

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

CUSTOMIZED MARKET MAIL MINOR  
CLASSIFICATION CHANGES

Docket No. MC2003-1

**MOTION OF UNITED STATES POSTAL SERVICE FOR WAIVER**  
(March 14, 2003)

Pursuant to sections 22 and 69a(b) of the Commission's Rules of Practice and Procedure, the United States Postal Service respectfully requests waiver of sections 64(b)(3), 64(d), and 69a(a)(3) (in part) of the Commission's Rules of Practice and Procedure in connection with its Request concerning Customized Market Mail (CMM). Since the classification changes requested by the Postal Service are minor in nature and will not have a substantial effect on the volume, revenue, and cost estimates and relationships of mail, waiver of these provisions would be appropriate, would be in the public interest, and would not prejudice the interests of any participant. Moreover, to require production of such information would be unduly burdensome.

**Background**

As background, the proposed classification changes would merely expand eligibility for two rate categories: the basic nonletter rate categories in the Regular and Nonprofit subclasses. No changes in rates are proposed. CMM would thus remain a low-volume form of mail, generating proportionally small revenues. Because of its specialized nature, CMM's impact on mail classes overall is anticipated to be minimal,

and its effect on costs and revenues is expected to be negligible.

**Rule 64(b)(3)**

Section 64(b)(3) of the Commission's Rules of Practice and Procedure requests information regarding the economic substitutability between various classes and subclasses of mail, including a description of cross-elasticity of demand between various classes of mail. The change requested by the Postal Service would not change the rates for any class or subclass of mail, however. Rather, the proposal would enable nonrectangular shapes, which are currently not mailable, to be entered as Regular or Nonprofit basic nonletter category mail. Accordingly, economic substitutability of demand, which measures a mailer's volume response to price changes or difference in price between mail classes, would not be expected to change under this proposal, particularly since potential users would only be able to enter CMM into the basic nonletter category tier in Standard Mail. Therefore, the data described in this section are not necessary or useful in considering the Postal Service's proposal, and waiver of section 64(b)(3) will not impair the ability of the Commission or any participant to evaluate the Postal Service's Request.

**Rules 64(d) and 69a(a)(3) (in part)**

The Postal Service also requests waiver of sections 64(d) and 69a(a)(3) (in part). Section 64(d) requests information on the effects of the proposed change on cost assignments, total costs, and total revenues. Similarly, section 69a(a)(3) requests an estimate, prepared in the greatest level of detail practicable, of the overall impact of the requested change in mail classification on postal costs and revenues, mail users, and

competitors of the Postal Service.<sup>1</sup>

As explained by both witness Ashe (USPS-T-1) and witness Hope (USPS-T-2), the proposal would not result in significant changes to postal cost and revenue relationships. Furthermore, because of the minor nature of the classification changes being proposed, the Postal Service has not prepared a full analysis of the effects on the Postal Service's costs, revenues, or volumes, either in the present fiscal year or a rollforward analysis in a future test year. The cost of conducting such detailed analyses is not justified by the limited nature of the proposal and the small number of users likely to avail themselves of these new classification provisions. Accordingly, given the expected insignificant near-term effect on costs and revenue, waiver of section 64(d) will not impair the ability of the Commission or prospective participants in this proceeding to evaluate the Postal Service's presentation.

### **Burden**

Strict compliance with sections 64(b)(3), 64(d), and 69a(a)(3) of the Commission's Rules of Practice and Procedure would also be unduly burdensome, particularly given the limited value of the quantitative data called for in evaluating the Postal Service's proposal. This is particularly true in the absence of a proposed change in rates. It would not be in the interest of either the Postal Service or the public to delay opportunities to expand the eligibility of the Regular and Nonprofit subclasses for heretofore unmailable shapes.

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<sup>1</sup> Witnesses Ashe (USPS-T-1) and Hope (USPS-T-2) explain the effect of the proposal on mail users and competitors. Hence, the Postal Service does not seek waiver of Rule 69a(a)(3) to the extent it requires qualitative information regarding the effect on mail users and competitors.

## Summary

In summary, the nature of the proposed classification changes, combined with their small impact on total costs and revenues, and on the costs, volumes, and revenues of mail categories, do not warrant strict compliance with the filing requirements. Such requirements should accordingly be waived.

WHEREFORE, the Postal Service requests the Postal Rate Commission to waive sections 64(b)(3), 64(d), and 69a(a)(3) (in part) of its Rules of Practice on the grounds that these rules request information that is not essential to consideration of the Postal Service's Request.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

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Anthony Alverno

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2986 Fax -6187  
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