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



Postal Regulatory Commission

Compliance Determination



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. Pl2008-3; 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 29, 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





