

REPORT TO THE CONGRESS:

**AUTHORITY OF THE UNITED STATES POSTAL SERVICE
TO INTRODUCE NEW PRODUCTS AND SERVICES AND
TO ENTER INTO RATE AND SERVICE AGREEMENTS WITH
INDIVIDUAL CUSTOMERS OR GROUPS OF CUSTOMERS**



**UNITED STATES OF AMERICA
POSTAL RATE COMMISSION**

February 11, 2002

POSTAL RATE COMMISSION

Memorandum

February 11, 2002

TO: Senate Committee on Appropriations
House Committee on Appropriations
Senate Committee on Governmental Affairs
House Committee on Government Reform

SUBJECT: Report to the Congress on Authority of the United States Postal Service to Introduce Innovative Products and Services and to Enter into Rate and Service Agreements

In accordance with the direction of the Joint Committee of Conference concerning the 2002 appropriation for the Postal Service, the Postal Rate Commission hereby transmits its report on the scope of existing authority of the United States Postal Service under current postal laws and regulations to introduce new products and services and to enter into negotiated service agreements with individual customers or groups of customers.

RESPECTFULLY SUBMITTED,

George A. Omas, Chairman

Ruth Y. Goldway, Vice Chairman

Dana B. Covington, Sr., Commissioner

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I. SUMMARY

This report provides an analysis of the United States Postal Service's current legal authority to: (1) introduce and provide new products and services; and (2) enter into negotiated service agreements with individual customers. This report also includes background on the use of such authority within the past two years.

The Commission's analysis of existing postal law yields the following conclusions:

- The Postal Reorganization Act of 1970 gives the United States Postal Service a clear mandate to innovate by developing effective and efficient services adapted to the needs of the Nation's mail users.
- The mechanism for implementing innovations in domestic mail services is the joint authority shared by the Postal Service and the Postal Rate Commission to adopt new mail classifications under 39 U.S.C. §§ 3623 through 3625.
- The Postal Rate Commission has developed specialized procedural rules that provide for expeditious consideration of proposed service innovations in a manner consistent with the due process rights of other interested persons.
- Negotiated Service Agreements (NSAs) or "niche classifications" are rate and service adjustments arranged by the Postal Service and potential users that are legally permissible, provided that:
 - ❶ The proposal is reviewed in a public proceeding, as the Reorganization Act requires;
 - ❷ The agreed-upon rate and service changes will work to the mutual benefit of mail users and the postal system as a whole; and
 - ❸ The negotiated rate-and-service package is made available on the same terms to other potential users willing to meet the same conditions of service.

II. BACKGROUND AND SCOPE OF ANALYSIS

In joint deliberations on appropriations for the United States Postal Service and certain other agencies and departments for Fiscal Year 2002, the committee of conference directed both the Postal Service and the Postal Rate Commission to prepare reports on particular areas of the Postal Service's authority under existing law.¹ Specifically, the conferees directed:

...both the United States Postal Service and the Postal Rate Commission to independently report, 90 days after enactment of this Act, on the scope of existing authority of the US Postal Service, under title 39, United States Code, and title 39, Code of Federal Regulations, to introduce and provide new products and services (including the introduction and provision of new products and service on an experimental or market test basis) and to enter into negotiated service agreements with individual customers or groups of customers. Such reports shall include background on the use of such authority within the past 24 months and shall be provided to the Committees on Appropriations, the Senate Committee on Governmental Affairs, and the House Committee on Government Reform.

H. R. CONF. REP. NO. 107-253, 107th Cong., 1st Sess. 59 (2001). As directed, the Commission submits this report to the Senate and House of Representatives Committees on Appropriations, the Senate Committee on Governmental Affairs, and the House Committee on Government Reform.

The report is presented in three sections. The first outlines the Postal Service's current legal authority to introduce new products and services, the role of the Postal Rate Commission in that process, and the procedural mechanisms available for expedited approval of such innovations. The second section addresses the same topics in connection with Negotiated Service Agreements (NSAs), so-called "niche classifications," which are special service and rate arrangements negotiated between the Postal Service and a particular mailer or groups of mailers with features tailored to their use of the postal system. Finally, an appendix to the report summarizes recent

¹ The amended bill produced by the conference committee was enacted as Pub. L. No. 107-67, 115 Stat. 514 (2001).

Commission proceedings in which the Postal Service has sought to introduce service innovations—some of them customized for particular groups of mailers—on an expedited basis.

III. POSTAL SERVICE AUTHORITY TO DEVELOP, INTRODUCE AND PROVIDE NEW PRODUCTS AND SERVICES

A. Innovation under the Postal Reorganization Act

While pre-existing law afforded limited opportunities for postal innovation,² the Postal Reorganization Act of 1970 gave the newly-created United States Postal Service a clear mandate to innovate by developing effective and efficient services adapted to the needs of the Nation's mail users. Section 101(a) of Title 39 establishes the Postal Service's paramount obligation "to provide postal services to bind the Nation together through the personal, educational, literary, and business correspondence of the people." The same section establishes the performance criterion that the Postal Service is expected to achieve as a matter of postal policy: "It shall provide prompt, reliable, and efficient services to patrons in all areas and . . . all communities." Similarly, § 403(a) assigns the Postal Service the duty to "plan, develop, promote, and provide adequate and efficient postal services at fair and reasonable rates and fees." The Act fosters service innovation by assigning the Postal Service responsibility "to provide types of mail service to meet the needs of different categories of mail and mail users[.]" 39 U.S.C. § 403(b)(2).

The Reorganization Act grants the Postal Service specific powers that serve as the operational tools of service innovation. Section 404 of Title 39 grants the Postal Service plenary authority over custody of the mail and its movement [§ 404(a)(1)]; over the deployment of post offices, other facilities, and equipment [§ 404(a)(3)]; and over the means by which stamps and other postage are sold [§ 404(a)(4) and (5)]. The same section also authorizes the Postal Service "to provide, establish, change, or abolish special nonpostal or similar services[.]" 39 U.S.C. § 404(a)(6).

Conclusion: The Postal Reorganization Act of 1970 clearly mandates that the Postal Service innovate by developing effective and efficient postal services adapted to the needs of the Nation's mail users.

² Former 39 U.S.C. § 504(a) authorized the Postmaster General to maintain a research and development program, and to conduct experiments to enhance the operational efficiency and economy of the postal system.

B. Commission Review of Proposed Changes in Domestic Mail Classifications

Prior to 1970, the array of mail services provided by the Post Office Department was codified as part of Title 39.³ The Reorganization Act replaced this statutory codification of postal services with an administrative process in which the Governors of the Postal Service establish, and the Postal Rate Commission reviews proposed changes in, the terms and conditions of postal services, which are compiled as the Domestic Mail Classification Schedule (or “DMCS”).⁴

Section 3621 of Title 39 provides that “the Governors are authorized to establish reasonable and equitable classes of mail . . . in accordance with the provisions of this chapter.” Section 3623(a) directs the Postal Service to file a request with the Postal Rate Commission for a recommended decision on establishing a mail classification schedule within two years of the Reorganization Act’s effective date. The Postal Service complied with this requirement early in 1973, and a Domestic Mail Classification Schedule recommended by the Commission became effective on July 6, 1976.⁵

Following establishment of this initial mail classification schedule, § 3623(b) provides that the Postal Service “may from time to time request that the Commission submit, or the Commission may submit to the Governors on its own initiative, a recommended decision on changes in the mail classification schedule.” Deliberations on proposed mail classification changes follow proceedings in which an opportunity for on the record hearings is afforded to mail users and an officer of the Commission required to represent the interests of the general public. 39 U.S.C. § 3624(a). The Commission’s procedural rules governing proposed changes in the mail classification schedule are contained in Subpart C of title 39 of the Code of Federal Regulations, 39 C.F.R. § 3001.61 *et seq.*

³ See former Title 39, Part IV—Mail Matter.

⁴ The text of the Domestic Mail Classification Schedule is published as Appendix A to Subpart C of 39 C.F.R. Part 3001, following 39 C.F.R. § 3001.68

⁵ Docket No. MC73-1, Phase I, Opinion and Recommended Decision, April 15, 1976; accepted in Decision of the Governors of the United States Postal Service on Establishing a Mail Classification Schedule, June 2, 1976.

Over the past 25 years, the Postal Service has filed many such mail classification requests with the Commission, seeking either to establish new postal products or to reconfigure pre-existing services. Less frequently, the Commission has begun proceedings on its own initiative, most commonly in response to a mail user's request to do so. Both forms of proceeding have proven to offer useful opportunities to introduce innovations in postal services.

Conclusion: The joint authority shared by the Postal Service and the Postal Rate Commission under the Reorganization Act to adopt new mail classifications is the mechanism for implementing innovations in domestic mail service.

C. Commission Procedures Adapted to the Expeditious Consideration of Proposed Service Innovations

Recognizing that certain types of proposed service innovations merit consideration under specialized procedures, the Commission has adopted several sets of rules that are customized for defined categories of Postal Service requests. The rules depart from those generally applicable to proposed mail classification changes by reducing the amount of supporting evidence the Postal Service is required to produce, and by expediting the Commission's procedural schedule for considering the particular form of proposed change.

The Commission determined almost twenty years ago that there was a need for specialized rules to facilitate Postal Service mail classification requests involving proposed new services, or changes in existing services, that were intended to serve as experiments. The rules, contained in 39 C.F.R. §§ 3001.67 through .67d, provide a mechanism for limiting the issues on which a trial-type hearing is required; allow the Postal Service to explain the unavailability of data that would otherwise have to be filed; and provide for data collection for the duration of the experiment. The experimental rules also incorporate a procedural time limit of 150 days from the Commission's determination that the proposed change is experimental in nature.

These rules were not used extensively. A joint Postal Service-Postal Rate Commission task force suggested a number of areas where additional special rules

might further encourage Postal Service innovation.⁶ The Postal Service petitioned the Commission in 1995 to adopt rules to implement some of the task force's recommendations. The Commission conducted a rulemaking to consider the rules proposed in the Service's petition, and after considering the comments of interested parties, implemented four of the proposed initiatives, albeit in revised form.

Three of the new sets of rules prescribe expedited procedures for particular categories of Postal Service requests. The fourth set specifies conditions under which the Service may use multi-year test periods to demonstrate that a proposed new service will become compensatory over time.

The first set of these new procedural rules, incorporated into the Commission's rules of practice as sections 161 through 166,⁷ establish expedited procedures for consideration of Postal Service proposed market tests of potential new services. The rules specify the limited information the Service is required to file in support of a proposed market test, including a plan for testing the proposed new service and associated data collection and reporting requirements. They also streamline public notice and hearing procedures, and provide for issuance of a "yes or no" Commission decision on the proposed market test within 90 days, consistent with the procedural due process rights of interested persons. The Postal Service's innovative Mailing Online service, for which a three-year experimental trial was requested and approved in Docket No. MC2000-2, was initially considered and recommended by the Commission under the market test rules. See the Appendix to this report under the heading for Docket No. MC2000-2.

The second set of rules,⁸ apply to Postal Service proposals to implement new services that would supplement, but not alter, existing mail classifications and rates on a provisional basis for a limited time. As in the market test rules, the provisional service rules identify the supporting information to be provided by the Postal Service; in addition, they allow the Service to explain why it should not be required to provide

⁶ See Postal Ratemaking in a Time of Change: A Report by the Joint Task Force on Postal Ratemaking, June 1, 1992.

⁷ 39 C.F.R. §§ 3001.161-.166.

⁸ 39 C.F.R. §§ 3001.171-.176.

information called for in the Commission's general rules for mail classification proposals. The rules likewise expedite public notice and procedural scheduling, providing for a "yes or no" Commission decision within 90 days, consistent with the due process rights of other parties.

A third set of rules, adopted as sections 69 through 69c of the rules of practice,⁹ applies to Postal Service requests for permanent mail classification changes that are minor in character. "Minor" classification changes are defined as those that would not change any existing rate or fee; would not impose any new restriction on eligibility for mailing; and would not significantly increase or decrease the estimated contribution of the affected mail subclass or service category to the institutional costs of the Postal Service. The rules specify limited required supporting information, allow the Service to explain the unavailability of otherwise required data, and also streamline procedural scheduling. Under these rules for minor classification proposals, the procedural deadline for rendering a Commission decision is 90 days from the filing of the Postal Service request if no hearings are held, and 120 days if hearings are scheduled in the case.

Finally, the fourth set of rules, contained in sections 181 and 182 of the rules of practice,¹⁰ applies to Postal Service requests for new services that it believes cannot recover all their associated costs in the first full fiscal year of their operation. In such instances, the Service's request must be supported by testimony of a Postal Service witness that explains the rationale for the proposed multi-year test period. The request should also provide Return on Investment projections, other available financial analyses, and cost, revenue, and volume estimates for the new service for the entire proposed test period. The rules establish a policy standard that allows test periods of up to five fiscal years for the purpose of determining breakeven for newly introduced postal services.

The Commission adopted these four sets of rules in 1996, to be effective for a period of five years. In light of their apparent workability in several Commission proceedings and their continuing usefulness for affording procedural flexibility to the

⁹ 39 C.F.R. §§ 3001.69-69c.

¹⁰ 39 C.F.R. §§ 3001.181-.182.

Postal Service, the Commission extended their application for an additional five-year period in a recent rulemaking.¹¹

Conclusion: Specialized Postal Rate Commission rules of procedure are currently available for use by the Postal Service to provide expeditious consideration of proposed service innovations in a manner consistent with the due process rights of all interested persons.

¹¹ Docket No. RM2001-3, Order No. 1322, 66 Fed. Reg. 54436 (2001).

IV. POSTAL SERVICE AUTHORITY TO ENTER INTO NEGOTIATED RATE AND SERVICE AGREEMENTS WITH INDIVIDUAL CUSTOMERS OR GROUPS OF CUSTOMERS TO PROVIDE SERVICES

For a number of years, some mailers have pursued the idea of establishing customized postal rates and/or terms of service through negotiation with the Postal Service. Depending on their respective objectives and features, contractual arrangements of this kind have been labeled “contract rates,” “negotiated service agreements,” or more recently, “niche classifications.” In addressing the consistency of these various approaches with current law, it is important to identify and consider all of their characteristics. For example, the legality of an agreement may be dependent on whether the contract is agreed upon and performed without any regulatory scrutiny, or instead submitted for some form of review by the Postal Rate Commission prior to its effectiveness.

A. Statutory Bases of Potential Authority

No provision in existing law explicitly authorizes or prohibits the Postal Service from entering into rate or service agreements with mail users. Section 401(3) of Title 39 generally empowers the Service “to enter into and perform contracts,” and there is no prohibition elsewhere against the Postal Service and mail users negotiating and reaching consensus as to how rates or conditions of service should be changed. However, other provisions in Title 39 cast into doubt the conclusion that the Service’s authority under § 401(3) is sufficiently broad to encompass changes in rates or mail classifications by agreement alone.

The obstacles to this conclusion are both procedural and substantive. From a procedural perspective, the legal soundness of rate or mail classification changes by contract alone is doubtful because the only means of making such changes recognized in the Reorganization Act are the procedures prescribed in Chapter 36 of Title 39. These provisions require that rate or mail classification changes desired by the Postal Service must be filed as a request with the Postal Rate Commission, allowing for public scrutiny and deliberations by the Commission and the Governors of the Postal Service.

Failure to abide by the procedural requirements of Chapter 36 has been recognized as a sufficient legal basis for voiding the intended change.¹²

Negotiated rate or service changes also may run afoul of the substantive standards prescribed for rates and mail classifications in the Reorganization Act. Section 403(c) of Title 39 directs that:

In providing services and in establishing classifications, rates, and fees under this title, the Postal Service shall not, except as specifically authorized in this title, make any undue or unreasonable discrimination among users of the mails, nor shall it grant any undue or unreasonable preferences to any such user.

Sections 3622 and 3623 similarly specify fairness and equity, together with other criteria, as considerations to be observed in making rate and mail classification changes. Without public scrutiny and review of the terms of a given rate or service agreement between the Postal Service and a customer, there could be no assurance that these substantive criteria would be satisfied.

However, assuming the procedural requirements of Chapter 36 are met, changes negotiated by the Postal Service and a mail user for their mutual benefit may merit recommendation under the applicable statutory standards. Section 3623(c) directs the Commission to consider “the desirability and justification for special classifications and services of mail” [§ 3623(c)(2)] and “the desirability of special classifications from the point of view of both the user and of the Postal Service” [§ 3623(c)(5)]. Regarding rates, § 3622(b)(6) establishes “the degree of preparation of mail for delivery into the postal system performed by the mailer and its effect upon reducing costs to the Postal Service” as a factor to be considered in connection with a proposed change. In combination with other factors and the policies of the Reorganization Act, these

¹² *United Parcel Service v. U. S. Postal Service*, 455 F.Supp. 857 (E.D. Pa. 1978), *affirmed*, 604 F.2d 1370 (3d Cir. 1979), *cert. denied*, 446 U.S. 957 (1980).

considerations could support recommendation of rate and classification changes tailored to the capabilities and needs of particular mailers.

Conclusion: Rate and service agreements negotiated by the Postal Service and mail users are permissible under current law if the procedural and substantive requirements of the Postal Reorganization Act are satisfied.

B. Problematical “Contract Rates”

In a rulemaking proceeding conducted in the late 1980s at the request of a mailer, the Commission addressed the question of the Postal Service’s authority to negotiate rate changes in the form of a proposal to recognize “contract rates.” After considering comments of the Postal Service and other participants, the Commission found the proposal problematical, and declined to pursue it.

The initial proposal, considered in Docket No. RM89-5, included two variants:

1. The Commission might, after considering cost and other relevant evidence, establish a range of permissible rates for particular subclasses, with the Postal Service and individual mailers free thereafter to negotiate rates within this range; or
2. The Postal Service and one or more mailers would negotiate a rate and service package which would then (i) be submitted to the Commission for a review, and (ii) thereafter be available on the same terms to all potential users.

The Commission solicited two rounds of comments on the proposal from interested parties. The proponent and one other mailer took the position that the Postal Service is authorized to enter into such contracts, provided the procedural requirement of review under Chapter 36 is observed. Other commenters—including the Commission’s Office of Consumer Advocate—expressed doubts regarding the legal soundness of one or both of the proposed variants of such agreements. The Postal Service commented that, in its view, legal constraints would not preclude a contract mechanism in principle, but that no such arrangement would be permissible without the Commission’s participation in accordance with 39 U.S.C. §§ 3622 through 3625.

Upon consideration of the initial comments it received, the Commission declined to pursue the contract rate proposal, but solicited further comments on several broad issues concerning possible changes in the mail classification system. The Commission explained that its reluctance to pursue the concept of contract rates was based on substantial uncertainty regarding the legal sufficiency of examining agreed-upon rates after the fact, rather than in a prior review. It also raised the potential problems of unreasonable discrimination that such contracts might cause, in contravention of 39 U.S.C. § 403(c), and the preservation of fair contributions to the Postal Service's institutional costs by mail volumes.¹³ Such problems might well arise if the Service were to negotiate "discounted" rates—unaccompanied by a change in service conditions that provided cost or revenue justification.

Conclusion: Negotiated rates—unaccompanied by a change in service conditions that provides cost justification—are a problematical approach to introducing additional flexibility into Postal Service business practices.

C. Negotiated Service Agreements and Specialized "Niche Classifications"

Following publication of the report of the joint Postal Service-Postal Rate Commission task force on ratemaking, the Postal Service petitioned the Commission to adopt rules to implement some of the report's recommendations. One recommendation included in the Service's petition was adoption of Commission rules for reviewing on an expedited basis "service agreements with postal customers, varying from the general rate and classifications schedules in ways which add value both for the customer and for the postal system as a whole."¹⁴

The proposal in the Postal Service's petition would have established Negotiated Service Agreements as a new form of mail classification, with individual agreements to be reviewed by the Commission within 60 days. In the Commission's Notice of Proposed Rulemaking, it deferred consideration of the NSA proposal, citing legal uncertainty regarding the consistency of negotiated rates with the Reorganization Act's

¹³ Docket No. RM89-5, Further Invitation for Comments, 54 Fed. Reg. 47223 (1989).

¹⁴ Postal Ratemaking in a Time of Change, *supra*, at 54.

ratemaking provisions. However, the Commission also expressed a general willingness to address the concept in a subsequent rulemaking.

Since then, the Commission has conducted several mail classification proceedings under the other expedited procedures adopted in that rulemaking. These procedures have been shown to be well suited to the consideration of “niche classification” proposals. Niche classifications are specialized mail classifications—including reduced, but cost-justified rates or fees—that have been developed by the Postal Service in direct consultation with its customers, to meet the needs and capabilities of a mailer or group of mailers. For example, the Commission approved a two-year experiment of a program that enabled users of bulk, nonletter-size Business Reply Mail such as photofinishers that could reliably determine postage and fees due, to obtain earlier access to their mail at revised fees.¹⁵ The Commission subsequently granted a requested extension of the experiment,¹⁶ and ultimately approved a request to make the experimental program a permanent mail classification.¹⁷ More recently, in Docket No. MC2001-1, the Commission recommended three new worksharing-based discounted Priority Mail categories after negotiating with mailers who were willing to presort their mail in new ways that could reduce the Postal Service’s costs.¹⁸ Such “niche classification” proposals are essentially Negotiated Service Agreements, without any associated legal uncertainties or additional administrative barriers.

Conclusion: Rate and service adjustments agreed upon by the Postal Service and mailers are legally authorized if three conditions are satisfied:

- ❶ The proposal is reviewed in a public proceeding, as the Reorganization Act requires;
- ❷ The agreed-upon rate and service changes will work to the mutual benefit of mail users and the postal system as a whole; and

¹⁵ Docket No. MC97-1, Opinion and Recommended Decision, April 2, 1997.

¹⁶ Docket No. MC99-1, Opinion and Recommended Decision Approving Revised Stipulation and Agreement, May 14, 1998.

¹⁷ Docket No. MC99-2, Opinion and Recommended Decision Approving Stipulation and Agreement, July 14, 1999.

¹⁸ See the description of this proceeding in the Appendix.

- ④ The negotiated rate-and-service package is made available on the same terms to other potential users willing to meet the same conditions of service.

Examples of “niche classification” proposals recommended in recent Commission proceedings, and Postal Service product innovations considered in other cases, are described in the Appendix to this report.

Postal Service Product Innovations and Special-Purpose Mail Classification Changes Reviewed by the Postal Rate Commission Since January 1, 2000

Docket No. MC2001-1—Experimental Presorted Priority Mail Rate Categories

- **Nature of service or change:** Experimental trial of three new presorted rate categories of Priority Mail.
- **Target users:** Mailers who can meet minimum quantity, mail preparation and containerization requirements for presorting their Priority Mail shipments.
- **Rate(s) and justification:** Three levels of presort discounts based on processing costs bypassed because of worksharing by mailers.
- **Procedural history:** Request filed by Postal Service on March 7, 2001. Settlement agreement among parties filed on May 17, 2001. PRC decision approving settlement agreement transmitted to Postal Service Governors on May 25, 2001. Governors approved PRC decision on June 4, 2001.

Docket No. MC2000-1—Experimental “Ride-Along” Classification Change for Periodicals

- **Nature of service or change:** Experiment allowing one piece of advertising matter to “ride-along” in a Periodicals publication for a flat additional ten-cent rate.
- **Target users:** Publishers who wish to include innovative advertisements in their periodicals at a more affordable rate than Standard A postage.
- **Rate(s) and justification:** Flat ten-cent rate available only for “ride-along” pieces that do not cause any significant additional mail processing or delivery costs.
- **Procedural history:** Request filed by Postal Service on September 27, 1999. Settlement agreement among parties filed on December 20, 1999. PRC decision approving settlement agreement transmitted to Postal Service Governors on February 3, 2000. Governors approved PRC decision on February 8, 2000.
- ➔ **Update:** Postal Service request for permanent authority filed September 24, 2001 in Docket No. R2001-1. Action by Commission is pending. Postal Service Request for extension of experiment filed in Docket No. MC2001-3 on September 28, 2001. PRC decision approving request transmitted to Postal Service Governors on January 11, 2002.

Docket No. MC2000-2—Mailing Online Experiment

- **Nature of service or change:** Experimental service enabling computer users to transmit documents in electronic form to Postal Service for printing, processing, and delivery as Express Mail, First-Class Mail or Standard A Mail.
- **Target users:** Single-piece mailers and small office/home office (SOHO) operators who have difficulty taking advantage of traditional mail service providers.
- **Rate(s) and justification:** Applicable bulk mailing rate plus fee to recover costs of printing, technological resources, advertising and other program-related expenses.
- **Procedural history:** Market test of same service approved by PRC in Docket No. MC98-1. Request for three-year experiment filed by Postal Service on November 16, 1999. Hearings held December, 1999 through February, 2000. PRC decision approving proposal, with recommended fee modifications, on June 21, 2000. Governors approved PRC decision on August 7, 2000.

Docket No. MC2001-2—Experimental Seasonal Delivery Confirmation Fee

- **Nature of service or change:** Experiment to provide manual delivery confirmation without charge to retail Priority Mail users during two weeks before the peak of the holiday mailing season.
- **Target users:** Small volume mailers that might be made more inclined to mail before the holiday peak, and that also might, as a result of the test, increase their purchases of delivery confirmation service in the future.
- **Rate(s) and justification:** Delivery confirmation to be available at no charge to retail Priority Mail users during the early stages of the holiday season.
- **Procedural History:** Request Filed by Postal Service September 20, 2001. Postal Service withdrew request on November 5, 2001 because the disruption of other events made conducting the experiment inadvisable.