

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Market Test of Experimental Product—)
Marketing Mail Made Easy)

Docket No. MT2011-3

VALPAK DIRECT MARKETING SERVICES, INC. AND
VALPAK DEALERS ASSOCIATION, INC.
MOTION FOR ISSUANCE OF INFORMATION REQUEST
(February 4, 2011)

Valpak Direct Marketing Services, Inc. and Valpak Dealers' Association, Inc. ("Valpak") hereby files this motion, pursuant to Rule 3001.21(a), requesting issuance of a Commission Information Request regarding the Postal Service's proposal in its Notice of the United States Postal Service of Market Test of Experimental Product—Marketing Mail Made Easy, January 12, 2011 ("Notice"). The proposed questions seek to clarify ambiguities in the Postal Service's Notice and allow the Commission to have sufficient information to evaluate the Postal Service's plan under 39 U.S.C. section 3641(b).¹ The Commission has previously entertained such motions for an information request and issued information requests in response thereto.²

¹ The Public Representative submitted a motion for an information request on January 26, 2011. On February 2, 2011, the Postal Service filed a response in opposition to such motion on the grounds that the information sought was either in the Postal Service's Notice or was information being sought by the Postal Service in the course of this market test. Valpak's questions proposed herein would not appear to be objectionable on those grounds.

² See, e.g., Docket No. ACR2008, Valpak Motion for Issuance of Commission Information Request Concerning Core Costing Data on Detached Address Labels (Jan. 13, 2009) and Commission Information Request No. 4 (Feb. 13, 2009).

Valpak asks the Commission to direct the Postal Service to provide to the Commission and the public answers to the following questions:

1. Please refer to page 5 of the Notice where it states: “MMME is intended to serve small and medium-sized businesses that **do not use current Postal Service products.**” (Emphasis added.) Please define or explain what is meant by the phrase “do not use current Postal Service products.” In particular, please explain whether a business that has a presence in the mail, either through the services of a mail service provider (“MSP”), or shared mail service, or a newspaper’s total market coverage (“TMC”) program, is considered to be (i) a user of current Postal Service products, or (ii) a business that does not use current Postal Service products.
2. In responding to the following questions, please respond giving the phrase “small and medium-sized businesses that do not use current Postal Service products” using the meaning you ascribe to the phrase in response to question 1.
 - a. Please explain (i) whether the Postal Service has or plans to obtain any kind of list of small and medium-sized businesses that it plans to target for the MMME market test, and (ii) if so, whether the Postal Service can distinguish those “small and medium-sized businesses” that currently use postal products from those which “do not use current Postal Service products.”
 - b. Please explain current plans which the Postal Service has for informing and educating “small and medium-sized businesses that do not use current Postal Service products” about the MMME program.

- c. Aside from distribution of information about the MMME program, what other plans does the Postal Service have to “sell” MMME to “small and medium-sized businesses that do not use current Postal Service products”?
3. Suppose that potential customers — *i.e.*, “small or medium-sized businesses that do not use current Postal Service products” — ask the Postal Service to recommend where they can obtain professional assistance with respect to creating mail marketing material for their initial MMME saturation mailings.
 - a. Please discuss how the Postal Service plans to handle such inquiries, including whether (i) the Postal Service is prepared to give inquirers a list of independent providers in their area, or (ii) make recommendations with respect to various providers in any manner, such as through the Internet.
 - b. In view of the response to part a, what criteria for independent providers will be used to get on the list or be recommended?
 - c. What responsibility would the Postal Service assume for referrals to independent providers which do inadequate work?
4.
 - a. Regarding the marketing of the MMME program, does the Postal Service plan to have its marketing personnel call on small or medium-sized businesses?
 - b. Will Postal Service marketing personnel be expected to make “cold calls” on their own initiative, or will Postal Service marketing personnel only respond to inquiries?
5. For “small and medium-sized businesses that do not use current Postal Service products” — *i.e.*, potential customers who agree to contemplate entering saturation mail

with simplified addressing under the MMME market test — the Postal Service proposes to reduce or eliminate barriers to entry. The Notice cites mailing permits, permit fees, accounting fees, and mail preparation requirements as “barriers to entry.” Please explain the rationale for reducing such “barriers” to firms that are not customers of the Postal Service, while failing to implement any reduction in those barriers for saturation mailers who already are customers of the Postal Service (provided, of course, that existing saturation mail customers would agree to adopt simplified addressing on city routes). In particular, please explain how giving non-customers such favored treatment enables the Postal Service to maintain a level playing field between existing customers and potential new customers.

6. The Notice proposes to eliminate or reduce barriers to entry for saturation mail with simplified address that does not exceed 5,000 pieces per destination delivery unit (“DDU”), provided the mail is for at least one full carrier route.
 - a. When a metropolitan area has multiple DDUs, please confirm that a mailer may enter up to 5,000 pieces of MMME saturation mail at more than one DDU on the same day.
 - b. For DDUs that include somewhat more than 5,000 addresses, please confirm that a mailer who enters 5,000 pieces of MMME saturation mail on one day may then enter up to another 5,000 pieces at the same DDU on the next day.
 - c. Please explain the rationale for imposing on each mailer a daily limit on saturation mailings under the MMME market test of 5,000 pieces at one DDU.

- d. Would the Postal Service want a daily limit to apply if the product were to be offered permanently?
7. This question pertains to the type of information on individual mailers that the Postal Service proposes to collect for evaluation purposes, and whether the planned data collection is adequate for meaningful analysis.
 - a. If a mailer enters MMME mail at three different DDUs on the same day (and pays for the mail at each DDU), how will that be recorded? (i) As three mailings, by three mailers? (ii) As one mailing by a single mailer? (iii) As three mailings by a single mailer?
 - b. If a mailer enters MMME mail on two consecutive days at the same DDU (and pays for the mailing each day), how will that be recorded? (i) As two mailings by a single mailer? (ii) As two mailings by two mailers? (iii) As one mailing by a single mailer?
 - c. Assume that in the third month of the market test a mailer enters a single MMME mailing at a single DDU and then, in the sixth month, the same mailer enters a second MMME mailing at the same DDU. Will the data records show that this is a second mailing by the same mailer, or will the records simply indicate two separate mailings with no ability to distinguish whether the second mailing was by the same or a different customer?
8. Please refer to page 7 of the Notice, where the data collection plan is discussed. In addition to the six items listed there, please discuss what other plans the Postal Service has, if any, for obtaining information from those businesses that participate in the

MMME market test. In particular, please indicate the nature of information that the Postal Service plans to obtain from participants regarding their experience with saturation mailings under the MMME program.

9. Please discuss all major criteria that the Postal Service intends to use to evaluate the success of the MMME market test, and discuss the data or information that the Postal Service plans to gather that are pertinent to each criterion. Please include in the discussion how the Postal Service plans to distinguish between (i) new, recurring customers likely to continue to use the mail for marketing purposes, and (ii) customers who gave MMME a try and then, based on their experience, have decided not to continue using the mail for marketing purposes.
10. If the Postal Service decides to make MMME permanent, will it be part of the High Density and Saturation Flats and Parcels product?
 - a. If it will not be part of the High Density and Saturation Flats and Parcels product, how will it appear in the Mail Classification Schedule?
 - b. If it is made permanent, would the Postal Service keep separate records of the volume and revenue of the MMME product?
11. Please describe the Postal Service's plan to collect and report on additional costs, including city carrier in-office costs, that this MMME will cause the Postal Service to incur. Will these costs be attributed to the MMME product?
12.
 - a. Will mailers participating in the MMME program have any responsibility not to mail to postal customers who do not wish to receive this mail?

- b. If not, will the Postal Service assume this burden, and how extensive and expensive will this burden be?
13. What effect does the Postal Service believe its MMME product — either as a market test, or when rolled out as a permanent product — will have in giving impetus to federal, state, or city “do not mail” initiatives?
14. How would the costs of Postal Service marketing representatives selling the MMME product be captured and reported? Would such costs be attributed to the MMME product?
15. Please explain any limitation on the ability of a postal carrier to carry extra bundles consisting of new MMME mailings on foot routes, including the status of any recent relevant agreements with the National Association of Letter Carriers.

Respectfully submitted,

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