

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

CONFIRM

Docket No. MC2002-1

**STATEMENT OF UNITED STATES POSTAL SERVICE CONCERNING
COMPLIANCE WITH FILING REQUIREMENTS AND
CONDITIONAL MOTION FOR WAIVER**
(April 24, 2002)

In the Compliance Statement attached to its Request in the instant docket (Attachment F), the Postal Service has identified information contained in its testimony and supporting documentation intended to satisfy the filing requirements in pertinent provisions of the Commission's Rules of Practice and Procedure (Rules 54 and 64). The Postal Service has supplemented materials developed specifically for this filing by incorporating testimony and documentation that was submitted by the Postal Service in connection with the most recently concluded omnibus rate proceeding, Docket No. R2001-1. In light of several considerations, the Postal Service believes that most of the specific requirements pertaining to classes of mail and special services other than Confirm are met by incorporating the materials from the recently concluded rate case. Information and materials identifying costs, volumes, revenues, and relationships pertaining specifically to Confirm are provided in the testimony and supporting documents submitted with the instant Request.

As outlined in the testimony filed with the Request, the Confirm classification would make a significant contribution to mailer options, but would represent a relatively

minor and ancillary addition to the array of mail and special services comprehensively considered most recently in Docket No. R2001-1. Furthermore, the period proposed for evaluation of Confirm (Fiscal Year 2003) coincides with the test year in that case. As a consequence, there is substantial overlap between the information sought through general filing requirements and the materials provided in Docket No. R2001-1.¹ For example, certain filing requirements call for information pertaining to the full spectrum of postal products: e.g., Rule 54(b)(3) (economic substitutability between classes and subclasses); Rule 54(d) (physical attributes of mail by class and subclass); Rule 54(f)-(h) (total historical and projected costs separated by postal and nonpostal services and distributed to classes, subclasses, and special services); Rule 54(j) (revenues and volumes projected for classes, subclasses, and special services); and Rule 54(l) (billing determinants for classes, subclasses, and special services). These requirements are adequately addressed through reference to information provided in the most recent omnibus rate proceeding, especially where, as here, the period for review of Confirm is

¹ The Postal Service fully acknowledges that the Commission's and the Governors' decisions in Docket No. R2001-1 were founded on a settlement agreement, and that many issues that might have been raised by the materials submitted in that case were not litigated. Furthermore, the Postal Service appreciates the non-precedential status of the Commission's and the Governors' findings and conclusions in the rate case, as specified in the Stipulation and Agreement. In this regard, we must emphasize that our position on compliance in the instant docket is not based on the status of the rate case documentation as adjudicated fact, but rather on its character as material submitted that addresses the elements of the Commission's general filing requirements. In most instances, the rate case materials satisfying the general filing requirements pertain to matters that simply would not be relevant to the issues raised by the Confirm proposal, and that would not be affected if Confirm were to be recommended and approved. The actual relationships between Confirm and mail categories and special services are fully explained in the testimony and supporting documentation provided with this filing. We further emphasize strongly that the Postal Service's filing here is not intended to create an opportunity for parties to raise issues avoided by settlement in the rate case, where

congruent with the test year in the rate case.

In assessing compliance in this regard, substantial weight should be given to the nature of the proposed Confirm service and its operations, and the magnitude of its impact on costs, volumes, and revenues in total and for particular mail categories and services. For example, Confirm is a service that provides information about mail processing. It does not involve the actual carriage of matter currently utilizing an established mail category. The concept of economic substitutability among classes and subclasses therefore generally does not pertain to Confirm in relation to other classes and services, and is adequately addressed in the rate case testimony that was developed before Confirm was proposed. Nor will the technology and processes employed in providing Confirm be likely to affect the physical attributes of mail or other services, except to the limited degree described in the testimony accompanying this filing. To the extent that Confirm involves the establishment of a new special service, and to the minor extent that total cost-revenue relationships will be affected by its creation, the proposal would not result in significant changes to those relationships warranting amendment of the rate case testimony, beyond the addition of information provided here.

In the Compliance Statement, we have addressed each filing requirement and indicated which parts of the Postal Service's filing satisfy each rule. We have also incorporated the Docket No. R2001-1 materials by reference. Specific direction to the rate case testimony addressing each rule can be found in the Compliance Statement filed with the Postal Service's Request in Docket No. R2001-1.² We have addressed

they are essentially irrelevant to the Confirm proposal.

² Request of the United States Postal Service for a Recommended Decision on Changes in Rates of Postage and Fees for Postal Services and Request for Expedition, Docket No. R2001-1, Attachment G (Sept. 24, 2001).

the filing requirements applied in connection with requests made pursuant to both 39 U.S.C. § 3622 (Rule 54) and § 3623 (Rule 64).

If the Commission concludes that the materials imported from Docket No. R2001-1 to satisfy general filing requirements are not sufficient, and that strict construction of the rules regarding information pertaining to other mail and special services would require testimony that was developed specifically with reference to the Confirm proposal, the Postal Service respectfully moves that those requirements be waived, pursuant to 39 C.F.R. §§ 3001.22, 3001.54(r), and 3001.64(h)(3). For the reasons stated above, the nature of the proposed Confirm service, combined with its small or non-existent impact on total costs and revenues, and on the costs, volumes, and revenues of mail categories and other special services, do not warrant strict compliance with the filing requirements, and they should be waived.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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CERTIFICATE OF SERVICE

I hereby certify that I have this day attached a copy of this Motion to each copy of the Request which will be served upon all parties upon notice to the Postal Service of their intervention in this proceeding.

Joseph K. Moore

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