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Postal Regulatory Commission
Submitted 10/6/2010 4:14:00 PM
Filing ID: 70405
Accepted 10/6/2010



October 6, 2010

Hon. Shoshana M. Grove, Secretary
Postal Regulatory Commission
901 New York Avenue NW, Suite 200
Washington, D.C. 20268-0001

Dear Ms. Grove:

At the press conference on September 30, 2010, when the Commission was announcing its decision in the exigent case (Docket No. R2010-4), some uncertainty was expressed regarding the exact amount of authority that is currently available to the Postal Service to adjust rates under the CPI-U price cap. Although the Commission's webpage presents monthly updates of the CPI-U price cap authority available based on the most recent 12 months of data, it has been more than 12 months since the Postal Service adjusted rates pursuant to the price cap. These facts thus seem to require application of the Commission Rule 3010.26 (Calculation of Unused Rate Adjustment Authority), which includes a provision for circumstances in which a notice of rate adjustments is presented more than 12 months after the most recent previous notice. For purposes of developing its own financial plans, the Postal Service needs an interpretation of that rule (or any other applicable rules) upon which the Postal Service can rely if it were to begin preparation of the requisite documentation for a CPI-U rate adjustment. Specifically, we seek definitive identification of the amount of adjustment authority currently available. Obviously, if the response were that the Postal Service under these circumstances can simply rely on the calculation which is presented on the Commission's webpage, that response would suffice. On the other hand, if an alternative calculation is required, the Postal Service would request sufficient documentation so that, if necessary, it could replicate the calculation as data for additional months become available.

Thank you for your consideration regarding this matter.

Sincerely,

A handwritten signature in black ink that reads "R. Andrew German".

R. Andrew German

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