

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

Before Commissioners:

Dan G. Blair, Chairman;  
Nanci E. Langley, Vice Chairman;  
Mark Acton;  
Ruth Y. Goldway; and  
Tony L. Hammond

Competitive Products Price Changes  
Rates of General Applicability

Docket No. CP2009-8

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

(Issued November 14, 2008)

On November 13, 2008, the Postal Service filed notice with the Commission concerning changes in rates of general applicability for competitive products.<sup>1</sup> The Filing also includes related mail classification changes. As required by the Commission's rules, 39 CFR 3015.2(b), the Filing includes an explanation and justification for the changes, the effective date, and a schedule of the changed rates. The price changes are scheduled to become effective January 18, 2009.

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<sup>1</sup> See Notice of the United States Postal Service of Changes in Rates of General Applicability for Competitive Products Established in Governors' Decision No. 08-19, November 13, 2008 (Filing). The Filing is available on the Commission's website, [www.prc.gov](http://www.prc.gov), under Daily Listings for November 13, 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.

Attached to the Filing is the Governors' Decision evaluating the new prices and classification changes in accordance with 39 U.S.C. 3632-33 and 39 CFR 3015.2.

The Governors' Decision includes two Attachments. Attachment A 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.<sup>2</sup> 39 CFR 3015.7(c).

Attachment B to the Governors' Decision sets forth the price changes and related product description changes to be incorporated into the draft Mail Classification Schedule. Selected highlights of the price and classification changes follow.

*Express Mail.* Overall, Express Mail prices increase by approximately 5.7 percent, with average retail prices increasing by approximately 6 percent. Changes to the price structure include supplanting the current Commercial Volume Incentives category with a Commercial Plus category that provides lower prices, rather than rebates, for customers meeting specified volume levels. Customers paying through the use of qualifying metered systems will be eligible for the lower prices currently available to customers paying postage online and through authorized payment methods.

*Priority Mail.* Priority Mail prices increase by 3.9 percent overall, with average retail prices increasing by about 4.7 percent. Changes to the price structure include the creation of a Commercial Plus category, similar to the one for Express Mail, to provide lower prices for customers mailing specified volumes. A small flat-rate box is also added as a new Priority Mail option. Pricing incentives currently available to customers paying postage online or through authorized payment methods are extended to customers paying through the use of qualifying metered systems.

*Parcel Select.* Parcel Select service increases, on average, by 5.9 percent. Prices are designed to encourage dropshipping at destination delivery units (DDUs), and accordingly, increase more for destination bulk mail center (BMC) entry than for destination sectional center facility entry and DDU entry.

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<sup>2</sup> Page 4 of Attachment A to the Governors' Decision was filed publicly in redacted form. The unredacted version of page 4 was filed under seal in the nonpublic annex.

*Parcel Return.* Parcel Return service increases, on average, by 5.3 percent. Return BMC prices will increase by 7.1 percent with no increase for return delivery unit prices.

*Global Express Guaranteed.* Global Express Guaranteed service increases, on average, by 11.2 percent. Price increases vary by country group and weight increment. Qualified customers paying through information-based indicia postage meters will be eligible for the lower prices currently available to customers paying online or through an authorized PC postage vender.

*Express Mail International.* Express Mail International service increases, on average, by 8.5 percent. Price increases vary by country group and weight increment. Qualified customers paying through information-based indicia postage meters will be eligible for the lower prices currently available to customers paying online or through an authorized PC postage vender. The country group structure is also expanded from 9 to 10 country groups.

*Priority Mail International.* Priority Mail International prices increase on average by 8.5 percent. Different increases apply depending on the weight and country group. Qualified customers paying through information-based indicia postage meters will be eligible for the lower prices currently available to customers paying online or through an authorized PC postage vender. A small flat-rate box is also added as a new Priority Mail International option. The country group structure is also expanded from 9 to 10 country groups.

*M-bags.* International Direct Sacks—M-bags (Airmail M-bags) increase by approximately 8 percent.

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

The establishment of rates of general applicability for 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 CFR 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. 3632, 3633, or 3642 and 39 CFR part 3015 and 39 CFR 3020 subpart B. Comments are due no later than December 1, 2008.

Pursuant to 39 U.S.C. 505, Emmett Rand Costich 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. CP2009-8 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. 3632, 3633, or 3642 and 39 CFR part 3015 and 39 CFR 3020 subpart B.
2. Comments on the Filing are due no later than December 1, 2008.
3. The Commission appoints Emmett Rand Costich as Public Representative to represent the interests of the general public in this proceeding.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Steven W. Williams  
Secretary