

**POSTAL REGULATORY COMMISSION**

[Docket No. R2021–1; Order No. 5719]

**Market Dominant Price Adjustment**

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Notice.

**SUMMARY:** The Commission is recognizing a recently filed Postal Service notice of inflation-based rate adjustments affecting market dominant domestic and international products and services, along with temporary mailing promotions and numerous proposed classification changes. The adjustments and other changes are scheduled to take effect January 24, 2021. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

**DATES:** *Comments are due:* October 29, 2020.

**ADDRESSES:** Submit comments electronically via the Commission’s Filing Online system at <http://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

**FOR FURTHER INFORMATION CONTACT:** David A. Trissell, General Counsel, at 202–789–6820.

**SUPPLEMENTARY INFORMATION:**

**Table of Contents**

- I. Introduction and Overview
- II. Initial Administrative Actions
- III. Ordering Paragraphs

**I. Introduction and Overview**

On October 9, 2020, the Postal Service filed a notice of inflation-based price adjustments affecting market dominant domestic and international products and services, along with temporary mailing promotions and numerous proposed classification changes to the Mail Classification Schedule (MCS).<sup>1</sup> The intended effective date is January 24, 2021. Notice at 1. The Notice, which was filed pursuant to 39 U.S.C. 3622 and 39 CFR part 3030, triggers a notice-and-comment proceeding.<sup>2</sup>

*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 3030.512; four attachments (Attachments A–D) to the Notice; and seven public library references and one nonpublic library reference.

<sup>1</sup> United States Postal Service Notice of Market-Dominant Price Change, October 9, 2020 (Notice).

<sup>2</sup> This is a Type 1–B proceeding. See 39 CFR part 3030, subparts A–C for additional information.

Attachment A presents the proposed price and related product description changes to the MCS. Notice, Attachment A. Attachments B and C address workshare discounts and the price cap calculation, respectively. *Id.* Attachments B and C. Attachment D presents the 2021 promotions schedule. *Id.* Attachment D.

Several library references provide supporting financial documentation for the five classes of mail. Notice at 6 nn.11–12. The Postal Service filed two library references containing workpapers for First-Class Mail International Billing Determinants and Seamless Volumes. It also filed one library reference pertaining to the two international mail products within First-Class Mail (First-Class Mail International and Inbound Letter Post) under seal and applied for non-public treatment of those materials.<sup>3</sup>

*Planned price adjustments.* The Postal Service’s planned percentage changes by class are, on average, as follows:

| Market dominant class     | Planned price adjustment (%) |
|---------------------------|------------------------------|
| First-Class Mail .....    | 1.836                        |
| USPS Marketing Mail ..... | 1.509                        |
| Periodicals .....         | 1.456                        |
| Package Services .....    | 1.460                        |
| Special Services .....    | 1.458                        |

Notice at 5.

Price adjustments for products within classes vary from the average. See, e.g., *id.* at 7, 13 (Table 5 showing range for First-Class Mail products and Table 7 showing range for USPS Marketing Mail products). 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. See *id.* at 7–8.

*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 36–37; *id.* Attachment A.

*Calendar year 2021 promotions.* The Postal Service seeks approval for the following six promotions for the indicated periods:

- Tactile, Sensory and Interactive Mailpiece Engagement Promotion (February 1–July 31, 2021);

<sup>3</sup> See USPS Notice of Filing USPS–LR–R2021–1/NP1, October 9, 2020, Attachment 1. Two versions of this document (bearing Filing ID numbers 114788 and 114789) and the non-public materials were filed with the Commission. See *id.*

- Emerging and Advanced Technology Promotion (March 1–August 31, 2021);
- Earned Value Reply Mail Promotion (April 1–June 30, 2021);
- Personalized Color Transpromo Promotion (July 1–December 31, 2021);
- Mobile Shopping Promotion (August 1–December 31, 2021); and
- Informed Delivery Promotion (September 1–November 30, 2021).

*Id.* Attachment D. The Postal Service is also introducing a \$0.001 per piece rate incentive for Seamless Acceptance. *Id.* at 32–34.

**II. Initial Administrative Action**

Pursuant to 39 CFR 3030.511(a), the Commission establishes Docket No. R2021–1 to consider the planned price adjustments for market dominant postal products and services, as well as the related classification changes, identified in the Notice. The Commission invites comments from interested persons on whether the Postal Service’s filing is consistent with the applicable statutory and regulatory requirements, including 39 U.S.C. 3622 and 39 CFR part 3030. Comments are due no later than October 29, 2020.<sup>4</sup>

The public portions of the Postal Service’s filing are available for review on the Commission’s website (<http://www.prc.gov>). Comments and other material filed in this proceeding will be available for review on the Commission’s website, unless the information contained therein is subject to an application for non-public treatment. The Commission’s rules on non-public materials (including access to documents filed under seal) appear in 39 CFR part 3011.

Pursuant to 39 U.S.C. 505, the Commission appoints Richard A. Oliver 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. R2021–1 to consider the planned price adjustments for market dominant postal products and services, as well as the related classification changes, identified in the Postal Service’s October 9, 2020 Notice.

2. Comments on the planned price adjustments and related classification

<sup>4</sup> The Commission continues to use the 20-day comment period as set forth in 39 CFR 3030.511(a)(5); however, the Commission notes that in order to sufficiently address the comments, its determination may exceed the 14-day deadline set forth in 39 CFR 3030.511(d). See *Carlson v. Postal Reg. Comm’n*, 938 F.3d 337 (D.C. Cir. Sept. 13, 2019).

changes are due no later than October 29, 2020.

3. Pursuant to 39 U.S.C. 505, Richard A. Oliver 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.

**Erica A. Barker**,  
Secretary.

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**POSTAL REGULATORY COMMISSION**

[Docket No. CP2021-15; Order No. 5718]

**Competitive Price Adjustment**

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Notice.

**SUMMARY:** The Commission is recognizing a recently filed Postal Service document with the Commission concerning changes in rates of general applicability for competitive international products. The changes are scheduled to take effect January 24, 2021. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

**DATES:** *Comments are due:* October 27, 2020.

**ADDRESSES:** Submit comments electronically via the Commission's Filing Online system at <http://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

**FOR FURTHER INFORMATION CONTACT:** David A. Trissell, General Counsel, at 202-789-6820.

**SUPPLEMENTARY INFORMATION:**

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- II. Initial Administrative Actions
- III. Ordering Paragraphs

**I. Introduction and Overview**

On October 9, 2020, the Postal Service filed notice with the Commission concerning changes in rates of general applicability for competitive international products.<sup>1</sup> The Postal

<sup>1</sup> United States Postal Service Notice of Changes in Rates of General Applicability for Competitive International Products, October 9, 2020 (Notice).

Service represents that, as required by 39 CFR 3035.102(b), the Notice includes an explanation and justification for the changes, the effective date, and a schedule of the changed rates. See Notice at 1. The changes are scheduled to take effect on January 24, 2021. *Id.*

Attached to the Notice is Governors' Decision No. 20-4, which states the new prices are in accordance with 39 U.S.C. 3632 and 3633 and 39 CFR 3035.102.<sup>2</sup> The Governors' Decision provides an analysis of the competitive products' price changes intended to demonstrate that the changes comply with 39 U.S.C. 3633 and 39 CFR part 3035. Governors' Decision No. 20-4 at 1. The attachment to the Governors' Decision sets forth the price changes and includes draft Mail Classification Schedule (MCS) language for competitive products of general applicability.

The Governors' Decision includes two additional attachments:

- A partially redacted table showing FY 2021 projected volumes, revenues, attributable costs, contribution, and cost coverage for each product, assuming implementation of the new prices on January 24, 2021.

- A partially redacted table showing FY 2021 projected volumes, revenues, attributable costs, contribution, and cost coverage for each product, assuming a hypothetical implementation of the new prices on October 1, 2020.

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 the Governors' Decision, as well as the supporting materials for the data. Notice at 1-2.

*Planned price adjustments.* The Governors' Decision includes an overview of the Postal Service's planned price changes, which is summarized in the table below.

TABLE I-1—PROPOSED PRICE CHANGES

| Product name                              | Average price increase (percent) |
|---|----------------------------------|
| <b>International Competitive Products</b> |                                  |
| Global Express Guaranteed .....           | 0.9                              |

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.

<sup>2</sup> Notice, Decision of the Governors of the United States Postal Service on Changes in Rates of General Applicability for Competitive International Products (Governors' Decision No. 20-4), at 1 (Governors' Decision No. 20-4).

TABLE I-1—PROPOSED PRICE CHANGES—Continued

| Product name                                    | Average price increase (percent) |
|---|----------------------------------|
| Priority Mail Express International .....       | 3.6                              |
| Priority Mail International .....               | 5.1                              |
| International Priority Airmail .....            | 74.1                             |
| International Surface Air Lift .....            | 32.6                             |
| Airmail M-Bags .....                            | 5.0                              |
| First-Class Package International Service ..... | 4.8                              |

**International Ancillary Services and Special Services**

|                                     |     |
|-------------------------------------|-----|
| International Ancillary Services .. | 3.4 |
|-------------------------------------|-----|

Source: See Governors' Decision No. 20-4 at 2-3 (showing percentage increases for international products).

**II. Initial Administrative Actions**

The Commission establishes Docket No. CP2021-15 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, and 3642, 39 CFR part 3035, and 39 CFR 3040 subparts B and E. Comments are due no later than October 27, 2020. For specific details of the planned price changes, interested persons are encouraged to review the Notice, which is available on the Commission's website at [www.prc.gov](http://www.prc.gov).

Pursuant to 39 U.S.C. 505, Katalin K. Clendenin 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. CP2021-15 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, and 3642, 39 CFR part 3035, and 39 CFR 3040 subparts B and E.

2. Comments are due no later than October 27, 2020.

3. Pursuant to 39 U.S.C. 505, the Commission appoints Katalin K. Clendenin to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this docket.

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