

**BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON DC 20268-0001**

**Rate Adjustment Due to Extraordinary
Or Exceptional Circumstances**

Docket No. R2010-4

**FURTHER COMMENTS OF THE PARCEL SHIPPERS ASSOCIATION
(September 10, 2010)**

It is with great trepidation that we must once again point to other Postal Service errors. We fear this will generate another filed Errata which, if past practice holds, will itself be incorrect, thereby generating further Errata *ad infinitum*.

First, as explained in Section III.d.i. of our Initial Comments, FY 2010 and FY 2011 Standard Mail NFM/Parcels costs should be reduced by 15 percent to reflect the increases in worksharing that have occurred since FY 2009. In its Reply Comments (at 93), the Postal Service concurs that such an adjustment is appropriate, but argues that the adjustment should be smaller than estimated by PSA because there is only a one-quarter difference between the Base Years used to estimate costs and revenues. The Postal Service is incorrect. Of course, costs should be adjusted to reflect the entire change in mail mix that will occur between FY 2009 and FY 2011.¹

Second, the Postal Service does not adjust costs downward to reflect the elimination of the substantial excess capacity that resulted in huge increases in costs for Standard Mail NFM/Parcels between FY 2008 and FY 2009. See PSA Comments, Section III.d.2. While temporary excess capacity is perhaps excusable, its continued presence into FY 2011 absolutely is not.

¹ As explained in our initial Comments (fn. 13), a much smaller adjustment would need to be made to FY 2011 revenue estimates.

Based on the demonstrated inaccuracy of Postal Service numbers on Standard Mail NFMs/Parcels it would be unconscionable to approve the enormous increases requested by the Postal Service based on that flawed and continuously incorrect data.

Respectfully submitted,

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