

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

Experimental Periodicals )  
Co-Palletization Dropship Discount )

Docket No. MC2002-3

OFFICE OF THE CONSUMER ADVOCATE  
COMMENTS ON STIPULATION AND AGREEMENT  
(December 9, 2002)

The Office of the Consumer Advocate (“OCA”) hereby files pursuant to the Commission’s Order No. 1354<sup>1</sup> comments upon the Stipulation and Agreement (“Settlement”) filed November 22, 2002 by the Postal Service in this proceeding. These comments are filed pursuant to the procedural schedule established by the Commission’s order providing for filings in support of the settlement to be filed by December 9, 2002. Reply comments strictly limited to addressing comments filed December 9 are due December 13, 2002.

In support of the Settlement, the OCA has previously returned a signed and dated signature page to the Settlement Coordinator in the manner directed by Order No. 1354. The OCA thereby supports the provisions of the Stipulation and Agreement and recommends that the Commission approve the Settlement.

By the Stipulation and Agreement, the signatory parties agree that the experimental DMCS and Rate schedule changes set forth in the Attachment to the Stipulation and Agreement meet the policies and criteria of the Postal Reorganization Act, particularly 39 U.S.C. §§3622 and 3623. The agreement provides that substantial

evidence in support of a Recommended Decision recommending the experimental changes to DMCS §§421 and 443 and Rate Schedule 421 is provided by the direct testimony and materials filed in support of the Postal Service's Request, designated cross-examination, and responses to the Chairman's information requests. The new service will provide additional per piece discounts of \$.01 if dropshipped at an SCF for co-palletized periodical mail that would otherwise be sacked, and \$.007 if dropshipped at an ADC.

The OCA views as particularly significant that part of the record containing the Data Collection Plan that is attached to the Postal Service's revised response to the Chairman's Information Request No. 1, filed November 21, 2002. The OCA commends the Postal Service and witness Taufique for providing forthright assistance during technical discussions regarding the methods and means of the data to be collected and reported to the Commission during the two-year experimental period. Technical assistance also provided a fuller understanding of the printing and mailing operations of co-palletization services underlying the estimates in the record, particularly the MPA survey materials included as Exhibit B to witness Taufique's testimony.

As a result of our discussions, OCA is confident that the number of mail sacks eliminated by the proposed experimental service, together with the weight and the number of addressed pieces that would have otherwise been contained in those sacks, can be accurately measured under the data collection plan. Also, we believe the Postal Service data collection plan can accurately measure the number of titles receiving the co-palletization discount. The OCA also believes it is important as provided in the Data

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<sup>1</sup> "Order on Postal Service Motion for Establishment of Procedural Mechanisms and Remaining Schedule," November 26, 2002.

Collection Plan that the six month reports will be filed on a schedule matching Postal Service fiscal year quarters.

One other matter requires comment. The OCA believes that the Stipulation and Agreement ought to rely upon the Postal Service Request itself as substantial evidence in addition to the cited testimony, cross-examination and response to the Chairman's information request. Recent Stipulations and Agreements have relied upon the Postal Service Request as part of the substantial evidence in support of the approval of the settlement.<sup>2</sup> The OCA discussed this matter with the Postal Service after the filing of the Stipulation and Agreement. It was agreed that, rather than revising the filed Stipulation and Agreement, this point would be raised in OCA's supporting comments with the concurrence of the Postal Service. Therefore, the Postal Service's Request in this docket should also be cited as providing substantial evidence in support of the Stipulation and Agreement and should be noted as lending support to the Recommended Decision.

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<sup>2</sup> See, for example, *Confirm*, "Stipulation and Agreement," Docket No. MC2002-1, filed June 21, 2002 at 2; *Ride-Along Experiment Extension*, "Stipulation and Agreement," filed September 28, 2001 at 1; *Experimental Presorted Priority Mail Rate Categories, 2001*, "Stipulation and Agreement," filed May 17, 2001 at 2; *Postal Rate and Fee Changes, 2001*, "Stipulation and Agreement," Docket No. R2001-1, filed January 17, 2002 at 3. All stipulations reviewed cited to the Postal Service Request as a part of the substantial evidence relied upon in support of the stipulation.

Wherefore, the OCA supports the proposed Stipulation and Agreement and requests the Commission to recommend to the Postal Service implementation of the experimental periodicals co-palletization discount service and other changes requested.

Respectfully submitted,

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