

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Modification of Mail Classification Schedule
Regarding Reply Rides Free

Docket No. MC2011-27

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE NOTICE OF CLASSIFICATION
CHANGES REGARDING REPLY RIDES FREE

(August 12, 2011)

The Public Representative hereby provides comments pursuant to Order No. 785.¹ In that Order, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on the Postal Service's notice of a classification change to the weight for First-Class Mail letters that qualify under the Reply Rides Free program.² That change increases the weight for qualifying letters from no more than 1.2 ounces to no more than 2.0 ounces. *Id.*, at 1. The new weight would be effective September 1, 2011, through December 31, 2011, with the program expiring on that date. USPS Notice, Edits to Mail Classification Schedule.

To participate in the program, mailers must meet a volume commitment defined as the trend in the mailer's First-Class Mail Presort and Automation Letter volumes in FY 2009 and FY 2010 plus 2.5 percent.³ The classification change provides that mailers who begin participation on or after September 1, 2011, will be subject to a prorated volume commitment. USPS Notice at 1.

¹ PRC Order No. 785, Notice of Classification Changes, July 29, 2011.

² Notice of the United States Postal Service of Classification Change Related to Reply Rides Free Program, July 29, 2011 (herein "USPS Notice").

³ United States Postal Service Notice of Market Dominant Price Adjustment, Docket No. R2011-1, November 2, 2010 (herein "Notice of Price Adjustment"), at 4.

COMMENTS

Considered in isolation, the Postal Service's request constitutes a simple change in the Mail Classification Schedule applicable to the Reply Rides Free program. Consequently, the Public Representative does not object to Commission approval of this classification change.

More broadly, however, it's not clear whether the instant classification change will produce the intended results. Implemented in January 2011, the stated purpose of the Reply Rides Free program "is to slow the diversion of customers' mail to electronic channels." Notice of Price Adjustment at 1 and 2. Mailer response to the program since its inception has been less than the Postal Service expected.⁴

The instant change represents the second classification change designed to increase mailer participation in the Reply Rides Free program. The Postal Service maintains that the current 1.2 ounce maximum weight "has proven to be an obstacle to mailer participation" in the program, and that permitting qualifying letters up to the second whole ounce "is expected to remove this obstacle." USPS Notice at 1. If participation were to increase in response to this classification change, it would represent real progress.

As implemented, the Reply Rides Free program also required that qualifying First-Class Mail letters be mailed under the full-service Intelligent Mail option. The first classification change relaxed this requirement so that qualifying mail could be entered using the basic Intelligent Mail option.⁵ The Postal Service justified this classification change in nearly the same terms as the instant change, "to avoid an obstacle to mailer participation in the Reply Rides Free program." *Id.*

⁴ See Comments of the National Postal Policy Council, Docket No. R2011-1, November 23, 2010, which identified several "unnecessary requirements and restrictions" that it believed would preclude full achievement of the Postal Service's objectives for the program.

⁵ Notice of the United States Postal Service of Classification Change Related to Reply Rides Free Program, Docket No. MC2011-20, February 8, 2011 (herein "First Notice"), at 1.

Although the instant change seeks to remove one obstacle, it may nevertheless create a disincentive for mailer participation. Increasing the weight for qualifying First-Class Mail letters for the four month period ending December 31, 2011, maybe of insufficient duration to make mailer participation worthwhile.

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

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