

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
INBOUND DIRECT ENTRY CONTRACTS
WITH FOREIGN POSTAL ADMINISTRATIONS

COMPETITIVE PRODUCT PRICES
INBOUND DIRECT ENTRY CONTRACTS (MC2008-6)
CHINA POST GROUP

COMPETITIVE PRODUCT PRICES
INBOUND DIRECT ENTRY CONTRACTS (MC2008-6)
HONG KONG POST

Docket Nos.
MC2008-6
CP2008-14
CP2008-15

**UNITED STATES POSTAL SERVICE RESPONSE TO ORDER CONCERNING
PRICES UNDER INBOUND DIRECT ENTRY CONTRACTS WITH CERTAIN
FOREIGN POSTAL ADMINISTRATIONS AND NOTICE OF FILING REDACTED
VERSIONS OF CERTIFICATIONS**
(September 11, 2008)

In its Order No. 105, the Commission directed the United States Postal Service to file redacted versions of the certifications for Inbound Direct Entry Contracts with the China Post Group and the Hong Kong Post. Copies of the two certifications are attached to this pleading. In addition to the listed percentages, redactions in this document concern sensitive, commercial information that should not be publicly disclosed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

Anthony F. Alverno
Chief Counsel, Global Business

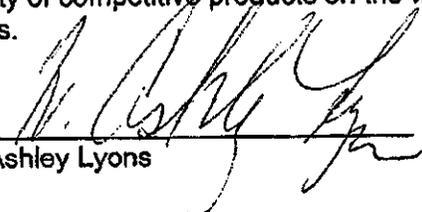
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September 11, 2008

**Certification of Prices for the Inbound Direct Entry Contract with
China Post Group**

I, W. Ashley Lyons, Manager, Corporate Financial Planning, Finance Department, United States Postal Service, am familiar with the prices for the Inbound Direct Entry Contract with China Post Group. The prices contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Inbound Direct Entry Contracts with Foreign Postal Administrations, issued May 6, 2008 (Governors' Decision No. 08-6), which established prices by means of price floor and ceiling formulas.

I hereby certify that the numerical [redacted] values underlying the prices in the Agreement with China Post Group are the appropriate [redacted] to use in the formulas and represent the best available information. The prices, resulting in a cost coverage of [redacted] for the applicable prices, exclusive of domestic postage and fees, are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). The prices demonstrate that the Agreement should cover its attributable costs and preclude the subsidization of competitive products by market dominant products. In Fiscal Year 2007, all outbound international competitive mail accounted for approximately 11 percent of the total contribution by all competitive products. Contribution from Inbound Direct Entry Contracts with Foreign Postal Administrations should be much smaller. The Agreement with China Post Group should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

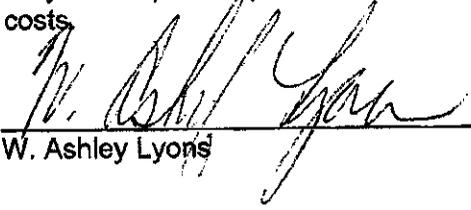


W. Ashley Lyons

**Certification of Prices for the Inbound Direct Entry Contract with
Hong Kong Post**

I, W. Ashley Lyons, Manager, Corporate Financial Planning, Finance Department, United States Postal Service, am familiar with the prices for the Inbound Direct Entry Contract with Hong Kong Post. The prices contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Inbound Direct Entry Contracts with Foreign Postal Administrations, issued May 6, 2008 (Governors' Decision No. 08-6), which established prices by means of price floor and ceiling formulas.

I hereby certify that the numerical [redacted] values underlying the prices in the Agreement with China Post Group are the appropriate [redacted] to use in the formulas and represent the best available information. The prices, resulting in a cost coverage of [redacted] for the applicable prices, exclusive of domestic postage and fees, are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). The prices demonstrate that the Agreement should cover its attributable costs and preclude the subsidization of competitive products by market dominant products. In Fiscal Year 2007, all outbound international competitive mail accounted for approximately 11 percent of the total contribution by all competitive products. Contribution from Inbound Direct Entry Contracts with Foreign Postal Administrations should be much smaller. The Agreement with Hong Kong Post should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.



W. Ashley Lyons