

Before the
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Express Mail
Express Mail Padded Flat Rate Envelope

Docket No. CP2012-39

PUBLIC REPRESENTATIVE COMMENTS

(July 9, 2012)

In response to Order 1382,¹ the Public Representative hereby comments on the June 22, 2012 United States Postal Service Notice of Changes in Rates of General Applicability to implement prices for a new Express Mail Padded Flat Rate Envelope (Notice).

The Public Representative has accessed and reviewed all public and nonpublic materials submitted by the United States Postal Service. The Postal Service contends that the inclusion of the new Flat Rate Envelope will have no effect on the ability of the Express Mail product to cover its costs or make an appropriate contribution to institutional costs. Notice at 2.

For a competitive product, the Postal Service must demonstrate that the contract will be in compliance with 39 U.S.C. 3633(a): It will not allow market dominant products to subsidize competitive products, it will ensure that each competitive product covers its attributable costs; and it will enable competitive products as a whole to cover their costs (contributing a minimum of 5.5 percent to the Postal Service's total institutional costs). The Public Representative finds no reason to believe the addition of Express Mail Padded Flat Rate Envelopes will cause the Express Mail product as a whole to not meet

¹ Commission Order 1382, Notice and Order Concerning Addition of Express Mail & Priority Mail Contract 9 to the Competitive Product List, June 25, 2012 (Order No. 1382).

the requirements of 39 U.S.C. 3633(a). The Express Mail product had a 166.8 percent cost coverage in FY 2011, and several Flat Rate Envelope options. The addition of the proposed Flat Rate Envelope should not have a significant impact on the Express Mail product's cost coverage.

The Public Representative recommends the approval of the new Express Mail Padded Flat Rate Envelope because it gives additional options to the public without causing any financial harm to the Postal Service.

Natalie R. Ward
Public Representative
For Docket No. CP2012-39

901 New York Ave., NW Suite 200
Washington, D.C. 20268-0001
(202) 789-6864; Fax (202) 789-6861
e-mail: natalie.ward@prc.gov