

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

Notice of Price Adjustment

Docket No. R2009-3

**COMMENTS OF THE ASSOCIATION FOR POSTAL COMMERCE  
IN RESPONSE TO ORDER NO. 209 CONCERNING  
STANDARD MAIL VOLUME INCENTIVE PRICING PROGRAM**

The Association for Postal Commerce ("PostCom") hereby submits these comments in response to Commission Order No. 209. PostCom asks the Postal Regulatory Commission to approve the Postal Service's pricing proposal expeditiously.

PostCom commends the Postal Service for developing this creative idea to generate more mail volume during what has historically been a low volume period, and during a fiscal year which -- absent Congressional relief -- is expect to end with disastrous financial results.

While formally docketed as a price adjustment, the "Summer Sale" is, as a practical matter, a short-term experiment. Approval of this experiment offers an opportunity for the Postal Service to mitigate some of the losses it is experiencing during this recession, and temporarily reverse the continuing and precipitous declines in mail volumes.

Postal leadership has observed that the last fiscal year saw the greatest declines in mail volume since the Great Depression, and this year looks to be even worse.<sup>1</sup> It is of critical importance to the entire industry that the Postal Service be authorized to offer its customers incentives that are likely to produce more mail. Just as mailers have reported that past rate increases have caused mail volume and mailers' businesses to contract, a temporary rate reduction could induce some mailers to postpone or mitigate the further contraction that would otherwise occur. A boost in summer mail volume and the resulting sales could enable these companies to maintain personnel and operations that could launch a faster and stronger economic recovery when consumer confidence returns.

The Commission should recognize, however, that mailers typically require several months advance notice to plan a direct mail campaign, and many mailers may not be able to increase their mail volume much within the time period offered. Even if this initial "Summer Sale" does not ultimately generate a large volume response, the Postal Service should not be deterred from such creative efforts. Rather, the Postal Service should continue to work with its customers to develop new initiatives that can enhance its revenue stream and stem the flow of marketing and communication dollars to other media.

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<sup>1</sup> Letter from Postmaster General John E. Potter to the Honorable John McHugh (February 23, 2009), <http://www.postcom.org/public/2009/PMG%20letter%20on%20HR%2022.pdf>.

For these reasons, the Commission should respond favorably to this creative initiative, and allow the Postal Service to exercise the pricing flexibility that Congress intended by enacting the Postal Accountability and Enhancement Act.

Respectfully submitted,

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