

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

NOTICE OF PRICE ADJUSTMENT

Docket No. R2011-2

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO COMMENT OF PUBLIC REPRESENTATIVE  
(February 11, 2011)

The Postal Service hereby responds to the Public Representative's criticism of the Postal Service for failing to provide in its January 13, 2011, Notice of Market-Dominant Price Adjustment (Notice) information on how its proposal for First-Class Mail Commercial Base and Commercial Plus price categories complies with requirements related to its service standards or service performance measurement methodology.<sup>1</sup>

The Public Representative is mistaken in alleging that the Postal Service's Notice is "deficient in addressing the requirements of the PAEA for performance measurement as set forth in 39 U.S.C. 3691." Public Representative Comments in Response to United States Postal Service Notice of Market-Dominant Price Adjustments, Docket No. R2011-2, at 5 (February 2, 2011). The Public Representative astutely observes that "the Postal Service has provided no information on proposed service standards or service performance measurement methodology" for Commercial Base and Commercial Plus First-Class Mail Parcels. *Id.* The Public Representative then claims that this lack of information

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<sup>1</sup> The Postal Service is not replying to the other comments of the Public Representative or other participants in this proceeding because of the nature of this proceeding and the information provided in the Postal Service's Notice.

and apparent failure to establish service standards or identify a measurement system “ignores the provisions of Section 3691 and the requirements of 39 CFR 3020.30 *et seq.*” *Id.*

The Public Representative appears to overlook a crucial detail of the Postal Service’s proposal for Commercial Base and Commercial Plus First-Class Mail Parcels: *they are price categories within the First-Class Mail Parcels product, not products in themselves.* United States Postal Service Notice of Market-Dominant Price Adjustment, Docket No. R2011-2, January 13, 2011, at 14-15. Section 3691 of Title 39, U.S. Code, requires “a set of service standards for market-dominant *products*” and “objective external performance measurements for each market-dominant *product.*” 39 U.S.C. § 3691(a), (b)(1)(D). The Postal Service has accomplished both of these tasks for First-Class Mail Parcels, which is the product that includes the Commercial Base and Commercial Plus price categories. Moreover, Commission Rule 3055.6<sup>2</sup> sets forth filing obligations relating to service standards and performance measurement whenever the Postal Service proposes to add a new market-dominant *product* or to change an existing market-dominant *product.* The Postal Service is not adding a new product, and is not changing the First-Class Mail Parcels product in a way that impacts service standards or performance measurement.

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<sup>2</sup> The Postal Service presumes that this is the Public Representative’s intended reference point, as 39 C.F.R. §§ 3020.30 *et seq.* make no mention of service standards or performance measurement.

Increasing the weight maximum for the product and establishing new prices do not affect the service standards or performance measurement systems for First-Class Mail Parcels. The same service standards or service performance measures will apply to the Commercial Base and Commercial Plus price categories as to other price categories within the First-Class Mail Parcels product. Therefore, this proceeding does not implicate the Postal Service's compliance with 39 U.S.C. § 3691 or applicable Commission rules.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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