

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes,
2006

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Docket No. R2006-1

**REPLY BRIEF OF
ALLIANCE OF NONPROFIT MAILERS
ON STANDARD MAIL RATE DESIGN**

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January 4, 2007

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The Alliance of Nonprofit Mailers (“ANM”) respectfully submits this reply brief on rate design for Standard Mail. This brief discusses shape-based rates for Standard Mail.

ARGUMENT

I. THE COMMISSION SHOULD RECOMMEND THE STANDARD MAIL RATE DESIGN PROPOSED BY THE USPS, SUBJECT TO THE TEMPERING PROPOSED BY POSTCOM, MFSA AND PSA.

In this case, the Postal Service has proposed a significant move toward greater recognition of the differences in attributable cost caused by the shape of Standard mailpieces. ANM supports this initiative on the grounds stated by the Postal Service. Greater recognition of the cost consequences of shape in Standard Mail rates will promote fairness and economic efficiency by giving mailers more accurate price signals regarding the cost consequences of their mailing decisions.

ANM agrees with Association for Postal Commerce, Mailing and Fulfillment Service Association and that Parcel Shippers Association, however, that the proposed rate increases for Standard Not Flat-Machinables (“NFMs”) and parcels exceed the

levels justified by reliable cost data, and would inflict undue rate shock on users of those shapes. This is a particular concern to the ANM members that include boxes of greeting cards and other front-end premiums in fundraising solicitations. See PostCom/MFSA Br. 18-37; PSA Br. 23-29. Given the relatively low volume of nonprofit Standard Mail NFMs and parcels vis-à-vis letter-shaped nonprofit Standard Mail volume, tempering the proposed rate increases for NFMs and parcels in this case should not have an undue push-up effect on rates for letter-shaped Nonprofit Standard Mail.

Respectfully submitted,

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