

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

NOTICE OF PRICE ADJUSTMENT

Docket No. R2009-2

STATEMENT OF THE UNITED STATES POSTAL SERVICE
IN CONCURRENCE WITH PARTY COMMENTS
ON THE NOTICE OF PRICE ADJUSTMENTS
(March 6, 2009)

On March 2, 2009, in accordance with Commission Order No. 180 (Feb. 12, 2009), numerous parties filed their comments on the Postal Service's Notice of Market-Dominant Price Adjustments (Feb. 10, 2009). Several of those comments, in whole or in part, focused on the rates for First-Class Mail. The Postal Service files this brief statement to note its concurrence with several common themes running through those comments.

One common theme is that the issue of the potential applicability of the workshare discount provisions of 39 U.S.C. § 3622(e) to inter-product versus intra-product relationships is complex, and has wide-ranging implications. For that reason, the comments generally endorse the idea of considering that issue in a separate proceeding that would not be conducted under the severe time limitations of the current docket. See, e.g., Public Representative Comments at 11-12, Bank of America Comments at 2, Pitney Bowes Comments at 8-9, APWU Comments at 2. Indeed, the beneficial prospect of a separate proceeding on this issue was raised on page 3 of Chairman's Information Request No. 1 (Feb. 13, 2009), and embraced by the Postal Service on page 5 of its Feb. 20th response to that Information Request. By extension,

therefore, these comments are cautioning against any attempt to make hasty judgments on the matter in this proceeding.

In contrast, another common “theme” is the *lack* of any suggestion that the Commission should prohibit implementation on May 11th of the First-Class Mail rates presented in the Notice. For example, both GCA and the Public Representative take opposite positions on the worksharing issue from those of the Postal Service (e.g., GCA Comments at 2-3, Public Representative Comments at 10-12), yet neither indicates that a consequence of this disagreement should be rejection of the noticed rates. Instead, these comments appear more focused on preserving the ability of the Commission to adopt their preferred views on this matter going forward. *Id.* Even the APWU Comments, while arguing that the proposed rates run afoul of their interpretation of section 3622(e), allow for the possibility that those rates could be justified until phased out in future proceedings. APWU Comments at 6.

The parties presenting comments on this issue represent widely disparate viewpoints, and their universal reluctance to advocate throwing a monkey wrench into new rate implementation is both commendable and understandable. The mailing community needs substantial advance notice to prepare for implementation of new rates. *See, e.g.,* Pitney Bowes Comments at 2. The Postal Service, of course, also must begin preparation for rate changes well in advance of the implementation date, and those preparations are underway. Any suggestion that the Postal Service should abandon the First-Class Mail rates included with its Notice and substitute a different set of First-Class Mail rates instead would jeopardize timely implementation. In this time of broader financial crisis and dwindling First-Class Mail volumes, the effects on Postal

Service revenues of any delay in implementation would be devastating. Such delay, moreover, would shake confidence in the predictability of rate increases which was intended to be one of the hallmarks of the PAEA. See 39 U.S.C. § 3622(b)(2). The Commission, therefore, should not seek to embark down a troubling path that no party appears to be advocating.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

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