

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION

Before Commissioners:

Dan G. Blair, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton;
Ruth Y. Goldway; and
Tony L. Hammond

Notice of Price Adjustment

Docket No. R2009-2

ORDER REVIEWING POSTAL SERVICE
MARKET DOMINANT PRICE ADJUSTMENTS



Washington, DC 20268-0001

March 16, 2009

Extracted from pages 52-53:

Commission analysis. The Commission is concerned with the failure of Standard Mail flats to cover costs. In the two most recent rate adjustments, the Postal Service has proposed rates for Standard Mail flats which are below average for the class. The most recent increase is below average in spite of the failure of Standard Mail flats to cover costs in FY 2008. A pattern of preference for a category of mail not covering its attributable costs could be viewed as contrary to § 3622(b) or (c). While the Commission recognizes that the PAEA affords the Postal Service greater flexibility in rate design, and it accepts the Postal Service's justification for the proposed rate increase for Standard Mail flats, it will monitor the situation with interest. The Commission strongly encourages the Postal Service to set rates for Standard Mail flats which, at a minimum, recoup attributable cost and make the requisite contribution towards institutional costs.