

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

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Regulations Establishing System of Ratemaking

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Docket RM2007-1

Comments of DFS Services LLC and  
the American Bankers Association  
On Mail Classification Schedule  
(October 9, 2007)

DFS Services LLC (“DFS”) and the American Bankers Association (“ABA”) submit these Comments on the Mail Classification Schedule submitted by the Postal Service in response to Order No. 26, Order Proposing Regulations to Establish a System of Ratemaking, released by the Postal Regulatory Commission (“Commission”) on August 15, 2007 and in response to Order No. 33 extending the comment period to October 9, 2007.

DFS and the ABA support and endorse the classifications of First-Class and Standard Mail products proposed by the Postal Service in its draft classification schedule. DFS and the ABA also support the Postal Service’s position that all NSAs should not, automatically, be considered separate products.<sup>1</sup> Neither DFS nor the ABA take any position on the classification of periodical, parcel, or competitive products.

The Postal Service’s product classifications reflects the reality of the market place and the position of Postal Service products place in that marketplace. These

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<sup>1</sup> See e.g., United States Postal Service Submission of Initial Mail Classification Schedule in Response to Order No. 26, September 24, 2007 at 26-28; Comments of the Postal Service in Reponse to Order No 26, September 24, 3007 at 2-12; Comments of DFS Services LLC In Response to Order No. 26,

product classifications also correctly reflect the differences in cost and demand characteristics between its services, which is the legislative intent of the Postal Accountability and Enhancement Act (“PAEA”). Of particular importance to both DFS and the ABA is the fact that this classification schedule recognizes that shape is a driving force in costs, and the reality that markets and demand characteristics for single-piece letters and bulk letters in First Class are significantly different.<sup>2</sup>

DFS and the ABA urge the Commission to quickly resolve any issues remaining in any other areas, and proceed forthwith to issue final regulations. We then suggest that the Commission turn to the very important matter of designing appropriate complaint procedures.

Thank you for considering our views.

Respectfully submitted,

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September 24, 2007; Reply Comments of DFS Services LLC In Response to Order No. 26, October 9, 2007.

<sup>2</sup> While an argument could be made that postcards could be considered a separate product, DFS and the ABA find acceptable the Postal Service's decision to group postcards with letters in First Class. See United State's Postal Service Submission of Initial Mail Classification Schedule in Response to Order No. 26, September 24, 2007 at 10-13.