

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

Notice of Market Dominant Price
Adjustment for First-Class Mail
and Standard Mail

Docket No. R2011-5

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued April 22, 2011)

In Order No. 715, the Commission established this proceeding to consider a Market Dominant Price Adjustment for First-Class Mail and Standard Mail.¹ To assist the Commission in its review of the matter before it, the Postal Service is requested to provide answers to the following questions no later than April 29, 2011.

1. In the 2010 Annual Compliance Determination (ACD) the Commission directed the Postal Service, in future notices requesting price adjustments, to provide information concerning the steps the Postal Service is taking to eliminate the intra-class cross subsidy of Standard Mail Flats.
 - a. Please provide information responsive to this directive.
 - b. Please state how the proposed Docket No. R2011-5 price adjustment would move the Standard Mail Flats product toward compliance with 39 U.S.C. § 101(d).

¹ Notice and Order Concerning Market Dominant Price Adjustment for First-Class Mail and Standard Mail, April 14, 2011 (Order No. 715).

2. Please confirm that the proposed price adjustment would impact workshare discounts, but that the impact would always reduce any passthrough percentage. If not confirmed, please explain.
3. The Postal Service states that “the program does encourage increased mail volume (Factor 7).”² Please provide an estimate of the increase in mail volume due to this program.
4. Please confirm that the Postal Service intends that this program be treated as a special classification under rule 3010.24. If confirmed, please provide workpapers containing an assessment of the net financial impact of the program consistent with section 3622(c)(10). If not confirmed, please provide the applicable price cap calculation as required by rule 3010.14.
5. Please confirm that mailers are not currently precluded from placing a two-dimensional barcode inside or on a mailpiece.
6. The following questions concern the administration and implementation of the program:
 - a. Please explain how the Postal Service will ensure that the barcode is not used for internal operational process, or postage evidencing. See Notice at 3.
 - b. Please explain how the Postal Service will verify that a barcode is inside a mailpiece. Please provide a discussion of how the Postal Service will review First-Class mailings.
7. Please explain the basis for excluding nonprofit mail from the program. Please describe how this basis is consistent with 39 U.S.C. § 403(c).

² United States Postal Service Notice of Market-Dominant Price Adjustment, April 12, 2011, at 7 (Notice).

8. Please confirm that Carrier Route, High Density, and Saturation Parcels are excluded from the program.

Ruth Y. Goldway
Chairman