

Before the
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Modification of Mail Classification Schedule
for Eligibility Requirements for Direct Entry
Parcels Contracts

Docket No. MC2009-41

PUBLIC REPRESENTATIVE COMMENTS
IN RESPONSE TO UNITED STATES POSTAL SERVICE
REQUEST TO ADD AN INBOUND DIRECT ENTRY CONTRACT
TO THE COMPETITIVE PRODUCTS LIST

(September 18, 2009)

In response to Order 297,¹ the Public Representative hereby comments on the September 10, 2009 United States Postal Service Notice of Change in Classification for Direct Entry Parcels (DEP) Contracts. (Request)

The Public Representative, after reviewing this proposal, opines that the Request does comport with title 39 and all relevant Commission Rules of Procedure. Therefore it could be beneficial for the general public.

The Postal Service proposes a change in classification for the (International) DEP contracts, reducing minimum volume and revenue (capability) requirements for mailer eligibility under a DEP contract. The Postal Service asserts this classification change is consistent with the requirements of 39 C.F.R 3020.90 and 3020.91, and that it comports with 39 U.S.C. 3642. This appears to be true. Such a change does constitute a “minor change”², and further proposes conforming Mail Classification Schedule

¹ Commission Order 297, Notice and Order Concerning Filing of Classification Change for Direct Entry Parcels Contracts, September 11, 2009.

language. A lower capability threshold increases the number of customers who might use DEC's for shipping to the United States.

In its June 29, 2009 Request (Docket No. CP2009-41), the Postal Service, speaking of functional equivalency, noted that inbound Direct Entry contracts (DEP) "are volume-variable and the basic service offered – handling of inbound sacks and induction into the domestic mail stream – is the same." Potential customers are foreign postal administrations, competitive shippers and international high-volume mailers. Because First-Class and Priority Mail parcels are subject to the published rates offered to domestic customers, there is an element of fundamental fairness toward domestic Postal Service customers using Market Dominant and Competitive products.

The Postal Service explains that the reduction in capability for the instant classification change parallels the change the Commission approved for Docket MC2009-38, regarding Global Expedited package Services (GEPS) contract (Order No. 283, August 19, 2009). The Commission found that the lower threshold for GEPS contracts eligibility was a minor change that could be permitted under title 39 and relevant regulations. The Postal Service posits that GEPS customers – for whom the revised minimum capability requirements are 2,500 pieces or \$50,000, are frequently DEP contract customers as well. Accordingly, the change facilitates offering DEC contracts to a number of Postal Service customers who previously could not qualify for this service.

² Request, at 1-2, referring to Order 283, Order Accepting Classification Change for Global Expedited Package Services Contracts (at 3), Docket MC2009-38, August 19, 2009

Conclusion

The Public Representative acknowledges that the new capability requirements for DEP contracts are lawful under provisions of title 39. This Request, therefore, is favorable to both the Postal Service and the public.

The Public Representative respectfully submits the preceding Comments for the Commission's consideration.

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