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ORDER NO. 1131

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Before Commissioners: Edward J. Gleiman, Chairman
H. Edward Quick, Jr., Vice Chairman
George W. Haley and W.H. "Trey" LeBlanc III

Special Services Fees and Classifications

Docket No. MC96-3

ORDER CONCERNING POSTAL SERVICE MOTIONS FOR
RELIEF FROM ORDER NO. 1129

(Issued August 20, 1996)



Order No. 1129 granted the motion of Nashua Photo and Mystic Color Lab (Nashua/Mystic) to enlarge the scope of this docket to include consideration of the appropriateness of establishing a separate rate category for bulk, non-automated Business Reply Mail (BRM). The Postal Service has moved for reconsideration of Order No. 1129, asking that it be reversed, or that the Nashua/Mystic proposal be considered in a separate docket. Motion of the United States Postal Service for Reconsideration of PRC Order No. 1129 or, in the Alternative, for Severance of Consideration of the Nashua/Mystic Proposal in a Separate Proceeding, filed August 16, 1996. It filed a motion for relief from its obligation to respond to BRM-related discovery from Nashua/Mystic pending its motion for reconsideration. Motion of the United States Postal Service for Relief from Obligation to Respond to Interrogatories from Nashua/Mystic (NM/USPS-8-27)

Pending Resolution of Motion for Reconsideration of PRC Order 1129 and, in the Alternative, Objections to Nashua/Mystic Interrogatories, filed August 19, 1996.

Nashua/Mystic had asserted that its mail imposes no BRM-related piece handling costs on the Postal Service, yet it is charged a higher per-piece BRM fee than pre-barcoded BRM, which does impose BRM-related piece handling costs on the Postal Service. Nashua Photo Inc. and Mystic Color Lab Motion to Enlarge Scope of Proceeding for Consideration of Classification Modification with Respect to Business Reply Mail at 2-3. In Order No. 1129 the Commission concluded that Nashua/Mystic had made out a prima facie case that its BRM fees are inequitable, and that its case should be heard in this docket, unless there were strong countervailing interests that would be served by delay. Order No. 1129 at 8.

The Commission has already concluded that expanding the scope of this docket to include the Nashua/Mystic proposal is unlikely to threaten the prompt and orderly processing of the Postal Service's own proposals in this docket, since those proposals are modest in their collective scope. *Id.* at 10-11. The Commission, however, left open the possibility that the Postal Service could demonstrate that it would be premature and inefficient to consider the Nashua/Mystic proposal in this docket, if it were to show that the scope of Nashua's inquiries is significantly broader than that initially outlined in its motion to enlarge, and information responsive to its broader inquiries would not become available until the conclusion of the Postal Service's current investigations of BRM. *Id.* at 11.

The Postal Service's motions to reconsider and to suspend discovery fall short of the showing allowed for in Order No. 1129. They are deficient primarily in their failure to show what information sought by Nashua/Mystic is not currently available, but is likely to become available at the conclusion of its current investigation of BRM. Therefore, for a request for reconsideration of Order No. 1129 to be effective it must include, as a prerequisite, the beginning and scheduled ending date of the Postal Service's current investigation of BRM, the resources being devoted to it, and a concrete description of its scope, including whether it extends to an examination of the relative costs of bulk and non-bulk BRM processing or the administrative tasks that a bulk BRM rate category is likely to require. If the Postal Service desires to file information as a supplement to its pleadings, it may do so on or before August 23, 1996.

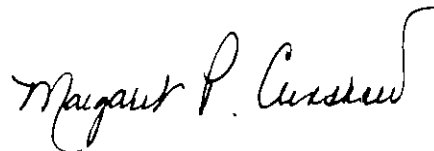
It is ordered:

1. The Postal Service is authorized to file, on or before August 23, 1996, a supplemental pleading of the nature described in this Order.

2. Nashua/Mystic shall have until August 29, 1996, to file replies to the Postal Service's motions for relief from Order No. 1129.

By the Commission.

(S E A L)



Margaret P. Crenshaw
Secretary