

**BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001**

**Modification of Mail Classification Schedule
Regarding Bound Printed Matter**

Docket No. MC2008-3

**DOUGLAS F. CARLSON
COMMENTS ON PROPOSED CLASSIFICATION CHANGE
FOR BOUND PRINTED MATTER**

April 9, 2008

In a recent fiscal year prior to May 14, 2007, the Postal Service accepted approximately 1,052,000 pieces of single-piece Bound Printed Matter (BPM) mail for which customers paid the postage using postage stamps. Docket No. R2006-1, DFC/USPS-56. Customers paid the postage for another 3,599,000 pieces of single-piece BPM using a postage validation imprinter (PVI) label from a Postal Service retail window. *Id.* Individual mailers and some small-business mailers typically use postage stamps and PVI labels to pay postage. Therefore, individual and small-business mailers sent over 4.6 million pieces of single-piece Bound Printed Matter. An unknown number of additional mailers used a postage meter to pay postage on single-piece Bound Printed Matter.

On May 14, 2007, the Postal Service ceased to offer single-piece Bound Printed Matter service at retail windows.

On January 3, 2008, I filed a complaint alleging that the Postal Service's decision not to offer Bound Printed Matter at retail windows unduly and unreasonably discriminates against individual and small-business mailers, in a manner not specifically authorized by title 39.¹ See 39 U.S.C. § 403(c).

In response to my complaint, on March 20, 2008, the Postal Service retaliated against individual and small-business mailers by announcing a classification change to require customers to pay postage for single-piece Bound Printed Matter using a permit imprint. The Postal Service reached this ill-conceived decision without providing its customers an opportunity to comment or provide input, nor did the Postal Service explain this decision.

The Postal Service apparently believes that this classification change will render the substance of my complaint moot. In reality, the Postal Service has merely shifted the illegal discrimination from its implementation of the existing classification to the classification itself.

Under the new classification, the Postal Service will require customers to pay postage for mail entered at single-piece Bound Printed Matter rates by permit imprint. The Postal Service will not accept postage payment by stamps, meter, or postage validation imprinter (PVI) at retail windows. The Postal Service charges \$175 for a permit.² The Postal Service's favored customers — large mailers — will continue to enjoy the privilege of sending single-piece Bound Printed Matter mail.

¹ Douglas F. Carlson Complaint on Bound Printed Matter, filed January 3, 2008.

² DMM § 604.5.1.5.

In fact, single-piece BPM will be the only class of mail that customers can send using a permit imprint without adhering to a minimum quantity in the mailing.³ The Postal Service will have achieved its goal of prohibiting individual and small-business customers from entering mail at single-piece Bound Printed Matter rates. This classification change will discriminate against individual and small-business customers, most of whom lack the postal sophistication and financial resources to pay postage by permit imprint.

The proposed classification is inconsistent with 39 U.S.C. § 3642(3)(B) and (C). Subsection (B) requires the Commission to consider “the views of those who use the product involved on the appropriateness of the proposed action.” The short comment period — 12 days — for the Commission’s notice dated March 28, 2008,⁴ will not allow members of the public to organize letter-writing campaigns or other methods of commenting, particularly when this news is likely to be reported, if at all, in hobby publications that rely on the mail for distribution to their subscribers and members; therefore, many interested members of the public will not even learn the news before the comment period expires.

Therefore, in the absence of a large volume of public comments, the Commission should infer the response of customers who currently send mail at single-piece Bound Printed Matter rates. Most of the customers who sent over 4.5 million pieces of single-piece BPM using postage stamps or a postage validation

³ See Response of the United States Postal Service to Commission Information Request No. 1, filed April 7, 2008.

⁴ Notice of Amended Classification Change for Market Dominant Products, filed March 28, 2008.

imprinter (PVI) label from a Postal Service retail window are unlikely to pay postage in the future by permit imprint.

In many cases, single-piece Bound Printed Matter rates are lower than Parcel Post rates. Even if the mail matter would qualify for Media Mail rates,⁵ single-piece Bound Printed Matter rates often are lower than Media Mail rates. One can safely assume that customers who used Bound Printed Matter rates did so because the rate was lower than the alternatives. I cannot imagine a reason why any current user of Bound Printed Matter rates would support the Postal Service's discriminatory proposed classification. Public reaction to the proposed classification surely would be overwhelmingly negative.

Subsection (C) requires the Commission to consider "the likely impact of the proposed action on small business concerns[.]" The effect on small businesses would be decidedly negative because, once again, single-piece Bound Printed Matter rates often are lower than Parcel Post and Media Mail rates.

The Postal Service's proposed classification is inconsistent with 39 U.S.C. § 3642 and 403(c).

Respectfully submitted,

Dated: April 9, 2008

DOUGLAS F. CARLSON

⁵ Books containing advertising would not qualify as Media Mail. DMM § 473.2.2(a).