

Before the
POSTAL REGULATORY COMMISSION
Washington, DC 20268-0001

Notice of Price Adjustment : Docket No. R2011-2

COMMENTS OF THE GREETING CARD ASSOCIATION

Pursuant to Order No. 653 (January 19, 2011), the Greeting Card Association (GCA) submits these Comments on the market-dominant price adjustments filed by the Postal Service. GCA believes that the Postal Service filing complies with the price cap established by 39 U.S.C. § 3622(d)(1) and, accordingly, can appropriately be approved.

Commission Rule 3010.13(b) directs that public comments focus primarily on compliance with the price cap, and with the rules for use of banked rate adjustment authority (not in issue here, as the Postal Service is not using any such authority).¹ The Postal Service's Notice and workpapers confirm that the cap has been complied with specifically as regards First-Class Mail, the category of particular interest to GCA.

One additional comment, not directly related to cap compliance, may be in order. The Service's new rates do not include an increase for the first-ounce Single-Piece letter stamp. An average (1.741 percent) increase in that rate would amount to more than a half-cent.² Rounding, however – which would imply a 45-cent letter stamp – is not mandatory under the statute. Section 3622(d)(2)(B) states that

¹ United States Postal Service Notice of Market-Dominant Price Adjustment (January 13, 2011), p. 3.

² $\$0.44 \times 0.01741 = \0.0077 .

Nothing in this subsection shall preclude the Postal Service from rounding rates and fees to the nearest whole integer, if the effect of such rounding does not cause the overall rate increase for any class to exceed the Consumer Price Index for All Urban Consumers. [Italics added.]

Rounding, therefore, is permitted but not required. Its absence here does not viti-ate the Postal Service's choice of specific rate adjustments as regards Single-Piece First Class.³ Indeed, together with other announced changes in First Class rates, rounding up the first ounce rate for Single-Piece letters would violate the statutory price cap limitation.

Accordingly, GCA believes that the adjustments proposed by the Postal Service comply with the price cap and should be approved.

February 2, 2011

Respectfully submitted,

GREETING CARD ASSOCIATION

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³ 39 U.S.C. § 3622(b)(8) specifically authorizes increases of "unequal magnitude within, between, or among classes of mail," so that the disparity in percentage increases as between Single-Piece and Presort is not objectionable on fairness grounds. Compare, e.g., the 17.6 percent increase in the Single-Piece extra-ounce charge with the zero percent increase for Presort; and see Postal Service Notice, p. 12 and fn. 7.