

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

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROBINSON
TO PRESIDING OFFICER'S INFORMATION REQUEST No. 1
(October 18, 2001)

The United States Postal Service hereby provides the response of witness Robinson to Presiding Officer's Information Request No. 1, dated October 9, 2001.

The request is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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October 18, 2001

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POIR-1.

The Postal Service proposes that the current basic automation tiers for First-Class Mail letters, flats and cards be disaggregated into mixed-AADC rates and AADC rates. USPS-T-29 at 20, 28. Similar proposals are made for Standard Mail Regular and Nonprofit letters. USPS-T-32 at 3. Documents presented through Mailing Online are currently eligible for the automation basic rates referenced above that are proposed to be disaggregated. See Request, Attachment A at 103-4. The Postal Service has not offered a proposal to modify the Mailing Online eligibility categories in the event that the Commission recommends the disaggregation proposals. The Postal Service is requested to provide a proposal for modifying the Mailing Online eligibility categories in the event that the disaggregation proposals are recommended, and to provide supporting documentation to justify any proposed modifications.

RESPONSE:

The Postal Service proposes that the mixed AADC (mixed ADC for First-Class Mail flats) rate apply to documents presented through Mailing Online for entry as First-Class Mail or Standard Mail Regular or Nonprofit letters. It is my understanding that errata to the Domestic Mail Classification Schedule incorporating this proposal will be filed shortly.

In Docket No. MC2000-2, Mailing Online Experiment, Postal Service witness Garvey

observed:

Which postage rates should apply to Mailing Online pieces has been a matter of close consideration throughout the program's development. A clear thrust of Mailing Online is driving out mail processing costs via automation compatibility, presortation, and destination entry. Thus, single piece rates seem inappropriate. However, the uncertainty concerning short-term volumes suggests deeper discounts are also inappropriate at this time. . . . The proposed automation basic rate categories thus constitute a conservative compromise between the deepest discounts available and none at all.

Docket No. MC2000-2, USPS-T-1 at 15-16. This logic is equally applicable to the Postal Service's current proposal to apply mixed AADC rates to Mailing Online pieces. If recommended by the Commission and approved by the Governors, the proposed mixed AADC rate will be the one step removed from single-piece rates for automation compatible pieces; this one-step removal is consistent with the current practice. By

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RESPONSE TO POIR 1 (continued):

postponing the decision to offer deeper discounts until further data are available from the Mailing Online Experiment, this proposal maintains the “conservative compromise” discussed by witness Garvey and thus is fair and equitable.

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.

Michael T. Tidwell

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