

AMENDMENT CONCERNING MARKUP RULE FOR COMPETITIVE PRODUCTS

Page 20, strike line 3 and all that follows through line 15 and insert the following:

“§ 3633. Provisions applicable to rates for competitive products

“(a) IN GENERAL.—The Postal Regulatory Commission shall, within 180 days after the date of enactment of this section, promulgate (and may from time to time thereafter revise) regulations—

“(1) to prohibit the subsidization of competitive products by market-dominant products;

“(2) to ensure that each competitive product covers its costs attributable, based on a transparent assessment of cost causality for each class or type of mail service in accordance with accepted economic practice; and

“(3) to ensure that each competitive product makes a contribution to the institutional costs of the Postal Service equal to at least 25% of its attributable costs.

“(b) REVIEW OF MINIMUM CONTRIBUTION.—Five years after the date of enactment of this section, and every five years thereafter, the Postal Regulatory Commission shall conduct a review to determine whether the institutional-costs contribution requirement of paragraph (a)(3) should be retained in its current form, modified, or eliminated. In making its determination, the Commission shall consider all relevant circumstances, including the prevailing

competitive conditions in the market, and the degree to which any costs are uniquely or disproportionately associated with any competitive products.”.

EXPLANATION

This amendment would replace the collective markup provision of section 3633 with a requirement that each competitive product maintain an institutional-costs contribution of 25 percent. The Postal Regulatory Commission would reconsider this requirement at five-year intervals, and would determine whether it should be retained, modified, or eliminated. In making its determination, the Commission would give special consideration to prevailing conditions in the market for competitive products, and to cost factors that might have a unique or disproportionate impact on competitive products.