

Postal Regulatory Commission

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Press Release

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PRC approves USPS “Summer Sale” Rates Proposal

Washington, DC – The Postal Regulatory Commission today unanimously approved the U.S. Postal Service proposal to implement a Standard Mail Volume Incentive Pricing Program. The seasonal rates are scheduled to take effect on July 1 and run through September 30, 2009.

“Seasonal sales are popular fixtures in other industries and starting today, the Postal Service can begin to test their applicability to the mail,” Chairman Dan G. Blair said. “The Postal Service developed this program in response to the current economic downturn. The Commission looks forward to reviewing the results of the program,” he added.

The “Summer Sale” program will provide a 30 percent rebate to eligible mailers on Standard Mail letters and flats volumes above a mailer specific threshold. The program is open to larger mailers, which had a demonstrable volume of at least 1 million Standard Mail letters and flats between October 1, 2007 and March 31, 2008. These thresholds are designed to limit administrative costs while incenting increased volume sufficient to cover those costs, and make use of excess capacity in the mail system. Mailer interest in expanding the program will be carefully considered against the performance data gained during the sale.

Mailers will receive their discounts in the form of rebates following the conclusion of the sale period. Within 15 days after crediting the rebates, the Postal Service is required to provide the Commission with relevant revenue and cost data.

The “summer sale” proposal was reviewed in accordance with Commission rules for adjusting prices for market-dominant products, which require that action be taken within 45 days of receipt of the filing and permit a 20-day public comment period. The comment period allows the public to address the consistency of the new rates with statutory requirements.

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The Postal Regulatory Commission is an independent federal agency comprised of five Presidentially-appointed and Senate-confirmed Commissioners, each serving terms of six years. The Chairman is designated by the President. In addition to Chairman Blair, the other Commissioners are Vice Chairman Nanci Langley, Ruth Goldway, Tony Hammond, and Mark Acton.