



7/16/2007

Mr. Steven W. Williams
Secretary
Postal Regulatory Commission
901 New York Ave. NW, Suite 200
Washington DC 20268-0001

Re: Docket No. PI2007-1, *Service Standards and Performance Measurement for Market Dominant Products*

Dear Mr. Williams:

The Bank of America Corporation respectfully submits these comments pursuant to Order No. 21, published at 72 Fed. Reg. 34424 (June 22, 2007). We appreciate the opportunity to comment on the establishment of service standards and performance measurement for market dominant products under the Postal Accountability and Enhancement Act ("PAEA").

Bank of America Corporation, headquartered in Charlotte, North Carolina, provides a full range of banking, investing, asset management and other financial and risk-management products and services to individual consumers, small and middle market businesses and large corporations. We are the second largest bank in the United States in revenue, and the 12th largest firm on the Fortune 500 list for 2006. We are also the No. 1 overall Small Business Administration lender in the United States, the No. 1 SBA lender to minority-owned small businesses, and, by several measures, the largest issuer of credit cards in the United States.

Bank of America uses the mail for operations and solicitations, both to our existing customers and to prospective customers. In 2006, we entered approximately 1.4 billion pieces of First-Class Mail, and approximately 1.9 billion pieces of Standard Mail. Bank of America has been an active participant in Mailers Technical Advisory Committee ("MTAC") workgroup 114, *Establish Service Standards and Measurement* (formed February 2007). We very much appreciate the time and effort invested by all participants (Mailers, the Postal Service, GAO and PRC) and the opportunity to collaborate in providing the USPS with a voice of the customer regarding service standards, measurement systems and reporting.

The establishment of service standards and reporting systems for all market-dominant USPS products is critical. Like other mailers, we need reliable, affordable postal services and reasonably accurate information on the actual time-to-delivery of the mail service we use. Without this information, we cannot plan our schedules for mail production and entry to avoid delivery that is premature or untimely. The ability to predict delivery times with reasonable

precision is especially important for financial institutions, which are subject to regulatory constraints on the timing of our bills, account statements, and other communications with customers.

Meaningful service standards and public reporting on the Postal Service's performance in relation to these standards will help drive improvements in service, thereby enhancing the value of the mail. We support the PAEA statutory objective of achieving service performance that is cost effective and consistent with best business practices.

Bank of America concurs with the comments filed separately in this proceeding by the Association for Postal Commerce ("Postcom"), the National Postal Policy Council ("NPPC") and the American Bankers Association ("ABA"). Several points warrant additional emphasis, however.

SERVICE STANDARDS

(1) Initially, the Postal Service's current performance standards can serve as an initial starting point for realistic service goals. Thereafter an iterative process should be devised and implemented for incrementally improving mail delivery performance. We suggest that the Postal Service consider using Six Sigma tools to manage the evolutionary process of setting, meeting and exceeding performance goals. The Six Sigma structure ensures that stakeholders are engaged; and the "Voice of the Customer" is an important driver in any project. The Bank of America Supply Chain management program fosters transparency and accountability in our supplier partnerships. The USPS is an important supplier partner, and we need to work closely together in the future to ensure that our mutual business needs are met.

(2) Linking service standards with Critical Entry Times ("CET") is essential.¹ Changes in CETs amount to changes in service standards. CET data should be available in conjunction with service standards so that mailers can appropriately determine service expectations, as well as for purposes of USPS service performance measurement.

(3) It would be helpful for the Postal Service to provide quarterly updates of cumulative changes in the service standards, similar in format to the summary of changes appearing at the beginning of each new release of the Domestic Mail Manual. A change in services standards should be announced a quarter before taking effect to allow us to make any

¹ Critical Entry Times (CETs) are the cut-off times used by the Postal Service to determine whether a particular type of mail is entered or arrives at a postal facility in time to make the necessary processing and transportation time lines to meet the service standard for that product.

adjustments necessary. Any significant changes in the CET should be included in this announcement.

PERFORMANCE MEASUREMENT AND REPORTING

(4) Publicly available aggregate USPS service performance measurement data are essential. The Postal Service should consider providing web-based access to performance data in the level of granularity currently provided by the Service Standards software - in other words, the ability to search by product, by shape (postcards, letters, flats, parcels) and by 3-digit Origin/Destination ZIP Code pairs. Allowing mailers to access aggregate raw data is much less costly than requiring the USPS to develop and distribute detailed measurement data reports. Their availability would provide immediate incentives for the Postal Service to improve service, and enable senders and recipients of mail to mitigate the harm from national or localized changes in service performance.

(5) The new USPS measurement system also needs to provide the Postal Service or mail users with the ability to pinpoint and resolve mail delivery issues.

(6) Publicly available service performance data also provide business mailers with "USPS-approved" data to support discussion and resolution of service performance issues. These data are critical to our customer's experience. It is through our partnership with the USPS that we seek to ensure our mutual customers that we are providing them with the best possible service available.

(7) We strongly urge that the implementation of regular third-party audits of the service performance measurement systems to ensure that data used for service performance measurement continue to be accurate and representative of the product mailstream being measured.

(8) We encourage the USPS to leverage the expertise and experience of the International Post Corporation ("IPC"). The IPC provides mail delivery performance tracking services to many postal operators worldwide.

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CONCLUSION

In establishing service standards and performance measurement systems, the Postal Service and the Commission must strike a delicate balance between service and cost. We acknowledge and appreciate the critical nature of establishing balance as well as flexibility in this framework for the future. The policies suggested here, if adopted by the two entities, would greatly assist in achieving and maintaining the necessary balance.

Respectfully submitted,

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