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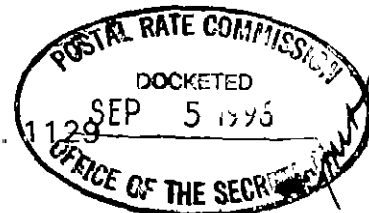
BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

SPECIAL SERVICES REFORM, 1996

Docket No. MC96-3

MOTION FOR LEAVE TO FILE BRIEF RESPONSE  
TO THE NASHUA/MYSTIC OPPOSITION  
TO THE USPS MOTION TO RECONSIDER PRC ORDER NO. 1129  
(September 5, 1996)



On August 29, 1996, Nashua Photo and Mystic Color Lab (Nashua/Mystic) filed their Opposition To The USPS Motion To Reconsider PRC Order No. 1129. To ensure that the Commission's resolution of the Postal Service Motion For Reconsideration is not affected by any incomplete characterizations, the Postal Service requests leave to submit the following brief recitation of material events.

Nashua/Mystic contacted Postal Service counsel several weeks before the Governors approved the filing of the Request in Docket No. MC96-3, seeking to determine whether the Postal Service intended to include Business Reply Mail reform in its Request. When informed that the proposal being prepared by postal management did not include Business Reply Mail, Nashua asked to be directed to the appropriate senior postal officials to whom an overture for reconsideration might be made. After written communication and meetings with senior rate policy managers in May, 1996, Nashua/Mystic were informed that the Postal Service would not include BRM in the proposal being submitted for review by the Board of Governors, but that the Postal Service would continue to explore their concerns. As indicated in the August 23, 1996, Response Of The United States Postal

As indicated in the August 23, 1996, Response Of The United States Postal Service To PRC Order No. 1131, a Nashua/Mystic/USPS working group was established as an adjunct to an existing internal postal management BRM task force.

At page 19 of their Opposition, Nashua/Mystic assert that

"[f]or over a year, Nashua and Mystic have each attempted to persuade the Postal Service to investigate their respective claims that BRM rates being charged to them are unfair and unjust."<sup>1</sup> As demonstrated by the response to NM/USPS-34, which was filed on August 30, 1996, the Postal Service and Nashua/Mystic have had more than an occasional meeting. The Postal Service and Nashua have been working closely to test a "reverse manifest" BRM accounting system since the fall of 1995. This activity clearly conflicts with the impression that Nashua/Mystic seek to create "that the working group was established due to the danger that the Commission might consider the Nashua/Mystic proposal."<sup>2</sup> Furthermore, contrary to Nashua/Mystic's suggestion that concern over the possibility of mailer proposals in the Special Services docket led to the creation of the task force,<sup>3</sup> that group was formed as a consequence of management's independent judgment as to the importance of investigating and improving Business Reply Mail.

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<sup>1</sup> Nashua/Mystic do not indicate whether "the Postal Service," in this instance is a local postmaster or a senior Headquarters manager whose responsibilities relate to rate policy.

<sup>2</sup> Id. at 21.

<sup>3</sup> See pages 19-20 of the Nashua/Mystic Opposition.

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At page 20 of its Opposition, Nashua appears to misconstrue footnote 1 on page 2 of the Postal Service's August 23, 1996, Response To PRC Order No. 1131. There, the Postal Service made clear that the output of the Nashua/Mystic/USPS working group and the internal management task force may lead to the study of one or more alternatives which do not conform precisely to the DMCS proposal that Nashua has sketched out in Docket No. MC96-3.<sup>4</sup> The Postal Service merely acknowledged the possibility that the internal management task force, after hearing from the Nashua/Mystic/USPS working group, might decide that some other alternative proposal -- one which might be no less meritorious or attractive or satisfactory, although not precisely conforming to Nashua's preferred proposal -- could be studied instead.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:  
Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

*for*   
Michael T. Tidwell

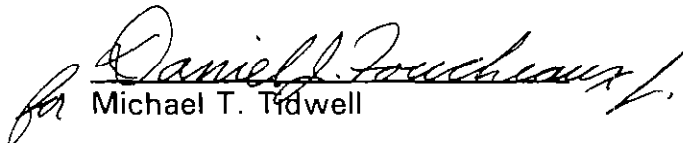
475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2998; Fax -5402  
September 5, 1996

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<sup>4</sup> Without knowing what will ultimately emerge, the Postal Service also cannot say whether any differences will be material.

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

  
for Michael T. Tidwell

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