

Complaint Regarding Postal Service Offering DOCKET # MC2012-26  
ENHANCED SERVICES PRODUCT FOR COMPETITIVE PO BOXES

COMMENTS OF Shipping Etc LLC  
8/3/2012

For the consideration of the Secretary of Commission.

I am the owner of a small business that is a Certified Mail Receiving Agency (CMRA) and have some comments about the United States Postal Service venturing into additional services for their PO Boxes.

It would seem that the USPS wants to use their power to limit and control competition from PMB's (private mail boxes) and CMRA's by dictating what market segments they can compete in while the USPS expands their services to compete with the same PMB's/CMRA's. Most PMB's and CMRA's are small business or "mom and pop" entities. The irony here is that over the years these small businesses have used their hard earned resources to create enhanced and new services around the existing service limitations imposed on them by the USPS. These limitations seem designed to allow the USPS to maintain their competitive advantage by offering services that small businesses are currently not allowed to offer. Now it seems the USPS is looking to "MUSCLE IN" on the small businesses enhanced PO Box service offerings thereby removing any competitive advantage that these small businesses currently have. There is no doubt that this move would create unfair competition against small businesses.

It does not seem to me that the USPS has adequately thought through many of the implications concerned with offering these enhanced services to their PO Box customers. One of their largest competitive advantages that the USPS enjoys is that they do not accept overnight or Express service packages delivery to a PO Box from either UPS or Fedex. This forces the shipper to utilize USPS shipping services when shipping to a USPS PO Box and therefore creates a captive market for them. Currently it is difficult for the average person to tell whether they are shipping to a USPS PO Box or a PMB location. Therefore they will more than likely select USPS service as the carrier of choice. The introduction of accepting other carriers' superior service offerings into the PO Box environment totally removes this opportunity further diluting revenue currently gained from postage.

I would like to address some specific areas of the USPS interpretation of the Dockets.

Page 1, Attachment A. Quote, "The Service Enhancements introduced at certain Competitive PO Box Service locations do not constitute products."

Comment. I would argue that the ability to use a Street Address indeed creates a new product namely PO Boxes with street addresses. A product is defined in 39 USC 102(6) as a postal service with a distinct cost or market characteristic for which a rate or rates

are, or may reasonably be, applied. Under the new “enhancements” PO Box customers will elect to use the Street addressing service, and when doing so will use that new address to portray themselves to the public in a very different way.

Question 4 of Order 997, the USPS says: "Our competitors emphasize that they accept shipments from all private carriers when they promote their mailbox services. This is clearly an option sought by customers of private mailbox providers." - Page 8, Attachment A

Comment. Note that the USPS itself says this is an option sought by PMB customers. They make no mention of this being an option sought or requested by USPS PO Box customers. These "enhancements" are clearly meant to target PMB Providers and their customers in a competitive and predatory way.

Page 4, Attachment B "PMB providers often include, at no additional charge, features similar to the enhancements at issue in this proceeding."

Comment. PMB Providers often include the charges for these additional services in their single PMB rate. In fact, when PMB providers add a new "enhancement" like real-mail notification, they will often increase the rate of the box to cover the costs associated with offering that service.

Page 2, Attachment A "The service enhancements at issue do not modify the rates." -

Comment. A portion of the price increase is being used to pay for these services. So, the USPS raised the PO Box rates. Then they seem to have added enhancements to justify rates. But the USPS argues that these enhancements do not modify the rates. It seems more valid to argue that the increased rates are directly linked to the enhancements.

In conclusion, The USPS has vast resources for marketing and will likely use them to launch a nationwide predatory marketing campaign that the current PMB/CMRA small business owners cannot possibly compete against. This may result in financial hardship and even closure of many existing small businesses. If the PRC chooses to grant the USPS's PO Box service “enhancements” request, it should direct the USPS to “level the playing field” by lifting all service offering limitations and restrictions currently placed on PMB/CMRA's. It should also direct that all current and future services offered by the USPS can be accessed by the public at PMB/CMRA locations without prejudice. Currently in order to offer some USPS services, an owner is required to physically travel to a USPS location during business hours in order to fulfill the USPS's rules and restrictions. These rules and restrictions should also be lifted and means found to enable the PMB/CMRA owner to complete all USPS transactions at their business location for hand off to their USPS route person.

Thank you for your consideration on this matter.

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