

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Restructuring First-Class Mail Parcel  
Product Offerings

Docket No. MC2011-22

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued March 18, 2011)

To clarify the basis of the Postal Service's request to (1) remove commercial First-Class Mail Parcels from the market dominant product list and (2) add a new product, provisionally titled Lightweight Commercial Parcels, to the competitive product list, filed February 24, 2011, the Commission requests the Postal Service to provide written responses to the following questions. Answers should be provided as soon as possible, but no later than March 24, 2011.

1. Please compare the Lightweight price category of Parcel Select provisionally moved to the competitive product list by Order No. 689 and the proposed Lightweight Commercial Parcels product. At a minimum, please include the following comparisons in the response:
  - a. modes of transportation;
  - b. service standards;
  - c. deferability;
  - d. content requirements or restrictions; and
  - e. mail entry requirements.

2. The Postal Service proposes to remove commercial First-Class Mail Parcels from the market dominant First-Class Mail Parcels product. Only the retail price categories will remain within the market dominant First-Class Mail Parcels product.
  - a. What effect will moving commercial First-Class Mail Parcels from the First-Class Mail Parcels product have on the cost coverage for the remaining First-Class Mail Parcels product?
  - b. If the effect is for the cost coverage to fall below 100 percent for the remaining First-Class Mail Parcels product, please explain what steps the Postal Service will take to address this issue.
  
3. Please refer to "FY2010FCMCommPrclsRevperPc.xls" and "FCM\_CommParc\_Analysis.xls."
  - a. For commercial First-Class Mail Parcels, please describe the allowable entry methods, window, carrier, acceptance unit, etc., and the volumes entered through each method.
  - b. For the proposed Lightweight Commercial Parcels, please describe the allowable entry methods, window, carrier, bulk mail acceptance unit, etc., and the volumes entered through each method.
  - c. Please explain the reasons for any differences between the responses to questions a. and b. above.
  - d. For the proposed Lightweight Commercial Parcels that are entered other than through a bulk mail acceptance unit, please provide the total costs per piece for each entry option. Please provide a spreadsheet showing all calculations.

4. Commercial First-Class Mail Parcels weigh more per piece than First-Class Mail Parcels. Please de-average transportation cost and any other weight-related cost and incorporate the de-averaged cost into the unit cost for commercial First-Class Mail Parcels such that the unit cost of commercial First-Class Mail Parcels reflects its higher weight per piece.

By the Chairman.

Ruth Y. Goldway