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POSTAL RATE COMMISSION
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POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

**AMERICAN BANKERS ASSOCIATION AND
NATIONAL ASSOCIATION OF PRESORT MAILERS
COMMENTS ON PRESIDING OFFICER'S RULING NO. R2000-1/95
(July 27, 2000)**

The American Bankers Association ("ABA") and the National Association of Presort Mailers ("NAPM") hereby provide these comments in response to Presiding Officer's Ruling No. R2000-1/95 in which the Presiding Officer invited responses to requests of the various parties for procedural relief arising from Notice of Inquiry No. 3. Included among those requests for procedural relief is, ironically, a request by the Postal Service to prohibit other parties from filing rebuttal to testimony which it offered in response to Notice of the Inquiry No. 3.

ABA&NAPM respectfully submit that the request by the Postal Service to prohibit filing of rebuttal testimony to their response to Notice of Inquiry No. 3 underscores the very reason why USPS witness Fronk's April 17, 2000 revisions to USPS volume forecasts for First Class additional ounce pieces, and the resulting \$172.2 Million reduction in net revenue of single piece First Class Mail, should be stricken from the record as requested by Major Mailers¹ and by

1 Major Mailers Association's Supplement To Objection To Admission Of Postal Service Response In Evidence As Testimony And Comments On Related Procedural Matters, filed herein on July 24, 2000.

ABA&NAPM². When the Postal Service, through its witness Fronk (USPS-T33) attempted to counter-balance the revenue effect of an admitted RAF error by drastically amending its volume forecast for First Class additional ounce pieces, thereby reducing net revenue of single piece First Class Mail by \$172.2 Million, the USPS set in motion a chain reaction of filings which stretched the capacities of the parties to fully and meaningfully evaluate the record in this case. The Postal Service is now attempting to stifle any rebuttal testimony of other parties in response to this very process which the Postal Service itself set in motion by filing Fronk's revised volume projections for First Class additional ounce pieces. Of course, this problem is compounded by the fact that other parties were not given clear notice of the true significance of the April 17, 2000 Postal Service filing; and it was only when the Commission shed light on this issue with its June 30, 2000 Notice of Inquiry No. 3, that other parties began to react to this significant change in the Postal Service's case.

ABA&NAPM respectfully submit that the appropriate response to the confusion and dislocation which was caused by the Postal Service's attempt to substantially amend its case, mid-stream, is not to prohibit other parties from rebutting this Postal Service mid-stream amendment, but rather to strike the Postal Service mid-stream amendment, which is the April 17, 2000 filing made by USPS Witness Fronk substantially adjusting the volume forecast for First Class additional ounce pieces, and resulting in a \$172.2 Million reduction in net revenue of single piece First Class Mail. Any and all Fronk responses to oral cross-examination and written interrogatory responses on this subject should also be stricken.

2 Comments of American Bankers Association and National Association of Presort Mailers in support of Major Mailers Association and Office of the Consumer Advocate Comments on Notice of Inquiry No. 3 filed herein on July 19, 2000.

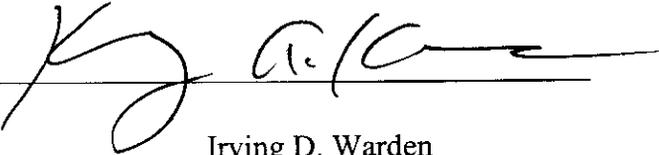
ABA&NAPM also note that their position is further supported by the Supplemental Testimony filed by USPS Witness Thomas Thress (USPS-ST-46) on July 21, 2000, two days after the July 19, 2000 ABA&NAPM Comments On Notice of Inquiry No. 3. The clear thrust of this July 21, 2000 Thress Supplemental Testimony is that the original volume forecast filed by Thress for the USPS in this case has proven to be remarkably accurate, and that there is therefore no need to attempt to update the Test Year volume forecast. [See Thress Supplemental Testimony (USPS-ST-46) at Page 2, Lines 13-15 and Page 7, Lines 13 and 14.] The USPS cannot have it both ways. It cannot present Supplemental Testimony of a volume witness on July 21, 2000 stressing the remarkable accuracy of its original volume forecast and the lack of any need to amend such forecast, and at the same time continue to support introduction into evidence in this proceeding of an amended volume forecast presented by witness Fronk for First Class additional ounce pieces. Clearly, the Postal Service is attempting to pick and choose a specific type of mail (i.e., additional ounce First Class Mail) for which it will offer significant mid-stream volume projection changes, when it suits its purposes to do so. At the same time, the Postal Service is offering testimony through Thress stating that its original volume projections are accurate and require no update.

ABA&NAPM respectfully submit that fundamental concepts of fairness and due process dictate that the USPS not be allowed to play fast and loose with the evidentiary record in this proceeding. Accordingly, USPS Witness Fronk's volume projections for First Class additional ounce pieces, and the resulting \$172.2 Million reduction in net revenue of single piece First Class Mail, should be stricken from the record in this proceeding. Furthermore, any filings of the Postal Service made in response to Commission Order No. 1294 should be revised to remove any effect which Fronk's revised volume projections for First Class additional ounce pieces may have

had on such USPS filings.

Respectfully submitted,

AMERICAN BANKERS ASSOCIATION
NATIONAL ASSOCIATION OF PRESORT MAILERS

By: 

Henry A. Hart, Esq.
Reed Smith Shaw & McClay LLP
1301 K Street N.W.
Suite 1100 - East Tower
Washington, DC 20005
Ph: 202-414-9225
Fax: 202-414-9299

Irving D. Warden
Assoc. General Counsel
American Bankers Association
1120 Connecticut Ave., NW
Washington, DC 20036
Ph: 202-663-5035
Fax: 202-828-4548

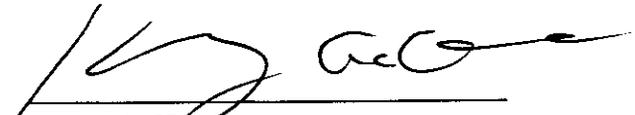
Counsel for
National Association
of Presort Mailers

Counsel for
American Banker Association

Date: July 27, 2000
Washington, D.C.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the instant document on all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.


Henry A. Hart

July 27, 2000