

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

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Mark Acton, Vice Chairman; and  
Robert G. Taub

Rules on Changes and Corrections  
to the Mail Classification Schedule

Docket No. RM2015-6

NOTICE OF PROPOSED RULEMAKING  
ON CHANGES AND CORRECTIONS TO  
THE MAIL CLASSIFICATION SCHEDULE

(Issued November 14, 2014)

I. INTRODUCTION

With this Notice of Proposed Rulemaking, the Commission requests comments and suggestions on proposed rules regarding requests to change or correct the Mail Classification Schedule (MCS).

The primary purposes of this rulemaking are to ensure that the MCS accurately describes the current product offerings of the Postal Service and to ensure compliance with the relevant provisions of title 39 of the United States Code when material changes to product offerings are made. The proposed rules also are intended to provide the Commission with additional flexibility to ensure that the Postal Service is filing under the appropriate subpart of part 3020 of title 39 of the Code of Federal Regulations.

After the passage of the Postal Accountability and Enhancement Act (PAEA) in 2006,<sup>1</sup> the Commission issued regulations to implement PAEA's modern system of rate regulation, including regulations on the procedures to follow in changing the product lists and MCS.<sup>2</sup> In proposing the modern system of rate regulation, the Commission cautioned that "the intent is that these regulations provide a reasonable starting point and that will they evolve over time."<sup>3</sup>

As the Postal Service and Commission have used the current regulatory scheme to make modifications to the product lists and changes to the MCS, a procedural gap has been identified. Remedying this procedural gap should make the process operate better.

The current regulations have not satisfactorily addressed MCS changes that are more significant than minor corrections to the MCS but do not rise to the level of a product list modification. In these cases, the current regulations regarding the filing requirements sometimes do not provide the Commission with sufficient information to make the necessary determination as to whether an MCS change is appropriate. As a result, the Commission has undertaken additional questioning during the proceedings, leading to the expenditure of additional resources by the Commission, the Postal Service, and other interested persons. The use of this additional inquiry process in such cases has also complicated the Commission's review.

These regulations are designed to clarify and streamline the process by specifying that the Postal Service provide all of the necessary information for the Commission to make its determination on such requests at the outset of the proceeding.

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<sup>1</sup> Postal Accountability and Enhancement Act (PAEA), Pub. L. 10-435, 120 Stat. 3198 (2006).

<sup>2</sup> Docket No. RM2007-1, Order Establishing Ratemaking Regulations for Market Dominant and Competitive Products, October 29, 2007 (Order No. 43).

<sup>3</sup> Docket No. RM2007-1, Order Proposing Regulations to Establish a System of Ratemaking, August 15, 2007, at 2 (Order No. 26).

## II. BACKGROUND

The Commission is charged with maintaining accurate product lists. See 39 U.S.C. 3642. In Docket No. RM2007-1, the Commission promulgated rules establishing the MCS as the vehicle for presenting the product lists with necessary descriptive content. Order No. 26 at 85. Those rules are codified at 39 CFR part 3020. Subpart A describes the contents of the MCS and provides for its publication in the *Federal Register*. Subparts B, C, and D specify the procedures whereby the Postal Service, mail users, and the Commission may seek to modify the product lists in the MCS. Subpart E specifies procedures that allow the Postal Service to update provisions of the MCS with minimal Commission review. Order No. 26 at 97. Subpart F establishes that size and weight limitations appear in the MCS and provides procedures for Postal Service updates to those limits.

This proposed rulemaking concerns subpart E. In its order proposing the rules that are codified at part 3020, the Commission explained that subpart E requires the Postal Service to ensure that product descriptions in the MCS accurately reflect the current offerings of Postal Service products and services. *Id.* The Commission accordingly proposed procedures whereby the Postal Service could submit corrections to product descriptions so that the Commission could update the MCS. *Id.* The Commission recognized that there are inherent limits in the scope or magnitude of an update allowable under subpart E. It indicated that updates that would modify the market dominant or the competitive product lists are specifically excluded from subpart E.<sup>4</sup> The Commission concluded that a proposed update may not change the nature of a service to such an extent that it effectively creates a new product or eliminates an existing product. *Id.*

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<sup>4</sup> The Commission also observed there were implicit exclusions as well, such as updates that might be governed by other rules such as changes to rates and fees. *Id.*

In comments on the proposed rules, McGraw-Hill and Valpak expressed concern that proceedings under subpart E would not provide for Commission review or allow for public comment. McGraw-Hill posed a hypothetical example whereby the Postal Service could use the procedures in subpart E to make major changes to the Outside County Periodicals subclass, including eventual full zoning of the editorial pound charge for Outside County Periodicals mail, without substantive review by the Commission.<sup>5</sup> Both commenters observed that parties adversely affected by proposed changes would not have an opportunity to raise the issue with the Commission until after the change was implemented. McGraw-Hill Comments at 3-4; Valpak Comments at 16. Valpak also expressed concern that classification changes of considerable importance could be made pursuant to subpart E and suggested that comments and Commission review of proposals should be permitted.<sup>6</sup> Both commenters concluded that post-implementation review would be inadequate to remedy potential abuse of the subpart E procedures. McGraw-Hill Comments at 4; Valpak Comments at 15-16.

On October 29, 2007, the Commission issued Order No. 43, adopting the current version of subpart E. Order No. 43 at 107. Acknowledging the commenters' concerns, the Commission noted that there is a continuum of possible classification changes, ranging from those that only require the Postal Service to inform the Commission to those that trigger the requirements of 39 U.S.C. 3642. *Id.* The Commission confirmed that subpart E was not intended to provide an avenue for comprehensive pre-implementation review of classification changes. *Id.* at 108. Nonetheless, so as to provide an avenue for public input and to ensure that proposals are properly filed under the correct rules, the Commission added a new provision, § 3020.92. That section

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<sup>5</sup> Docket No. RM2007-1, Comments of the McGraw-Hill Companies, Inc. in Response to Order No. 26, Proposing Regulations to Establish a System of Ratemaking, September 24, 2007, at 2-3 (McGraw-Hill Comments).

<sup>6</sup> Docket No. RM2007-1, Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc. Comments on Regulations Establishing a System of Ratemaking in Response to Commission Order No. 26, September 24, 2007, at 14 (Valpak Comments).

provides interested persons with an opportunity to comment on whether the planned changes are inconsistent with 39 U.S.C. 3642.

Over the course of nearly seven years since the Commission adopted the rules, it has had numerous occasions to consider proposals to amend the MCS pursuant to subpart E. The Commission has found the procedures provided in subpart E to be appropriate when the Postal Service proposes minor changes to the MCS. These include, for example, the Postal Service's decision to rebrand Express Mail as Priority Mail Express, the decision to rebrand Delivery Confirmation as USPS Tracking, and the decision to add Timor-Leste to the country price lists for International Mail.<sup>7</sup> In each of these instances, the Commission confirmed that the proposed change was minor in nature. The streamlined procedures in subpart E enabled the Postal Service to update the MCS in an expeditious manner, subject to limited review.

However, a recurring challenge to requests made pursuant to subpart E has emerged. That challenge concerns the distinction between minor corrections and changes of a more substantial nature. Because subpart E is limited to minor corrections while subparts B, C, and D are limited to proposals to create a new product, or transfer or eliminate an existing product, a gap exists when the Postal Service proposes to change an existing product to a degree greater than what could be considered a minor correction. An examination of cases involving such gaps is instructive.

In several instances, the Commission has explicitly recognized the gap in its rules. In Docket No. MC2012-26, the Commission considered the Postal Service's proposal to offer enhanced services at competitive post office box service locations.<sup>8</sup>

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<sup>7</sup> Docket No. MC2013-45, Order Approving Minor Classification Change, May 13, 2013 (Order No. 1713); Docket No. MC2013-28, Order Approving Minor Classification Changes Related to Certain Ancillary Services, January 24, 2013 (Order No. 1631); MC2012-17, Order Approving Minor Classification Change Concerning Timor-Leste, May 23, 2012 (Order No. 1351).

<sup>8</sup> See Docket No. MC2012-26, Order on Elective Filing Regarding Post Office Box Service Enhancements, February 14, 2013 (Order No. 1657).

The enhanced services consisted of email notification, street addressing, and private carrier package delivery. The Postal Service, which began offering the services in early 2012, did so without instituting proceedings to change the MCS. In March 2012, competitors filed a complaint challenging the Postal Service's offering of the enhanced services. The Commission held the complaint in abeyance and invited the Postal Service to make a filing pursuant to part 3020 subpart B. In its filing, the Postal Service argued that since the service enhancements were never intended to create a new product, the procedures provided under subpart B were superfluous.<sup>9</sup> The Commission agreed that the enhanced services did not change the competitive post office box service as to constitute a new product, and therefore did not trigger the filing requirement under subpart B. Order No. 1657 at 20. The Commission noted that the changes were ill-suited to subpart E as well. Because the enhanced competitive post office boxes did not constitute a new product and because the changes were not minor technical corrections to an existing product, the Commission observed that such changes did not fit squarely within either set of rules. *Id.* at 23.

In Docket No. MC2011-28, the Postal Service filed notice pursuant to subpart E proposing to narrow the letter prohibition for Commercial First-Class Package Service to cover only the Commercial Base portion of the product.<sup>10</sup> The Public Representative argued that the proposed change was substantive in nature and therefore should have been brought pursuant to subpart B.<sup>11</sup> He stated that there is a void in the Commission's rules for addressing changes that fall between a scrivener's error and a required change to a product list. PR Comments at 2. The Public Representative

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<sup>9</sup> Docket No. MC2012-26, Response of the United States Postal Service to Order No. 1366, July 9, 2012, at 4 (Postal Service Response).

<sup>10</sup> Docket No. MC2011-28, Order Regarding Commercial First-Class Package Service, August 31, 2011 (Order No. 835). The Postal Service also proposed to change the name of the product from Lightweight Commercial Parcels to Commercial First-Class Package Service. *Id.* at 2.

<sup>11</sup> Docket No. MC2011-28, Public Representative Comments Concerning Lightweight Commercial Parcels Classification Change, August 22, 2011, at 2-3 (PR Comments).

asked the Commission to promulgate rules to address this procedural gap. *Id.* at 2, n.2. The Postal Service argued that subpart E was appropriate for the proposed changes, but acknowledged that there is some ambiguity in the rules.<sup>12</sup> The Commission found that the Postal Service's initial subpart E filing did not provide sufficient information for it to effectively review the proposed changes. Order No. 835 at 7. It noted that obtaining sufficient information is particularly important in cases brought pursuant to subpart E because of the short time period for interested persons to comment and the Commission to act. *Id.* at 7-8. Although subsequent information cured the information defect in that case, the Commission indicated that it would consider adding new regulations for classification changes that rise above the level of corrections to the MCS. *Id.* at 8.

In Docket No. MC2011-5, the Postal Service filed notice pursuant to subpart E of proposed amendments to the MCS language for the Outside County Periodicals to modify the method of calculating bundle and pallet charges for flats that are co-mailed or co-palletized with Standard Mail flats.<sup>13</sup> Though it approved the request, the Commission observed that no other category in the Commission's rules suited the nature of the request, which involved preparation changes and limited adjustments to postage assessment. Order No. 667 at 5.

In Docket No. MC2012-8, the Postal Service filed notice under subpart E of amendments to the MCS raising the minimum dollar amount required to qualify for a Global Expedited Package Services (GEPS) contract.<sup>14</sup> The Public Representative contended that the proposed change was not minor in terms of its effect on small and

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<sup>12</sup> Docket No. MC2011-28, Response of the United States Postal Service to Public Representative Comments, August 24, 2011, at 2 (Postal Service Response to PR Comments).

<sup>13</sup> See Docket No. MC2011-5, Order Approving Mail Classification Changes, February 8, 2011 (Order No. 667).

<sup>14</sup> Docket No. MC2012-8, Order Approving Mail Classification Change, February 10, 2012 (Order No. 1225).

medium size businesses. Order No. 1225 at 2. The Commission approved the request, noting that the Public Representative did not allege that the change added, removed, or transferred a product, which would trigger the filing requirements under subpart B.

The foregoing examples illustrate the need for regulations that close the gap between *modifications* brought pursuant to subparts B through D and *corrections* to the product descriptions brought pursuant to subpart E. The rules proposed herein are designed to close that gap.

### III. PROPOSED RULES

The rules proposed in this notice of proposed rulemaking replace current subpart E with a new subpart E. The new subpart E establishes separate procedures for: (1) changes to services offered in connection with products, and (2) corrections to product descriptions.

Under current subpart E, every proposed alteration to the MCS is made using one of two categorical means. Alterations may be proposed either as modifications to the product lists or as corrections to the product descriptions in the MCS. The rules proposed herein create an additional third categorical means of altering the MCS – changes to the product descriptions. It is the Commission's expectation that these three categories – modifications, material changes, and minor corrections – will provide a comprehensive regime governing all alterations to the MCS.

Subparts B, C, and D will continue to provide procedures for modifications to the product lists in the MCS. The rules define modification as adding a product to a list, removing a product from a list, or moving a product from one list to the other list.<sup>15</sup> Proposed subpart E will provide new rules governing changes to product descriptions and modify existing rules governing corrections to product descriptions.

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<sup>15</sup> See 39 CFR 3020.30, 39 CFR 3020.50, and 39 CFR 3020.70.

It is the Commission's expectation that when the Postal Service proposes to modify the MCS it will file its proposal in one of three ways, either as a modification to the product lists under subpart B, a change to a product description under subpart E, or a correction to a product description also under subpart E. In each instance, the Postal Service will need to determine into which category its proposal falls. The current rules define a modification as the addition of a product to a product list, the removal of a product from a product list, or the moving of a product from one list to the other. Thus, the rules presuppose that modifications operate at the product level and will not just involve changes to product descriptions. By contrast, a change or correction to a product description will operate at the sub-product level. Under the proposed rules, the Commission expects that the Postal Service will employ either the rules for changes to product descriptions or the rules for corrections to product descriptions whenever it seeks to alter the MCS language for existing products.

#### A. Changes to Product Descriptions

The proposed rules distinguish between material changes and minor corrections to product descriptions. The proposed rules that apply to changes are codified at §§ 3020.80 through 3020.83, and apply to changes that are material (*i.e.*, not minor) in nature. The Commission expects that the Postal Service will make a threshold determination in each case as to whether the proposed alteration is material or minor in nature when it seeks to alter a product description.

In determining whether a proposed alteration is a material change that is subject to the § 3020.80 rules, the most important consideration is the degree to which the proposed alteration affects the characteristics of the product. The perspectives of the Postal Service, mail users, competitors, and stakeholders will be relevant to this determination.

The post office box enhanced services at issue in Docket No. MC2012-26 provide an example of the type of alterations to a product that would require a filing

under the proposed rules governing material changes to a product description. In that docket, the Commission considered the addition of email notification, street addressing, and private carrier package delivery to the existing competitive Post Office Box Service product. The MCS product description indicated that Post Office Box Service provides the customer with a locked receptacle for the receipt of mail during specified hours of access to the receptacle.<sup>16</sup> Under the proposed rules, the enhanced services would merit a filing to amend the MCS under § 3020.80. Relevant factors to support this conclusion are that the enhanced services significantly changed the post office box user experience – in particular by permitting customers to receive packages delivered by private carriers – and that the enhanced services could significantly impact private mail box competitors, who prior to the enhancements distinguished their services from post office box service on the basis of the similar enhancements that they offered and that the Postal Service did not. Numerous competitors submitted comments suggesting that the Postal Service would have an unfair competitive advantage if it were permitted to offer the enhanced services. Order No. 1657 at 3, 11-13.<sup>17</sup> Because the changes to the MCS product description that the enhanced services brought about were more than minor corrections, such changes would require a filing under the proposed rules pertaining to material changes.

The proposed rules governing changes to MCS product descriptions require the Postal Service to make a showing that is less onerous than the showing that is required for modifications to the product lists but more robust than the showing that it is required for corrections to MCS product descriptions. A recurring challenge in minor correction cases has been the Commission's need to obtain sufficient information to evaluate the proposal and determine whether it comports with title 39 and Commission regulations.

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<sup>16</sup> Mail Classification Schedule 1550.1(a).

<sup>17</sup> This is not to suggest that the number of comments that a proposal receives establishes whether the proposal is a material change or a minor correction. However, the existence and content of comments from interested persons will provide some evidence of the materiality of a proposal.

Under the current rules that apply to corrections, the Commission is required to find that the proposed corrections are not inconsistent with 39 U.S.C. 3642. 39 CFR 3020.93. Commenters have sometimes stated that the Postal Service's notice does not provide sufficient supporting justification. *See, e.g.,* PR Comments at 3. The proposed rules for material changes address this concern by requiring the Postal Service to provide supporting justification that describes the change and the rationale for it, explains why the change will not result in a violation of statutory and regulatory standards, and describes the impact that the change will have on mail users and competitors, if applicable.

Under the proposed rules, the Postal Service will be required to file requests to change the MCS no later than 30 days prior to the implementation date of the proposed change. This is a longer period than the current rules governing corrections, which require that the Postal Service provide notice of the correction 15 days prior to the effective date. *See* 39 CFR 3020.91. As commenters have noted, when the Postal Service proposes changes to the MCS that are more than minor corrections, the 15-day notice period runs the risk of permitting the change to occur before the Commission has completed its review. *See, e.g.,* PR Comments at 3. The problem has arisen, in part, because the Commission has needed to issue information requests to obtain sufficient information so that it could make a threshold determination as to whether a proposal was properly filed as a minor correction to the product description. The Commission anticipates that in most instances a 30-day review period for changes will give it and members of the public sufficient time to issue any necessary information requests, offer comments, and review the request. It also expects that the proposed rules, by filling the existing gap between the rules for modifications to the product lists and the rules for corrections to the MCS product descriptions, will reduce the need for the Commission to issue information requests on the threshold question of whether the request was filed

under the proper rules and will streamline and reduce the time that it takes for the Commission to process requests.<sup>18</sup>

The proposed rules provide the Commission with a menu of options for acting on a request. While the current rules that apply to corrections do not delineate what action the Commission may take if a proposal is determined to be inconsistent with section 3642, the proposed rules indicate that the Commission may approve the proposed changes, reject the proposed changes, provide the Postal Service with an opportunity to amend the proposed changes, direct the Postal Service to file under a different subpart, institute further proceedings, or take other appropriate action. This proposed rule is based on a similar provision in the Commission's current rules governing modifications to the product lists, which provide more guidance in terms of actions that the Commission may take.<sup>19</sup> In addition, a new provision that is not currently part of the Commission's rules governing modifications to the product lists, but which is included here, permits the Commission to redirect requests when it believes the request should be filed under a different subpart of part 3020. The Commission expects this will reduce the need for it to rely on information requests to make a threshold determination as to whether a request was filed under the appropriate rules.

#### B. Corrections to Product Descriptions

The proposed rules modify the existing rules governing corrections to MCS product descriptions, which are codified at §§ 3020.90 through 3020.92. The proposed rules codify Commission precedent holding that the rules applicable to corrections apply only to corrections to the product description that are minor in nature.

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<sup>18</sup> In cases in which commenters have expressed concerns that a proposed change is more than a minor correction, the amount of time that it has taken for the Commission to complete its review has varied. See Docket No. MC2011-5 (95 days); Docket No. MC2011-28 (19 days); Docket No. MC2012-8 (11 days); and Docket No. MC2012-26 (189 days).

<sup>19</sup> See 39 CFR 3020.30.34, 39 CFR 3020.55, and 39 CFR 3020.75.

The proposed rules will require the Postal Service, when it files notice of a correction to a product description, to explain why the correction does not constitute a material change to the product description. This will provide the Postal Service with an opportunity to explain at the outset why its proposal is a minor correction rather than a material change to a product description.

The proposed rules also require the Postal Service, when it files notice of a correction to a product description, to explain why the correction is consistent with any applicable provisions of title 39. Under the current rules, the Commission is required to make a determination that the correction is not inconsistent with section 3642. 39 CFR 3020.93. However, the current rules do not require the Postal Service to provide any justification or explanation to support such a Commission finding. Without such information, the Commission has found it necessary in past proceedings to request clarifying information from the Postal Service to fulfill its regulatory responsibilities. The proposed rules' revised approach will provide the Postal Service with an opportunity to explain at the outset why its proposal is consistent with applicable statutory provisions instead of relying on an inquiry process which can complicate the Commission's review.

This approach would also harmonize the Commission's rules for reviews of corrections to product descriptions with those governing modifications to the product lists. Such rules require the party making the request to show that the proposed modification is consistent with the relevant statutory provisions and Commission regulations. See 39 CFR 3020.32, 3020.52, and 3020.72. This is also the better approach for reviews of corrections to product descriptions, as the Postal Service will, in most cases, have the best information as to the impact that the correction will have. The proposed rules require the Postal Service to address any possible legal issues when it files its notice. The Commission expects that this will give commenters and the Commission notice of possible legal issues so that they may be addressed within the 15-day window.

The proposed rules provide the Commission with several options for acting on the notice. They provide that the Commission may approve the proposed corrections, reject the proposed corrections, provide the Postal Service with an opportunity to amend the proposed corrections, direct the Postal Service to file under a different subpart, institute further proceedings, or take other appropriate action. The Commission expects that the rule permitting it to direct the Postal Service to file under a different subpart of part 3020 will reduce the need to rely on information requests to make a threshold determination as to whether a request was filed under the appropriate rules.

#### IV. EXPLANATION OF PROPOSED RULES

The following is a section-by-section analysis of the proposed rules:

Proposed § 3020.80 establishes the basic criteria for proposals to change product descriptions under subpart E. It indicates that the rules apply to material changes, as opposed to minor corrections, to MCS product descriptions. In determining whether a proposed alteration is a material change, the most important consideration is the degree to which the proposed alteration affects the characteristics of the product. The perspectives of the Postal Service, mail users, competitors, and stakeholders will be relevant to this determination. Paragraph (a) requires that the Postal Service submit a request to change the product description no later than 30 days prior to implementing the proposed change. Paragraph (b) indicates that requests shall include a copy of the proposed change and supporting justification.

Proposed § 3020.81 delineates the supporting justification that the Postal Service is to provide. For all products, this includes a description of the changes, the rationale for them, and a description of the impact that the changes will have on users of the product and competitors. For market dominant products, the Postal Service is also required to explain why the changes are not inconsistent with 39 U.S.C. 3622(d) and 39 CFR part 3010. For competitive products, the Postal Service is also required to

show that the changes will not result in a violation of 39 U.S.C. 3633 and 39 CFR part 3015.

Proposed § 3020.82 requires that the Commission establish a docket, publish notice of the request on its website, designate a public representative, and provide interested persons with an opportunity to comment on the proposed changes.

Proposed § 3020.83 requires that the Commission, upon review of the request and any comments: approve the proposed changes; reject the proposed changes; provide the Postal Service with an opportunity to amend the proposed changes; direct the Postal Service to file under a different subpart; institute further proceedings; or direct other action that the Commission considers appropriate.

Proposed § 3020.90 establishes the basic criteria for proposals to correct product descriptions under subpart E. It indicates that the rules apply only to minor corrections of product descriptions in the MCS. Paragraph (b) requires the Postal Service to file notice of corrections to product descriptions no later than 15 days prior to the effective date of the corrections. Paragraph (c) requires that the notice explain why the corrections do not constitute material changes for purposes of § 3020.80, explain why the corrections are consistent with any applicable provision of title 39, and requires the Postal Service to include a copy of the proposed corrections.

Proposed § 3020.91 requires that the Commission establish a docket, publish notice of the proposal on its website, designate a public representative, and provide interested persons with an opportunity to comment on the proposal.

Proposed § 3020.92 requires that the Commission, upon review of the notice and any comments: approve the proposed corrections; reject the proposed corrections; provide the Postal Service with an opportunity to amend the proposed corrections; direct the Postal Service to file under a different subpart; institute further proceedings; or take other action that the Commission considers appropriate.

## V. COMMENTS REQUESTED

Interested persons are invited to provide written comments concerning the proposed rules. Comments may include specific language amending the proposed rules.

Comments are due no later than 30 days after the date of publication of this notice in the *Federal Register*. All comments and suggestions received will be available for review on the Commission's website, <http://www.prc.gov>. Interested persons are further invited to review the submissions and provide follow-up comments and suggestions within 15 additional days (that is, within 45 days of the publication of this notice in the *Federal Register*).

Pursuant to 39 U.S.C. 505, Kenneth E. Richardson is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in the above-captioned docket.

## VI. ORDERING PARAGRAPHS

*It is ordered:*

1. Docket No. RM2015-6 is established for the purpose of receiving comments with respect to the proposed rules attached to this Order.
2. The Commission proposes to amend its regulations at part 3020 subpart E as shown below the signature of the Secretary.
3. Pursuant to 39 U.S.C. 505, Kenneth E. Richardson is designated as an officer of the Commission to represent the interests of the general public in this docket.
4. Interested persons may submit comments no later than 30 days after the date of publication of this notice in the *Federal Register*.

5. Reply comments may be filed no later than 45 days after the date of publication of this notice in the *Federal Register*.

### **List of Subjects in 39 CFR Part 3020**

Administrative practice and procedure, Postal Service.

For the reasons discussed in the preamble, the Commission amends chapter III of title 39 of the Code of Federal Regulations as follows:

### **Part 3020—PRODUCT LISTS**

1. The authority citation of part 3020 continues to read as follows:

**Authority:** 39 U.S.C. 503; 3622; 3631; 3642; 3682.

2. Revise subpart E of part 3020 to read as follows:

### **Subpart E—Requests Initiated by the Postal Service to Make Material Changes or Minor Corrections to the Mail Classification Schedule**

Sec.

3020.80 Material changes to product descriptions.

3020.81 Supporting justification for changes to product descriptions.

3020.82 Docket and notice.

3020.83 Commission review.

3020.84–3020.89 [Reserved]

3020.90 Minor corrections to product descriptions.

3020.91 Docket and notice.

3020.92 Commission Review.

### **§ 3020.80 Material changes to product descriptions.**

(a) Whenever the Postal Service proposes material changes to a product description in the Mail Classification Schedule, no later than 30 days prior to implementing the proposed changes, it shall submit to the Commission a request to change the product description in the Mail Classification Schedule.

(b) The request shall:

(1) Include a copy of the applicable sections of the Mail Classification Schedule and the proposed changes therein in legislative format; and

(2) Provide all supporting justification for the changes upon which the Postal Service proposes to rely.

**§ 3020.81 Supporting justification for changes to product descriptions.**

(a) Supporting justification for changes to a product description in the Mail Classification Schedule shall include a description of, and rationale for, the proposed changes to the product description; and the additional material in paragraphs (b) and (c) of this section.

(b)(1) As to market dominant products, explain why the changes are not inconsistent with each requirement of 39 U.S.C. 3622(d) and part 3010 of this chapter; or

(b)(2) As to competitive products, explain why the changes will not result in the violation of any of the standards of 39 U.S.C. 3633 and part 3015 of this chapter.

(c) Describe the impact that the changes will have on users of the product and on competitors.

**§ 3020.82 Docket and notice.**

(a) The Commission shall take the actions identified in paragraphs (b) through (e) of this section.

(b) Establish a docket for each request to change a product description in the Mail Classification Schedule;

(c) Publish notice of the request on its website;

(d) Designate an officer of the Commission to represent the interests of the general public in the docket; and

(e) Provide interested persons with an opportunity to comment on whether the proposed changes are consistent with title 39 and applicable Commission regulations.

**§ 3020.83 Commission review.**

(a) The Commission shall review the request and any comments filed. The Commission shall take one of the actions identified in paragraphs (b) through (g) of this section.

(b) Approve the proposed changes, subject to editorial corrections;

(c) Reject the proposed changes;

(d) Provide the Postal Service with an opportunity to amend the proposed changes;

(e) Direct the Postal Service to make an appropriate filing under a different subpart;

(f) Institute further proceedings; or

(g) Direct other action that the Commission considers appropriate.

**§ 3020.90 Minor corrections to product descriptions.**

(a) The Postal Service shall ensure that product descriptions in the Mail Classification Schedule accurately represent the current offerings of the Postal Service.

(b) The Postal Service shall submit minor corrections to product descriptions in the Mail Classification Schedule by filing notice with the Commission no later than 15 days prior to the effective date of the proposed corrections.

(c) The notice shall:

(1) Explain why the proposed corrections do not constitute material changes to the product description for purposes of § 3020.80;

(2) Explain why the proposed corrections are consistent with any applicable provisions of title 39; and

(3) Include a copy of the applicable sections of the Mail Classification Schedule and the proposed corrections therein in legislative format.

**§ 3020.91 Docket and notice.**

(a) The Commission shall take the actions identified in paragraphs (b) through (e) of this section.

(b) Establish a docket for each proposal to correct a product description in the Mail Classification Schedule;

(c) Publish notice of the proposal on its website;

(d) Designate an officer of the Commission to represent the interests of the general public in the docket; and

(e) Provide interested persons with an opportunity to comment on whether the proposed corrections are consistent with title 39 and applicable Commission regulations.

**§ 3020.92 Commission Review.**

(a) The Commission shall review the notice and any comments filed. The Commission shall take one of the actions identified in paragraphs (b) through (g) of this section.

(b) Approve the proposed corrections, subject to editorial corrections;

(c) Reject the proposed corrections;

(d) Provide the Postal Service with an opportunity to amend the proposed corrections;

(e) Direct the Postal Service to make an appropriate filing under a different subpart;

(f) Institute further proceedings; or

(g) Direct other action that the Commission considers appropriate.

By the Commission.

Ruth Ann Abrams  
Acting Secretary