

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Modification of Mail Classification Schedule for
Country Price Lists for International Mail

Docket No. MC2016-10

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE NOTICE OF CLASSIFICATION CHANGES

(November 3, 2015)

I. INTRODUCTION

The Public Representative hereby provides comments pursuant to Order No. 2781.¹ In that Order, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on the Postal Service's notice of minor classification changes.²

II. BACKGROUND

The Postal Service's Notice was filed pursuant to 39 C.F.R. § 3020.90. In its Notice, the Postal Service seeks to make three minor classification changes to the Country Price List for International Mail in Part D of the Mail Classification Schedule (MCS). Notice at 1. Conforming changes to the applicable portions of the MCS are attached to the Notice. The Postal Service states that the proposed classification changes are intended to become effective on January 17, 2016. *Id.*

The first classification change seeks to create a separate country listing for Bonaire, St. Eustatius, and Saba, because of the designation of a new postal operator

¹ Notice and Order Concerning Minor Classification Change, October 26, 2015.

² Notice of United States Postal Service of Classification Changes, October 22, 2015 (Notice).

for the three islands.³ The Postal Service states that the mailing services and country price groups for Bonaire, St. Eustatius, and Saba will be as follows: “Single-Piece First-Class Mail International service (9); First-Class Package Service International service (9); Global Express Guaranteed service (7); Priority Mail Express International service and Priority Mail International service (9); International Priority Airmail service (17); and International Surface Air Lift service (17).” Notice at 1. The new country listing will also be assigned to country price group 8 for Priority Mail Express International Flat Rate Envelopes and Priority Mail International Flat Rate Envelopes and Boxes. *Id.* These two mailing services are being added to the Country Price Lists for International Mail (Part D of the MCS) as part of the competitive price change case, which was recently filed in Docket No. CP2016-9.⁴ The Postal Service states that notice of the new country listing for Bonaire, St. Eustatius, and Saba will be published in the *Postal Bulletin* on December 10, 2015. *Id.* at 2.

The second classification change seeks to revise the country price groups for Curacao and Sint Marteen with respect to International Priority Airmail (IPA) service and International Surface Air Lift (ISAL) service. *Id.* In particular, the Postal Service proposes to change the country rate groups for these islands from 13 to 17. *Id.* The Postal Service notes that these changes are consistent with Exhibits 292.45a and 293.45a of the International Mail Manual. *Id.*

The final classification change seeks to replace the country name of “St. Kitts (St. Christopher) & Nevis” with “Saint Kitts & Nevis.” *Id.* The Postal Service states that it published notice of this change in the *Postal Bulletin* on February 5, 2015. *Id.*

III. COMMENTS

The Public Representative has reviewed the Postal Service’s Notice, the conforming changes to the MCS, and applicable sections of title 39. The Public Representative concludes that the proposed classification changes comply with the

³ *Id.* These three islands were formerly part of the Curacao country listing. See, e.g., International Mail Manual, Exhibit 292.45a – IPA Foreign Office of Exchange Codes and Price Groups (listing Bonaire, Saba, and Sint Eustatius as part of the Curacao country listing).

⁴ See Docket No. CP2016-9, Notice of the United States Postal Service of Changes in Rates of General Applicability for Competitive Products Established in Governors’ Decision No. 15-1, October 16, 2015 (Competitive Price Change Case).

requirements of 39 C.F.R. §§ 3020.90 – 3020.92 and do not violate other applicable sections of title 39.

Regulatory Requirements. Classification changes submitted pursuant to 39 C.F.R. § 3020.90 must represent “minor corrections to the product descriptions in the Mail Classification Schedule,” and must be filed with the Commission “no later than 15 days prior to [their] effective date.” 39 C.F.R. § 3020.90(b). Any notice filed pursuant to these rules must also: “(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.” 39 C.F.R. § 3020.90(c).

In Order No. 2250, the Commission distinguished between “minor” changes that should be filed pursuant to 39 C.F.R. § 3020.90 and “material” changes that should be filed pursuant to 39 C.F.R. § 3020.80.⁵ In particular, the Commission stated that “[i]n 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.” Order No. 2250 at 9. The Commission pointed to the proposed alterations in Docket No. MC2012-26 as examples of classification changes that should be filed pursuant to the rules under 39 C.F.R. § 3020.80. *Id.* at 9-10. In that docket the Commission reviewed the proposed addition of e-mail notification, street addressing, and private carrier package delivery to the existing Competitive Post Office Box Service product.⁶ Amongst other things, the Commission noted that the proposed changes to the Competitive Post Office Box Service product were material because they “significantly changed the post office box user experience.” Order No. 2250 at 10.

The Postal Service contends that the proposed classification changes satisfy the requirements of 39 C.F.R. § 3020.90 because the changes should result in a more accurate representation of the Postal Service’s offerings, the notice is filed more than 15

⁵ See Docket No. RM2015-6, Order No. 2250 – Notice of Proposed Rulemaking on Changes and Corrections to the Mail Classification Schedule, November 14, 2014 (Order No. 2250). The proposed rules were adopted with only minor alterations in Order No 2543, issued on June 16, 2016.

⁶ See Docket No. MC2012-26, Order No. 1657 – Order on Elective Filing Regarding Post Office Box Service Enhancements, February 14, 2013.

days prior to the intended effective date, and because none of the alterations constitute material changes, pursuant to 39 C.F.R. § 3020.80. Notice at 2-3. The Postal Service further explains that the proposed changes are not material because “the first and second [changes]...affect only a small volume of mail,” and because “the third [change] ...merely replaces a country name.” *Id.* at 2.

Recommendations. The Public Representative agrees that the proposed changes are minor and have been appropriately filed pursuant to 39 C.F.R. § 3020.90. In addition, past Commission precedent supports the treatment of the proposed classification changes as minor.⁷

The proposed classification changes do not substantially alter any product descriptions and should not significantly change the user experience for any product. Rather, in keeping with the primary objective of 39 C.F.R. § 3020.90(a), the proposed changes ensure that the product descriptions in the MCS accurately reflect the Postal Service’s current offerings. The first change updates the MCS to reflect the designation of a new postal operator while the second and third changes merely bring the MCS into alignment with prior updates published in the *Postal Bulletin* and the *International Mail Manual*. Accordingly, the Public Representative supports the approval of the three classification changes proposed in this docket.

However, the Public Representative notes that the classification change concerning the addition of a new country listing for Bonaire, St. Eustatius, and Saba includes new price groupings that are currently being considered as part of the recently filed Competitive Price Change Case. Accordingly, to ensure that contradictory or incomplete changes to the MCS are avoided, the Public Representative recommends that the Commission make its approval of this classification change contingent upon the approval of the new price groups in the ongoing pricing case. Should the Commission not approve the new price groups in the Competitive Price Change Case, the Postal Service could be given a subsequent opportunity to amend its filing in this docket.

⁷ See Docket No. MC2011-4, Order No. 594 – Order Concerning Classification Changes, November 22, 2010 (Approving the transfer of Israel from price group 8 to price group 5 for Single-Piece First-Class Mail International and adding a new country listing for Montenegro to reflect its independence from Serbia); Docket No. MC2012-17, Order No. 1351 - Order Approving Minor Classification Change Concerning Timor-Leste, May 23, 2012 (Approving the addition of a new country listing for Timor-Leste to reflect its independence from Indonesia).

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

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