

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

**Notice of Price Adjustment**

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**Docket No. R2009-3**

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**COMMENTS OF PARCEL SHIPPERS ASSOCIATION  
TO POSTAL REGULATORY COMMISSION NOTICE AND ORDER  
CONCERNING STANDARD MAIL VOLUME INCENTIVE PRICING  
PROGRAM**

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The Parcel Shippers Association (PSA) submits these comments in response to Commission Order No. 209, dated May 4<sup>th</sup>, 2009, inviting interested persons to submit comments on the above entitled pricing proposals by the Postal Service. PSA strongly supports the Postal Service's proposal and urges swift Postal Regulatory Commission approval for several reasons:

1. This experiment offers the Service an opportunity to increase its mail volume at a time when volume and revenues have been drastically declining;
2. It offers a meaningful chance for the Postal Service to test the capacity of its pricing flexibility to deter volume declines and increase revenue;
3. The 30 percent discount in this "Summer Sale" has promise to retard the recent year-to-date 15 percent decline in Standard Mail volume. New mailings prompted by this program will indeed be incremental. The discount on incremental volumes will enable mailers to mail more deeply to prospects and to marginal segments of their mailing lists. In the business world, most successful companies use marginal pricing to increase volume during off-peak periods.

We do trust that, in the future, the Postal Service will provide for more lead time. Most mailers' calendar of planned mailings is done well in advance and for many it is not possible, within their budgets or within their mail planning, to suddenly change the volumes. Consequently, there will be some mailers who will be slow to participate in the first month of the program and may not be able to adjust until the last two months of the program. For that reason, we trust that the Commission will decide this matter with the utmost expedition. Many mailers will not begin to change their plans until they are certain that the Sale will be approved by the Commission. Thus, the earlier the Commission approves the proposal, the sooner many mailers will be able to adjust their mailing schedules.

Finally, we believe the Postal Service should be complimented on its efforts to exercise its pricing flexibility. It should be encouraged to try additional new approaches and use the knowledge gained from experiences such as this experiment to plan future imaginative and creative proposals.

Respectfully submitted,

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