

Via Email to:
PCFederalRegister@usps.gov

November 1, 2021

Director, Product Classification
U.S. Postal Service
475 L'Enfant Plaza SW
Room 4446
Washington, DC 20260-5015

Re: Periodicals Pending Authorization Postage

USPS Director, Product Classification:

MPA – The Association of Magazine Media (“MPA”) appreciates the opportunity to comment on the September 30, 2021 *Federal Register* Proposed Rule entitled “Periodicals Pending Authorization Postage” and published at 86 Fed. Reg. 54142-43. The Proposed Rule would revise the process for calculating postage on a Periodicals publication while that publication’s application for Periodicals authorization is pending. MPA submits these comments in its role as the leading advocate for Periodicals mailers in the U.S., representing over 500 magazine media brands.

Before commenting on the proposal itself, MPA wishes to reiterate its concern that the Proposed Rule creates a new rate of general applicability for a market-dominant product, and thus requires compliance with 39 C.F.R. Part 3030. We and the Association for Postal Commerce (“PostCom”) expressed this concern in a letter dated October 27, 2021 to the U.S. Postal Service’s Chief Counsel, Pricing and Product Support. In that letter, MPA and PostCom advised the Postal Service to present the proposed changes to the Postal Regulatory Commission as a rate filing or, at a minimum, file the rates with the Commission conditionally subject to a ruling as to whether the changes must comply with 39 C.F.R. Part 3030. MPA respectfully places that letter in the public record by attaching it to these comments.

Substantively, MPA commends the Postal Service for its proposal to simplify the rate calculation process for those titles whose Periodicals classification remains pending at the time of mailing. We generally agree with the Postal Service that the proposed revision will provide publishers and news agents with a more efficient and easier process, and are supportive of that initiative.

We note, however, that while charging publishers a fixed percentage of the to-be-authorized Periodicals price simplifies the process, the notice does not provide any calculations or analysis justifying the specific percentages proposed. Instead, the notice merely explains that

the proposed pending postage amounts for Periodicals are “based upon common characteristics of shape and weight.” 86 Fed. Reg. 54143.

MPA’s initial analysis shows that customers will pay widely divergent rates under the proposed system, driven by numerous factors beyond the mailings’ shape and weight. These factors include the advertising percentage per issue, density, and the size of the mailing pool (whether co-mail or standalone) in which the pending Periodical is entered. Depending on mailpiece characteristics, some publishers can expect to pay lower rates pending Periodicals authorization than they currently do whereas other publishers can expect to pay significantly higher rates. For example, publishers that currently pay the applicable USPS Bound Printed Matter rate may pay pending postage that is nearly 60 percent higher under the Proposed Rule.

Although MPA supports the proposal’s simplicity, we are concerned that the wildly divergent impact on publishers may have the unintended consequences of: (1) discouraging new title launches for publishers that would pay significantly higher rates under the Proposed Rule; and (2) result in severe inequity among publishers based on mail characteristics that are not accounted for in the proposal. To minimize these risks, we request that the Postal Service:

- Decrease the proposed percentages of Periodicals rates across the board, in order to reduce the number of publishers who are adversely impacted by the Proposed Rule. At a minimum, we request that the Postal Service publish data demonstrating that the proposed percentages are equal to the price pending Periodicals authorization that publishers would pay under the existing rules;
- Allow publishers awaiting Periodicals authorization to appeal to the USPS Pricing and Classification Service Center (“PCSC”) if the pending rate being charged under the Proposed Rule far exceeds the current pending rate based on the applicable mail class. Because DMM § 207.5.3 already allows Periodicals applicants to appeal decisions of the PCSC, this remedy should not necessitate significant revisions to the DMM.

/s/ Rita Cohen

Rita D. Cohen
Senior Vice President, Legislative and
Regulatory Policy
MPA – The Association of Magazine Media
1211 Connecticut Avenue NW, Suite 610
Washington, DC 20036