

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

Before Commissioners:

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

Addition to the Competitive Product List
Competitive Ancillary Services

Docket No. MC2011-23

Competitive Product Prices
Competitive Ancillary Services (MC2011-23)
Adult Signature Service

Docket No. CP2011-62

NOTICE AND ORDER CONCERNING PROPOSAL TO ADD NEW PRODUCT
TO THE COMPETITIVE PRODUCT LIST AND ESTABLISH NEW PRICE CATEGORY

(Issued February 25, 2011)

On February 24, 2011, the Postal Service filed a request with the Commission to add a new product to the competitive product list and concurrently establish a new price category under that product pursuant to 39 U.S.C. 3642 and 39 CFR 3020.30 *et seq.*¹

The new product, Competitive Ancillary Services, is proposed as a shell product under which various competitive ancillary service price categories will be placed. Adult

¹ Request of the United States Postal Service to Establish New Competitive Ancillary Services Product and Notice of Price and Classification Changes for Adult Signature Service, February 24, 2011 (Request).

Signature Service is the first price category proposed by the Postal Service to be placed within the Competitive Ancillary Services product. Additional price categories are anticipated in the future.

Adult Signature Service will require verification of age of the intended mail recipient at the time of delivery. An adult over the age of 21 must show photo identification and sign for the package. The Postal Service proposes two variations of the service. Adult Signature Required, available for \$4.75, will require the signature of anyone 21 years of age or older at the recipient address. Adult Signature Restricted Delivery, available for \$4.95, will require the signature of the addressee only, who must be 21 years of age or older at the designated address. Adult Signature Service will be available with Express Mail, Priority Mail and Parcel Select for commercial and online customers only.

The Postal Service includes the following attachments with its Request:

- Attachment A—Decision of the Governors of the United States Postal Service on Establishment of Rate and Class of General Applicability for Competitive Ancillary Services Product (Governors' Decision No. 11-1) and Certification of Governors' Vote in Governors' Decision No. 11-1;
- Attachment B—Statement of Supporting Justification; and
- Attachment C—Mail Classification Schedule (MCS) Language.

The Commission establishes Docket Nos. MC2011-23 and CP2011-62 to consider the Postal Service's proposals described within its Request.

Interested persons may submit comments on whether the Postal Service's filing in the captioned dockets is consistent with the policies of 39 U.S.C. 3642, 39 CFR 3020.30 *et seq.*, and the general provisions of title 39. Comments are due no later than March 10, 2011. The Postal Service's filing can be accessed via the Commission's website (<http://www.prc.gov>).

The Commission appoints Jeremy Simmons to serve as Public Representative in the captioned proceedings.

Commission request for additional information. The Postal Service is requested to provide written responses to the questions below in support of its Request. See 39 3015.6. The responses are due no later than March 4, 2011.

The Analysis of Competitive Ancillary Services Product with Price Category for Adult Signature Service attached to Governors' Decision No. 11-1 indicates that the total revenue potential of Adult Signature Service is estimated at nearly \$12.3 million and new package revenues are estimated at \$7.7 million. This attachment also states that the fully allocated cost coverage for Adult Signature Service is estimated to be 135 percent, and that the attributable cost coverage is estimated to be 228 percent.

1. Please explain how the estimated revenue for Adult Signature Service and “new package revenues” were derived, including all underlying calculations and assumptions.
2. Please provide the underlying worksheets that support the cost coverage figures of 135 percent and 228 percent.

It is ordered:

1. The Commission establishes Docket Nos. MC2011-23 and CP2011-62 for consideration of matters raised by the Postal Service's Request.
2. Comments by interested persons in these proceedings are due no later than March 10, 2011.
3. Pursuant to 39 U.S.C. 505, Jeremy Simmons is appointed to serve as the officer of the Commission (Public Representative) to represent the interests of the general public in these proceedings.

4. Responses to the request for supplemental information are due from the Postal Service on March 4, 2011.
5. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Ruth Ann Abrams
Acting Secretary