National Postal Policy Council

May 13, 2008

Vice-Chairman Mark Acton
2007 In Review

- Issued Opinion and Recommended Decision on Postal Rate and Fee Changes (last omnibus rate case)
- Completed and issued Ratemaking Regulations – 8 months ahead of statutory deadline
- Consultation with the Postal Service to develop modern service standards for all market dominant products
Consultation with Postal Service – Phase II

- Service Standards & Performance Measurement
- Link Network Realignment to Service Standards
- Network Plan due at the end of June
Regulatory Deliberations

- Completed R-2006-1 Omnibus Rate Case & Reconsiderations
- Sought and Analyzed Public Input on Service Standards & Performance Measurement
- Bank of America NSA
- Stamped Stationery
- Repositionable Notes
PRC Strategic and Operational Plan

- Office of Accountability and Compliance
- Office of Public Affairs & Government Relations
- Office of the Inspector General
Where We Stand -- 2008

- **Price Adjustment Filings for Market Dominant & Competitive Products**
  - Filings, Public Commentary and PRC requests for additional data.
  - March 17th: Market Dominant increases on average are within the 2.9% CAP
  - April 10th: Competitive Products appear to be able to cover attributable costs.
  - Both effective Monday, May 12
Postal Regulatory Commission

Annual Compliance Determination

U.S. Postal Service Performance
Fiscal Year 2007
2008

- Issued First Annual *Compliance Determination of the United States Postal Service Performance* -- FY2007

  - Revenue was up, volume was down
  - Our Findings found that five market dominant postal services did not cover their attributable costs
  - Annual Compliance Determination available at www.prc.gov
Service Standards & Performance Measurement

DECEMBER 2007:

- For Each 3-Digit ZIP Code Pair
- Each Class of Market-Dominant Mail
Competitive Products Fund

Accounting

- FTC Report
- Treasury Report & Comments
- Regulations Due December 2008
POSTAL REGULATORY COMMISSION

[Docket No. PI2008–3; Order No. 71]

Universal Service Obligation

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: A recent law requires the Commission to submit to Congress, by late December 2008, a report on the universal service obligation. This notice informs the public of the Commission’s obligation to prepare the report, provides background information, and seeks comments from the public.

DATES: Initial comments due June 30, 2008; reply comments due July 20, 2008. See SUPPLEMENTARY INFORMATION section for field hearing dates.

ADDRESSES: Submit comments electronically via the Commission’s Filing Online system at http://www.prc.gov.

FOR FURTHER INFORMATION CONTACT: Stephen L. Sharfman, General Counsel, 202-789-6820 and stephen.sharfman@prc.gov.

SUPPLEMENTARY INFORMATION:
PRC Field Hearings 2008

Universal Service Obligation:

- May 21 – Flagstaff, AZ
- June 5 – St. Paul, MN
- June 19 – Portsmouth, NH
Service Standards & Performance Measurement

Network Realignment

- Plan Due June 20, 2008
- IMB
Service Standards & Performance Measurement

INTELLIGENT MAIL BARCODE

- 42% “Need More Info” before implementing technology
- 9% “Plan to Continue” using POSTNET barcode until it is phased out (2010)
- 39% “Plan to Implement IMB” over next 12 months
- 6% “Do Not Have Plans to Implement” IMB

Source: Pitney Bowes Group 1 Software & Mailing Systems Technology, March 18, 2008
Looking Ahead

- Coordinate with the Department of State on international postal policy and provide views on international treaties affecting postal rates and classifications
- Periodic Reporting Rules
- Complaint Rules
- Periodical Study
- Nonpostal Services – MC2008-1
A Word from the Chairman

Dan G. Blair
Chairman of the Postal Regulatory Commission

My fellow Commissioners and I are pleased to present the Postal Regulatory Commission's new website. Our redesigned web pages provide timely information and better transparency of postal data to the users of the mail system. It is our hope that as you navigate the new website, you will find it useful. I would like to briefly highlight two new features of the design: the Newsroom and the Breaking News sections. The Newsroom includes Congressional testimony, speeches and press releases, while Breaking News is intended for more immediate information. Both sections will keep you informed and up-to-date on critical postal issues.

We will continue to post, under the What's New section, information on Commission activities. Currently, you will find the Commission's First Annual Compliance Report, which focuses on five main areas: Worksharing; Competitive Products costs and contributions; Negotiated Service Agreements; Service performance; and Trend analysis.