

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, DC 20268-0001

Service Standards and  
Performance Measurement  
For Market Dominant Products

Docket No. PI2007-1

**In Honor of the NOTICE OF REQUESTS FOR COMMENTS  
ON MODERN SERVICE STANDARDS AND PERFORMANCE  
MEASUREMENT FOR MARKET DOMINANT PRODUCTS**

**Comment and Suggestion of Janyce Pritchard  
On Behalf of The Flute Network**

**June 14, 2007**

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The following is offered pursuant to the NOTICE OF REQUESTS FOR COMMENTS on Modern Service Standards and Performance Measurement for Market Dominant Products, Issued June 13, 2007.

**(i. A Preliminary concern)**

The June 13<sup>th</sup> Notice from the PRC says that “Docket PI2007-1 is established for the purpose of obtaining a broad spectrum of opinion to inform Commission consultation providing guidance to the Postal Service in connection with the Commission’s responsibilities regarding service standards and performance measurement under the PAEA.” – however, as of this moment on Saturday afternoon of July 14<sup>th</sup>, I find in this docket only one Order No. 21 (which is the June 13<sup>th</sup> Notice of Request which I seek to respond to with this posting) and one Notice of Intervention (dated June 14<sup>th</sup>), but absolutely NO OTHER documents, opinions, statements, orders, findings, or comments from anybody as being available for review, or on file at all in this consideration...neither anything to respond to, nor to model after. Therefore - if it turns out that I have filed this document in the wrong place or in the wrong way, it was done so only in hopes of honoring the stated deadline for initial comments as being filed “BY July 16<sup>th</sup>” – and I sincerely hope that any necessary sorting out can be accommodated ON Monday, July 16<sup>th</sup> (or soon thereafter) such that what is offered here, in this Docket PI2007-1, may still be taken into PRC consideration as per the invitation of the June 13<sup>th</sup> Notice.<sup>1</sup>

**I. THE INVITATION in the June 13<sup>th</sup> Notice**

From the Notice: “Interested persons are invited to provide written comments and suggestions on what the modern service standards should be and what system or systems of performance measurement should be utilized to evaluate whether those service standards have been met”.

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<sup>1</sup> There are two reason for my delay in taking on even these preliminary questions until this late date: first I was out of the country between June 19<sup>th</sup> and July 9<sup>th</sup> [a business trip in China], and there was no time for it in the few days before we left because of the press of preparations for that trip; and second, in the days since I returned, I have been seriously physically ill from something I somehow picked up in the 14 hour flight home.

**II. In this offering, I seek to comment on a concern particular to STANDARD MAIL,** and to address an inherent peculiarity in the handling of this class of mail which appears to confound – if not directly negate – efforts at establishing meaningful Service Standards for this class of US mails and by extension, then, also for any related performance measurement practices that might be possible for this class of mail. That they should be established is something to be championed – but precisely how to do that in the face of this totally confounding variable (to be discussed below), is going to take courage, forthrightness and candor.

**A. Fundamentals.** Although the final wording may change in the document I’m about to quote (Draft – Service Standards, MTAC Subgroup #114 – Proposed Standard Mail Standards Recommendations, June 29, 2007), the information represented in these words is broadly supported, and the concepts as they are related here are both well worded and fundamental to the question at hand :

“STANDARD MAIL DESCRIPTION - Standard Mail represents over 45% of the mail delivered by the US Postal Service (USPS), and is an economical way for business mailers and non-profit organizations to communicate to a targeted market in a local, regional or national area”... further:

“STANDARD MAIL USER NEEDS FROM SERVICE STANDARDS – Consistent delivery from the US Postal Service is one of the most important aspects for mailers who use Standard Mail. When the mailing industry speaks of service standards, the mail should be delivered according to requested in-home dates and service standards that are published, known and consistently achieved. The mailing industry views consistency and predictability in delivery of standard mail as the greatest possible benefit of established service standards.”

HOWEVER! - and here is the concern I wish to highlight for consideration as per this June 13<sup>th</sup> Notice (quoting further, here, from the “Standard Mail Description” section of the same document): “Standard Mail is a product that can be **deferred** to meet the standards established for First-Class Mail, Periodicals and Expedited Services.”<sup>2</sup> Therein lies the rub.

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<sup>2</sup> The bold type is added – this concept of “deferability” is at the heart of this discussion, and our collective problem.

**B. COMMENT AND SUGGESTION for the PRC, in this regard:** there is an urgent need to reconcile the inherent inconsistency between (a) any notion of a set of “delivery performance standards” when it comes to Standard Mail (especially Non-Profit Standard Mails), and (b) the USPS practice of “deferability” in the handling of Standard Mails. If left unaddressed, this internal incompatibility between concept and operation will preclude any means of predicting and/or measuring performance for delivery of that class of mail. Because this class of mail constitutes such a comparatively large proportion of USPS load, and serves such an important function for the mailers who must rely upon it, sorting out this inconsistency has both significant weight and merit.<sup>3</sup>

To put it another way: “deferability” has the effect of rendering nearly useless any precision in mailer planning when using Standard Mail – and by extraction then, rendering nearly useless any way of gauging USPS delivery performance as regards Service Standards other than in the grossest of terms.

**C. By way of example** – The Flute Network hereby offers FULL DOCUMENTATION of the very-real-world effect of that which we’ve come to understand as this practice of “deferability” on the delivery of the February and March 2007 issues of Flute Network. In our report which charts actual date of receipt across the country relative to mailing from SCF 924 in California, we have also provided an overlay of the established USPS Service Standards for each reporting zip code (as given in the 2007 Second Quarter 3-digit to 3-digit zip code CD) – it is all currently available online and freely downloadable from here:

The full report is here: <http://flutenet.com/2007fullreport.pdf> -- it is a very large file, includes all the appendices, raw data and maps (all the details of USPS standards vs USPS actual performance are listed and mapped for each day data was received.)

The text only portion of the report is here: <http://flutenet.com/2007shortreport.pdf>

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<sup>3</sup> To date, we have only begun to wrestle directly with this issue in our MTAC #114 Standard Mail Subgroup, but the issue of how to reconcile “deferability” within any given service standard – even the concept of allowing for it \*within\* a range of days - appears to be something of a “tricky” thing for us, at this point in time (in my opinion). I am grateful for the opportunity to offer it for further consideration as part of this Public Comment forum, as it is a variable of crucial importance to mailers who need to rely on that class of mail when it comes to their own planning.. My understanding is that “we” as mailers are asking only for clarification on the matter and the ability to more reliably plan for it [if it is indeed something that “has to be”], rather than – on the face of it – just criticizing and complaining about the practice.

If desired, I would be happy to formally submit that report and all data to the PRC in conjunction with the concerns of this public inquiry.

**1. Background of the data offered:** Subsequent to the data and extensive report which Flute Network filed with the PRC as part of the 2006 Rate Case (Docket R2006-1, FLUTE-T-1), and entirely for our own purposes, The Flute Network began planning in December of 2006 to replicate that 2006 study with the February and March issues of 2007. We felt the need to do that in hopes of finding out how to best advise our advertisers in planning their own efforts, in light of the actual delivery flow from west to east since we were now mailing out from California (as opposed to having gone from east to west in 2006 when we were mailing out of North Carolina).

As was true before, we undertook this study for our own purposes, and only learned later that this new data might be of broader use and interest, (again), in conjunction with MTAC #114, PRC and USPS concerns. This time however – after having been invited to join MTAC and attending my first meeting in March, and especially in honor of that broader effort - we at Flute Network put our analysis plans for the 2007 data into fast-forward AND decided to go to the added effort of applying an overlay to our raw data of the current USPS Service Standards (again, as given on the Second Quarter 2007 Three-Digit to Three-Digit Zip Code CD). The resulting raw data, then, gives both the USPS Service Standard for delivery in each responding receiving zip code AND the actual receipt date – and as with our 2006 data, the information is both charted and graphically illustrated on maps for each day that we have data on actual receipt..

**2. Highlights of 2007 findings as related to the issue at hand.** As clearly illustrated in Flute Network's 2007 data and experience, the practical – real-world experience of Standard Mail (especially Non-Profit Standard Mails) totally bust any notion of reliable and consistent delivery predictions, other than in very broad terms. In only a handful of instances were Flute Network mailings received within or even close to the number of days given for expected delivery in the existing Service Standards.

a. Locally speaking (zip code 924 origin to delivery in 924), the real-world, practical effect of “deferability” has in real-world terms meant delivery “on or between 2 days and never/not yet” instead of the “3 days” as given in the USPS Standards. Of the 16 issues delivered to two of my own addresses (at my house, and to our PO Box), only 2 were delivered within the established USPS Service Standards for that class of mail... one was delivered in 2 days, one in 3 – the rest were in the range of 4 days to the even-still-not-yet-received May/June 2007 issue. (As further detailed in our report, we believe our whole pallet has been going from the SCF 924 [where all Flute Networks now enter the USPS system], in it’s entirety, to LA and then the destination-zip 924 copies returned to the originating SCF 924 for subsequent local delivery... but that’s another story. Where it matters in this discussion is that we have solid reports of at least three other local mailers whose professionally prepared large Standard Mail mailings showed a similar pattern – their mailings were entirely from SCF 924 origin to 924 delivery zip codes, and they have been finding 8 – 12 day delivery as their “usual” experience for that “local” delivery ...again totally variable and far longer than the expected “3 days” which is even still today quoted by the USPS as the “expectation”, and as given in the established Service Standards.)

b. Regionally speaking – for “local to LA” delivery, the real-world, practical effect of “deferability” for our Flute Networks was found to mean delivery “on or between 3 and 30 days” from the date of mailing in originating SCF 924 - only 3 of the 16 reporting zip codes reported they received their copies “on or before the 4 day Service Standard” as to be expected for this class of mail to those zip codes. Additionally, in the case of Glendale, CA alone – (again by way of example, and specifically for two addresses in zip code starting 912) – delivery from originating zip code SCF 924 took place on days 10 and 15 respectively for the February 2007 issue, and on days 13 and 8 respectively for the March 2007 issue.... I have no knowledge of any of the specifics about this range of delivery times in these cases – however, it is reasonable to suspect that LA is not unique in having such a varied profile in local deliveries of Standard Mail (especially non-profit Standard Mails). This pattern tends to support the notion that “deferability”, operationally speaking, has a component of “whim” to it along the way, thus further complicating any attempt to codify the practice or incorporate it into a set of broadly meaningful “Service Standards”.

c. Nationally speaking – in 2007 the bulk of our recipients who reported the receipt of their February issues told us they actually received their February issue on and between 12 – 24 days from date of mailing ( Specifically - of the 259 reports, none were received “early”, 2 were received “within the established Service Standards” for zip to zip delivery; and the rest were received between 2 and 43 days \*beyond the number of days identified on the USPS Service Standard CD\*). The bulk of those reporting receipt of their March issues told us they received them on and between days 13 and 24<sup>4</sup>. (Specifically – of the 333 reports on receipt of this issue, none were received “early”, 2 were reported as having been received within the established Service Standards, 4 were “close” [received on Day 11 instead of Day 10 as given in the Standards for those respective receiving zip codes], and the rest were received between 2 and 56 days \*beyond the number of days expected according to the Service Standards\* for their respective receiving zip codes.)

### **III. PRELIMINARY SUGGESTION.**

UNLESS and until there is a way to get a handle on this “deferability” practice with Standard Mails, there will continue to be a huge discrepancy between actual experience of mailers and any USPS Service Standards for Standard Mails – no matter WHAT they end up being when all is said and done. That “deferability” is astoundingly difficult to quantify (especially in the face of what may be a lack of willingness to closely examine it in meaningful ways, at least so far, and operationally speaking) only compounds the challenge before us all. Successively “deferred” mail handling cumulatively impacts Standard Mail mailings as they move through the system, and the result is nearly always only to the detriment of the mailer. Now, it may be that progress has been made in this arena of which I am not aware – indeed, it is hoped so. However, it is certainly something to be acknowledged and incorporated in a meaningful way into any resulting meaningful-Modern-Service Standards in the future.

It is a HUGE challenge. With Standard Mails comprising such a large portion (and I repeat from the case made in our 2006 Rate Case testimony – also such a tremendous OPPORTUNITY for

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<sup>4</sup> Note: this represents a significant improvement over the delivery performance of the March 2006 issue! We are delighted to acknowledge that!

the USPS – both financially and otherwise!) - it seems to me that nailing down this component of USPS services to something that mailing customers can better work with can only benefit us all – and exponentially so.

**One Proposal *might be*:** IF the Service Standards for Standard Mails (especially Origin Entered Mails) are such that the range of days given for delivery of Standard Mail INCLUDES or ALLOWS for all deferability to take place \*within that specified duration\* – such that mailers can predict with some degree of reasonability when their targets would be receiving the mailing, that would be OK!! Just tell us what we can count on. As of this writing, though, that is an issue that may need to be more directly taken on by those truly empowered to deal with it.

**IN SUM:** We as mailers can work with just about anything the USPS needs in this regard, as long as mail services are reliable and predictable, and not cost prohibitive. Certainly, clearly stated Service Standards that we as mailers can \*trust\* (i.e., believe in) would be a tremendous first step. The impediment to the establishment of any such framework when it comes to Standard Mails, as I see it, is this “deferability” variable which, as has been the practice most recently, renders any such framework of expectations almost totally moot (let alone being something that might serve as a basis for measurement of actual delivery service performance, or quite simply: accountability of nearly any sort).

What has been something of a “dirty little secret” (which never really was a “secret” to anybody who’s been involved with it more than a time or two) can no longer be allowed to stand in the dark if the goal of reasonable and reliable Service Standards are to be achieved for Standard Mails. Working together we can accomplish just about anything... even this.

Thank you, PRC, for inviting and accepting Public Comment and Suggestions related to Service Standards and Performance Measurement.