

objectives and factors of 39 U.S.C. 3622 and their relationship to the proposed changes. The Postal Service asserts that changes do not substantially alter the degree First-Class Mail rates address the objectives and factors. *Id.* at 11. Reply Rides Free is an example of increased flexibility allowed the Postal Service (Objective 4), and it is an initiative to enhance the Postal Service's financial position (Objective 5). The incentive to mailers to continue using First-Class Mail (Factor 3) encourages increased mail volume (Factor 7), but does not imperil the coverage of attributable costs (Factor 2). Move Update improves overall efficiency of mail processing (Objective 1, Factors 5 and 12). *Id.* at 11–12.

Similarly, for Standard Mail, the changes do not alter the degree that prices and system design already address the objectives and factors of section 3622. Move Update improves overall efficiency (Objective 1, Factors 5 and 12). The Saturation and High Density initiative is also an example of increased flexibility allowed the Postal Service (Objective 4) and provides an incentive to mailers to enhance the financial position of the Postal Service (Objective 5). It also encourages increased mail volume (Factor 7), incents the use of Standard Mail (Factor 3), and will not inhibit coverage of attributable costs (Factor 2). *Id.* at 12.

Workshare discounts. The Postal Service states that none of the price changes impacts workshare discounts for First-Class Mail or for Standard Mail. *Id.* at 13.

Conformance with 39 CFR part 3010. The Postal Service provides notice pursuant to section 3622 and 39 CFR part 3010 that the Governors have authorized the Postal Service to adjust the classification language and prices for these market dominant products. The Postal Service represents that, in conformance with the notice requirements of 39 CFR 3010.14(a)(3), it will publish notice of these changes at least 45 days prior to the planned implementation date. The Notice will be published at *USPS.com*, the Postal Explorer Web site, the *DMM Advisory*, the *P&C Weekly*, and a press release. Public notice will also be provided in future issues of *PCC Insider*, *MailPro*, the *Postal Bulletin*, and the **Federal Register**. *Id.* at 1. Pursuant to 39 CFR 3010.14(a)(4), the Postal Service identifies Greg Dawson, Manager, Pricing Strategy, as the official available to provide prompt responses to requests for clarification from the Commission. *Id.* at 2.

Pursuant to 39 CFR 3010.14(b)(9), the changes in the product descriptions

within the Mail Classification Schedule are included in Appendix A attached to the Notice.

III. Commission Action

The Commission establishes Docket No. R2011–1 to consider all matters related to the Notice as required by 39 U.S.C. 3622. Interested persons may express views and offer comments on whether the planned changes are consistent with the policies of 39 U.S.C. 3622 and the Commission's applicable regulations. Comments are due no later than November 22, 2010.

The Commission appoints James Waclawski to represent the interests of the general public in this proceeding. See 39 U.S.C. 505.

IV. Ordering Paragraphs

It is ordered:

1. The Commission establishes Docket No. R2011–1 to consider the matters raised by the Postal Service's November 2, 2010 Notice.

2. Interested persons may submit comments on the planned adjustments to classification language and price changes. Comments are due November 22, 2010.

3. Pursuant to 39 U.S.C. 505, the Commission appoints James Waclawski to represent the interests of the general public (Public Representative) 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.

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POSTAL REGULATORY COMMISSION

[Docket No. CP2011–27; Order No. 578]

Postal Rate Changes

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is noticing a recently-filed Postal Service request to change rates for Inbound Air Parcel Post at Universal Postal Union (UPU) rates. This notice addresses procedural steps associated with this filing.

DATES: *Comments are due:* November 18, 2010.

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, at 202–789–6820 or stephen.sharfman@prc.gov.

SUPPLEMENTARY INFORMATION:

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I. Introduction

On November 3, 2010, the Postal Service filed a notice announcing changes in rates not of general applicability for Inbound Air Parcel Post at Universal Postal Union (UPU) rates effective January 1, 2011.¹ The Notice incorporates by reference the explanation of Inbound Air Parcel Post at UPU Rates and the mechanism for setting rates contained in its request and supporting documentation filed in Docket Nos. MC2010–11 and CP2010–11.² *Id.* at 2.

In support of its Notice, the Postal Service filed four attachments as follows:

1. Attachment 1—an application for non-public treatment of materials to maintain redacted rates and supporting documents under seal;
2. Attachment 2—a redacted copy of Governors' Decision No. 09–15 which establishes prices and classifications for Inbound Air Parcel Post at UPU Rates, proposed Mail Classification Schedule language which includes a description of Inbound Air Parcel Post at UPU Rates, certification of prices in conformity with 39 U.S.C. 3633, an analysis of the procedures for setting rates, and certification of the Governors' vote;
3. Attachment 3—a redacted version of the new rates; and
4. Attachment 4—a certified statement required by 39 CFR 3015.5(c)(2) for Inbound Air Parcel Post at UPU rates.

¹ Notice of the United States Postal Service of Filing Changes in Rates Not of General Applicability and Application for Non-Public Treatment of Materials Filed Under Seal, November 3, 2010 (Notice).

² See Docket Nos. MC2010–11 and CP2010–11, Request of the United States Postal Service to Add Inbound Air Parcel Post at Universal Postal Union (UPU) Rates to the Competitive Products List, Notice of Establishment of Prices and Classifications Not of General Applicability for Inbound Air Parcel Post at UPU Rates Established in Governors' Decision No. 09–15, and Application for Non-Public Treatment of Materials Filed Under Seal, November 17, 2009 (Request).

II. Background

The Notice states that Governors' Decision No. 09-15 established prices and classifications not of general applicability for Inbound Air Parcel Post at UPU Rates on November 16, 2009. *Id.* at 1. The rates authorized by Governors' Decision No. 09-15 when there is no contractual relationship with the tendering postal operator are the highest possible inward land rates that the United States is eligible for under the parcel post regulations. *Id.* at 2. Air parcels comprise inbound parcels eligible to receive transportation by air rather than surface. *Id.*, Attachment 2, at 1.

In the Postal Service's Request in Docket Nos. MC2010-11 and CP2010-11, it explains the process for determining Inbound Air Parcel Post at UPU Rates. In its Request, the Postal Service indicates that the United States receives both air and surface parcels from foreign postal administrations which compensate the Postal Service for delivery of these parcels in the United States. Request at 2. It maintains that it has negotiated separate agreements for parcel rates with certain foreign posts, but most compensate it at the United States default rates for inbound parcel delivery. *Id.* Payments between postal administrations for handling and delivering parcel post are referred to as inward land rates. The Postal Service notes that inward land rates are set according to formulas in the UPU Parcel Post Regulations which constitute international law. *Id.* More specifically, the UPU Postal Operations Council establishes inward land rates.³ Such rates are based on a percentage of each member's inward land rate in 2004. *Id.* at 3. UPU members may qualify for percentage "bonuses" to their base rate based upon their provision of certain value-added services.⁴ *Id.* The Postal Service states it is responsible for gathering information that the UPU Postal Operations Council uses to calculate the rates, including completion of a questionnaire on service bonus eligibility and submission of annual inflation information from the Consumer Price Index for All Urban Consumers. *Id.* Based on this and similar information from the member posts, the UPU International Bureau publishes an annual notice establishing

³ The UPU Postal Operations Council is a designated body of the UPU which is responsible for rate setting.

⁴ The Postal Service states that services such as "track and trace, home delivery, published delivery standards, and use of a common inquiry system" qualify UPU members for bonuses. *Id.* Members may also seek an inflation-related adjustment to the base rate which is capped at 5 percent per year.

the postal administration's parcel rates for the following year. *Id.*

The Postal Service states that because of the unique mechanism for setting inward land rates, it chose to establish rates for inbound air parcels by reference to the Universal Postal Convention. *Id.*

In Order No. 362, the Commission approved the addition of Inbound Air Parcel Post at UPU Rates to the competitive product list.⁵

The Postal Service states in its Notice that the rates in its filing comport with the Governors' Decision are "the highest possible inward land rates for which the Postal Service was eligible based on inflation increases and other factors." Notice at 2-3.

The Postal Service asserts that its filing demonstrates compliance with 39 U.S.C. 3633. *Id.* at 3.

III. Notice of Filing

The Commission establishes Docket No. CP2011-27 for consideration of matters related to the issues identified in the Postal Service's Notice.

Interested persons may submit comments on whether the Postal Service's filing is consistent with the policies of 39 U.S.C. 3632 or 3633, and 39 CFR part 3015. Comments are due no later than November 18, 2010. The public portions of these filings can be accessed via the Commission's Web site (<http://www.prc.gov>).

The Commission appoints Paul L. Harrington as Public Representative in this proceeding.

IV. Ordering Paragraphs

It is ordered:

1. The Commission establishes Docket No. CP2011-27 for consideration of the issues raised in this docket.

2. Comments by interested persons in this proceeding are due no later than November 18, 2010.

3. Pursuant to 39 U.S.C. 505, Paul L. Harrington is appointed to serve as officer of the Commission (Public Representative) to represent the interest of the general public in this proceeding.

4. The Secretary shall arrange for publication of this order in the **Federal Register**.

By the Commission.

Shoshana M. Grove,
Secretary.

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⁵ Docket Nos. MC2010-11 and CP2010-11, Order Adding Inbound Air Parcel Post at UPU Rates to Competitive Product List, December 15, 2009 (Order No. 362).

RAILROAD RETIREMENT BOARD

2011 Railroad Experience Rating Proclamations, Monthly Compensation Base and Other Determinations

AGENCY: Railroad Retirement Board.

ACTION: Notice.

SUMMARY: Pursuant to section 8(c)(2) and section 12(r)(3) of the Railroad Unemployment Insurance Act (Act) (45 U.S.C. 358(c)(2) and 45 U.S.C. 362(r)(3), respectively), the Board gives notice of the following:

1. The balance to the credit of the Railroad Unemployment Insurance (RUI) Account, as of June 30, 2010, is \$109,226.81;
 2. The September 30, 2010, balance of any new loans to the RUI Account, including accrued interest, is \$47,377,543.22;
 3. The system compensation base is \$3,509,356,938.87 as of June 30, 2010;
 4. The cumulative system unallocated charge balance is (\$328,338,446.22) as of June 30, 2010;
 5. The pooled credit ratio for calendar year 2011 is zero;
 6. The pooled charged ratio for calendar year 2011 is zero;
 7. The surcharge rate for calendar year 2011 is 2.5 percent;
 8. The monthly compensation base under section 1(i) of the Act is \$1,330 for months in calendar year 2011;
 9. The amount described in sections 1(k) and 3 of the Act as "2.5 times the monthly compensation base" is \$3,325 for base year (calendar year) 2011;
 10. The amount described in section 4(a-2)(i)(A) of the Act as "2.5 times the monthly compensation base" is \$3,325 with respect to disqualifications ending in calendar year 2011;
 11. The amount described in section 2(c) of the Act as "an amount that bears the same ratio to \$775 as the monthly compensation base for that year as computed under section 1(i) of this Act bears to \$600" is \$1,718 for months in calendar year 2011;
 12. The maximum daily benefit rate under section 2(a)(3) of the Act is \$66 with respect to days of unemployment and days of sickness in registration periods beginning after June 30, 2011.
- DATES:** The balance in notice (1) and the determinations made in notices (3) through (7) are based on data as of June 30, 2010. The balance in notice (2) is based on data as of September 30, 2010. The determinations made in notices (5) through (7) apply to the calculation, under section 8(a)(1)(C) of the Act, of employer contribution rates for 2011. The determinations made in notices (8) through (11) are effective January 1,