Post.1 Metro Post is a package delivery service that will provide customers with same-day delivery from participating locations within a defined metropolitan area. Id. at 1. The market test will begin on or shortly after November 12, 2012 and continue for one calendar year. Id. at 6.

II. Background

The Postal Service states that online e-commerce companies and retailers have realized the power of online shipping platforms, which has created an opportunity for the Postal Service to explore the feasibility of providing same-day local delivery within a defined metropolitan area. Id. at 2. It asserts that the market test is specifically designed for online e-commerce companies and associated retailers to deliver products in a unique and timely manner to buyers living within a specified metropolitan area. Id. at 1. It notes that the market test will help the Postal Service test the operational feasibility of same-day package delivery and determine the optimal pricing structure for this type of service. Id. at 1–2.

Nature and scope of market test. Pursuant to section 3641(c)(1)(B), the Postal Service provides a description of the nature and scope of the market test. As part of the market test, the Postal Service will enter into relationships with qualifying online e-commerce companies to offer same-day local delivery. Id. at 2. Each participating online e-commerce company must have at least 10 physical locations nationally and one or more locations within the defined metropolitan area of the market test. The Postal Service anticipates entering into relationships with up to 10 companies over the course of the market test. Id.

The initial period of the market test lasts until January 2013. Id. at 2. During the initial period, each participant may only receive same-day delivery for up to 10 participating locations within a defined metropolitan area. Id. Only 200 packages per day may receive same-day delivery from the Postal Service during the initial period. Id. at 2–3. Eligible buyers must live in a specified area within a selected major metropolitan area. Id. at 3. The daily cut-off times for making purchases delivered via Metro Post will occur between 2:00 p.m. and 8:00 p.m., as determined by the Postal Service. Id.

Statutory authority. The Postal Service indicates that its proposal satisfies the criteria of 39 U.S.C. 3641, which imposes certain conditions on experimental products. The Postal Service asserts that Metro Post is significantly different from all products offered within the past 2 years because it has not offered a same-day local delivery product during that time. Id. at 5; see 39 U.S.C. 3641(b)(1). It states that it does not expect Metro Post to create an “unfair or otherwise inappropriate competitive advantage for the Postal Service or any mailer” because prices offered by competitors for same-day delivery typically fall within the price range that the Postal Service intends to test. Notice at 5–6; see 39 U.S.C. 3641(b)(2). The Postal Service filed its pricing plans for the Metro Post market test under seal. Notice at 4. The Postal Service classifies Metro Post as a competitive product because it asserts that same-day delivery of packages is a component of the competitive package services market. Id. at 6; see 39 U.S.C. 3641(b)(3).

Exemption from revenue limitation. The Postal Service expects that the total revenue received from the market test may exceed the $10 million revenue limitation for market tests. Notice at 7; see 39 U.S.C. 3641(e)(1). It applies for an exemption of this statutory requirement and states that it has taken steps to ensure that anticipated revenues will not exceed $50 million in any year. Notice at 7; see 39 U.S.C. 3642(e)(2). It asserts that the market test is likely to benefit the public and meet an expected demand, as well as contribute to the financial stability of the Postal Service. Notice at 7.

Data collection. The Postal Service asserts that it will monitor market demand for Metro Post and will track the costs of providing same-day local delivery. Id. at 8. It has prepared a data collection plan and is prepared to report on the results of its research to the Commission. Id.

III. Notice of Filing

The Commission establishes Docket No. MT2013–1 to consider matters raised by the Notice, including the Postal Service’s request for exemption from the $10 million revenue limitation. It encourages interested persons to review the Notice for more details. Interested persons may submit comments on whether the Postal Service’s filing in the captioned docket is consistent with the policies of 39 U.S.C. 3641. Comments are due no later than October 29, 2012. The filing can be accessed via the Commission’s Web site (http://www.prc.gov).

The Commission appoints Tracy Ferguson to serve as Public Representative in this docket.

IV. Ordering Paragraphs

It is ordered:

1. The Commission establishes Docket No. MT2013–1 to consider matters raised by the Notice.

2. Pursuant to 39 U.S.C. 505, Tracy Ferguson is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.

3. Comments by interested persons are due no later than October 29, 2012.

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

By the Commission.

Shoshana M. Grove,
Secretary.

[FR Doc. 2012–25841 Filed 10–19–12; 8:45 am]

BILLING CODE 7710–FW–P

POSTAL REGULATORY COMMISSION

[Docket No. MC2013–3; Order No. 1503]

Product List Change

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is establishing a docket to consider the Postal Service’s request to remove International Restricted Delivery from the competitive product list. This notice provides public notice of the Postal Service’s filing, invites public comment, and takes other administrative steps.

DATES: Comments are due: October 25, 2012.

ADDRESSES: Submit comments electronically via the Commission’s Filing Online system at http://www.prc.gov. Commenters who cannot submit their views electronically should contact the person identified in the FOR FURTHER INFORMATION CONTACT portion of the preamble for advice on alternatives to electronic filing.

FOR FURTHER INFORMATION CONTACT:

SUPPLEMENTARY INFORMATION:

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I. Introduction

In accordance with 39 U.S.C. 3642 and 39 CFR 3020.30 et seq., the Postal Service filed a formal request and associated supporting information to remove International Restricted Delivery from the competitive product list.\(^1\) International Restricted Delivery service limits who may receive an item as determined by the internal requirements limits who may receive an item as

To support its Request, the Postal Service filed three attachments as follows:

- Attachment A—a copy of Governors’ Decision No. 12–02, authorizing the removal of the product from the competitive product list;
- Attachment B—a Statement of Supporting Justification as required by 39 CFR 3020.32; and
- Attachment C—proposed changes to the Mail Classification Schedule competitive product list.

The Postal Service seeks to remove International Restricted Delivery service from the competitive product list due to low customer demand.\(^2\) It states that there are no marketplace indicators that demonstrate future volume and revenue growth. Request at 2. In a separate filing, the Postal Service submits a library reference supporting its assertions and an application for non-public treatment, under seal.\(^3\) The Postal Service maintains that the data contained in the library reference are commercially-sensitive and proprietary information that should not be released into the public domain pursuant to 39 U.S.C. 410(c)(2) and 5 U.S.C. 552(b)(3). Id. Attachment A at 1.

In addition, in the Statement of Supporting Justification, Larry E. Richardson, Manager of Alliance Integration and Support, asserts that because the Postal Service is requesting product removal, the product’s ability to cover its own costs has no impact on the instant Request. Request, Attachment B at 2. Mr. Richardson contends that removal of the product from the competitive product list ensures there will be no issue of market dominant

products subsidizing competitive products. Id.

II. Notice of Filings

The Commission establishes Docket No. MC2013–3 to consider the Request pertaining to the proposed removal of International Restricted Delivery from the competitive product list. Interested persons may submit comments on whether the Postal Service’s filings in the captioned docket are consistent with the policies of 39 U.S.C. 3632, 3633, or 3642, 39 CFR 3015.5, and 39 CFR part 3020, subpart B. Comments are due no later than October 25, 2012. The public portions of the filings can be accessed via the Commission’s Web site (http://www.prc.gov).
The Commission appoints James F. Callow to serve as Public Representative in this docket.

III. Ordering Paragraphs

It is ordered:

2. Pursuant to 39 U.S.C. 505, James F. Callow is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in these proceedings.
3. Comments by interested persons in these proceedings are due no later than October 25, 2012.
4. The Secretary shall arrange for publication of this order in the Federal Register.

By the Commission.

Shoshana M. Grove, Secretary.

SUPPLEMENTARY INFORMATION:

The following is a summary of the application. The complete application may be obtained via the Commission’s Web site by searching for the file number, or an applicant using the Company name box, at http://www.sec.gov/search/search.htm or by calling (202) 551–8090.

Applicants’ Representations

1. The Company, a Delaware corporation, is an externally managed, non-diversified, closed-end management investment company that has elected to be regulated as, and operates as, a business development company (“BDC”) under the Act.\(^2\) The Company seeks to generate current

\(^{1}\) Request of the United States Postal Service to Remove International Restricted Delivery from the Competitive Product List, October 11, 2012 (Request).

\(^{2}\) Decision of the Governors of the United States Postal Service on Changes in Rates and Classes of General Applicability for Competitive Products at 7, September 13, 2012 (Governors’ Decision No. 12–02).


\(^{2}\) Section 2(a)(48) defines a BDC to be any closed-end investment company that operates for the purpose of making investments in securities described in section 55(a)(1) through 55(a)(3) of the Act and makes available significant managerial assistance with respect to the issuers of such securities.