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

RECEIVED Mar 4 2 41 PN '02 Sector and the sector

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

JOINT INITIAL BRIEF

:

OF

THE SATURATION MAIL COALITION

AND

ADVO, INC.

Communications with respect to this document should be sent to:

John M. Burzio Thomas W. McLaughlin BURZIO & MCLAUGHLIN 1054 31st Street, N.W. Washington, D.C. 20007

Counsel for the SATURATION MAIL COALITION and ADVO, INC.

March 4, 2002

5

BEFORE THE POSTAL RATE COMMISSION WASHINGTON, D.C.

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

JOINT INITIAL BRIEF OF THE SATURATION MAIL COALITION AND ADVO, INC.

As signatories to the Stipulation and Agreement ("Settlement Agreement") submitted in this proceeding, the Saturation Mail Coalition and ADVO, Inc. support the Settlement Agreement and urge that the Commission recommend the proposed rate and classification changes set forth therein in their entirety.

What initially promised to be another fiercely-litigated rate case has been transformed – by the bold initiative of Chairman Omas – into an unprecedented effort to achieve a broadly-based settlement. That effort has been remarkably successful. The Settlement Agreement has been signed by 56 parties, including the Postal Service and all of the major parties that have traditionally actively litigated past rate cases – often in opposition to one another. In this proceeding, the signatory parties have compromised and agreed to set aside individual differences and preferences by waiving their rights to (1) contest the proposed settlement rates, (2) present alternative rate proposals, or (3) present additional testimony in support of the proposed rates – in favor of a comprehensive set of rates and an implementation date that are mutually acceptable to all.

The Commission, of course, must make an independent assessment that the rate and classification proposals set forth in the Agreement are supported by the record. With respect to Standard A Enhanced Carrier Route (ECR) mail – typically one of the more hotly contested subclasses in postal rate cases – the fact that the settlement rates are unopposed is a *prima facie* indication that the record supports them. All the parties that traditionally litigate ECR rate issues are signatories to the Settlement Agreement.¹

Therefore, the Saturation Mail Coalition and Advo urge the Commission to recommend to the Governors adoption of the rates and classifications set forth in the Settlement Agreement in their entirety. Under the circumstances of this case, the settlement is beneficial to the Postal Service, fair to both mail users and competitors, and in the public interest.

Respectfully submitted,

John M. Burzio

Thomas W. McLaughlin Burzio & McLaughlin 1054 31st Street, N.W. Washington, D. C. 20007

Counsel for the SATURATION MAIL COALITION and ADVO, INC.

CERTIFICATE OF SERVICE

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

Thomas W. McLaughlin

March 4, 2002

¹ Settlement signatories include Advo, the Alliance of Independent Store Owners and Professionals, the Association of Alternate Postal Systems, the Direct Marketing Association, the Mail Order Association of America, the Newspaper Association of America, Postcom, the Saturation Mail Coalition, and Val-Pak.