

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton;
Dan G. Blair; and
Tony L. Hammond

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

Docket No. MC2009-41

ORDER ACCEPTING CLASSIFICATION CHANGE
FOR DIRECT ENTRY PARCELS CONTRACTS

(Issued September 24, 2009)

I. INTRODUCTION

The Postal Service proposes a change in classification for Direct Entry Parcels (DEP) contracts in accordance with 39 CFR 3020.90 *et seq.* For the reasons discussed below, the Commission accepts the Postal Service's classification change.

II. BACKGROUND

On September 10, 2009, the Postal Service filed a notice with the Commission pursuant to 39 CFR 3020.90 *et seq.* concerning a change in classification for Direct Entry Parcels (DEP) contracts.¹ The change reduces the minimum capability requirements for DEP contracts from 5,000 pieces or \$100,000 to 2,500 pieces or \$50,000.

The Postal Service states that the lower minimum capability requirements would allow DEP contracts to be available to a wider range of potential customers, while still large enough to warrant the transaction costs to offer a customized agreement to a potential customer. Notice at 1. It notes that the change mirrors the classification change proposed in Docket No. MC2009-38 for minimum capability requirements for Global Expedited Package Services (GEPS) contracts, which are marketed to similar types of customers.² *Id.* at 1-2.

The Postal Service asserts this classification change is consistent with the requirements of 39 U.S.C. 3642, and further proposes conforming Mail Classification Schedule language.

In Order No. 297, the Commission gave notice of the docket, appointed a Public Representative, and provided the public with an opportunity to comment.³

¹ See Notice of United States Postal Service of Classification Change, September 10, 2009 (Notice). This Notice is available on the Commission's website, www.prc.gov.

² See Docket No. MC2009-38, Order Accepting Classification Change for Global Expedited Package Services Contracts, August 19, 2009.

³ PRC Order No. 297, Notice and Order Concerning Classification Change for Direct Entry Parcels Contracts, September 11, 2009 (Order No. 297).

III. COMMENTS

Comments were filed by the Public Representative.⁴ No other interested person submitted comments. The Public Representative states that the modification proposed by the Postal Service represents a minor change and is consistent with the requirements of 39 CFR 3020.90 *et seq.* and 39 U.S.C. 3642. *Id.* at 1. He maintains that the proposed change may result in additional Postal Service contracts with customers who did not meet the former eligibility requirements for DEP contracts. He concludes the change is favorable to both the Postal Service and the public. *Id.* at 2-3.

IV. COMMISSION ANALYSIS

The Commission finds that the proposed change is in accordance with 39 CFR 3020.90 *et seq.*, and is not inconsistent with 39 U.S.C. 3642. The draft Mail Classification Schedule will be modified to reflect the substance of the proposed change.

In accordance with 39 CFR 3020.91, the Postal Service is to file proposed changes to the Mail Classification Schedule no later than 15 days prior to the effective date of the proposed change. The Notice filed by the Postal Service in this proceeding does not provide an effective date for this change. The Postal Service is directed to file notice of the effective date of the proposed change by September 28, 2009.

V. ORDERING PARAGRAPHS

It is Ordered:

1. As set forth in this Order, the Postal Service's modification of the draft Mail Classification Schedule is accepted.

⁴ See Errata to Public Representative Comments in Response to United States Postal Service Notice of Classification Change, September 21, 2009 (Public Representative Comments).

2. As set forth in this Order, the Postal Service's clarification of the effective date of this change is due by September 28, 2009.

By the Commission.

Shoshana M. Grove
Secretary