

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Experimental Suspension of Fee for)
Manual Deliver Confirmation Category)

Docket No. R2001-2
Docket No. MC2001-2

OFFICE OF THE CONSUMER ADVOCATE
STATEMENT CONCERNING PROCEEDING UNDER
RULES FOR EXPERIMENTAL CHANGES; AND
RESPONSE TO THE POSTAL SERVICE'S MOTION FOR WAIVER
OF CERTAIN FILING REQUIREMENTS
(October 10, 2001)

Pursuant Commission Order No. 1323,¹ the Office of the Consumer Advocate (OCA) hereby states its position on two matters: (1) the question whether it is appropriate to proceed with the Postal Service's Request for a temporary Delivery Confirmation category without fee under the rules for experimental changes, and (2) whether it is advisable to grant the Postal Service's motion for the waiver of certain filing requirements. Briefly, the OCA is not opposed to proceeding with this case under Rules 67-67d; nor does the OCA object to the waiver of filing requirements as described in the Postal Service's motion for waiver.

Under Rule 67(b), the Commission considers the following criteria in determining whether to proceed under the experimental rules:

- (1) the novelty of the proposed change;
- (2) the magnitude of the proposed change, including its effect on postal costs and revenues, as well as on mailing costs and competition;

¹ "Notice and Order on Filing of Request for Establishment of Temporary Experimental Delivery Confirmation Category Without Fee." September 25, 2001.

- (3) the ease or difficulty of generating data; and
- (4) the desired duration of the experiment.

The proposed no-fee Delivery Confirmation service is not characterized by exceptional novelty, however, this property is not always considered essential. When a proposed service presents a “new take” on an existing service or practice, the novelty criterion may thus be satisfied.² The proposed fee suspension for Delivery Confirmation is a “new take” on the provision of this service in that for the three years since the service has been available to the public, a no-fee option (that has previously been offered only to bulk users of the electronic service) is now being made available to individual users of the service as well. The Postal Service proposes to make this no-fee option available to all users during the period December 1–16, 2001.

The magnitude of the proposed change is small in terms of increased costs and lost revenue. Witness O'Hara plausibly estimates the potential revenue loss at \$1.3 million (USPS-T-1 at 7) and the potential additional costs at approximately \$8 million for additional Delivery Confirmation usage (workpaper at 2) plus \$150,000 (USPS-T-1 at 8) to inform the public about the temporary no-fee option. Mailers will be spared the cost of paying the Delivery Confirmation fee, which is, of course, beneficial to those who avail themselves of this opportunity. The OCA is unclear about the effect on competition.

It is the view of the OCA that the easiest (and preferred) method of measuring public response to the no-fee option is through the collection of data as proposed in witness O'Hara's testimony.

² P. O. Ruling No. MC2001-1/3, “Presiding Officer's Ruling on the Use of Rule 67 Procedures, Motion for Waiver of Certain Filing Requirements, and Procedural Schedule,” issued April 20, 2001, at 10.

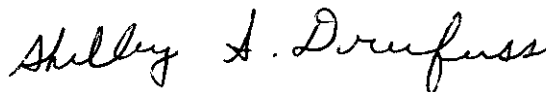
The proposed duration of the experiment – only 16 days – is very limited and undoubtedly minimizes the cost and revenue impact.

Based upon this assessment, the OCA believes that experimental consideration of the proposed rate and classification change is appropriate.

In its Motion for Waiver of Certain Provisions of Rules 54 and 64,³ the Postal Service contends that the proposed experiment has no significant impact on any service besides Delivery Confirmation service, and that even for Delivery Confirmation service there will be only a slight diminution of the contribution of the Delivery Confirmation service to institutional costs (workpaper at 2, panel C). These contentions appear plausible.

Wherefore, the OCA does not oppose application of experimental Rules 67-67d to this proceeding; nor does the OCA oppose the Postal Service's motion for waiver of specified rules.

Respectfully submitted,




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³ Filed September 20, 2001.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with Rule 12 of the rules of practice.



h'Enri Whitseyjohnson

Washington, D.C. 20268-0001
October 10, 2001