III. Ordering Paragraphs

It is ordered:


2. Pursuant to 39 U.S.C. 505, Malin Moench is appointed to serve as officer of the Commission (Public Representative) to represent the interests of the general public in these proceedings.

3. Comments by interested persons in these proceedings are due no later than February 7, 2011.

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

By the Commission.

Shoshana M. Grove, Secretary.
[FR Doc. 2011–1461 Filed 1–24–11; 8:45 am]
BILLING CODE 7710–FW–P

POSTAL REGULATORY COMMISSION

Sunshine Act Meetings

NAME OF AGENCY: Postal Regulatory Commission.

TIME AND DATE: Monday, January 24, 2011 at 11 a.m.


STATUS: Closed.

MATTERS TO BE CONSIDERED: Personnel—consideration of senior-level appointment.

CONTACT PERSON FOR MORE INFORMATION: Brian Corcoran, Acting General Counsel, Postal Regulatory Commission, 901 New York Avenue, NW., Suite 200, Washington, DC 20268–0001, 202–789–6820 or brian.corcoran@prc.gov.

Dated: January 20, 2011.

Shoshana M. Grove, Secretary.
[FR Doc. 2011–1461 Filed 1–24–11; 8:45 am]
BILLING CODE 7710–FW–P

POSTAL REGULATORY COMMISSION

[Docket No. R2011–2; Order No. 653]

Postal Service Price Adjustment

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is noticing a recently-filed Postal Service request to establish price adjustments for all market dominant classes. This notice addresses procedural steps associated with this filing.

DATES: Comments are due: February 2, 2011.

ADDRESSES: Submit comments electronically via the Commission’s Filing Online system at http://www.prc.gov. Commenters who cannot submit their views electronically should contact the person identified in FOR FURTHER INFORMATION CONTACT by telephone for advice on alternatives to electronic filing.

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

SUPPLEMENTARY INFORMATION:

I. Introduction

A. Background

On January 13, 2011, the Postal Service filed a notice with the Commission announcing price adjustments, effective April 17, 2011, affecting all market dominant classes. The market dominant classes are First-Class Mail, Standard Mail, Periodicals, Package Services, and Special Services. Market dominant international products are also affected.

The Notice asserts that the adjustments reflect price increases for each market dominant class which are equal, on average, to the statutory percentage limitation at the class level, which are shown in the following table, are generally due to rounding. Id. at 8.

Table 1—2011 Price Change Percentages

<table>
<thead>
<tr>
<th>Market dominant class</th>
<th>Percentage change</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-Class Mail</td>
<td>1.741</td>
</tr>
<tr>
<td>Standard Mail</td>
<td>1.739</td>
</tr>
<tr>
<td>Periodicals</td>
<td>1.741</td>
</tr>
<tr>
<td>Package Services</td>
<td>1.740</td>
</tr>
<tr>
<td>Special Services</td>
<td>1.740</td>
</tr>
</tbody>
</table>

Source: Adapted from Notice at 5 (Table 3).

Notwithstanding the overall percentage limitation at the class level, planned adjustments for certain individual products within a class may differ from the average, sometimes substantially. For example, the price of a stamp for a one-ounce First-Class letter, which is one of the most common postage rates used by the general public, will not increase, but remain at 44 cents. Presorted First-Class Mail will receive higher-than-price cap percentage increases. The Commission strongly encourages interested persons to review the Postal Service’s Notice and related filings in their entirety to determine the impact of the planned adjustments and related classification changes.

B. Context

Authority for filing. The Postal Service filed the Notice pursuant to 39 U.S.C. 3622 and part 3010 of the Commission’s rules of practice. The introductory part of the Notice addresses several administrative matters, including how the Postal Service plans to ensure widespread publicity about the changes at least 45 days prior to the effective date. Id. at 1. Part I of the Notice addresses the applicable annual limitation; identifies accrued unused (“banked”) rate adjustment authority available for this adjustment; and calculates the amount of new unused rate adjustment authority generated by this price change. Id. at 2–6. Part II addresses the consistency of the planned prices with statutory objectives and factors; considerations related to workshare discounts; and recognition of certain rate preferences. Id. at 7–45. Part III discusses related mail classification product description changes. Id. at 45–46.

The Notice includes three attachments. Attachment A presents price and mail classification changes. Attachment B presents workshare discount calculations. Attachment C presents price index change calculations. In related filings, the Postal Service submitted workpapers supporting the planned adjustments and a new Schedule of Regular Predictable Price Changes.2

C. Basis of Planned Adjustments

The Notice announcing the planned adjustments for market dominant classes was filed pursuant to a revised, more streamlined approach to postal ratemaking adopted in 2006.3 This

2 United States Postal Service Filing of Updated Schedule of Regular and Predictable Price Changes, January 13, 2011 (Schedule.)

3 See generally Postal Accountability and Enhancement Act (PAEA) of 2006.
The Notice states that the price change maintains the per-piece price differential between letters and flats and increases the price differential between letters and parcels, thereby resulting in above-average increases for Flats and Parcels products. Id. at 13. It also addresses other price relationships, including the significance of the 5-digit automation letter increase, which is 1.5 percent, and thereby below the 1.741 percent increase for the class as a whole. Id. The overall increase for Flats prices is 5.3 percent, stemming largely from a 17.6 percent increase in the price of additional ounces (moving from 17 cents to 20 cents). Id. at 14. Adjustments for automation flats vary, ranging from no increase for some categories to small increases or a reduction. Id.

First-Class Mail parcels receive a 3.8 percent increase, which the Notice identifies as higher than the overall increase for this class, but still significantly less than the increase for Standard Mail parcels. Id. Pricing design changes. The Notice identifies two pricing design changes in First-Class Mail. One involves the introduction of two separate pricing categories for parcels: Commercial Base and Commercial Plus. Commercial Base includes all parcels currently included in the Presort parcels category, plus the commercial portion of single-piece parcels. Single-piece parcels that are the residual of a presorted parcel mailing and non-presorted parcels where postage is paid by permit imprint, IBI meter, or PC Postage would be eligible for Commercial Base single-piece prices. All other single-piece parcels would pay retail prices. Id. at 14–15. The Notice says this change recognizes that parcels eligible for “commercial” prices avoid entry through the more costly retail channel. Id. at 15. Commercial Plus parcels is a new price category for machinable First-Class Mail parcels that weigh at least 3.5 ounces up to, but not including, 16 ounces. Id. Other requirements apply. Id.

The second pricing design change involves treating the first three ounces in each parcel pricing category as a single price cell, with parcels in each price category paying a single price. Id. The rationale is that this will improve contribution from a segment of the First-Class Mail parcel category that has not been providing an adequate contribution. Id. at 15–16.

The Postal Service plans to increase outbound single-piece First-Class Mail International by 5.2 percent. Id. at 16. Other international changes also are identified. Id. Additional matters. The Notice presents a detailed discussion of First-Class Mail workshare discounts. Id. at 27–29. Workpaper USPS–R2011–2/1 provides additional detail on the planned First-Class Mail price adjustments and workshare discounts.

B. Standard Mail

The Notice identifies the following changes for Standard Mail products:

<table>
<thead>
<tr>
<th>TABLE 3—2011 STANDARD MAIL PRODUCT PRICE CHANGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
</tr>
<tr>
<td>Overall</td>
</tr>
<tr>
<td>Letters</td>
</tr>
<tr>
<td>Flats</td>
</tr>
<tr>
<td>Parcels and NFMs</td>
</tr>
<tr>
<td>High Density/Saturation Letters</td>
</tr>
<tr>
<td>High Density/Saturation Flats &amp; Parcels</td>
</tr>
<tr>
<td>Carrier Route Letters, Flats &amp; Parcels</td>
</tr>
</tbody>
</table>

Source: Adapted from Notice at 16 (Table 7).

Standard Mail Letters increase by 1.810, slightly above the class-wide average. Id. at 16. The Notice states that the below-cap price change for the Flats product reflects a continued effort to moderate the increase for catalog mailers, as their volume fell considerably in FY 2008 and FY 2009. Id. It also presents other observations about the need for a cautious approach to Standard Mail flats, generally tied to poor economic conditions. Id. Standard Mail Parcels/NFMs receive an increase of 11.346 percent based on a need to improve cost coverage. Id. at 18. The Notice also states that the Postal Service recently filed a classification change to transfer Standard Mail parcels to the competitive category.5 It says the proposed prices are designed to move this product closer to covering its costs. Id. at 18.

The 1.376 percent increase for Carrier Route mail is below the cap in partial recognition of the fact that this product is used by the catalog industry. Id. Additional matters. The Notice presents a detailed discussion of workshare discounts. Id. at 29–42. Further details about the planned adjustment for Standard Mail, including workshare discounts, appears in Workpaper USPS–R2011–2/2.

C. Periodicals

The Notice identifies the following changes for Periodicals:

5 This is based on a 12-month moving average of the Consumer Price Index—All Urban Consumers, U.S. All Items (the “CUUR0000SA0” series). Id. at 3.
TABLE 4—2011 PERIODICALS
PRODUCT PRICE CHANGES

<table>
<thead>
<tr>
<th>Product</th>
<th>Percentage change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>1.741</td>
</tr>
<tr>
<td>Outside County</td>
<td>1.767</td>
</tr>
<tr>
<td>Within County</td>
<td>1.093</td>
</tr>
</tbody>
</table>

Source: Adapted from Notice at 19 (Table 8).

The Notice identifies Account Maintenance Fees as having an increase of 3.4 percent to reflect the value of the services the accounting fee supports and the goal of recovering institutional costs. Id. Insurance also experiences above-average increases in two tiers ($50.01 to $100.00 and $100.01 to $200.00) due to a combination of the nickel rounding constraint and a continued effort to “smooth” price relationships among the various increments. Id. An increase in the incremental fee reflects the higher value of service as the value of the item increases. Id.

Price increases of between 4 and 5 percent for Callier Service reflect the higher value customers place on this service. Id. For Post Office Boxes, prices are increased only for Size 1 boxes due to the small size of the cap. The Notice identifies an increase of $2 in Size 1 Fee Groups 1 and 2 and of $1 in Fee Groups 3 through 7. Id. at 22–23. Stamped Envelopes receive an overall increase of 2.5 percent. Id. at 23. The fee for Stamped Cards remains unchanged at 3 cents. Id. Collect on Delivery receives a higher-than-average increase of 4.2 percent based on failure to cover costs. Id.

The Notice states that the Postal Service’s overall approach to international special services is to set fees for these services similar to the fees for the equivalent domestic service. Id. at 23.

Workpaper USPS–R2011–2/5 provides additional detail on the Special Services adjustment.

III. Preferred Mail

The Notice states the Postal Service implements the requirements of 39 U.S.C. 3626 in the same manner as it did in Docket No. R2009–2, observing that the Commission concluded that approach reflected an appropriate approach. Id. at 23–24. It identifies the preferred products or components (Within County Periodicals, Nonprofit and Classroom Periodicals, Science of Agriculture Periodicals advertising pounds, Nonprofit Standard Mail, and Library Mail) and describes how the planned adjustments reflect the various statutory preferences. Id. at 23–25.

Consistency with 39 U.S.C. 3627 and 3629. The Notice states that neither section is implicated by the price change, as it does not seek to alter free rates (section 3627) or change the eligibility requirements for nonprofit rates (section 3629). Id. at 25.

IV. Mail Classification Schedule

Product Description Changes

The Notice, in conformance with rule 3010.14(b)(9), identifies changes to product descriptions in the Mail Classification Schedule (MCS) associated with the planned price changes.
adjustments in Attachment A. The MCS revisions are characterized as “very limited,” with only two substantive changes. Id. at 45. The two substantive changes are (1) the First-Class Mail classification changes related to adding a Commercial Plus category for parcels weighing between 3.5 and 16 ounces, and (2) the elimination of stamped envelopes with Standard Mail denominations in response to available alternatives and reduced consumer demand. Id. at 45–46. The Postal Service states that the latter change was proposed in Docket No. R2010–4.

The Postal Service identifies the following items as corrections to the MCS:

- Correcting the maximum weight for Presorted Machinable Letters in section 1110.5;
- Renaming Single-Piece Retail and Presorted as Commercial Base in section 1120;
- Using a footnote rather than a table to show the nonbarcoded/nonmachinable surcharge in section 1120.5;
- Clarifying the treatment of letters weighing more than 3.3 ounces in section 1205.5 and section 1215.5;
- Correcting a reference to the incorrect product in the Ride-Along note in section 1310.6;
- Conforming the Post Office Box lock replacement language in section 1550.1 with the Competitive MCS (noting that the fee is applied to late payments); and
- Correcting a reference to the Republic of Serbia in the country lists in Part D.

Id. at 46.

The Postal Service anticipates publishing notice of the changes to the Domestic Mail Manual implementing the new features in the Federal Register shortly. Id.

V. Commission Action

The filing of the Notice triggers a Commission review process which culminates in an order on the consistency of the planned adjustments with various legal, policy, and technical requirements. At this time, the Commission takes several steps in line with its responsibilities. First, it has posted the Notice and related filings on its Web site (http://www.prc.gov). It also has made the Notice available for copying and inspection during regular business hours (8 a.m. to 4:30 p.m.) at the Commission, 901 New York Avenue NW., Suite 200, Washington, DC 20268–0001. Any subsequent Postal Service filings in this docket, along with any written comments and filings by others, will be posted on the Commission’s Web site and made available for public inspection and copying on the same terms and at the same location as the Notice.


Third, the Commission, pursuant to 39 U.S.C. 505, appoints Kenneth E. Richardson as officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding. He will be assisted by Pamela Thompson of the Commission’s Office of Accountability and Compliance.

Fourth, the Commission provides a 20-day comment period, calculated from the date the Notice was filed. Thus, the comment period in this docket extends through close of business on February 2, 2011. Rule 3010.31(b) provides that public comments should focus primarily on whether the planned adjustments comply with the following mandatory requirements of 39 U.S.C. chapter 36, subchapter 1, including:

1. The Commission establishes Docket No. R2011–2 to consider the planned price adjustments in prices and fees for market dominant postal products and services, as well as the mail classification changes, identified in the Postal Service’s January 13, 2011 Notice of Market-Dominant Price Adjustment.
2. Interested persons may submit comments on the planned price adjustments. Comments are due February 2, 2011.
3. Pursuant to 39 U.S.C. 505, the Commission appoints Kenneth E. Richardson as officer of the Commission to represent the interests of the general public in this proceeding.
4. The Commission directs the Secretary of the Commission to arrange for prompt publication of this notice in the Federal Register.

By the Commission.

Shoshana M. Grove,
Secretary.

[PR Doc. 2011–1383 Filed 1–24–11; 8:45 am]

BILLING CODE 7710–FW–P