

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

UNITED STATES POSTAL SERVICE NOTICE OF
MARKET DOMINANT PRICE ADJUSTMENT

DOCKET No. R2008-1

COMMENTS OF ALASKA COMMERCIAL COMPANY

As the Vice President of Operations for the Alaska Commercial Company, I would like to voice my opposition to the proposed rate increase for Intra-BMC mail. The Intra-BMC rates govern what we pay for Bypass Mail in the State of Alaska and directly impacts Rural Alaskans who depend on Bypass Mail for their daily necessities such as food and clothing. A Bypass Mail rate increase of this size may decrease the ability of Rural Alaskans to purchase affordable food and necessities.

Last year Rural Alaskans experienced a 12-15% increase in Bypass Mail rates and now they are looking at another 9.5% increase. This double digit increase over two years is much higher than the current rate of inflation. Many Rural Alaskans are already struggling to heat their homes and maintain a basic level of life. Rural Alaskans already face many health and nutritional challenges and this increase will make it even harder for them to maintain a balanced diet and healthier lifestyle. While a \$.27 a gallon increase in milk may not be a hardship for someone in the continental US who relies on the road system to move the goods they consume everyday, here in Alaska, Rural Alaskans depend on the Bypass mail to bring them everything from milk to clothing as there are no roads to their villages.

Last year, before the 2007 rate increase, in Bethel, Alaska, milk was \$6.89 a gallon and flour was \$13.15 for a 10 lb. bag. With this latest increase, that same gallon will now be \$1.67 a gallon more and the flour \$2.93 more a bag. This is a very large increase for these people.

On page 19 of R2008-1, the PRC states "The Postal Service also raises prices for Single-Piece Parcel Post slightly above the cap.." I would not call a 9.5% increase a "slight" increase. On page 20 of R2008-1, the Postal Service states "The overall average price increase is 5.79% for Intra BMC." and then in the next paragraph states, "...Intra-BMC is accorded slightly more price-change range: individual prices are allowed to increase by up to 9.5%". From a 2.9% CPI Average cap to 9.5%; that's an extremely steep rate of increase for a class of people who are already hard hit.

We respectfully ask the PRC to review the impact this increase will have on a particular class of people, Rural Alaskans. We ask that you increase other classes of mail which don't impact an individual's ability to purchase affordable food and everyday necessities of life.

Respectfully submitted,

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