

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

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Periodic Reporting of Service Performance )  
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Docket No. RM2022-7

**COMMENTS OF ALLIANCE OF NONPROFIT MAILERS**

**(June 3, 2022)**

Pursuant to Commission Order No. 6160, the Alliance of Nonprofit Mailers (the “Alliance”) submits these comments in response to the Commission’s Advanced Notice of Proposed Rulemaking. Prompt, reliable, and affordable service is vital to our members – charities and other nonprofit organizations – who rely on the mail to raise funds, build membership, distribute publications, and disseminate information. And transparent, quality data depicting whether the Postal Service is meeting its service standards enables our members to determine the value they are receiving for the postal services that they pay for.

The Alliance is generally supportive of the Commission’s data-driven approach to measuring and reporting service performance for market-dominant products. We write not to comment on the merits of the five potential new reporting requirements outlined in the Advanced Notice, but specifically in response to the Commission’s request for comment “on how best to require the Postal Service to disaggregate service performance data.” See Order No. 6160, at 7.

## **Service Performance Data for Products Mailed by Nonprofits Should be Reported Separately**

The Alliance believes that the quality of reported service data would be significantly improved if the Postal Service were to report nonprofit mail separately from commercial mail in the classes nonprofit mailers use: Marketing Mail, Periodicals, and First Class.

### ***Marketing Mail***

Disaggregated reporting of nonprofit Marketing Mail (“NPMM”) and commercial Marketing Mail would enhance the transparency and usability of service performance data for that class. When the Postal Service rebranded the Standard Mail class to Marketing Mail in 2017, nonprofit mailers disagreed with the Postal Service’s rationale that “this name change will better communicate to mailers how this mail class can be used.” At the time, nonprofit mailers expressed that they used Standard Mail for purposes other than “marketing.”

It remains true today that commercial Marketing Mail serves a very different purpose than does NPMM, the latter of which is designed for fundraising for tax-exempt purposes, member communications, and subscription fulfillment for newsletters and magazines. Nonprofit fundraising appeals are often conducted under a tight timeframe to raise money, and so on-time service of NPMM is particularly important. Indeed, some of the Alliance’s members raise most of their money with NPMM. In addition, as the Postal Service has recognized, NPMM has accounted for an increasing percentage of the class-wide mail mix in recent years. See USPS FY 2021 Annual Compliance Report, Docket No. ACR2021, at 17-18 (Dec. 29, 2021).

It would also assist the nonprofit community (and, by extension, the beneficiaries of nonprofits' fundraising campaigns) to require the Postal Service to report root cause point impact data separately for NPMM and commercial Marketing Mail. When nonprofit mailers' fundraising campaigns and membership drives fail to generate predicted response rates, it is crucial for the nonprofit organization to understand which component of the campaign is underperforming, whether it be slow delivery time on outbound NPMM, delivery issues with inbound return First Class Mail, theft in the mail or at the caging company that handles response envelopes for the nonprofit, or another culprit. Knowing how quickly NPMM is being delivered, and the root cause of on-time delivery failure, would help nonprofit mailers build more effective campaigns. For these reasons, the Commission should amend the reporting rules at 39 CFR 3055 to require separate reporting on NPMM.

Within NPMM, we recommend further disaggregation that reports service performance for "regular" NPMM, political mail, and balloting materials separately. Political and balloting mail serve different purposes than do other types of Marketing Mail mailed under a nonprofit permit. Moreover, those mail types fluctuate in volume because of election-year cycles, are given special handling by the Postal Service, and usually travel a short distance because they relate to state, county, or citywide elections.

Breaking out Marketing Mail service performance data separately for NPMM and, within NPMM, separately for political and balloting mail, will not be onerous and will not entail costly new data collection. Each type of mail has its own standards for mailing eligibility. See DMM §§ 703.1.0 (NPMM), 703.1.3 and 703.1.6.10 (political), and

703.8.0 (balloting). The Postal Service already tracks NPMM volumes separately from commercial Marketing Mail. And it is already capable of tracking volumes and service performance for political and election mail separately. The Commission itself notes that the Postal Service often communicates data such as volume and delivery times for election-related mail in reports to the public. See Order No. 6160 at 5, n. 7 (citing USPS 2020 Post-Election Analysis reporting volume and delivery time performance for election mail).

### ***Periodicals and First Class Mail***

The Alliance also seeks separate service performance measurement and reporting for nonprofit mailings within the Periodicals and First Class Mail classes. Periodicals are vital components of member communication, educational dissemination, and fundraising activity. Our members mail the largest and near-largest circulation magazines in the country. For some of our members, the majority of their charitable contributions derive from subscribers to their hard-copy magazines. Because nonprofits mail Periodicals for different purposes than do commercial Periodicals mailers, we urge the Commission to require the Postal Service to report service data for Periodicals separately for nonprofit mailers.

First Class Mail is similarly important to nonprofit mailers. Many nonprofits use First Class stamps on outbound and/or response letters, because doing so increases response rates. More specifically, our members generate response mail via First Class mail using stamps provided by either the nonprofit mailer or the respondent, or Business Reply Mail paid for by the nonprofit. It would benefit nonprofit mailers tremendously if the Postal Service were to use barcode data to measure volume and delivery service

performance for nonprofit-generated First Class Mail separately across all of these variations within nonprofit FCM, and, separately, from commercially generated FCM.

## **Conclusion**

Nonprofits purchase and send between approximately 12-15 billion pieces of mail each year, and nonprofit mailings account for roughly ten percent of the Postal Service's mail volume. Nonprofit postal customers thus have a significant interest in service performance reporting, and such reporting should reflect that nonprofit mail is a distinct and important customer segment. The Alliance respectfully requests that the Commission use its regulatory authority to require that nonprofit, political, and election/balloting mail service performance be reported separately from commercial Marketing Mail, and that nonprofit mail be reported separately within the Periodicals and FCM classes as well.

Respectfully submitted,

*/s/ Eric S. Berman*

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