

**BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON DC 20268-0001**

SERVICE PERFORMANCE MEASUREMENT)
SYSTEMS FOR MARKET DOMINANT PRODUCTS) Docket No. PI2008-1

**COMMENTS OF
MAGAZINE PUBLISHERS OF AMERICA, INC.,**

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Magazine Publishers of America, Inc. (“MPA”) respectfully submits these comments in response to Order Nos. 48 and 49, Notice of Request for Comments on Service Performance Measurement Systems for Market Dominant Products (“Notice”) issued by the Commission on December 4, 2007 and published at *Administrative Practice and Procedure, Postal Service*, 72 Fed. Reg. 72395 (December 20, 2007).

In general, the approach proposed in the Postal Service’s November 2007 document entitled “Service Performance Measurement” (“Proposal”) for measuring Periodicals service performance is reasonable and consistent with the recommendations of MTAC Workgroup #114, *Establish Service Standards and Measurement*, and MPA’s comments in Docket No. PI2007-1. As MPA explained in joint comments (at 4) with the Alliance of Nonprofit Mailers (“ANM”) in that docket:

MPA and ANM agree with the view of the Postal Service that, in the long term, the simplest and best way to measure service performance for Periodicals and other classes will be through the use of Intelligent Mail Barcodes. First, this approach will yield a huge amount of data that will allow performance to be measured and reported at a detailed level. Second, the data will be collected as a byproduct of operations—i.e., whenever the Postal Service scans an Intelligent Mail Barcode—which should limit the system’s cost.

In those joint comments (at 4-5), we also encouraged the Postal Service to use existing systems that the industry has successfully used for a long time to measure the Periodicals service performance until an adequate Intelligent Mail Barcode (IMB) system is developed and implemented. MPA is pleased that the Postal Service has adopted this recommendation and plans to use the DelTrak and Red Tag systems to measure Periodicals service performance in the interim.

Below, we provide additional comments regarding when to start the performance measurement clock, how Periodicals service performance should be reported, and the need to reevaluate the recent downgrades to Periodicals service standards.

I. “START-THE-CLOCK” EVENT

MPA is concerned that the USPS proposal describes multiple and potentially inconsistent methods for determining the start of the service performance measurement clock for Periodicals. The glossary (at 4) indicates that the clock will start when the “mail piece enters the mailstream.” The measurement approach summary table (at 6) indicates that the clock will start at the “documented arrival time.” The Measurement Approach for Presort Letters and Flat-Shaped Mail section (at 9) refers to recording mail arrival at some sites through barcode scans “during mail induction” and using documented arrival times at other sites.

While MPA does not expect the PRC to dictate to the Postal Service the technical details of how to start the clock, the PRC should make clear that the performance measurement clock should start when the mail arrives at the postal facility, not at a later point, e.g., when the Postal Service unloads the mail from the trucks. This

is critical because mailers can control when their trucks arrive at postal facilities, but not when the Postal Service unloads them.

Not only is this definition of “start-the-clock” important for accurate service performance measurement, it is also critical for ensuring that mailers receive appropriate service levels. For example, if a mailer truck containing Periodicals arrives at a destination sectional center facility (DSCF) at 4:00 PM and the critical entry time (CET) is 5:00 PM, the service standard specifies that the Periodicals be delivered the next day. If, however, the clock started when the truck is unloaded, a Postal Service delay could result in the clock starting after the 5:00 PM CET, thus inappropriately allowing the Postal Service an additional day for delivery.

II. SERVICE PERFORMANCE REPORTING

The Commission should require the Postal Service to report Periodicals service performance by district as soon as the Postal Service’s IMB measurement system has been put in place.¹ While MPA understands the Postal Service’s desire to report only more aggregate data for which there are narrower confidence intervals (Proposal at 46), the value of more granular data to mailers justifies district-level reporting.

On this point, it is important to note that both DelTrak and Red Tag report performance by district, and that MPA members have successfully used this district-level data to identify and resolve service performance issues with the Postal Service. These systems provide district-level reporting even though they are based upon a much smaller number of samples than will be available for the Postal Service’s proposed

¹ Until then, MPA believes that area-level reporting for Periodicals mail is acceptable.

system. MPA members have found that district-level data from DelTrak and Red Tag are much more helpful than area-level data in resolving service issues because they better isolate the source of service problems.

One way to accommodate the Postal Service's concerns about statistical validity while still providing district-level reporting would be for the Postal Service to report the confidence intervals associated with the performance reports or, alternatively, for it to specifically identify in its reports those districts with large confidence intervals.

III. RECONSIDERATION OF PERIODICALS SERVICE STANDARD DOWNGRADES

On December 19, 2007, the Postal Service published revised service standards for market-dominant products that were primarily based on a revised set of "business rules" developed through an internal USPS review of service standards. 72 Fed. Reg. 72216-31. Despite preliminary assurances from the Postal Service to MTAC Workgroup #114 that the internal review would have only a small effect on standards, many of the revised standards for Periodicals represent downgrades from the standards previously in place and, at least for Periodicals entered at destination area distribution centers (DADCs), appear to reflect performance that would be worse than performance that is currently achieved. MPA specifically noted this issue in comments filed with the Postal Service on November 16, 2007, concerning the service standards proposed by the Postal Service at 72 Fed. Reg. 58946-70:

In particular, the USPS proposes to relax the service standard for a substantial majority of destination area distribution center (DADC)-entered volume by a day and add at least a day to the service standard for the vast majority of Periodicals that are not entered at destination facilities. These downgraded standards will not provide the service that our members need to maintain the timeliness of their editorial content. Less

timely content, in turn, will cause publishers to lose subscription renewals from their customers.

Further, at least for mail that is entered at DADCs, the downgraded standards reflect performance that is worse than the service that many publications currently receive. According to one member's delivery tracking information, USPS consistently meets the current service standard for the DADCs for which USPS is proposing to relax the service standard by a day. In fact, this member's data show that the Postal Service's on-time delivery performance [based upon the previous tighter standards] for these DADCs is on par with its performance at all other entry points (including DSCFs).

Given the effect of the downgrades on publishers, and the likelihood that USPS has reduced some standards below current performance levels, MPA urges the Commission to direct the Postal Service to reevaluate these service standard downgrades (particularly the downgrades for DADC-entered Periodicals) once the Postal Service's internal IMB-based measurement system is established and actual performance data become available. In the interim, the PRC should encourage the Postal Service to reinstate overnight standards for Periodicals entered at DADCs where DelTrak and Red Tag data indicate overnight delivery is consistently being achieved.

CONCLUSION

Magazine Publishers of America, Inc., respectfully request that the Commission recommend the standards and procedures proposed herein.

Respectfully submitted,

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