

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

NOTICE OF THE UNITED STATES POSTAL SERVICE REGARDING
THE INTRODUCTION OF A HOUSE VERSION OF LEGISLATION POTENTIALLY
AFFECTING THE RATES FOR PREFERRED RATE MAIL
(June 23, 2000)

Pursuant to a request from the Presiding Officer (Tr. 1/55-56), the Postal Service on June 12th filed a copy of S.2686, which is draft legislation introduced in the Senate that potentially could affect the legislative scheme by which rates for preferred rate mail are established. For those who might not otherwise be aware, notice is hereby provided that a parallel version of S.2686 was introduced in the House on June 12th as H.R. 4636, and a copy of that bill is attached to this notice.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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June 23, 2000

106TH CONGRESS
2D SESSION

H. R. 4636

To amend chapter 36 of title 39, United States Code, to modify rates relating to reduced rate mail matter, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2000

Mr. FATTAH (for himself, Mr. HOYER, Mr. DAVIS of Illinois, and Mr. OWENS) introduced the following bill; which was referred to the Committee on Government Reform

A BILL

To amend chapter 36 of title 39, United States Code, to modify rates relating to reduced rate mail matter, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Nonprofit Relief Act
5 of 2000".

6 **SEC. 2. SPECIAL RATEMAKING PROVISIONS.**

7 (a) **ESTABLISHMENT OF REGULAR RATES FOR MAIL**
8 **CLASSES WITH CERTAIN PREFERRED SUBCLASSES.**

1 Section 3622 of title 39, United States Code, is
2 amended

3 (1) by redesignating subsection (c) as sub-
4 section (d); and

5 (2) by inserting after subsection (b) the fol-
6 lowing:

7 "(c) Regular rates for each class or subclass of mail
8 that includes 1 or more special rate categories for mail
9 under former section 4358 (d) or (e), 4452 (b) or (c), or
10 4554 (b) or (c) of this title shall be established by applying
11 the policies of this title, including the factors of section
12 3622(b) of this title, to the costs attributable to the reg-
13 ular rate mail in each class or subclass combined with the
14 mail in the corresponding special rate categories author-
15 ized by former section 4358 (d) or (e), 4452 (b) or (c),
16 or 4554 (b) or (c) of this title."

17 (b) RESIDUAL RULE FOR PREFERRED PERIODICAL
18 MAIL. Section 3626(a)(3)(A) of title 39, United States
19 Code, is amended to read as follows:

20 "(3)(A) Except as provided in paragraph (4) or
21 (5), rates of postage for a class of mail or kind of
22 mailer under former section 4358 of this title shall
23 be established in a manner such that the estimated
24 revenues to be received by the Postal Service from

1 such class of mail or kind of mailer shall be equal
2 to the sum of

3 (i) the estimated costs attributable to
4 such class of mail or kind of mailer; and

5 (ii) the product derived by multiplying the
6 estimated costs referred to in clause (i) by the
7 applicable percentage under subparagraph
8 (B)."

9 (c) SPECIAL RULE FOR NONPROFIT AND CLASSROOM
10 PERIODICALS. Section 3626(a)(4) of title 39, United
11 States Code, is amended to read as follows:

12 (4)(A) Except as specified in subparagraph
13 (B), rates of postage for a class of mail or kind of
14 mailer under former section 4358 (d) or (e) of this
15 title shall be established so that postage on each
16 mailing of such mail shall be as nearly as practicable
17 5 percent lower than the postage for a corresponding
18 regular-rate category mailing.

19 (B) With respect to the postage for the adver-
20 tising portion of any mail matter under
21 former section 4358 (d) or (e) of this title, the 5-
22 percent discount specified in subparagraph (A) shall
23 not apply if the advertising portion exceeds 10 per-
24 cent of the publication involved."

1 (d) SPECIAL RULE FOR NONPROFIT STANDARD (A)
2 MAIL. Section 3626(a) of title 39, United States Code,
3 is amended by adding at the end the following:

4 (6) The rates for mail matter under former
5 sections 4452 (b) and (c) of this title shall be estab-
6 lished as follows:

7 (A) The estimated average revenue per
8 piece to be received by the Postal Service from
9 each subclass of mail under former sections
10 4452 (b) and (c) of this title shall be equal, as
11 nearly as practicable, to 60 percent of the esti-
12 mated average revenue per piece to be received
13 from the most closely corresponding regular-
14 rate subclass of mail.

15 (B) For purposes of subparagraph (A),
16 the estimated average revenue per piece of each
17 regular-rate subclass shall be calculated on the
18 basis of expected volumes and mix of mail for
19 such subclass at current rates in the test year
20 of the proceeding.

21 (C) Rate differentials within each sub-
22 class of mail matter under former sections 4452
23 (b) and (c) shall reflect the policies of this title,
24 including the factors set forth in section
25 3622(b) of this title."

1 (e) SPECIAL RULE FOR LIBRARY AND EDUCATIONAL
2 MATTER.Ð Section 3626(a) of title 39, United States
3 Code, as amended by subsection (d) of this section, is
4 amended by adding at the end the following:

5 "(7) The rates for mail matter under former
6 sections 4554 (b) and (c) of this title shall be estab-
7 lished so that postage on each mailing of such mail
8 shall be as nearly as practicable 5 percent lower
9 than the postage for a corresponding regular-rate
10 mailing."

11 **SEC. 3. TRANSITIONAL AND TECHNICAL PROVISIONS.**

12 (a) TRANSITIONAL PROVISION FOR NONPROFIT
13 STANDARD (A) MAIL.Ð In any proceeding in which rates
14 are to be established under chapter 36 of title 39, United
15 States Code, for mail matter under former sections 4452
16 (b) and (c) of that title, pending as of the date of enact-
17 ment of section 2 of this Act, the estimated reduction in
18 postal revenue from such mail matter caused by the enact-
19 ment of section 3626(a)(6)(A) of that title, if any, shall
20 be treated as a reasonably assignable cost of the Postal
21 Service under section 3622(b)(3) of that title.

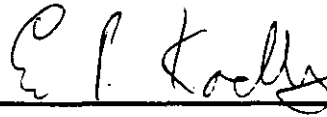
22 (b) TECHNICAL AMENDMENT.Ð Section 3626(a)(1)
23 of title 39, United States Code, is amended by striking

1 ``4454(b), or 4454(e)" and inserting ``4554(b), or
2 4554(e)".

○

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.

A handwritten signature in black ink, appearing to read "Eric P. Koetting", written over a horizontal line.

Eric P. Koetting

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