

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

MODIFICATION OF MAIL CLASSIFICATION SCHEDULE  
FOR INTERNATIONAL MAIL RATE CATEGORIES

Docket No. MC2009-16

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO ORDER NO. 183**  
(February 24, 2009)

On February 13, 2009, the United States Postal Service gave notice of changes in classification governing the availability of certain rate categories to selected destinations, pursuant to 39 C.F.R. §§ 3020.90 and 3020.91.<sup>1</sup> With that filing, the Postal Service submitted to the Commission conforming changes in the Mail Classification Schedule (MCS), which it believes are consistent with 39 U.S.C. § 3642 and which are to become effective on March 2, 2009.

On February 19, the Commission issued its Notice and Order No. 183 (Order), in which it formally established the above-captioned docket, appointed a Public Representative, and opened the matter for public comment.<sup>2</sup> In the instant proceeding, the Commission ordered the Postal Service, by February 24, (1) to provide supplemental information demonstrating compliance with 39 U.S.C. § 3633, as befits a change in competitive product prices, and (2) to indicate which Priority Mail International (PMI) items will be available in each of the three identified countries.<sup>3</sup> With this filing, the Postal Service provides the requested identification of relevant PMI items and,

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<sup>1</sup> Notice of the United States Postal Service of Classification Change, Docket No. MC2009-16, Feb. 13, 2009.

<sup>2</sup> Notice and Order Concerning Priority Mail International Classification Change, Docket No. MC2009-16, Feb. 19, 2009.

<sup>3</sup> *Id.* at 2.

under seal, updated financial information that demonstrates that the relevant products will continue to fulfill the criteria of 39 U.S.C. § 3633.

***I. Identification of Relevant PMI Items***

This classification change is intended to give effect to a proposed change to IMM mailing standards, which in turn would offer to customers existing PMI flat rate envelope (FRE) and/or small flat rate box (SFRB) rates to Ascension Island and Falkland Islands, and existing PMI FRE rates to the People's Democratic Republic of Korea (North Korea). These destinations were not previously available for such items.<sup>4</sup> In the interest of providing additional background, the Postal Service has included, as Attachments 1 and 2 to this filing, articles that postal management has generated for publication in the *Postal Bulletin* to inform the mailing community of the changes.

***II. Supplemental Information***

Notwithstanding the Postal Service's request for reconsideration,<sup>5</sup> the Postal Service is filing financial and narrative materials that demonstrate that the relevant product (Outbound Priority Mail International) will continue to fulfill the criteria of 39 U.S.C. § 3633. The Postal Service does so in good-faith compliance with the Commission's Order, notwithstanding the Postal Service's position that such extraordinary showings are unwarranted for this or any similar classification matter. The documentation shows that the classification change has no significant impact on the overall cost coverage of the Outbound PMI product.

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<sup>4</sup> The other changes are designed to restrict online published discounts for international expedited and parcel services to certain country destinations. The Commission's determination in Order No. 183 does not appear to concern these changes, and the Postal Service intends to implement conforming changes to the International Mail Manual on March 2 for this aspect of the proposed revisions.

<sup>5</sup> United States Postal Service Motion for Reconsideration of Order No. 183, Docket No. MC2009-16, Feb. 24, 2009.

Consistent with its filing of similar information in connection with competitive product price changes of general applicability<sup>6</sup> and with the Annual Compliance Report,<sup>7</sup> this information has been filed separately in a non-public annex.<sup>8</sup> While the Commission intends to address broader confidentiality issues in the future,<sup>9</sup> the Postal Service maintains that financial information related to its pricing determinations should remain confidential. This pricing information is clearly of a commercial nature, and the Postal Service is aware of no competitor or private company of comparable size and scope that releases such information to the public.

Respectfully submitted,

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<sup>6</sup> See Notice of the United States Postal Service of Changes in Rates of General Applicability for Competitive Products Established in Governors' Decision No. 09-01, Docket No. CP2009-23, Feb. 10, 2009, at 1; Notice of the United States Postal Service of Changes in Rates of General Applicability for Competitive Products Established in Governors' Decision No. 08-19, Docket No. CP2009-8, Nov. 13, 2008, at 1.

<sup>7</sup> See United States Postal Service FY 2008 Annual Compliance Report, Docket No. ACR2008, Dec. 29, 2008, at 69-71.

<sup>8</sup> Notice of the United States Postal Service of Filing USPS-MC2009-16/NP1, Feb. 24, 2009.

<sup>9</sup> See PRC Order No. 96, Notice of Proposed Rulemaking to Establish a Procedure for According Appropriate Confidentiality, Docket No. RM2008-1, August 13, 2008.

**IMM Revision: Priority Mail International Flat Rate Envelope and Small Flat Rate Box Availability**

Effective March 2, 2009, the Postal Service™ is revising *Mailing Standards of the United States Postal Service*, International Mail Manual (IMM®) in the Country Price Groups and Weight Limits section and the Individual Country Listings to authorize the following:

- The Priority Mail International® flat-rate envelope and small flat-rate box are authorized for shipment to Ascension and the Falkland Islands.
- The Priority Mail International flat-rate envelope is authorized for shipment to the Democratic People's Republic of Korea (North Korea) — the small flat-rate box is not admissible to North Korea. Items sent to North Korea in the flat-rate envelope may not contain dutiable items or merchandise.

The maximum weight for both the Priority Mail International flat-rate envelope and small flat-rate box is 4 pounds.

We will incorporate these revisions into the next printed version of the IMM and into the monthly update of the online IMM, which is available via Postal Explorer® at <http://pe.usps.com>.

— *Mailing Standards, Pricing, 2-26-09*

***Mailing Standards of the United States Postal Service, International Mail Manual (IMM)***

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**Country Price Groups and Weight Limits**

\* \* \* \* \*

*[Revise footnote 3 to read as follows:]*

3. Ascension, Bolivia, and Falkland Islands: Priority Mail International parcel services are not available. The Priority Mail International flat-rate envelope and small flat-rate box (maximum weight: 4 lbs. each) may be used.

\* \* \* \* \*

*[Add new footnote 5 to read as follows:]*

5. Korea, Democratic People's Republic of (North Korea): Priority Mail International parcel services are not available, including the small flat-rate box. The Priority Mail International Flat Rate Envelope (maximum weight: 4 lbs.) may be used. Dutiable items and merchandise are prohibited.

\* \* \* \* \*

*[Revise the Country Price Groups and Weight Limits table as follows:]*

Country	Global Express Guaranteed		Express Mail International		Priority Mail International <sup>1</sup>		First-Class Mail International	
	Price Group	Max. Wt. (lbs.)	Price Group	Max. Wt. (lbs.)	Price Group	Max. Wt. (lbs.)	Price Group	Max. Wt. <sup>2</sup> (ozs./lbs.)
* * * * * Ascension <sup>3</sup>	n/a	n/a	n/a	n/a	7	4	7	3.5 / 4
* * * * * Falkland Islands <sup>3</sup>	n/a	n/a	n/a	n/a	9	4	9	3.5 / 4
* * * * * Korea, Democratic People's Republic of (North Korea) <sup>5</sup>	n/a	n/a	n/a	n/a	6	4	6	3.5 / 4

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**Individual Country Listings**

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**Ascension**

\* \* \* \* \*

**Priority Mail International (230)**

*[Revise the text for Priority Mail International to read as follows:]*

**Not Available, except for Priority Mail International flat-rate envelope and small flat-rate box.**

Flat-Rate Envelope or Small Flat-Rate Box: \$12.95

*May contain items that may be sent as First-Class Mail International. The maximum weight is 4 lbs.*

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**Falkland Islands**

\* \* \* \* \*

**Priority Mail International (230)**

*[Revise the text for Priority Mail International to read as follows:]*

**Not Available, except for Priority Mail International flat-rate envelope and small flat-rate box.**

Flat-Rate Envelope or Small Flat-Rate Box: \$12.95

*May contain items that may be sent as First-Class Mail International. The maximum weight is 4 lbs.*

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**Korea, Democratic People's Republic of (North Korea)**

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**Priority Mail International (230)**

*[Revise the text for Priority Mail International to read as follows:]*

**Not Available, except for Priority Mail International flat-rate envelope.**

Flat-Rate Envelope: \$12.95

*May not contain dutiable items or merchandise. The maximum weight is 4 lbs.*

\* \* \* \* \*

*Publication 51 Revision*

**Priority Mail International Flat Rate Envelope and Small Flat Rate Box Availability**

Effective March 2, 2009, the Postal Service™ is revising Publication 51, *International Postal Prices and Fees*, in the Country Listing table to authorize the following:

- The Priority Mail International® flat-rate envelope and small flat-rate box are authorized for shipment to Ascension and the Falkland Islands.
- The Priority Mail International flat-rate envelope is authorized for shipment to the Democratic People’s Republic of Korea (North Korea) — the small flat-rate box is not admissible to North Korea. Items sent to North Korea in the flat-rate envelope may not contain dutiable items or merchandise.

The maximum weight for both the Priority Mail International flat-rate envelope and small flat-rate box is 4 pounds.

We will incorporate these revisions into the next printed version and online update of *Publication 51*, which is available via Postal Explorer® at <http://pe.usps.com>.

— *Mailing Standards, Pricing, 2-26-09*

**Publication 51, International Postal Prices and Fees**

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**Country Listing**

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*[Revise the Country Listing table as follows:]*

Country	GXG Price Group	Express Price Group	Express Max. Wt. (lbs.)	Priority Price Group	Priority Max. Wt. (lbs.)	Priority Insurance Indemnity Limit (\$)	FCM/M-bag Price Group
* * * * *							
Ascension <sup>2</sup>	n/a	n/a	n/a	7	4	n/a	7
* * * * *							
Falkland Islands <sup>2</sup>	n/a	n/a	n/a	9	4	n/a	9
* * * * *							
Korea, Democratic People’s Republic of (North Korea) <sup>7</sup>	n/a	n/a	n/a	6	4	n/a	6
* * * * *							

\* \* \* \* \*

*[Insert new footnote 2 to read as follows; renumber current footnotes 2 and 3 to be footnotes 3 and 4, respectively (both in the footnotes and in the table); and omit current footnote 4:]*

2. Ascension, Bolivia, and Falkland Islands: Priority Mail International parcel services are not available. The Priority Mail International flat-rate envelope and small flat-rate box (maximum weight: 4 lbs. each) may be used.

\* \* \* \* \*

*[Revise footnote 7 to read as follows:]*

7. Korea, Democratic People's Republic of (North Korea): Priority Mail International parcel services are not available, including the small flat-rate box. The Priority Mail International flat-rate envelope (maximum weight: 4 lbs.) may be used. Dutiable items and merchandise are prohibited. For additional details, see the IMM Individual Country Listing for North Korea, or consult your local Post Office.

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