

Before the  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Rate Adjustment Due to Extraordinary or  
Exceptional Circumstances

Docket No. R2010-4

QUESTIONS PROPOSED BY THE PUBLIC REPRESENTATIVE  
FOR THE AUGUST 10-12, 2010, PUBLIC HEARING

(August 5, 2010)

Order No. 485 establishes an August 5, 2010 deadline for suggesting questions to the Commission, which may be asked of the Postal Service during the August 10-12, 2010 public hearing.<sup>1</sup> The Public Representative respectfully submits the following questions:

1. (Question for Mr. Kiefer) The Postal Service proposes to increase Standard Mail Flats prices by 5.1 percent. On page 30 of Statement of James M. Kiefer on Behalf of the United States Postal Service, Mr. Kiefer states: "The Postal Service may have to adjust Standard Mail Flats prices at above average rates at some point, but now is not the time." Please indicate when the Postal Service will give Standard Mail Flats a price increase that likely would produce revenues to recover all of the attributable costs for this product. Please also explain how a sufficient increase to cover its attributable costs will be possible in the near

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<sup>1</sup> Notice and Order Concerning Rate Adjustment for Extraordinary or Exceptional Circumstances, July 7, 2010 (Order No. 485).

future, as inflation is forecasted to be only 1 to 2 percent over the next several years.

2. (Question for Mr. Kiefer) The Postal Service proposes that some Single-Piece Parcel Post prices be higher than their Retail Priority Mail counterparts. Please explain if the Postal Service plans to restore the differential between these products. If the Postal Service does not plan to restore the differential, please explain why this differential is not needed to send the appropriate price signals based on service standards to customers.
3. (Question for Mr. Kiefer) Please confirm that Inbound First-Class Mail International did not cover its costs in FY 2009. Please confirm that the Postal Service proposes a price decrease for this product. Please explain how and when the Postal Service plans to increase the cost coverage of this product such that it covers its attributable costs.
4. (Question for Messrs. Corbett and Masse) The Postal Service's price increases are forecasted to generate an additional \$1.98 billion in after rates revenue in FY 2011.
  - a. Please confirm that the Postal Service's goal in this exigent rate adjustment is to generate roughly \$2 billion in additional revenue in FY 2011.



Respectfully submitted,

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