



POCKET SECTION

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May 18, 1998

Board of Governors  
United States Postal Service  
475 L'Enfant Plaza West, S.W.  
Room 10300  
Washington, DC 20260-1000

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Dear Board of Governors:

This letter is submitted as the comments of the Alliance of Independent Store Owners and Professionals (AISOP), a limited intervenor in the recently completed Postal Rate Commission case on the PRC's Recommended Decision submitted to you for consideration. AISOP supported the Postal Service's rate proposals for Enhanced Carrier Route mail and, specifically, the proposed reduction in the pound rate.

AISOP is a national trade association that represents small business retailers, service providers, professionals, and self-employed persons and the mailers that serve them. AISOP's members rely on advertising mail, primarily saturation mail, to reach customers near their stores. For many of our members, affordable advertising mail is a survival issue.

We would ask that the Board of Governors approve the Postal Rate Commission decision but would include the following comments for your current, and future, consideration:

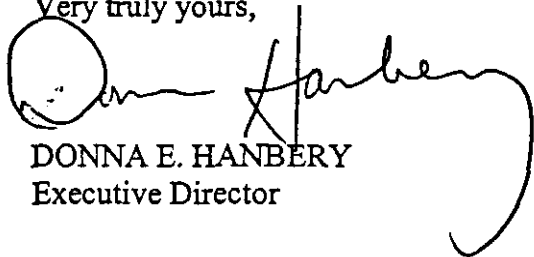
- ▶ AISOP applauds the Postal Service's departure from standard practice in this case by filing a modest, below the rate of inflation, rate case. For small businesses, and advertising mailers, stable and predictable rates are essential. Smaller, more predictable rate increases (even if they are the result of more frequent rate filings) are preferable to less frequent or predictable larger rate increases. We strenuously urge the Postal Service to pursue this course in considering its future financial needs and postal rate filings.
- ▶ We are very disappointed to see the Postal Rate Commission reject the proposal for a modest reduction in the pound rate for Enhanced Carrier Route mail. The rates paid by small business advertisers to participate in shared mail packages (like coupon envelopes or shoppers) depend ultimately on the success of these programs. AISOP's witness in the rate case pointed out that there are many markets in this country where there is no shared mail vehicle. This is due in part to the existing high pound rate. Other mailers, including the publisher of a mailed shopper, stressed how the present pound rate turns Postal Service customers into competitors. The bigger your publication gets, the more tempting it is to switch from the mail to private delivery.

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- ▶ AISOP's small business advertisers use both mailed and private delivery publications. We are not pro-mail and anti-private carrier. The cost of delivery of the message is of critical importance to the small business retailer or service provider that is trying to reach all potential households in his or her market area. The current high pound rate does not make sense and deprives many small businesses of a more affordable advertising opportunity in the mail. We hope that the Board, either in its decision on the recommended rates or in a future filing, continues efforts to achieve a modest reduction in the pound rate.

Thank you for the opportunity to submit these comments for consideration.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Donna Hanbery", with a large, sweeping flourish at the end.

DONNA E. HANBERY  
Executive Director