

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

Before Commissioners:

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

Notice of Market Dominant
Price Adjustment

Docket No. R2017-1

NOTICE AND ORDER ON RATE ADJUSTMENTS
AND CLASSIFICATION CHANGES

(Issued October 13, 2016)

I. INTRODUCTION AND OVERVIEW

On October 12, 2016, the Postal Service filed a notice of inflation-based rate adjustments affecting market dominant domestic and international products and services, along with numerous proposed classification changes.¹ The intended effective date is January 22, 2017. Notice at 1.

Contents of filing. The Postal Service's filing consists of the Notice which the Postal Service represents addresses the data and information required under 39 CFR 3010.12; three attachments (Attachments A-C) to the Notice; and six sets of workpapers filed as library references. See *id.*

Attachment A presents the proposed rate and classification changes to the Mail Classification Schedule (MCS). *Id.* Attachment A. The other attachments address

¹ United States Postal Service Notice of Market Dominant Price Adjustment, October 12, 2016 (Notice).

workshare discounts and related information and the price cap calculation. See Notice, Attachments B and C, respectively.

The library references present supporting financial documentation for the five classes of mail and for First-Class Mail International. See Notice at 6-7. The First-Class Mail International library reference was filed under seal.²

Planned price adjustments. The Postal Service's planned percentage changes by class are, on average:

Market Dominant Class	Price Adjustment Authority (%)
First-Class Mail	0.780
Standard Mail	0.895
Periodicals	0.832
Package Services	1.007
Special Services	2.536

Notice at 7.

Most of the planned adjustments entail increases to market dominant rates and fees; however, in a few instances, the Postal Service proposes either no adjustment or a decrease. In addition, price adjustments for products within classes vary from the average, sometimes substantially. See, e.g., *id.* at 15, 24 (Table 5 showing range for First-Class Mail products and Table 8 showing range for Standard Mail products).

Proposed classification changes. The Postal Service proposes numerous classification changes in its Notice and identifies the impact on the MCS in Attachment A. *Id.* at 56-58; *id.* Attachment A.

² See Notice of the United States Postal Service of Filing of USPS-LR-R2017-1/NP1, October 12, 2016.

II. INITIAL ADMINISTRATIVE ACTIONS

The Commission hereby provides public notice of the Postal Service's filing and pursuant to 39 CFR 3010.11 establishes Docket No. R2017-1 to consider the planned price adjustments in rates and fees for market dominant postal products and services, as well as the related classification changes, identified in the Postal Service's October 12, 2016 Notice. The Commission invites comments from interested persons on whether the Notice is consistent with 39 U.S.C. 3622 and the requirements of 39 CFR part 3010. Comments are due no later than November 1, 2016.

The Commission has posted the public portions of the Postal Service's filing on its website at <http://www.prc.gov>. The Commission will post revisions to the filing (if any) or other documents the Postal Service submits in this docket on its website, along with related Commission documents, comments, or other submissions, unless such filings are the subject of an application for non-public treatment. The Commission's policy on access to documents filed under seal appears in 39 CFR part 3007.

Pursuant to 39 U.S.C. 505, the Commission appoints Lauren A. D'Agostino to represent the interests of the general public (Public Representative) in this proceeding.

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. R2017-1 to consider planned price adjustments in rates and fees for market dominant postal products and services and related classification changes identified in the Postal Service's October 12, 2016 Notice.
2. Comments on the planned price adjustments and related classification changes are due no later than November 1, 2016.

3. Pursuant to 39 U.S.C. 505, Lauren A. D'Agostino is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.
4. The Commission directs the Secretary of the Commission to arrange for prompt publication of this notice in the *Federal Register*.

By the Commission.

Stacy L. Ruble
Secretary