

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Modification of Mail Classification
Schedule Product Lists in Response
to Order No. 154

Docket No. MC2009-19

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued May 21, 2009)

To clarify the basis of the Postal Service's proposals and to assist in the completion of the record, the Postal Service is requested to provide written responses to the following questions. Answers are due no later than May 29, 2009.

1. Please refer to the Request of the United States Postal Service to Add Postal Products to the Mail Classification Schedule in Response to Order No. 154, March 10, 2009, Appendices C and F.
 - (a) Please provide any additional information, including supporting spreadsheets and underlying data, used to develop the FY 2008 estimated revenues and costs for Address Enhancement Services and Shipping and Mailing Supplies. The supporting spreadsheets (if any) should be accompanied by an explanatory narrative, which describes any underlying assumptions and the bases for those assumptions.
 - (b) For Greeting Cards, Stationery, and Related Items, please provide a cost estimate showing that the service is expected to cover its attributable costs. Development of the cost estimate should include, among other things, the cost of goods sold, window service costs based on transactions, and average transaction times. Please provide citations for

all figures used. The cost estimate may consist of appropriate proxies and should be accompanied by a narrative of the development of the estimate.

2. Please refer to Comments of the Public Representative, April 30, 2009, at 6-7, and to Docket No. MC2008-1, Response of the United States Postal Service to PostCom et al. Motion to Sever From This Proceeding the Consideration of These Previously Unregulated Services That the Postal Service Asserts are "Postal Services", December 12, 2008 (December 12 Response). Please explain the following:
 - (a) If the Postal Service is not proposing to include Advanced Notification and Tracking System, MAC Batch, MAC System & MAC Gold, Mailpiece Quality Control, PAVE System, Z4Info, Address List Sequencing, and Electronic Address Sequencing within the Address Management Services product, please explain whether the Postal Service is proposing to place these "activities" elsewhere on the market dominant product list. If not, where is the Postal Service proposing to identify and describe these "activities" as service offerings of the Postal Service?
 - (b) Please define "revenue [received] as an incidental matter" as the Postal Service used in footnote 11 of the December 12 Response. Please explain why postal activities that only earn revenue as an incidental matter do not implicate regulation of postal products under chapter 36.
 - (c) Please explain under what legal authority the Postal Service proposes to set fees for these "activities" even though these "activities" are not identified in the Mail Classification Schedule.

3. What are the current plans for collecting cost, revenue, and volume data for each proposed market dominant product?

4. Please refer to Comments of the Public Representative at 4-6. The Public Representative asserts that (1) the Postal Service's supporting justification only mentions a few choice factors and objectives for each proposed market dominant product; (2) the supporting justification does not address the factors and objectives mentioned (except for factor 13 for the Customized Postage product); and (3) the supporting justification does not address the remaining factors and objectives as required by 39 CFR 3020.32(b). Please address each object and factor mentioned in the supporting justification for Address Management Services and Customized Postage (except for factor 13). Does the Postal Service believe any other objective or factor is relevant to one or more of these offerings? If so, please discuss.

Dan G. Blair
Chairman