

DOCKET SECTION

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

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

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Postal Rate and Fee Changes, 1997  
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Docket No. R97-1

JOINT COMMENTS OF ADVERTISING MAIL MARKETING ASSOCIATION AND  
RECORDING INDUSTRY ASSOCIATION OF AMERICA IN RESPONSE TO NOTICE  
OF INQUIRY NO. 2

The Advertising Mail Marketing Association and Recording Industry Association of America ("AMMA/RIAA") submits these joint comments in response to the Commission's Notice of Inquiry ("NOI") concerning items of classification policy and DMCS improvements. Our purpose is twofold. First, we wish to alert the Commission, and parties, of a classification proposal that AMMA/RIAA will be submitting as a part of its Case in Chief in this docket. If adopted, this proposed classification may affect the language, although not the substance, of Section 353 "Forwarding and Return" services. Second, we call to the Commission's attention an ambiguity in the language of the Working Draft of Section 353 that accompanies the NOI and, comment briefly on certain collateral issues that relate to that provision. We submit alternative language as Exhibit A. In support, the following is stated:

1. **Re-Sealed Parcels.** As it properly should, the Working Draft of Section 353 only governs mail that is "undeliverable-as-addressed." As a part of its Case in Chief, AMMA/RIAA will offer a classification change for "re-sealed" parcels: parcels that are delivered, opened, re-sealed, and re-deposited in the mailstream without payment of applicable

postage. The classification proposal we will propose would allow high volume mailers to have these pieces returned to the mailer on payment of the applicable single piece postage rate. Our testimony will show that the creation of this new service is far superior from the standpoint of all affected parties -- the public, the shipper and the Postal Service -- than the current procedure under which these re-sealed parcels are diverted to mail recovery centers and sold at auction.

Obviously, the question of the merits of the AMMA/RIAA proposal for dealing with re-sealed parcels cannot be decided in the context of this NOI. We bring the matter to the Commission's at this stage because, if our proposal for a service governing re-sealed parcels is adopted, some change to the structure and the language -- although not the substance -- of Section 353 may be warranted.

2. **Ambiguity in the Working Draft and Related Matters.** We do not share the views stated in the NOI that the "addition of a new forwarding and return option has added complexity" to this rule. NOI at 4. The draft is, however, ambiguous because there is no mention of a category of mail for which forwarding and/or return service is provided but which is not subject to the rates specified in the Working Draft version of Section 353. Books, records and other educational and cultural materials weighing less than one pound are eligible to be mailed by the shipper at Standard (A) rates but, if properly endorsed, may secure forwarding and/or return service at the Special Standard (B) rate, or what used to be called Special Rate Fourth. In point of fact, mailers of these materials regularly receive forwarding and/or return service under Special Rate Fourth.


Based on the placement and structure of the Working Draft of Section 353 we do not believe that the drafters intended to foreclose this existing and long-standing practice or to override the DMM provisions upon which it is based. See DMM F010.5.3.b. Nonetheless, a mechanical reading of the draft could lead to the conclusion that this provision of the DMM is no longer operative.

Rather than add another exception to the language of the Working Draft of Section 353 -- which would, indeed, add complexity -- AMMA/RIAA is inclined to recommend that Section 353 be structured by category of service rather than by stating a general rule with exceptions. There are only two categories of forwarded and/or returned mail initially entered as Standard (A) for which the applicable rate must be stated in Section 353: (i) returned mail subject to *First-Class rates*; and (ii) *forwarded and returned mail subject to the weighted fee*. All other forwarding and return service can be handled by cross reference. Against the possibility that some mailers in these two categories will continue -- even after abolition of the single piece Standard (A) rate -- to endorse their mailings for these services, it may be worthwhile preserving a general Forwarding and Return provision. With some diffidence, we suggest that the formulation set forth at Attachment A to these comments -- although undeniably wordy -- may be more readily understandable and, at least, should serve avoid ambiguity.

There is one other matter on this subject of forwarding and return that warrants brief comment. The Commission has suggested the possibility of re-labeling Special Rate Fourth and Library Rate subclasses as "Standard (C)." The suggested re-designation is apparently based on the fact that these two subclasses differ from other Standard (B) subclasses in that

pieces weighing less than one pound can -- if otherwise eligible -- be mailed at these subclass rates. While that is certainly true, it is also true there are significant differences between the two subclasses, not least of which is the fact that the Library Rate is a preferred rate category, whereas Special Rate Fourth is a commercial subclass. While the content restrictions of the two subclasses are the same, Library Rate now has restrictions on eligible mailers, and no such restrictions apply to Special Rate Fourth. In these circumstances, it does not seem to us necessary or desirable to re-designate these two subclasses. This is particularly true if the Commission elects to deal with Section 353 by exception. In that event, the Commission would need to distinguish between the two subclasses because commercial publishers no longer qualify for and cannot therefore claim return postage at the Library Rate, even if the book or sound recording was initially sent to a library. In Exhibit A we have assumed that Special Rate Fourth will remain in the Standard (B) category.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ian D. Volner", is written over a solid horizontal line.

Ian D. Volner  
N. Frank Wiggins  
Counsel to Advertising Mail Marketing  
Association and  
Recording Industry Association of America

**SECTION 353 - FORWARDING AND RETURN**

**Section 353.1 Description of Service.**

a. Mail matter initially mailed pursuant to the Standard (A) subclasses described in Section 321 and undeliverable-as-addressed will be returned on request of the mailer, or forwarded and/or returned on request of the mailer, if endorsed for such service or services as prescribed by the Postal Service.

b. Mail matter consisting of combined First-Class and Standard (A) mail will be returned as specified by the Postal Service.

**Section 353.2 Applicable Rates and Fees.**

a. Undeliverable-as-addressed mail qualifying and endorsed for Bulk Parcel Return Service in accordance with Schedule SS-21, is returned at the rates and fees specified in such schedule;

b. Undeliverable-as-addressed mail qualifying and endorsed for Shipper Paid Forwarding in accordance with Schedule SS-22, is forwarded and returned at rates specified in such schedule;

c. Undeliverable-as-addressed mail qualifying for a single piece Standard (B) rate and endorsed for forwarding and/or return at such rate is forwarded and/or returned at the applicable Standard Mail (B) rate;

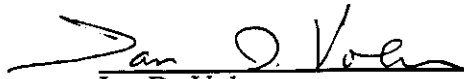
d. Undeliverable-as-addressed mail that does not qualify, or is not endorsed, for forwarding and/or return service pursuant to Section 353.2a, b or c for which return only service is requested, is returned at the applicable First-Class Mail rate; and

e. Undeliverable-as-addressed mail that does not qualify, or is not endorsed, for forwarding and/or return service pursuant to Section 353.1a, b or c for which the mailer requests forwarding-and-return service is charged only for those pieces which cannot be forwarded and are returned. The charge for returned pieces is the appropriate First-Class Mail rate for the piece, plus that rate multiplied by a factor equal to the number of Section 321 standard pieces nationwide that are successfully forwarded for each one piece that cannot be forwarded and is returned.

**CERTIFICATE OF SERVICE**

I hereby certify that I have on this date served this document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.

DATE: December 19, 1997

  
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Ian D. Volner