

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCTS PRICE CHANGES
RATES OF GENERAL APPLICABILITY

Docket No. CP2009-27

**RESPONSE TO NOTICE AND ORDER CONCERNING CHANGES IN RATES
OF GENERAL APPLICABILITY FOR COMPETITIVE PRODUCTS**
(April 16, 2009)

On April 9, 2009, the United States Postal Service gave notice of errata to the changes in rates of general applicability and of concomitant classification changes for competitive products that it filed on February 10, 2009.¹ In Order No. 202, the Commission established Docket No. CP2009-27 to consider the Postal Service's Notice.² In addition to inviting public comment and appointing a Public Representative, the Commission asked the Postal Service to provide certain information concerning the changes at issue in the Postal Service's Notice. The Postal Service's response to the Commission's request is attached to this Response.

¹ Notice of Errata to United States Postal Service Notice of Changes in Rates of General Applicability for Competitive Products Established in Governors' Decision No. 09-01 (Notice), Docket No. CP2009-23, April 9, 2009. See also Notice of the United States Postal Service of Changes in Rates of General Applicability for Competitive Products Established in Governors' Decision No. 09-01, Docket No. CP2009-23, Feb. 10, 2009. The Commission advised that these rates satisfied the applicable statutory criteria in Order No. 190, Review of Notice Concerning Changes in Rates of General Applicability for Competitive Products, Docket No. CP2009-23, Mar. 12, 2009.

² PRC Order No. 202, Notice and Order Concerning Changes in Rates of General Applicability for Competitive Products, Docket No. CP2009-27, Apr. 13, 2009.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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April 16, 2009

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TO ORDER NO. 202**

Due to the planned price increase of Pickup on Demand service, please provide:

- a. The overall (average) price increase for Express Mail, Priority Mail, Outbound International Expedited Services, and Outbound Priority Mail International; and
- b. The weights used to derive the Before Rates and After Rates indices relied upon to calculate the overall (average) percentage price increase for each product and service referenced above, similar to those filed in response to Docket No. CP2009-8, Chairman's Information Request No. 2, Question 2. Please show all calculations.

RESPONSE:

- a) The overall (average) price increase for Express Mail, Priority Mail, Outbound International Expedited Services, and Outbound Priority Mail International is unchanged. The revenues for Pickup on Demand service are not reported in conjunction with the underlying product. Rather, the revenues were reported in the cap calculation for market dominant products in Docket No. R2009-2 in Postal Service Library Reference USPS-R2009-2/5, Special Services Cap Compliance (see Excel file "CAPCALC-Specserv-FY09.xls", worksheets "Rates" and "Scheduled Pickup"). See also PRC Library Reference PRC-R2009-2-LR5, Compliance Calculations for Special Services, Docket No. R2009-2, Mar. 16, 2009, Excel file, "R2009-2 Special Services Cap Cals.xls", worksheet "Scheduled Pick-Up".
- b) As shown in Library Reference USPS-R2009-2/5, the FY08 transaction volumes for Pickup On Demand service were taken from Postal Service Library Reference USPS-FY08-4, FY 2008 Market Dominant Billing Determinants (see Excel file "Special Services BD.xls", worksheet "Scheduled Pickup"), which was

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filed in connection with the Postal Service's FY2008 Annual Compliance Report.

The FY08 transaction volumes were then multiplied by the new price (\$15.30) to arrive at the reported 3.73 percent increase. No additional adjustments were made in the calculation of the price increase.