

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

ANNUAL COMPLIANCE REPORT, 2008

Docket No. ACR2008

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO MOTION OF VALASSIS AND SMC FOR LEAVE TO RESPOND TO
THE POSTAL SERVICE'S REPLY COMMENTS
(February 19, 2009)

On February 18, 2009, Valassis and the Saturation Mailers Coalition filed a motion for leave to file a response to the Postal Service's February 13th Reply Comments in this docket. The proffered response is confined to one issue, and seeks to disentangle confusion between a matter that those parties were trying to address in their initial comments, and a somewhat different matter that the Postal Service addressed instead in its reply comments. The Postal Service agrees with the parties that clarification of this issue is appropriate, and thereby supports the motion for leave.

Moreover, it would likewise appear appropriate for the Postal Service to acknowledge that, upon further review of the issue with a focus clarified by the proffered response, the thrust of the position taken by the parties is correct. Specifically, in USPS-FY08-19, the Postal Service provided estimated unit delivery costs for Saturation Flats With DALs, and Saturation Flats Without DALs. The parties submit that the more important of these two estimates is that for Saturation Flats Without DALs, and further submit that the methodology used to develop the Postal Service's FY08 estimate of Saturation Flats Without DALs does not match the methodology used previously.¹

¹ The parties agree that Saturation Flats With DALs costs were estimated correctly, a point which was the (perhaps misplaced) focus of the Postal Service's reply comments.

Without necessarily agreeing or disagreeing regarding the relative importance of the two estimates, or the appropriateness of the established methodology, the Postal Service concurs that, in USPS-FY08-19, the Postal Service inadvertently changed the computational methodology used to develop the Saturation Flats Without DALs estimate. The spreadsheet filed with the parties' proffered response correctly applies the methodology used previously, which the Postal Service intended to use this year as well. Had the Postal Service understood the true focus of the parties' initial comments and recognized this discrepancy earlier, the matter would have been resolved in the Postal Service's reply comments.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

Eric P. Koetting

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February 19, 2009