



August 29, 2003

Honorable Steven W. Williams  
Secretary  
Postal Rate Commission  
1333 H Street, N.W., Suite 300  
Washington, D.C. 20268-0001

Re: Docket No. MC2000-2, NetPost Mailing Online Experiment

Dear Mr. Williams:

As you are aware, the classifications reflected in Domestic Mail Classification Schedule (DMCS) section 981, NetPost Mailing Online, and related Fee Schedule 981, both of which resulted from the Commission's Recommended Decision in Docket No. MC2000-2, are set to expire three years after the date set by the Board of Governors for implementation of the experiment. By Resolution No. 00-10, the Board directed implementation of the experiment at 12:01 a.m. on September 1, 2000. The Mailing Online experiment provides customers a means for hybrid entry of First-Class Mail and Standard Mail via the internet. The experiment is being permitted to expire.

The Postal Service learned a great deal during the experiment, although some of the lessons differed from initial aspirations. As such, we consider the experiment successful; it continues to inform strategic judgment and will likely guide decisions regarding the best use of technology for some time to come. The Postal Service greatly appreciates the work of the Commission, and its staff, that enabled and ultimately supported the availability of NetPost Mailing Online to customers nationwide.

NetPost Mailing Online was used by customers who entered millions of pieces. Many of those customers were smaller businesses who most valued the convenience of entry, and the opportunity it provided to increase business. The Postal Service retains its expectation that encouraging entry of mail via hybrid means is an appropriate use of internet-enabled technology, and that it can lead to entry of new volume. As this letter is being prepared, efforts are underway that, if successful, would lead to private operation of a successor to Mailing Online, with its own prices and without waivers of the volume minimums, thus preserving customer options for entry of hybrid mail.

The NetPost Mailing Online DMCS provisions, which in addition to section 981 are spread over several other classification schedules,<sup>1</sup> and Fee Schedule 981 will likely need to be deleted. The Postal Service anticipates that its next general filing will address this necessary "housekeeping".

Notices of the termination of the NetPost Mailing Online experiment will be published in both the Federal Register and the Postal Bulletin shortly. Those notices will briefly describe the termination as well as revise the Domestic Mail Manual to delete the specific regulations governing the experiment.

Although the experiment did not result in a request for permanent classification changes at this time, the Postal Service believes that the experiment was a success. The purpose of this or any other experiment, in the Postal Service's view, is to allow flexible testing of new products and ideas while gauging customer response, operational feasibility, and cost and revenue implications. Valuable insights were gained from this experiment that will be of benefit in future Postal Service efforts.

Sincerely,

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

---

<sup>1</sup> DMCS references to NetPost Mailing Online can be found in the following sections: 160(e), 221.31(a), 222.41(a), 260(l), 321.31(a), 323.31(a), 363(a) and 365(a).