

United States Senate

WASHINGTON, DC 20510-4606

January 30, 2013

COMMITTEES:
BANKING, HOUSING, AND
URBAN AFFAIRS
COMMERCE, SCIENCE, AND
TRANSPORTATION
BUDGET
RULES AND ADMINISTRATION
JOINT ECONOMIC COMMITTEE

Mr. Patrick R. Donahoe
Postmaster General and Chief Executive Officer
United States Postal Service
475 L'Enfant Plaza SW
Washington DC 20260

Dear Mr. Donahoe:

I write concerning an issue involving Opower Inc., an Arlington, Virginia based company that provides energy efficiency advertising for electric and gas utilities. The company employs over 300 people, is on track to grow to 450 employees by the end of 2013, and mailed 50 million pieces of energy efficiency advertising to U.S. households last year, nearly all by Standard Mail.

With each piece of energy efficiency mail, Opower sends a computer-generated report comparing the actual energy consumption of the addressee's household with the average energy consumption of neighboring households. This effort has been shown to save both energy and dollars for the consumer. I have been informed, however, that on December 31, 2012, a mail acceptance office within the USPS ruled, without any advance notice to Opower, that the company's energy conservation advertisements could no longer be mailed at Standard Mail rates of postage, and henceforth must be mailed at much costlier First-Class rates.

Opower has raised concerns with my office about this recent action. First, the lack of advance notice from the Postal Service on its decision is troubling, making it difficult for a small business to adjust – particularly following five years of consistent Postal Service decisions accepting the advertisements as Standard Mail. Second, there are questions as to whether the ruling was justified on the merits. The premise of the ruling, as I understand it, is that the Postal Service does not believe personal information about household energy consumption included in Opower's mailers has an explicit advertising purpose. However, Opower notes that the inclusion of personal information, such as comparisons to similar homes, is an advanced marketing technique specifically designed to advertise energy efficiency for Opower's clients who have a commercial interest in getting their customers to use less, rather than more power.

Thank you for your attention to this issue and your expeditious review of the recent decision. I also invite appropriate Postal Service staff to meet in my Senate office in the coming weeks with Opower leadership to discuss the issue.

Sincerely,



Mark R. Warner
United States Senator