	58.05	80.68	98.65	119.19	136.92	136.92
64	39.83	42.82	45.09	58.49	81.04	99.10	119.74	139.07	139.07
65	40.41	43.44	45.38	58.94	81.29	99.39	120.35	141.17	141.17
66	40.95	44.02	45.68	59.36	81.66	99.90	120.72	143.43	143.43
67	41.57	44.69	45.96	60.38	81.95	100.22	121.21	145.27	145.27
68	42.06	45.21	46.24	61.14	82.18	101.50	121.85	146.84	146.84
69	42.64	45.84	46.54	61.93	82.43	102.74	122.43	148.42	148.42
70	43.09	46.32	46.82	62.92	82.69	104.00	122.88	150.10	150.10
Oversized	84.00	90.30	106.79	129.62	152.15	174.93	197.66	220.50	220.50

Retail¹

Maximum Weight (oz/lb)	Zone 1 (\$)	Zone 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)	Zone 9 (\$)
4 oz.	4.75	4.85	4.90	5.00	5.05	5.10	5.15	5.25	5.25
8 oz.	5.40	5.50	5.55	5.60	5.65	5.70	5.75	5.85	5.85
12 oz.	6.15	6.25	6.30	6.35	6.40	6.45	6.55	6.65	6.65
<u>15.999 oz.</u>	7.60	7.75	7.85	8.00	8.15	8.25	8.40	8.55	8.55
1 lb.	7.60	7.75	7.85	8.00	8.15	8.25	8.40	8.55	8.55
2	8.50	9.00	9.55	10.25	11.00	11.80	12.90	14.90	14.90
3	8.85	9.50	9.95	10.80	11.80	12.90	14.90	17.65	17.65
4	9.55	10.00	10.70	11.65	12.85	14.30	16.35	19.00	19.00
5	10.20	10.65	11.40	12.45	13.75	15.40	17.65	20.50	20.50
6	10.60	10.95	11.75	12.95	14.55	16.55	19.25	22.40	22.40
7	11.10	11.40	12.20	13.55	15.40	17.80	20.75	24.25	24.25
8	11.55	11.80	12.55	14.05	16.20	19.05	22.60	26.35	26.35
9	12.00	12.25	12.90	14.55	17.00	20.30	24.40	28.40	28.40
10	12.70	13.00	13.70	15.45	18.15	21.85	26.55	31.45	31.45
11	13.30	13.75	14.45	16.30	19.30	23.40	28.65	34.55	34.55
12	13.90	14.25	14.90	16.95	20.25	24.90	30.85	37.15	37.15
13	14.50	14.80	15.30	17.40	21.10	26.35	33.25	40.70	40.70
14	15.10	15.20	15.75	18.05	22.20	28.10	35.85	43.90	43.90
15	15.70	15.85	16.35	18.60	23.15	29.30	37.30	45.90	45.90
16	16.30	16.50	16.95	19.50	24.10	30.50	38.75	47.90	47.90
17	16.90	17.10	17.55	20.35	25.15	31.90	40.60	50.30	50.30
18	17.50	17.70	18.15	20.80	26.20	33.30	42.45	52.70	52.70
19	17.85	18.10	18.90	21.20	27.05	34.15	43.25	54.40	54.40
20	18.20	18.40	19.60	21.90	28.15	35.25	44.40	55.50	55.50
21	23.00	23.45	26.75	29.70	33.80	44.85	57.45	69.10	69.10
22	23.80	24.30	28.15	32.00	35.90	47.25	58.65	74.65	74.65
23	24.65	25.10	29.55	34.55	38.55	48.70	59.90	75.45	75.45
24	25.50	26.00	31.05	37.25	40.40	51.10	61.20	76.75	76.75
25	26.40	26.95	32.65	40.25	43.50	53.55	62.55	81.25	81.25

Retail¹ (Continued)

Maximum Weight (oz/lb)	Zone 1 (\$)	Zone 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)	Zone 9 (\$)
26	28.40	28.45	34.40	43.55	53.35	63.85	74.15	84.70	84.70
27	30.15	30.20	36.00	45.00	56.05	66.70	77.10	87.75	87.75
28	31.10	31.15	36.50	46.25	57.55	68.85	79.85	91.15	91.15
29	32.05	32.15	36.85	47.35	58.40	70.20	81.90	93.65	93.65
30	33.00	33.10	37.45	48.70	59.20	71.45	83.40	95.60	95.60
31	34.05	34.10	37.80	51.25	60.10	72.80	85.15	97.80	97.80
32	34.40	34.45	38.60	52.45	60.65	73.75	86.50	99.50	99.50
33	35.00	35.05	39.60	53.80	61.50	74.95	88.05	101.50	101.50
34	35.30	35.35	40.65	55.10	62.70	76.45	89.85	103.45	103.45
35	35.65	35.75	41.70	55.80	64.05	77.90	91.30	105.00	105.00
36	36.05	36.10	42.90	56.60	65.60	79.55	93.05	106.85	106.85
37	36.35	36.45	43.60	57.45	66.70	80.85	94.60	108.65	108.65
38	36.80	36.85	44.75	58.15	68.00	82.30	96.15	110.40	110.40
39	37.20	37.30	45.75	58.90	69.45	83.80	97.80	112.10	112.10
40	37.65	37.70	46.75	59.70	70.90	85.25	99.25	113.65	113.65
41	37.95	38.00	47.65	60.40	71.60	86.35	100.75	115.45	115.45
42	38.20	38.30	48.50	61.00	73.05	87.80	102.15	116.85	116.85
43	38.75	38.80	49.30	61.55	74.65	89.25	103.50	118.10	118.10
44	39.00	39.10	50.15	62.35	76.20	90.80	105.05	119.80	119.80
45	39.25	39.35	50.65	62.75	78.00	92.50	106.70	121.20	121.20
46	39.55	39.60	51.00	63.45	79.35	93.90	108.10	122.60	122.60
47	39.90	40.00	51.45	64.05	81.30	95.65	109.70	124.00	124.00
48	40.30	40.35	51.95	64.70	82.80	97.10	111.00	125.30	125.30
49	40.50	40.55	52.25	65.15	84.25	98.55	112.30	126.50	126.50
50	40.65	40.75	52.55	65.65	85.95	100.05	113.75	127.85	127.85

Retail¹ (Continued)

Maximum Weight (oz/lb)	Zone 1 (\$)	Zone 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)	Zone 9 (\$)
51	40.85	40.95	53.10	66.20	87.35	101.50	115.00	129.05	129.05
52	41.40	41.45	53.40	66.70	88.05	102.40	116.25	130.50	130.50
53	42.10	42.15	53.80	67.10	88.75	103.35	117.55	132.20	132.20
54	42.60	42.70	54.00	67.55	89.45	104.55	119.05	134.05	134.05
55	43.35	43.45	54.35	67.95	90.10	105.50	120.40	135.80	135.80
56	43.95	44.00	54.75	68.35	90.70	106.40	121.55	137.15	137.15
57	44.65	44.70	54.90	68.70	91.20	107.05	122.30	138.10	138.10
58	45.30	45.40	55.15	69.20	91.90	107.95	123.45	139.30	139.30
59	46.00	46.10	55.45	69.50	92.40	108.55	124.25	140.30	140.30
60	46.65	46.75	55.65	70.20	92.85	109.15	124.95	141.20	141.20
61	47.35	47.40	55.95	71.45	93.35	110.20	126.45	143.15	143.15
62	47.80	47.90	56.05	72.35	93.90	111.30	128.15	145.50	145.50
63	48.75	48.85	56.35	73.55	94.30	112.35	129.85	147.80	147.80
64	49.25	49.35	58.10	74.60	94.80	113.50	131.50	150.10	150.10
65	49.95	50.00	58.25	75.65	95.00	114.35	133.15	152.30	152.30
66	50.55	50.65	58.45	76.85	95.55	115.55	134.85	154.70	154.70
67	51.35	51.45	58.55	78.20	95.90	116.40	136.35	156.65	156.65
68	52.00	52.10	58.70	79.10	96.10	117.10	137.50	158.30	158.30
69	52.65	52.75	58.75	80.10	96.35	117.75	138.70	160.00	160.00
70	53.25	53.35	58.95	81.45	96.65	118.55	139.95	161.75	161.75
Oversized	89.05	91.55	113.40	137.75	161.90	186.15	209.50	233.75	233.75

Notes

1. A handling charge of \$0.01 per piece applies to foreign-origin, inbound direct entry mail tendered by foreign postal operators, subject to the terms of an authorization arrangement.

Cubic

Maximum Cubic Feet	Zone 1 (\$)	Zone 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)	Zone 9 (\$)
0.10	6.32	6.40	6.47	6.59	6.88	7.59	7.78	8.03	8.03
0.20	6.68	6.78	6.93	7.11	7.54	8.67	8.93	9.29	9.29
0.30	7.07	7.16	7.55	7.86	8.48	9.77	10.32	10.97	10.97
0.40	7.32	7.40	7.98	8.40	9.15	10.42	11.22	12.13	12.13
0.50	7.52	7.59	8.31	8.81	9.74	11.00	12.01	13.15	13.15
0.60	7.70	7.76	8.62	9.19	10.32	11.59	12.78	14.14	14.14
0.70	7.98	8.04	9.06	9.75	11.02	12.35	13.76	15.38	15.38
0.80	8.26	8.32	9.45	10.21	11.55	12.93	14.52	16.33	16.33
0.90	8.70	8.76	9.91	10.75	12.15	13.61	15.36	17.41	17.41
1.00	9.45	9.51	10.55	11.48	12.92	14.49	16.45	18.82	18.82

Limited Overland Routes

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

Maximum Weight (pounds)	Zone 1 (\$)	Zone 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)
1	8.30	8.35	8.65	9.30	10.05
2	8.50	8.60	9.60	9.75	10.15
3	8.85	8.90	10.35	10.95	11.50
4	9.30	9.40	10.90	12.10	12.75
5	10.00	10.10	10.95	12.35	13.15
6	10.10	10.20	11.15	12.65	13.30
7	10.15	10.25	11.30	12.70	13.35
8	10.20	10.30	11.40	12.75	13.40
9	10.30	10.40	11.45	12.90	13.45
10	10.95	11.05	11.55	13.00	14.45
11	11.00	11.10	11.60	13.10	14.70
12	11.05	11.15	11.65	13.35	14.85
13	11.10	11.20	11.70	13.65	15.05
14	11.15	11.25	11.75	13.70	15.70
15	11.50	11.60	11.90	13.80	16.50
16	11.60	11.70	12.15	13.90	17.10
17	11.85	11.95	12.70	14.00	17.85
18	12.85	13.00	13.35	14.45	18.05
19	13.40	13.50	14.10	15.30	18.70
20	13.85	13.95	15.05	16.25	19.45
21	14.15	14.25	16.05	17.75	21.50
22	14.70	14.80	16.90	19.25	23.40
23	15.20	15.35	17.95	20.95	25.10
24	15.75	15.90	18.35	22.65	28.35
25	16.50	16.65	20.00	24.15	30.80

Limited Overland Routes (Continued)

Maximum Weight (pounds)	Zone 1 (\$)	Zone 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)
26	16.70	16.85	21.15	25.85	33.80
27	17.55	17.70	22.25	26.30	34.10
28	18.00	18.15	22.75	27.05	34.50
29	18.50	18.65	23.30	27.90	36.05
30	18.95	19.10	23.85	28.65	36.45
31	19.60	19.75	24.25	30.35	37.50
32	19.90	20.05	24.70	31.20	40.40
33	20.30	20.50	25.25	31.95	41.50
34	20.85	21.05	25.75	32.60	42.35
35	21.40	21.55	26.30	33.35	43.10
36	21.70	21.90	26.85	33.90	43.45
37	22.15	22.30	27.35	34.55	44.45
38	22.65	22.85	27.80	35.15	45.20
39	23.20	23.40	28.35	35.80	46.05
40	23.60	23.80	28.85	36.35	46.80
41	24.15	24.35	29.40	37.20	47.35
42	24.45	24.70	29.95	37.95	48.20
43	24.90	25.10	30.45	38.50	49.15
44	25.30	25.55	31.00	39.15	49.45
45	25.65	25.85	31.45	39.75	49.80
46	26.05	26.30	31.85	40.40	50.15
47	26.40	26.60	32.40	41.05	50.25
48	26.70	26.95	32.95	41.70	50.35
49	27.25	27.45	33.35	42.35	50.45
50	27.55	27.80	33.80	42.85	50.90

Limited Overland Routes (Continued)

Maximum Weight (pounds)	Zone 1 (\$)	Zone 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)
51	28.00	28.20	34.30	43.50	51.30
52	28.30	28.55	34.85	44.15	52.15
53	28.75	28.95	35.30	44.80	52.70
54	29.05	29.30	35.80	45.45	53.35
55	29.45	29.70	36.25	45.95	53.75
56	29.90	30.15	36.75	46.70	54.30
57	30.30	30.60	37.20	47.25	54.85
58	30.65	30.90	37.65	47.90	55.15
59	31.05	31.35	38.15	48.45	55.70
60	31.40	31.65	38.70	49.15	56.25
61	31.80	32.10	39.15	49.80	56.55
62	32.15	32.40	39.55	50.45	57.00
63	32.55	32.85	40.10	51.10	57.40
64	33.00	33.25	40.50	51.85	57.95
65	33.30	33.60	41.05	52.50	58.35
66	33.75	34.00	41.50	53.25	58.80
67	34.15	34.45	41.90	53.90	59.20
68	34.60	34.85	42.45	54.50	59.85
69	34.90	35.20	42.85	54.95	61.25
70	35.30	35.60	44.05	56.35	65.20
Oversized	52.25	52.70	71.95	79.30	96.30

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 1-9, 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:

Entry:	Full Network	DSCF/DNDC	DDU
Length > 22"	\$4.00	N/A	N/A
Length > 30"	\$7.00	N/A	N/A
Cube > 2 cu. ft.	\$15.00	N/A	N/A

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.

Pickup On Demand Service

Add \$26.50 for each Pickup On Demand stop.

2615 International Ancillary Services

2615.1 International Certificate of Mailing

* * *

2615.1.2 Prices

Individual Pieces Prices

	(\$)
Original certificate of mailing for listed pieces of ordinary Outbound Single-Piece First-Class Package International Service	1.95
Three or more pieces individually listed in a firm mailing book or an approved customer provided manifest (per piece)	0.57
Each additional copy of original certificate of mailing or firm mailing bills (each copy)	1.95

Multiple Pieces Prices

	(\$)
Up to 1,000 identical-weight pieces (one certificate for total number)	10.90
Each additional 1,000 identical-weight pieces or fraction thereof	1.40
Duplicate copy	1.95

* * *

2615.2 Competitive International Registered Mail

* * *

2615.2.2 Prices

Outbound Competitive International Registered Mail

	(\$)
Per Piece	20.25

* * *

2615.3 Outbound International Return Receipt

* * *

2615.3.2 Prices

Outbound International Return Receipt

	(\$)
Per Piece	5.65

* * *

2615.6 Custom Clearance and Delivery Fee

* * *

2615.6.2 Prices

	(\$)
Per Dutiable Item	8.30

2704 Officially Licensed Retail Products (OLRP)

* * *

2704.3 Prices¹

	(\$)
Mail-Related Merchandise	1.00 to 125.00
Government Service-Related Merchandise	1.00 to 20.00
Stamp-Related or Postal-Branded Merchandise	1.00 to 150.00 <u>16,000.00</u>

Notes

1. Maximum price limits do not apply if price is determined using an auction.

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. 23-3, 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 each competitive product 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 these files, 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).¹ Because the portions of the materials filed non-publicly

¹ 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.²**

The Postal Service also believes that FedEx Express may have a proprietary interest in some of the data concerning Global Express Guaranteed (GXG) in the materials submitted.³ The Postal Service will undertake to inform FedEx Corporation, in compliance with 39 C.F.R. § 3011.200(b), of the nature and scope of this filing and its ability to address its confidentiality concerns directly with the Commission. The Postal Service identifies James H. Ferguson, Corporate Vice President, Transactions, Benefits, and Employee Relations Law, FedEx Corporation & General Counsel, FedEx

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.

² 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.

³ Although FedEx Express might have a proprietary interest in data reflecting volume or weights for GXG, the Postal Service maintains that the Postal Service is the only party with a proprietary interest in revenue data reflecting GXG transactions between the Postal Service and its customers.

Corporate Services, Inc., as the appropriate contact on behalf of FedEx Corporation.

Mr. Ferguson's telephone number is (901) 434-8600, and his email address is jhferguson1@fedex.com.

Additionally, the Postal Service believes that PNC Global Transfers may have a proprietary interest in some of the data in the materials submitted. The Postal Service will undertake to inform PNC Global Transfers, in compliance with 39 C.F.R. § 3011.200(b), of the nature and scope of this filing and its ability to address its confidentiality concerns directly with the Commission. The Postal Service identifies Aurora Garza Hagan, Chief Executive Officer, PNC Global Transfers, Inc., as the appropriate contact on behalf of PNC Global Transfers. Ms. Hagan's telephone number is 281-765-1525, and her email address is Aurora.Garza@pncglobaltransfers.com.

The Postal Service believes that a few foreign postal operators may have a proprietary interest in some of the data in the materials submitted. The Postal Service, in conjunction with the United States Department of State, requested that the Universal Postal Union (UPU) International Bureau (IB) issue a Circular notice to all countries and designated operators informing each of its rights under 39 C.F.R. § 3007.204. This notification was published by the IB in Circular No. 210 on December 19, 2022. Specifically, the notice informs all countries and designated operators that the Postal Service will be regularly submitting certain business information to the Commission. UPU-designated foreign postal operators (FPOs) have a proprietary interest in information relating to their particular flows. The circular includes information on how third parties may address any confidentiality concerns with the Commission.

- (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 2024 attributable cost, contribution, and cost coverage for each 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 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).

Disclosure would also expose certain foreign postal operators to the same competitive harms to the extent that a category is associated with a single customer or a small group of customers. The Postal Service considers these to be highly probable outcomes that would result from public disclosure of the material filed nonpublicly. Disclosure of statistical and cost information about GXG could limit the ability of FedEx Corporation, a counterparty to a strategic alliance with the Postal Service, to negotiate effectively and could allow competitors to analyze the traffic for a competitive advantage against FedEx Corporation. The more disaggregated nature of the product information in the international context, and the relatively small numbers associated with information make the international data particularly vulnerable to analysis and use by competitors.

(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. In addition, a foreign postal operator's employee could monitor the filing of this information and pass the information along to the international postal relations functions of that foreign postal operator. The foreign postal operator assesses the Postal Service's average per-item revenue for categories about which it is negotiating with the Postal Service. Accurately or not, the foreign postal operator uses the average

revenue information as a justification for pricing demands in negotiations. The Postal Service's ability to negotiate suffers as a result.

Identified harm: Public disclosure of information contained in the Nonpublic Annex associated with international delivery services provided in arrangement with specific third parties would be used by those parties' competitors to their detriment.

Hypothetical: A competitor of a foreign post, such as a competing international delivery service obtains information contained in the Nonpublic Annex. The competitor uses the information to assess the market potential and, as a baseline, to negotiate with other parties to develop lower-cost alternatives and undermine the foreign postal operator's market offerings. The same scenario could apply with respect to comparable information for FedEx Corporation concerning GXG.

(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 and in the market for international delivery products (including both private sector integrators and foreign postal operators), 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.

Competitive Rate Changes July 09, 2023 Implementation

COMPETITIVE PRODUCT CONTRIBUTION & COST COVERAGE ANALYSIS					
Fiscal Year 2024 October	FY2023 Revenue (000's)	FY2023 Volume (000's)	FY2023 Attributable Cost (000's)	FY2023 Contribution (000's)	FY2023 Cost Coverage
Priority Mail Express					
Current Prices	\$ 669,067	22,392			
New Prices	\$ 669,067	22,392			
Change	\$ -	-			
USPS Ground Advantage					
Current Prices	\$ 8,664,568	1,807,420			
New Prices	\$ 8,623,912	1,808,882			
Change	\$ (40,655)	1,462			
Priority Mail					
Current Prices	\$ 11,302,685	1,082,566			
New Prices	\$ 11,302,685	1,082,566			
Change	\$ -	-			
Parcel Select Change - Total					
Current Prices	\$ 8,895,635	3,170,226			
New Prices	\$ 8,895,750	3,170,950			
Change	\$ 115	724			
Parcel Return Service - NSA					
Current Prices	\$ 237,238	69,351			
New Prices	\$ 237,280	69,364			
Change	\$ 42	12			
Premium Forwarding Service					
Current Prices	\$ 22,550	877			
New Prices	\$ 22,550	877			
Change	\$ -	-			
Post Office Box Services					
Current Prices	\$ 1,250,303	-			
New Prices	\$ 1,250,303	-			
Change	\$ -	-			
Address Enhancement Services					
Current Prices	\$ 1,730	-			
New Prices	\$ 1,730	-			
Change	\$ -	-			
Shipping & Mailing Supplies					
Current Prices	\$ 110,695	-			
New Prices	\$ 110,695	-			
Change	\$ -	-			
Other Ancillary Services					
Current Prices	\$ 39,752	\$ -			
New Prices	\$ 39,752	\$ -			
Change	\$ -	-			
Greeting Cards					
Current Prices	\$ 23,423	-			
New Prices	\$ 23,423	-			
Change	\$ -	-			
Competitive International*					
Current Prices	\$ 1,200,060	134,584			
New Prices	\$ 1,200,077	134,584			
Change	\$ 17	-			
Total Competitive Products (Current)	\$ 32,417,706	\$ 6,287,416			
Total Competitive Products (New)	\$ 32,377,225	\$ 6,289,614			
Differences	\$ (40,481)	2,199			
Competitive Product Contribution Calculation					
Total Contribution		\$ 11,728,559			
Institutional Cost		\$ 40,718,770			
Contribution from Competitive Products as a % of Institutional Cost		28.8%			