

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MARKET TEST OF EXPERIMENTAL PRODUCT –
MARKETING MAIL MADE EASY

Docket No. MT2011-3

RESPONSE OF THE UNITED STATES POSTAL SERVICE IN OPPOSITION TO
MOTION OF THE PUBLIC REPRESENTATIVE FOR ISSUANCE OF INFORMATION
REQUEST
(February 2, 2011)

On January 26, 2011, the Public Representative filed a pleading entitled, “Public Representative Motion for Issuance of Information Request,” pursuant to Commission Rule 21. In the Motion, the Public Representative requested that the Commission order the Postal Service to answer six questions, which are included in the Motion. The Public Representative believes that responses are necessary to fully understand the factual bases relied upon by the Postal Service in support of its Notice of the United States Postal Service of Market Test of Experimental Product—Marketing Mail Made Easy, January 12, 2011 (Notice).

The Postal Service hereby opposes the Motion because its Notice did provide the factual information needed to understand the scope of Marketing Mail Made Easy (MMME) and the parameters surrounding eligibility to utilize the product. Further, the Public Representative’s first and second questions seek information which a market test by its very nature is designed to collect; the third question is an apparent misreading of the Notice; and questions four through six have already been addressed in the Notice. Accordingly, the Motion should be denied.

Specifically, the Public Representative has requested research or data that the Postal Service has performed or collected regarding the extent to which small and medium-sized business currently use Mail Service Providers (MSP) for MMME equivalent type mailings and information on the number of customers, weekly advertising mailings, and additional volume of marketing mail that might be generated for those businesses that currently do not use MSPs. The purpose of this market test is to enable a period of quantitative and qualitative data gathering and analysis to prove or disqualify this new product's future viability and any unanticipated impact on the marketplace. It is also a requirement of 39 U.S.C § 3652 (c)(1) that the Postal Service report data on the costs, revenues, and quality of service of the market test, which it will report to the Commission on an annual basis.

The Public Representative also requests (question 3) that the Postal Service explain the basis for its statement that it cannot exercise market power over this product. The Postal Service never made such a statement. In fact, it clearly defines this product as market dominant. The Postal Service states the following on page six of the Notice:

Given the existing status of Standard Mail advertising as market dominant under these criteria, the test of this new product designed to enhance the attractiveness of Standard Mail as an advertising medium should also be categorized as market dominant. Under Section 3642(b)(2), the mail sent under this market test is also subject to the postal monopoly provided for in the Private Express Statutes.

It is not necessary for the Postal Service to respond to this question as it is clearly addressed in the Notice.

Finally, the Public Representative has posed several questions regarding the rules and procedures that will be required to use this product. As discussed in more

detail in the Notice, the intent of introducing the concept of MMME has been to develop a simple product that contains minimal steps in terms of fees, payments, documentation, and acceptance processes. As a result, a number of requirements which pertain to current Standard Mail products will not apply to Marketing Mail Made Easy and those exclusions have been specifically set out in the Notice on page three. The Postal Service's December 16, 2010 Postal Bulletin provides some information about the procedures for Simplified Mailing in general, and the Postal Service also plans to issue additional Domestic Mail Manual rules for the market test.

Thus, the Postal Service respectfully requests that the Commission deny the Public Representative's Motion.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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