



BAC 7710-FW-P

POSTAL REGULATORY COMMISSION

[Docket No. MT2020-1; Order No. 5504]

Market Test of Experimental Product

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is noticing a recently filed Postal Service proposal to conduct a market test of an experimental product called Commercial PO Box Redirect Service. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* May 21, 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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I. Introduction

In accordance with 39 U.S.C. 3641 and 39 CFR part 3045, the Postal Service filed notice of its intent to conduct a market test of an experimental product called Commercial PO Box Redirect Service.¹ Commercial PO Box Redirect Service will redirect automated letters during mail processing from the Commercial PO Box indicated on the mailpiece to a second Commercial PO Box. Notice at 2. The Postal Service intends for the market test to run for two full years beginning on June 8, 2020. *Id.* at 3.

II. Background

On May 8, 2020, the Postal Service filed the Notice proposing the Commercial PO Box Redirect Service market test. The Postal Service asserts that Commercial PO Box Redirect Service will provide an efficient solution for remittance mail processors, who receive and process payments enclosed in Courtesy Reply Mail or Business Reply Mail mailpieces on behalf of other businesses. *Id.* at 1. The Postal Service states that, if remittance mail processors need to consolidate or close the facilities associated with the address on the mailpiece, they must currently use their own couriers to move the pieces, use an existing postal bulk forwarding service, or employ private carriers. *Id.* at 1-2. The Commercial PO Box Redirect Service will redirect the mailpieces to the forwarding address at the first opportunity during mail processing. *Id.* at 2.

The Postal Service states that Commercial PO Box Redirect Service will only be available to customers who use Caller Service with the PO Box to which

¹ United States Postal Service Notice of Market Test of Experimental Product – Commercial PO Box Redirect Service, May 8, 2020 (Notice).

the mailpieces will be redirected. *Id.* The service will only redirect automation First-Class Mail letter mailpieces. *Id.*

The Postal Service plans to offer two price points for Commercial PO Box Redirect Service: \$0.06 and \$0.07. *Id.* The \$0.06 price will be available to customers who certify that the service is essential to respond to a contingency, such as the COVID-19 pandemic, with all other eligible customers receiving the \$0.07 price. *Id.*

III. Compliance with Legal Requirements

The Postal Service asserts that the proposed market test meets the requirements in 39 U.S.C. 3641 and 39 CFR part 3045. First, the Postal Service explains that Commercial PO Box Redirect Service is “significantly different from all products offered by the Postal Service within the last two years” as required by 39 U.S.C. 3641(b)(1). Notice at 3. The Postal Service states that Commercial PO Box Redirect Service is “critically different” from the Premium Forwarding Service Commercial option because those mailpieces are delivered and then repackaged and dispatched as Priority Mail Express or Priority Mail shipments for delivery to the forwarding address in bulk. *Id.* at 4. The Postal Service asserts that Commercial PO Box Redirect Service differs from temporary and permanent Change of Address orders because the new service is indefinite and uses “different operational processes to forward the pieces.” *Id.*

Second, the Postal Service asserts that Commercial PO Box Redirect Service “will not create an unfair or otherwise inappropriate competitive advantage for the Postal Service or any mailer” as required by 39 U.S.C.

3641(b)(2). *Id.* at 5. The Postal Service states that Commercial PO Box Redirect Service “retools the market dominant letter processing network to create operational efficiencies prior to delivery, a domain in which the Postal Service does not compete with other carriers.” *Id.* The Postal Service avers that, even if Commercial PO Box Redirect Service competes with existing after-delivery services, “the Postal Service cannot reasonably be said to compete *unfairly* with these services unless the objective of section 3641(b)(2) is to discourage efficiency gains in the Postal Service’s market dominant network.” *Id.*

Third, the Postal Service states that Commercial PO Box Redirect Service is properly categorized as market dominant as required by 39 U.S.C. 3641(b)(3). *Id.* at 6.

IV. Data Collection

To better understand the results of the market test, the Postal Service asserts that it will collect the following data on a quarterly basis: number of customers, volume of pieces redirected, and revenues. *Id.* The Postal Service also states that it will collect data on the attributable costs of Commercial PO Box Redirect Service, including administrative costs. *Id.*

V. Notice of Commission Action

The Commission establishes Docket No. MT2020-1 to consider matters raised by the Notice. The Commission invites comments on whether the Postal Service’s filing is consistent with the requirements of 39 U.S.C. 3641 and 39 CFR part 3045. Comments are due no later than May 21, 2020. The filing can be accessed via the Commission’s website (<http://www.prc.gov>).

The Commission appoints Richard A. Oliver to serve as an officer of the Commission to represent the interests of the general public in these proceedings (Public Representative).

VI. Ordering Paragraphs

It is ordered:

1. The Commission establishes Docket No. MT2020-1 to consider the matters raised by the Notice.

2. Pursuant to 39 U.S.C. 505, Richard A. Oliver is appointed to serve as an officer of the Commission to represent the interests of the general public in these proceedings (Public Representative).

3. Comments are due no later than May 21, 2020.

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

By the Commission.

Erica A. Barker,

Secretary.

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