

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

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Tony L. Hammond, Vice Chairman;  
Mark Acton;  
Dan G. Blair;  
Nanci E. Langley

Estimating Volume Changes from  
Pricing Incentive Programs

Docket No. RM2010-9

Motion Requesting Technical Conference

(September 10, 2010)

On September 10, 2010, the Postal Service submitted a response to POIR #1. This response does not clarify the calculation methods the Postal Service uses in estimating the incremental contribution effect of a Pricing Incentive Program. Instead of clarifying the inputs used in the methods it has proposed for Dockets R2009-3 and R2009-5, the Postal Service has declined to answer two questions, and provided an erroneous answer that raises significantly more questions than answers. Question 5 part A sought information concerning the calculation of "line 4" "Loyalty Volume." This "Loyalty Volume" was Spring 2009 volume above a calculated Spring 2009 threshold. Since this was a volume for Spring of 2009, before the discount period, no discounts were paid on this volume. The question asked "How many mailers with 'Loyalty Volume' did not receive a rebate?" The Postal Service responded "Since loyalty volume is defined for the purpose of these programs as the volume earning a rebate that would

have been mailed even in the absence of the program, no mailers who did not earn a rebate had loyalty volume, and no volume that did not earn a rebate is considered loyalty volume.” This response is nonsensical, as there were no discounts paid in spring of 2009.

The questions submitted by the Public Representative in this docket have not been answered, and as such the Public Representative respectfully requests for a Technical Conference to clarify and rectify the ongoing misunderstanding concerning Postal Service’s proposed method.

Respectfully Submitted

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