

Before the
POSTAL REGULATORY COMMISSION
Washington, DC 20268-0001

Institutional Cost Contribution :
Requirement for Competitive : Docket No. RM2017-1
Products :

COMMENTS OF THE GREETING CARD ASSOCIATION

The Greeting Card Association (GCA) files these comments pursuant to Order No. 4402. Our purpose is to recommend to the Commission a clarification of the proposed new approach to establishing the competitive products' minimum share of institutional cost contribution, which we support.

The "appropriate share" is a floor, not a ceiling. The Commission has stated more than once that the appropriate share established under 39 U.S.C. sec. 3633(a)(3), and periodically reviewed under sec. 3633(b), is a contribution level to be met and if possible exceeded. This interpretation was reiterated as recently as Order No. 4257 in Docket RM2017-3¹, but dates back to Docket RM2007-1.²

As Order 4402 makes clear, the proposed rules represent a departure from the established method of setting the minimum share. The new approach would establish it with mathematical exactness by a set formula, rather than choosing it judgmentally on the basis of qualitative factors. This might convey the impression that it is a ceiling as well as a floor – i.e., that if the formula fixes it at, e.g., 10.0 percent, that figure must be attained and need not (or, perhaps, should not) be exceeded.

Such a conclusion would be inconsistent with the history of the appropriate share, which, as the Commission has noted, has consistently been exceeded. GCA be-

¹ Order No. 4257, pp. 244-247.

² Docket No. RM2007-1, Order No. 26, ¶3056.

believes it is also inconsistent with the proposed rule language, which defines the appropriate share as one “to be recovered from competitive products collectively, at a minimum[.]”

Apart from the proposed rule language, however, Order 4402 does not state explicitly that the appropriate share will continue to be a minimum, to be exceeded if possible. The Commission rightly observes that a departure from past policies must be fully explained in a rulemaking order.³ It would be helpful, therefore, if the Commission proceeds with the proposed new approach, to include in the final order a clear statement that it does *not* imply a change in the established view that the appropriate share is a minimum requirement only, and not a precise target or a maximum.

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Respectfully submitted,

GREETING CARD ASSOCIATION

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³ Order No. 4402, pp. 11 et seq.