

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

Competitive Products Price Changes
Rates of General Applicability

Docket No. CP2017-20

NOTICE AND ORDER CONCERNING CHANGES IN RATES OF GENERAL
APPLICABILITY FOR COMPETITIVE PRODUCTS

(Issued October 20, 2016)

I. INTRODUCTION AND OVERVIEW

On October 19, 2016, the Postal Service filed notice with the Commission concerning changes in rates of general applicability for competitive products.¹ The Notice also includes related classification changes. The Postal Service represents that, as required by Commission rule 39 CFR 3015.2(b), the Notice includes an explanation and justification for the changes, the effective date, and a schedule of the changed

¹ Notice of the United States Postal Service of Changes in Rates of General Applicability for Competitive Products Established in Governors' Decision No. 16-7, October 19, 2016 (Notice). Pursuant to 39 U.S.C. 3632(b)(2), the Postal Service is obligated to publish the Governors' Decision and record of proceedings in the *Federal Register* at least 30 days before the effective date of the new rates or classes.

rates. Notice at 1. The changes are scheduled to become effective on January 22, 2017. *Id.*

Attached to the Notice is Governors' Decision No. 16-7, which states the new prices and classification changes are in accordance with 39 U.S.C. 3632, 3633, and 39 CFR 3015.2.² Governors' Decision No. 16-7 provides an analysis of the competitive products' price and classification changes intended to demonstrate that the changes comply with 39 U.S.C. 3633 and 39 CFR part 3015. Governors' Decision No. 16-7 at 1. The attachment to Governors' Decision No. 16-7 sets forth the price changes and includes draft Mail Classification Schedule (MCS) language for competitive products of general applicability.

Governors' Decision No. 16-7 includes two additional attachments:

- A partially redacted table showing FY 2017 projected volumes, revenues, attributable costs, contribution, and cost coverage for each product, assuming implementation of the new prices on January 22, 2017.
- A partially redacted table showing FY 2017 projected volumes, revenues, attributable costs, contribution, and cost coverage for each product, assuming a hypothetical implementation of the new prices on October 1, 2016.

The Notice also includes an application for non-public treatment of the attributable costs, contribution, and cost coverage data in the unredacted version of the annex to Governors' Decision No. 16-7, as well as the supporting materials for the data.

Planned price adjustments. Governors' Decision No. 16-7 includes an overview of the Postal Service's planned percentage changes, which is summarized in the table below.

² Notice, Decision of the Governors of the United States Postal Service on Changes in Rates of General Applicability for Competitive Products (Governors' Decision No. 16-7), October 11, 2016 (Governors' Decision No. 16-7).

Table I-1

Product Name	Average Price Increase (percent)
Domestic Competitive Products	
Priority Mail Express	3.4
Retail	3.7
Commercial Base	2.4
Commercial Plus	2.3
Priority Mail	3.9
Retail	3.3
Commercial Base	4.1
Commercial Plus	4.5
Parcel Select	
Destination-Entered	4.9
Lightweight	8.0
Parcel Select Ground	2.7
Parcel Return Service	5.5
Return Sectional Center Facility	5.8
Return Delivery Unit	5.2
First-Class Package Service	4.1
Retail Ground	3.8
Domestic Extra Services	
Premium Forwarding Service Enrollment Fee	3.8
Adult Signature Service	
Basic	3.5
Person-Specific	3.4
Address Enhancement Service	1.9 – 7.9
Competitive Post Office Box	6.5
Package Intercept Service	3.2
Pickup On Demand	10
International Competitive Products	
Global Express Guaranteed	4.9
Priority Mail Express International	0.0
Priority Mail International	0.0
International Priority Airmail	3.8
International Priority Airmail M-Bags	3.9
International Surface Air Lift	3.8
International Surface Air Lift M-Bags	3.9
Airmail M-Bags	4.9
First-Class Package International Service	0.0
International Ancillary Services and Special Services	
International Ancillary Services	10.6
International Postal Money Orders	73.7
Outbound International Registered Mail	7.2

Governors' Decision No. 16-7 at 2-5; see Mail Classification Schedule sections 2105.6, 2110.6, 2115.6, 2125.6, 2135.6, 2305.6, 2315.6, 2335.6, 2510.9.6.

Proposed classification changes. The Postal Service proposes several classification changes in its Notice and attaches proposed revisions to the MCS to Governors' Decision No. 16-7. *Id.* at 1; *see id.* Attachment Part B.

II. INITIAL ADMINISTRATIVE ACTIONS

The Commission establishes Docket No. CP2017-20 to consider the Postal Service's Notice. Interested persons may express views and offer comments on whether the planned changes are consistent with 39 U.S.C. 3632, 3633, 3642, 39 CFR part 3015, and 39 CFR 3020 subparts B and E. Comments are due no later than November 2, 2016. For specific details of the planned price and classification changes, interested persons are encouraged to review the Notice, which is available on the Commission's website, www.prc.gov.

Pursuant to 39 U.S.C. 505, James Waclawski is appointed to serve as Public Representative to represent the interests of the general public in this docket.

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. CP2017-20 to provide interested persons an opportunity to express views and offer comments on whether the planned changes are consistent with 39 U.S.C. 3632, 3633, 3642, 39 CFR part 3015, and 39 CFR 3020 subparts B and E.
2. Comments are due no later than November 2, 2016.
3. The Commission appoints James Waclawski to serve as Public Representative to represent the interests of the general public in this proceeding.

4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Stacy L. Ruble
Secretary