

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

MODIFICATION OF MAIL CLASSIFICATION  
SCHEDULE PRODUCT LISTS REGARDING  
PREMIUM FORWARDING SERVICE

DOCKET NO. MC2008-4

INITIAL COMMENTS OF DAVID B. POPKIN

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Respectfully submitted,

PRCmc20084COMMENTS

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On May 30, 2008, the Postal Service filed a request to move Premium Forwarding Service ["PFS"] from the Special Service class in the market-dominant product list to the competitive product list.

My main concern is the effect that this move will have on my primary concern in the operation of this service. The present rules require that all interaction to establish, modify, or terminate the service be done in person at the post office servicing the customer's permanent mailing address.

In the Stipulation and Agreement in Docket MC2007-3 filed by the Postal Service on October 11, 2007, it would appear that the Postal Service and other participants recognized the need for changing the requirements that all transactions be completed in person at the post office serving the customer's permanent address.

8. To establish or modify service, PFS in its current form necessitates direct contact between a customer and a postal representative of the Post Office which serves that customer's primary address. All participants in Docket No. MC2007-3, including the Postal Service, want customer alternatives for establishing or modifying service that

avoid this necessity. The Postal Service accordingly affirms its commitment to developing – as soon as available resources and priorities permit – alternatives that do not require direct contact between the PFS customer and a representative of the Post Office serving that customer’s primary address.

It has now been some eight months since this was filed and there apparently has been no effort by the Postal Service to implement the change in regulations. A literal interpretation of the rules would require customers who want to establish, modify, or terminate their PFS to make a cross-country trip just to walk into the hometown post office in person.

The Postal Regulatory Commission should indicate in the strongest way possible to the Postal Service in the Recommended Decision that the Postal Service implement regulations which do not require in person visits to establish or modify a Premium Forwarding Service request.

The Postal Service points out<sup>1</sup> that customers may avail themselves of commercial services as well as informal arrangements with friends, neighbors, or family members.

The Postal Service overlooks that all of these commercial services, whether they be a CMRA or a private sector firm as noted in footnote 3 of Attachment B<sup>2</sup>, all require that the customer be utilizing their services on a permanent basis. If the customer is presently receiving mail delivery by the United States Postal Service at their permanent residence or at a post office box, they are not able to utilize the services of the CMRA or private sector firm. While the forwarding services of the CMRA or private sector firm may be a convenient substitute for the Postal Service's PFS, the conditions under which

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<sup>1</sup> Attachment B to Request at 3

<sup>2</sup> The Postal Service does not explain how these private sector firms operate. My understanding is that their "customers" use the private sector firm address for all of their mail and then provide instructions on where the mail should be forwarded, whether it is their permanent address or a temporary address.

the customer must deal with mail delivery at the permanent location must also be considered. Therefore, unless the customer is willing to utilize the services of a CMRA or private sector firm on a permanent basis for both their home address and temporary address, their services will not be competitive with the Postal Service's PFS. Therefore, a PFS user who received home delivery by the USPS would be locked into using the PFS regardless of the cost.

The Postal Service also indicates that informal arrangements with friends, neighbors, or family members will provide limits to the Postal Service exercising market power to raise prices, etc. My perception is that if a potential PFS customer had the ability to utilize the services of a friend, neighbor, or family member, they would be unlikely to utilize PFS in the first place due to the cost savings and the ability to provide specific instructions on what mail should be forwarded.<sup>3</sup> My perception is that most PFS users want their mail while they are away, do not want to put up with the problems of normal Postal Service mail forwarding, and do not have the ability for someone to provide the services for them. One could also consider that a PFS customer would not want a friend, neighbor, or family member to have access to and knowledge of their mail and therefore, regardless of the price of the PFS, would utilize the service.

One must also consider the location to determine whether PFS is a market dominant product or a competitive product. While my trip to the nearest CMRA from my location in the New Jersey suburbs of New York City would be reasonable, my perception is that if I resided in a more rural area that the nearest CMRA would be an unreasonable trip to make to pick up my mail when I was at my permanent residence. Also, since I must utilize the CMRA on a permanent basis, I would have their fee for all twelve months of the year to factor into the equation.

I believe that it is significant to realize the concept of Universal Service being provided by the Postal Service and while what may be competitive in a more populated area, it is not so in the less populated areas of the country.

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<sup>3</sup> PFS requires that all of the customer's mail must be forwarded.

It would appear that the Postal Service's claim of the existence of the various alternatives would constrain the Post Service from exercising market power to raise prices, etc., without losing business is an unsupported claim.

The Postal Service also claims that there are choices of competing services for the shipping portion of PFS<sup>4</sup>. From a practical consideration, there is no real competition for the shipping portion, First-Class, Priority Mail, and Express Mail can be forwarded at no additional charge. The service standards for First-Class Mail would be very unlikely to require upgrading to Priority Mail or Express Mail.<sup>5</sup> The access to non-USPS expedited services is also geographically dependent.

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<sup>4</sup> Attachment B to Request at 3

<sup>5</sup> In the 48 states, Priority Mail potentially will have a 2-day service standard compared to a 3-day service standard for First-Class Mail. Otherwise they are similar.