

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Market-Dominant Price Change

Docket No. R2020-1

CHAIRMAN'S INFORMATION REQUEST NO. 3

(Issued October 16, 2019)

To clarify the basis of information provided by the Postal Service in its Market Dominant Price Change, filed October 9, 2019,¹ the Postal Service is requested to provide written responses to the following questions. Answers to the questions should be provided no later than October 23, 2019.

Calendar Year (CY) 2020 Promotions

1. Please refer to the CY 2020 Earned Value Reply Mail promotion for First-Class Mail and USPS Marketing Mail. Notice at 20-21, 30.
 - a. Please explain if the Postal Service considers credits for the Earned Value Reply Mail promotion rates of general applicability consistent with 39 C.F.R. § 3010.1(g).²
 - b. If the Postal Service considers the Earned Value Reply Mail promotion a rate of general applicability, please confirm that the four-cent credit is available uniformly to any mailer sending a First-Class Business Reply or Courtesy Reply Mail enclosure. If confirmed, please explain how a mailer

¹ United States Postal Service Notice of Market-Dominant Price Change, October 9, 2019 (Notice).

² See *e.g.*, Docket No. RM2014-3, Order Adopting Final Rules on the Treatment of Rate Incentives and De Minimis Rate Increases for Price Cap Purposes, June 3, 2014, at 25, 27-29 (Order No. 2086).

who did not previously participate in the Earned Value Reply Mail promotion would be able to qualify for the four-cent credit, and how eligibility for the two-cent or four-cent credit is not dependent on factors other than the characteristics of the qualifying mailpieces.³ If not confirmed, please explain how the four-cent credit for the Earned Value Reply Mail promotion are rates of general applicability consistent with 39 C.F.R. § 3010.1(g).

- c. If the Postal Service considers the Earned Value Reply Mail promotion a rate not of general applicability, please provide updated First-Class Mail and USPS Marketing Mail library references that exclude the credit from the percentage change in rates calculations consistent with 39 C.F.R. § 3010.24. Alternatively, please provide updated Mail Classification Schedule (MCS) language that ensures the promotion only includes rates of general applicability and, if necessary, updated library references.
- d. The Postal Service proposes that repeat participants of the Earned Value Reply Mail promotion that meet or exceed 93 percent of their comparable volume last year receive a two-cent credit and repeat participants that meet or exceed 100 percent of their comparable volume last year receive a four-cent credit. Notice at 20. However, according to the proposed MCS revisions, a repeat participant of the Earned Value Reply Mail promotion would receive a four-cent credit only if it “exceeds 100 percent of the mailer’s comparable volume count for the same period during 2019.” Notice, Attachment A at 8, 15, 21, 28, 34-35, 38-39, 47-48. Please confirm that the Earned Value Reply Mail promotion description should be revised so that the four-cent credit is available to a repeat participant that “meets or exceeds 100 percent of the mailer’s comparable volume count

³ See *generally* Order No. 2086; see *also* Docket No. R2013-6, Order Approving Technology Credit Promotion, June 10, 2013 (Order No. 1743).

for the same period during 2019.” If not confirmed, please explain and provide revised MCS language, if necessary.

By the Chairman.

Robert G. Taub