

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

Before Commissioners:

Ruth Y. Goldway, Chairman;
Robert G. Taub, Vice Chairman;
Mark Acton;
Tony Hammond; and
Nanci E. Langley

Competitive Products Prices
Outbound International Expedited Services
Global Express Guaranteed
Minor Classification Change—Promotion

Docket No. MC2013-48

ORDER APPROVING MINOR CLASSIFICATION CHANGE
(EXTENSION OF 2013 GXG PROMOTION)

(Issued May 16, 2013)

I. INTRODUCTION

On May 2, 2013, the Postal Service filed a notice with the Commission pursuant to 39 C.F.R. §§ 3020.90 and 3020.91 (Rule 90)¹ proposing a minor classification change affecting the recently approved temporary pricing promotion for Global Express

¹ “Rule 90” refers to both 39 C.F.R. §§ 3020.90 and 3020.91. These rules appear in 39 C.F.R. Part 3020, Subpart E—Requests Initiated by the Postal Service to Change the Mail Classification Schedule.

Guaranteed (2013 GXG Promotion).² For the reasons stated below, the Commission approves the proposed change.

II. PROPOSAL

The Commission recently approved the Postal Service's request to offer the 2013 GXG Promotion from April 29, 2013 to June 1, 2013.³ The Postal Service seeks to extend the promotional period to August 1, 2013. Notice at 1. The Postal Service does not seek to change any other aspect of the 2013 GXG Promotion. *Id.*

The Postal Service asserts that the changes in the Attachment to its Notice are consistent with 39 U.S.C. § 3642. *Id.* It asks that the Commission incorporate the changes into the text added by the Commission to the draft Mail Classification Schedule (MCS) in Order No. 1699 and that they become effective at the conclusion of the Commission's review of the Notice. *Id.*

On May 3, 2013, the Commission issued Order No. 1709 establishing a docket for consideration of the proposed extension, appointing a Public Representative, providing interested persons with an opportunity to comment, and taking other administrative action.⁴

² Notice of Minor Classification Change, May 2, 2013 (Notice). Attachment 1 to the Notice presents proposed changes to the Mail Classification Schedule. Global Express Guaranteed (GXG) is an expedited delivery service offered under a business alliance between the Postal Service and FedEx Corporation. International Mail Manual 141.2.

³ See Docket No. CP2013-54, Order Approving Temporary Change in Rates of General Applicability for Global Express Guaranteed Service, April 15, 2013 (Order No. 1699).

⁴ Notice and Order Concerning Minor Classification Change Extending 2013 GXG Promotion, May 3, 2013 (Order No. 1709).

III. COMMENTS

Comments were filed by the Public Representative.⁵ No other comments were received. The Public Representative's review of the proposal leads her to observe that the Notice does not provide an explanation and justification for the minor change, which she considers required under 39 C.F.R. §§ 3015.2(b) and 3015.3 (b). PR Comments at 2. However, she finds that the proposal does not involve any substantive changes, as it seeks only to extend the end-date of the Promotion. *Id.* She concludes that the request to extend the 2013 GXG Promotion until August 1, 2013, with all other aspects of the Promotion remaining the same, is minor in nature and in the interest of the general public. *Id.*

IV. COMMISSION ANALYSIS

The Postal Service filed the proposed change pursuant to 39 C.F.R. §§ 3020.90 and 3020.91. These rules require the Postal Service to submit corrections to the MCS to assure that the product descriptions accurately represent current product and service offerings. Notices filed pursuant to these rules are appropriate when the proposed change in the MCS is relatively minor in nature and does not entail modifying either the market dominant or the competitive product list. Provided the changes are not inconsistent with 39 U.S.C. § 3642, subject to editorial corrections, the Commission updates the MCS to coincide with the effective date of the proposed change. 39 C.F.R. § 3020.93.

The threshold issue is whether the Notice is properly filed under 39 C.F.R. § 3020.90 *et seq.* as a minor classification change. Rule 90 is intended for changes that correct product descriptions in the MCS to ensure accuracy. See 39 C.F.R. §§ 3020.90 and 3020.91. In several dockets, the Commission has recognized that the scope of Rule 90 filings has been enlarged to accommodate proposals that fall beyond

⁵ Public Representative Comments on Postal Service Request for Temporary Change in Rates of General Applicability for Global Express Guaranteed Service, May 13, 2013 (PR Comments).

a narrow interpretation of the term “correction.” And, while acknowledging that this approach has worked reasonably well, the Commission has indicated its intent to initiate a rulemaking to address filings of this nature.⁶

In this case, the Postal Service proposes to extend the 2013 GXG Promotion by 2 months. This doubles the original promotion period, but the period still remains relatively short. The Postal Service does not propose a change in any other aspect of the 2013 GXG Promotion. The Public Representative correctly observes that the proposal involves a pricing issue, more properly considered under 39 C.F.R. part 3015. PR Comments at 2. Given that the Commission recently approved the promotion (Order No. 1699), the form of the Notice does not prevent the Commission from considering it. The Commission has reviewed the supporting data filed in the recently concluded Docket No. CP2013-54 and finds that the extension is not inconsistent with 39 U.S.C. § 3633(a). Accordingly, the Commission authorizes the extension.

MCS update. Based on the foregoing, the Commission revises the draft MCS as shown in the Attachment to this Order. The revisions use, as a base, the draft MCS (dated April 1, 2013) which is posted on the Commission’s website and the MCS changes approved in Order No. 1699. The changes take effect upon issuance of this Order.

⁶ See Docket No. MC2013-44, Order No. 1703, Order Approving Minor Classification Change Concerning Certain Commercial Plus Pricing Categories, April 22, 2013, at 5; *see also* Docket No. MC2012-30, Order No. 1417, Order Approving Express Mail International Padded Flat Rate Envelope Option, July 25, 2012; Docket No. MC2011-28, Order No. 835, Order Regarding Commercial First-Class Package Service, August 31, 2011; Docket No. MC2011-5, Order No. 667, Order Approving Mail Classification Changes, February 8, 2011; and Order No. 1699.

It is ordered:

1. The proposed classification change concerning an extension of the 2013 GXG Promotion to August 1, 2013 is not inconsistent with 39 U.S.C. § 3633(a).
2. The draft Mail Classification Schedule language governing the 2013 GXG Promotion approved in Order No. 1699, as revised to reflect the extension approved in this Order, appears in the Attachment to this Order.

By the Commission.

Ruth Ann Abrams
Acting Secretary

Draft Mail Classification Schedule

The Commission approves the addition of the following underlined text to the draft Mail Classification Schedule. Deleted text is shown with a strikethrough.

2305 Outbound International Expedited Services

* * *

2305.6 Prices

* * *

2013 GXG Promotion (April 29, 2013 to ~~June~~ August 1, 2013)

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- g. The Postal Service reserves the right, without prior notice, to end the promotion before ~~June~~ August 1, 2013 and to make changes to the promotion, except for changes that affect the percentage discount offered under the promotion.