



## **POSTAL SERVICE**

### **Change in Rates and Classes of General Applicability for Competitive**

#### **Products**

**AGENCY:** Postal Service.

**ACTION:** Notice of a change in rates of general applicability for First-Class Package Service Retail parcels, a new price category within the competitive product list.

**SUMMARY:** This notice sets forth changes in rates of general applicability for a new price category within the competitive product list.

**DATES:** *Date of notice required under 39 U.S.C. 3632(b)(2):* [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** John F. Rosato, 202-268-2990.

**SUPPLEMENTARY INFORMATION:** On December 5, 2016, pursuant to their authority under 39 U.S.C. 3632, the Governors of the Postal Service established prices and classification changes for a product that the Postal Service planned to transfer from the market dominant product list to the competitive product list, pending a final determination from the Postal Regulatory Commission (Commission) approving the transfer. On July 20, 2017, in Order No. 4009, the Commission approved the transfer of First-Class Mail Parcels Retail to the competitive product list as a new price category within First-Class Package Service, conditional on the Postal Service providing pricing for the transferred product. The Governors' Decision and the record of proceedings in connection with such decision are reprinted below in accordance with section 3632(b)(2).

Pursuant to the Notice of the United States Postal Service of Changes in Rates of General Applicability for a Competitive Product, Established in Governors' Decision No. 16-9 (Postal Regulatory Commission Docket No. CP2017-230), the new prices will be implemented on September 3, 2017.

**Stanley F. Mires,**

*Attorney, Federal Compliance.*

**DECISION OF THE GOVERNORS OF THE UNITED STATES POSTAL SERVICE ON CHANGES IN RATES OF GENERAL APPLICABILITY FOR COMPETITIVE PRODUCTS (GOVERNORS' DECISION No. 16-9)**

---

December 5, 2016

**STATEMENT OF EXPLANATION AND JUSTIFICATION**

Pursuant to authority under section 3632 of title 39, as amended by the Postal Accountability and Enhancement Act of 2006 ("PAEA"), I establish price changes for the Postal Service's shipping services (competitive products), specifically for First-Class Package Service. The price changes are described generally below, with a schedule of the new prices in the attachment.

If management is given the authority by the Postal Regulatory Commission to effectuate a transfer of First-Class Mail Retail parcels to the competitive product list, I hereby authorize the attached prices for the new First-Class Package Service Retail parcels price category. These changes reflect a 9.9 percent average increase over the prices in effect for First-Class Mail Retail parcels, as of January 22, 2017. I further authorize any additional conforming Mail Classification Schedule changes that may be necessary to implement the transfer.

The changes I establish should enable each competitive product to cover its attributable costs (39 U.S.C. § 3633(a)(2)) and should result in competitive products as a whole complying with 39 U.S.C. § 3633(a)(3), which, as implemented by 39 C.F.R. § 3015.7(c), requires competitive products collectively to contribute a minimum of 5.5 percent to the Postal Service's institutional costs. Accordingly, no issue of subsidization of competitive products by market dominant products should arise (39 U.S.C. § 3633(a)(1)). I therefore find that the new prices are in accordance with 39 U.S.C. §§ 3632-3633 and 39 C.F.R. § 3015.2.

**ORDER**

The changes in prices set forth herein shall be effective thirty (30) days after management has filed appropriate notice of these changes with the Postal Regulatory Commission ("Commission"). I direct the Secretary to have this decision published in the *Federal Register* in accordance with 39 U.S.C. § 3632(b)(2), and direct

management to file with the Commission appropriate notice of these changes, unless this decision has been superseded by a subsequent decision. Further, this decision may be rescinded in the event any new Governor is confirmed by the Senate prior to the filing of the notice of adjustment with the Commission that is authorized herein, and a majority of Governors then in office vote to do so.

By The Governors:

*/s/*

---

James H. Bilbray

Chairman, Temporary Emergency Committee of the Board of Governors

Attachment to Governors' Decision No. 16-9

MAIL CLASSIFICATION CHANGES

PART B

COMPETITIVE PRODUCTS

\* \* \* \* \*

2125 First-Class Package Service

\* \* \* \* \*

2125.6 Prices

\* \* \* \* \*

Retail<sup>1</sup>

<u>Maximum Weight (ounces)</u>	<u>Single-Piece (\$)</u>
<u>1</u>	<u>\$3.00</u>
<u>2</u>	<u>\$3.00</u>
<u>3</u>	<u>\$3.00</u>
<u>4</u>	<u>\$3.00</u>
<u>5</u>	<u>\$3.16</u>
<u>6</u>	<u>\$3.32</u>
<u>7</u>	<u>\$3.48</u>
<u>8</u>	<u>\$3.64</u>
<u>9</u>	<u>\$3.80</u>
<u>10</u>	<u>\$3.96</u>
<u>11</u>	<u>\$4.19</u>
<u>12</u>	<u>\$4.36</u>
<u>13</u>	<u>\$4.53</u>

Notes

1. A handling charge of \$0.01 per piece applies to foreign-origin, inbound direct entry mail tendered by foreign postal operators, subject to the terms of an authorization arrangement.

\* \* \* \* \*

