

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Notice of Market-Dominant )  
Price Adjustment ) Docket No. R2013-1

**VALPAK DIRECT MARKETING SYSTEMS, INC. AND  
VALPAK DEALERS' ASSOCIATION, INC.  
OBJECTION TO UNITED STATES POSTAL SERVICE  
REPLY COMMENTS  
(November 13, 2012)**

On November 9, 2012, the United States Postal Service submitted what it described as “Reply Comments” in Docket No. R2013-1. Commission Order No. 1501 established that Comments were due by October 31, 2012, with Order No. 1522 extending that date to November 1, 2012. Neither order contained a provision for reply comments. The Commission’s rules do not permit the filing of Reply Comments in Pricing dockets. Rule 3010.13. The Postal Service identified no authority for its filing, and did not even ask the Commission’s permission, filing no motion for leave to file such Reply Comments. Valpak’s consent was never sought. The Postal Service filing came eight days after the filing of the Valpak and Public Representative Comments to which it replied, only shortly before the 14 day deadline for the Commission to issue its order. For all these reasons, Valpak objects to this filing on **procedural** grounds. In addition, the Postal Service reply is rife with **substantive** misstatements and methodological errors which would require a detailed response for completeness of the record.

However, should the Commission consider the Postal Service's Reply Comments, Valpak urges the Commission to note particularly four **admissions** by the Postal Service in this filing:

- “[T]he Postal Service agrees that the inclusion of own-price elasticities of demand would make the Contribution Model more comprehensive.” p. 2.
- “Consistent with Valpak’s findings, Year 1, Scenario 2 [of Alt 1] offers more contribution than Scenario 1.” p. 3.
- “A bigger price increase drives away more loss-making Flats volume.” p. 3.
- “[T]he rational [business] response would be to terminate the money-losing product [Standard Flats]....” p. 5.

Respectfully submitted,

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