

ORDER NO. 65

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Products Price Changes
Re Rates of General Applicability

Docket No. CP2008-3

NOTICE AND ORDER CONCERNING
CHANGE IN RATES OF GENERAL APPLICABILITY
FOR ALL COMPETITIVE PRODUCTS

(Issued March 13, 2008)

Pursuant to 39 C.F.R. § 3015.2, the Postal Service filed notice with the Commission on March 12, 2008, concerning changes in rates of general applicability for all competitive products.¹ The Filing also includes related mail classification changes. As required by the Commission's rules, § 3015.2(b), the Filing includes an explanation and justification for the change, the effective date, and a schedule of the changed rates. The price changes are scheduled to become effective May 12, 2008.

Attachment A to the Filing sets forth the price changes and related product description changes incorporated into the draft Mail Classification Schedule. Selected highlights of the price and classification changes include the following:

Express Mail service increases, on average, by approximately 3.1 percent. Changes to the price structure include supplanting the unzoned retail price structure with prices that are zoned and offering lower prices to customers who use alternate postage payment systems, and to customers who use corporate accounts and whose average daily volumes exceed a minimum threshold.

¹ See Notice of the United States Postal Service of Governors' Decision No. 08-3, March 12, 2008 (Filing). The Filing is available on the Commission's website, www.prc.gov, under Daily Listings for March 12, 2008. Pursuant to 39 U.S.C. § 3632(b)(2), the Postal Service is obligated to publish the Governors' Decision and record of proceedings in the *Federal Register* at least 30 days before the effective date of the new rates or classes.

Priority Mail increases by 4 percent overall, with the average retail price increasing by about 6 percent. Customers using electronic postage and meeting other requirements are eligible for lower prices.

Parcel Select service increases, on average, by 5.7 percent. Prices increase more for Destination BMC entry than for Destination Delivery Unit entry. In addition, incentives are provided to shippers with greater than \$5 million annual Parcel Select postage who increase volumes, and to those whose annual Parcel Select volume grows more than 10 percent.

Express Mail International service increases, on average, by 6 percent. Price increases vary by country group and weight increment. Two new incentives are provided for commercial mailers based on the method of paying postage.

Priority Mail International service increases, on the whole, by 6.1 percent. Different increases apply depending on the weight and country group. A new incentive is added for commercial customers who pay postage by PERMIT imprint and use authorized software to prepare their mail.

International Direct Sacks – M-Bags (Airmail M-Bags) increase by approximately 5.9 percent. The country group structure for this product is expanded to nine country groups to match the Express Mail International, Priority Mail International and planned First-Class Mail International country group structures.

Prices for the following International Ancillary Services used with competitive international mail services will increase: International Certificate of Mailing, International Registered Mail, International Return Receipt, International Restricted Delivery and certain International Insurance prices (Priority Mail International Insurance and Global Express Guaranteed Insurance).

Details of these changes may be found in Attachment A to the Filing.

Attachment B to the Filing provides an analysis of the competitive products' price and classification changes intended to demonstrate that the changes comply with section 3633(a) of title 39 and the Commission's rules. 39 C.F.R. § 3015.7(c).

The establishment of rates of general applicability for all competitive products and the associated mail classification changes effects a change in the Mail Classification Schedule. As such, pursuant to subpart E of part 3020 of its rules,

39 C.F.R. § 3020.90 *et seq.*, the Commission provides notice of the Postal Service's Filing. Interested persons may express views and offer comments on whether the planned changes are consistent with the policies of 39 U.S.C. §§ 3633 or 3642. Comments are due no later than March 27, 2008.

Pursuant to 39 U.S.C. § 505, Paul Harrington is appointed to serve as officer of the Commission (Public Representative) to represent the interests of the general public in the above-captioned docket.

It is ordered:

1. The Commission establishes Docket No. CP2008-3 to provide interested persons an opportunity to express views and offer comments on whether the planned changes are consistent with the policies of 39 U.S.C. §§ 3633 or 3642.
2. Comments on the Filing are due no later than March 27, 2008.
3. The Commission appoints Paul Harrington as Public Representative to represent the interests of the general public in this proceeding.

By the Commission.

Steven W. Williams
Secretary