

# DOCKET SECTION

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON DC 20268-0001

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POSTAL RATE COMMISSION  
OFFICE OF THE CLERK

POSTAL RATE AND FEE CHANGES, 1997

DOCKET R97-1

## Comments on Procedures for Reconsideration of R97-1

Pursuant to the Commission's Order No. 1215, the National Newspaper Association hereby submits comments on procedures for reconsideration of certain within county rates recommended in this docket.

The Commission notified the Governors and the parties on May 20, 1998, that an unintended result for automated within county rates had been submitted in its Opinion and Recommended Decision of May 11, 1998. The Governors subsequently accepted the rates under protest and sent them back for reconsideration.

The proposed rates resulted in anomalous consequences in the various presort levels, failing to send the appropriate pricing signals to mailers engaged in presorting. The proposed rates would operate as a disincentive for the desirable levels of density presorting.

NNA believes it is the only party in this docket that has had a significant interest in the within county rates. The preponderance of activity involving this subclass has dealt with volume data and various discount opportunities. The record reflects little information about within county mailers' usage of automated rates beyond that filed as direct testimony by the Postal Service.

The absence of much record evidence in this area reflects the relatively small usage of within county mailers of prebarcoded mail options in the past.

Because most within county mail is flat newspaper mail and because automated flat sorting equipment is still in early stages of deployment in postal facilities, neither the Postal Service nor NNA has much experience with this new rate category.

That situation will begin to change in this fiscal year as FSM 1000 machines are completely deployed for the automated sorting of non-carrier route within county mail. The concern about appropriate rates, therefore, will begin to rise as the ensuing months demonstrate the value of prebarcoding to within county newspapers and other mailers of flats.

NNA infers from the Commission's May 20, 1998, letter to the Governors that the Commission believes the prebarcoded mail discounts should be recalculated to reflect degrees of presortation. We agree.

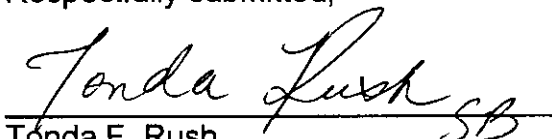
Given the paucity of record evidence and the likelihood that no probative evidence would be available at this early stage of FSM 1000 deployment, NNA sees no reason to reopen the record on this subject. Furthermore, NNA anticipates that the only likely interested parties in this rate--NNA and the Postal Service--can come to a settlement on this narrow aspect of the case once a set of rates reflecting the appropriate discount relationships has been calculated. The only remaining question is how the proposed rates might be laid on the table for settlement discussion.

NNA infers from the Commission's letter to the Governors that it has a set of corrected rates in mind. Given that the Postal Service has already put a set of proposed rates on the table through its initial filing, it would seem that the next appropriate action would be from the Commission itself. Unless the Postal Service elects to present an alternative set of rates for consideration, therefore, NNA suggests that the Presiding Officer present the Commission's draft rates on his own motion and establish a short period for settlement. Assuming the rates send the proper pricing signals, NNA believes it could immediately enter into discussion with the Postal Service and present a joint motion for acceptance or a partial settlement between itself and the Postal Service or other interested parties, if others choose to weigh in on this subject at this time.

Accordingly, NNA suggests a sequence of events that follows the schedule for comments laid out in Order No. 1215. We propose that the draft rates be made available before July 30 to enable parties who wish to comment upon them to do so. We then suggest the Commission establish a date on or before August 11, 1998 to entertain motions or partial settlement agreements on this narrow matter.

NNA does not express an opinion about the other matters sent back for reconsideration and does not intend to participate in further proceedings on those matters.

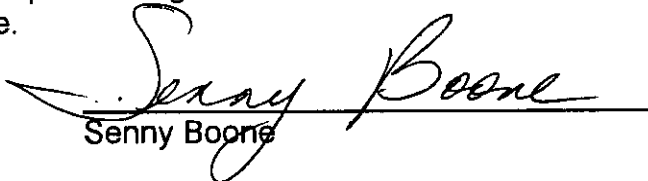
Respectfully submitted,

SB

Tonda F. Rush  
Attorney for the National Newspaper Association

### **CERTIFICATE OF SERVICE**

I hereby certify that I have on this day served the foregoing document upon all participants of record in this proceeding in accordance with Section 12 of the Commission's Rules of Practice.

  
Senny Boone

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Dated: July 20, 1998