

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Acting Chairman;
Tony Hammond, Vice Chairman;
Mark Acton;
Ruth Y. Goldway; and
Nanci E. Langley

Notice of Market-Dominant
Price Adjustment

Docket No. R2016-2

NOTICE AND ORDER ON TEMPORARY PROMOTIONS
AND CLASSIFICATION CHANGES FOR MARKET DOMINANT PRODUCTS

(Issued November 18, 2015)

I. INTRODUCTION

On November 16, 2015, the Postal Service filed a notice, pursuant to 39 U.S.C. 3622 and 39 CFR part 3010, of plans to implement five temporary promotions and associated classification changes.¹ The effective dates of the promotions vary, the first two of which are scheduled to take effect on March 1, 2016. Notice at 1.

¹ United States Postal Service Notice of Market-Dominant Price Adjustment, November 16, 2015 (Notice).

II. OVERVIEW

A. Filing Details

The Postal Service's filing consists of a Notice, which the Postal Service represents provides the data and information required under 39 CFR 3010.12; three attachments to the Notice; and two sets of workpapers filed as library references. Attachment A presents the proposed Mail Classification Schedule changes (in legislative format) related to the five promotions. Attachment B provides a 2016 promotions calendar with detailed descriptions of the five promotions. Attachment C outlines the Postal Service's price cap calculation. The Postal Service also provides library references in support of its assertion that the temporary promotions comply with the price cap.²

B. Planned Temporary Promotions

The Postal Service seeks approval for the following five promotions for the periods indicated:

- Emerging and Advanced Technology/Video in Print Promotion (March–August 2016);
- Tactile, Sensory, and Interactive Mailpiece Engagement Promotion (March–August 2016);
- Earned Value Reply Mail Promotion (April–June 2016);
- Mobile Shopping Promotion (July–December 2016); and
- Personalized Color Transpromo Promotion (July–December 2016).

Notice at 3-6. The Postal Service asserts that these five promotions are continuations of the calendar year (CY) 2015 technology promotions and the Earned Value Reply Mail promotion

² Library Reference USPS-LR-R2016-2/1, November 16, 2015. Library Reference USPS-LR-R2016-2/2, November 16, 2015.

approved by the Commission in Docket No. R2015-4.³ Three promotions apply to First-Class Mail products: Emerging and Advanced Technology/Video in Print Promotion; Earned Value Reply Mail Promotion; and Personalized Color Transpromo Promotion. Four promotions apply to Standard Mail products: Emerging and Advanced Technology/Video in Print Promotion; Tactile, Sensory, and Interactive Mailpiece Engagement Promotion; Earned Value Reply Mail Promotion; and Mobile Shopping Promotion.

The Postal Service states that its price cap calculation reflects the expiration of the CY 2015 First-Class Mail and Standard Mail promotions and the renewal of those promotions in CY 2016. Notice at 6. The Postal Service asserts that there is no change in the unused price adjustment authority because the Notice is limited to continuing the promotions offered in 2015. *Id.*

In its Notice, the Postal Service provides a calculation of its new overall price adjustment authority for First-Class Mail and Standard Mail. Combining the unused price adjustment authority with the inflation-based price adjustment authority, the Postal Service calculates that there will be 0.074 percent in unused pricing authority available for First-Class Mail and 0.104 percent available for Standard Mail. *Id.* at 9, Table 1.

The Postal Service asserts the five temporary promotions do not affect workshare discounts. *Id.* at 12. Since the program does not exclude any mailers, the Postal Service also asserts the promotions do not affect compliance with any preferred price requirement. *Id.*

III. INITIAL ADMINISTRATIVE ACTIONS

Public notice. The Commission hereby provides public notice of the Postal Service's filing pursuant to rule 3010.11(a) and establishes Docket No. R2016-2 to consider the

³ *Id.* at 2. See also Docket No. R2015-4, Order No. 2365, Order on Price Adjustments for First-Class Mail Products and Related Mail Classification Changes, February 24, 2015; Docket No. R2015-4, Order No. 2472, Order on Revised Price Adjustments for Standard Mail, Periodicals, and Package Services Products and Related Mail Classification Changes, May 7, 2015.

planned promotions for market dominant postal products and related classification changes identified in the Postal Service's Notice filed November 16, 2015. The Commission invites comments from interested persons on whether the Notice is consistent with 39 U.S.C. 3622, and the requirements of 39 CFR part 3010. Comments are due no later than December 7, 2015. Pursuant to 39 U.S.C. 505, the Commission appoints Elisabeth S. Shellan to represent the interests of the general public (Public Representative) in this proceeding.

Availability of documents. The Commission has posted the Postal Service's Notice and associated library references on its website at <http://www.prc.gov>. The Commission will post documents the Postal Service submits in this docket on its website, along with related Commission documents, comments, or other submissions.

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. R2016-2 to consider the planned temporary promotions for market dominant postal products and related classification changes identified in the Postal Service's Notice filed November 16, 2015.
2. Comments on the planned temporary promotions and related classification changes are due no later than December 7, 2015.
3. Pursuant to 39 U.S.C. 505, Elisabeth S. Shellan is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.

4. The Commission directs the Secretary to arrange for prompt publication of this notice in the *Federal Register*.

By the Commission.

Stacy L. Ruble
Secretary

Commissioner Goldway, abstaining.