

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

Competitive Product Prices
Inbound E-Format Letter Post

Docket No. CP2019-155

CHAIRMAN'S INFORMATION REQUEST NO. 2

(Issued November 5, 2019)

To clarify the basis of information provided by the Postal Service in its notice of specific rates for Inbound Letter Post Small Packets and Bulky Letters product, filed October 29, 2019,¹ the Postal Service is requested to provide a written response to the following request. Answer(s) to the request should be provided no later than November 8, 2019.

1. In Docket No. CP2019-155, the Postal Service indicates that the self-declared rates “will not apply to inbound E format items originating in the exception countries that are below applicable thresholds.” Notice at 6.
 - a. Please confirm that the applicable thresholds referenced above are 25 tonnes for Group II and Group III countries, and 100 tonnes for Group IV countries. If not confirmed, please explain.
 - b. Please confirm that the Postal Service intends to sample Inbound Letter Post Small Packet and Bulky Letters from Group II and Group III countries with flows greater than 25 tonnes and Group IV countries with flows greater than 100 tonnes. If not confirmed, please explain.

¹ Notice of the United States Postal Service of Effective Date and Specific Rates Not of General Applicability for Inbound E-Format Letter Post, and Application for Non-Public Treatment, October 29, 2019 (Notice).

- c. Please explain how the Postal Service will identify Group II and Group III countries with flows greater than 25 tonnes that had flows less than 25 tonnes in the previous year for purposes of sampling and application of self-declared per-item and per-kilogram prices. Please also explain how the Postal Service will identify Group IV countries with flows greater than 100 tonnes that had flows less than 100 tonnes in the previous year for purposes of sampling and application of self-declared per-item and per-kilogram prices.
2. The Postal Service explains that blended rates for Group I countries with mail flows below 50 tonnes and for Group II and Group III countries with mail flows between 25 and 50 tonnes combine self-declared prices for Inbound Letter Post Small Packets and Bulky Letters with “[Universal Postal] Convention set P and G format rates.” Notice at 5.
 - a. Please confirm that the proposed prices for Inbound Letter Post Small Packets and Bulky Letters for Group I countries with mail flows below 50 tonnes and for Group II and Group III countries with mail flows between 25 and 50 tonnes are based, in part, on prices for market dominant Inbound Letter Post letters and flats. If not confirmed, please explain.
 - b. If confirmed, please provide the Postal Service’s rationale for blending competitive product and market dominant product prices to calculate a competitive product price.
 - c. If confirmed, please discuss whether there are alternative approaches to record the price for Inbound Letter Post Small Packets and Bulky Letters from these Group I, Group II, and Group III countries, so that the prices are not based, in part, on prices for market dominant Inbound Letter Post letters and flats. For example, please explain whether it is possible to apply the worldwide average composition of one kilogram of mail² to

² See Universal Postal Convention (2018), Article 29.16, available at: http://www.upu.int/uploads/tx_sbdownloader/actInThreeVolumesManualOfConventionEn.pdf.

separate prices for Inbound Letter Post letters and flats and Inbound Letter Post Small Packets and Bulky Letters.

By the Chairman.

Robert G. Taub