

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MARKET DOMINANT PRICE ADJUSTMENT FOR
ALTERNATE POSTAGE PAYMENT METHOD

Docket No. R2014-1

**FINAL RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO ORDER NO. 1917
(January 17, 2014)**

In Order No. 1917, issued on December 20, 2013, the Commission approved the addition of Alternate Postage Payment to the market dominant product list as a price category under First-Class Mail, Single-Piece Letters/Postcards.¹ In that same order the Commission also directed that, within ten days, “the Postal Service shall file a revised rate schedule showing the applicable rates (as of January 1, 2014), for Alternate Postage Payment.”² In its response to PRC Order No. 1917, filed on December 31, 2013, the Postal Service indicated that it would submit a revised rate schedule after the Governors’ meeting on January 7, 2014.³

In keeping with its initial response, the Postal Service hereby submits the revised rate schedule for Alternate Postage as Attachment A to this pleading. For letters, the prices included in the revised rate schedule are set in accordance with Table 1 from the

¹ Order No 1917: Order Granting Classification and Price Changes for Alternate Postage Payment, at 11 (December 20, 2013).

² This directive was issued in response to the uncertainty, at the time the order was issued, surrounding the First-Class Mail letter and postcard rates during 2014 that would result from Docket No. R2013-11.

³ Response of the United States Postal Service to Order No. 1917, at 1 (December 31, 2013).

Postal Service's original price change notice, filed on November 5, 2013,⁴ and take into account the 49-cent letter rate approved in Commission Order No. 1926.⁵ For postcards, the prices in the rate schedule do not reflect Table 1, but rather are the specific prices approved by the Governors for filing with the Commission.⁶ The Postal Service expects that the rates included in Attachment A will become effective immediately after being submitted to the Commission.⁷

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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⁴ United States Postal Service Notice of Market Dominant Classification and Price Changes for Alternate Postage, at 6 (November 5, 2013).

⁵ PRC Docket No. R2013-11, Renewed Exigent Request of the United States Postal Service in Response to Commission Order No. 1059, Attachment A at 2, 4 (September 26, 2013) (approved in Commission Order No. 1926: Order Granting Exigent Price Increase, at 193 (December 24, 2013)).

⁶ An error was made in converting those prices into the formula included in Table 1.

⁷ If the formula had correctly indicated these prices, the Postal Service does not believe that the litigation of this docket would have been different. The corrected prices do not change the Commission's rationale for approving the product; the corrected prices will only improve cost coverage and do not substantively impact any other factors or objectives in 39 U.S.C. § 3622. The Postal Service also notes that there are no current customers that would be affected by the different prices. These prices will apply only after Alternate Postage postcard customers complete the approval process for new customers (ensuring that the mailpieces are properly prepared).

ATTACHMENT A

MAIL CLASSIFICATION CHANGES

(Additions are underlined. Some unchanged language is included, but only to show the location of the changes.)

1001 MARKET DOMINANT PRODUCT DESCRIPTIONS

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1100 First-Class Mail

* * * * *

1105 Single-Piece Letters/Postcards

* * * * *

1105.5 Prices

Alternate Postage Letters and Postcards¹

Maximum Weight (ounces)	Upfront Postage Payment²	Alternate Postage Letters (\$)	Alternate Postage Postcards (\$)
1	Below 21%	<u>\$0.56</u>	<u>\$0.41</u>
	21 – 50%	<u>\$0.55</u>	<u>\$0.40</u>
	Over 50%	<u>\$0.54</u>	<u>\$0.39</u>

Notes

1. To qualify for Alternate Postage, customers must agree to and comply with all eligibility requirements of the program.
2. To qualify for Alternate Postage, companies pay an agreed upon portion of the required postage at the time they print pre-approved mailpieces containing an Intelligent Mail barcode[®] (IMb). The remainder of the postage is subsequently collected when a pre-approved mailpiece is placed in the mailstream and scanned during processing.

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