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

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

SPECIAL SERVICES REFORM, 1996

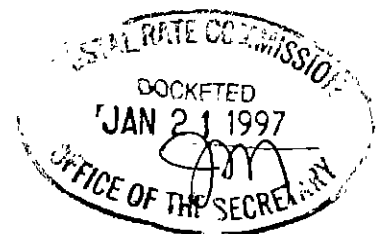
Docket No. MC96-3

REPLY BRIEF OF THE
AMERICAN BANKERS ASSOCIATION

January 21, 1997

Communications with respect to this document may be directed to:

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REPLY BRIEF

The American Bankers Association (ABA) submits this brief in reply to the briefs of the Office of Consumer Advocate (OCA) and the Postal Service.

In its discussions of monopoly issues, at pages 32-3 and 147-8, OCA misses the mark only by demonstrating uncharacteristic and uncalled for restraint. As amply demonstrated throughout this case and discussed fully enough in various places in the OCA brief and ABA's brief to avoid the need for repetition here, this proposal by the Postal Service would raise additional revenues largely at the expense of mail caught in the statutory web of its monopoly.

As the OCA brief states at page 33, "There can be no doubt that the Postal Service is attempting to extract as much monopoly profit from special services as it thinks it can get away with." As bad as it sounds, the reality is even worse for certified mail. As demonstrated in ABA's initial brief, at pages 3-6, there are significant numbers of statutory requirements that certain types of communications be sent by certified mail. Attempting to raise revenues primarily by exploiting a monopoly is bad public policy. Doing the same to mailers who have a specific statutory requirement to use certified mail is worse.

In its brief, at page 77, the Postal Service states that the certified mail fee increase is supported by market research. The import, if any, of this market research is vitiated by the extent to which the use of certified mail is legally required.

At page 44 of its brief, OCA states "It is reasonable to conclude that major mailers are not the primary users of special services; low volume mailers are." ABA represents financial institutions of all sizes and does not believe that this is correct. Post office boxes, caller service and certified mail are used by banks of all sizes. The common characteristic shared by the persons who will be unfairly burdened by these proposed changes is that they send or receive First-Class Mail, ABA brief at page 3.

For the reasons set out here and in its initial brief, ABA urges the Commission to deny the Postal Service's request to increase rates for caller service, certified mail, and post office boxes.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'I. D. Warden', is written over a horizontal line.

Irving D. Warden

CERTIFICATE OF SERVICE

I hereby certify that I have this date caused the foregoing document to be served upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.



Irving D. Warden

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