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July 9, 2008

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Postal Regulatory Commission
901 New York Avenue, NW, Suite 200
Washington, DC 20268-0001

Re: Docket No. PI2008-1

Dear Mr. Chairman and Members of the Commission:

As major users of the U.S. Postal Service's market dominant products, IWCO Direct and our customers are vitally interested in the service performance measurement systems proposed by the Postal Service. We appreciate the Commission providing a mechanism for mailers to comment on the Postal Service's revised proposal.

We encourage the Commission to consider the following five points as you develop your reply to the Postal Service:

1. Hybrid system: The USPS proposes using a "hybrid" system of measurement for most letters and flats, in which most of the data will be generated by passive scans of Intelligent Mail Barcodes as mail passes through postal facilities, but in which the "stop-the-clock" event will be a manual piece scan by an external reporter. We are concerned about costs that may be generated by maintaining this network of reporters to manually make the stop-the-clock scans. Although such a hybrid system may be necessary until the Intelligent Mail program becomes more robust and is adopted by more mailers, the Postal Service should offer its vision for making the transition to a lower-cost system based entirely on passive scans of IMB, and the benchmarks that would need to be achieved to make this possible.
2. Start the clock: The current proposal for Standard Mail calls for use of "documented arrival time at the Postal Service acceptance facility" as the "start-the-clock" event. While this approach may be necessary as a starting point, what is the vision for taking advantage of the wealth of data that will be available from scanning each individual pallet as it enters the USPS system?
3. Performance targets: The proposed format for annual reports for both First-Class and Standard Mail compares actual on-time percent to a "target." Although this proposal does not discuss how that target will be established or by whom, the Postal Service states in the Network Plan it recently submitted to Congress that postal management will establish the targets with the approval of the USPS Board of Governors. No provision is indicated in the Network Plan for input from stakeholders on these targets. We continue to believe that postal stakeholders should have the opportunity to participate in the development of these targets, as we stated in our previous comments.

4. Quarterly reporting: The proposed format for the Standard Mail "Mail Variance" report includes only mail that is delivered late relative to the standard. It does not address mail that is delivered early, nor does it measure mail that is more than three days late. Both of these measures are important to marketers using direct mail. Without them, marketers will lack essential information needed to fine-tune and precisely time their direct mail campaigns and create accurate response curves.
5. Granularity of reporting: The reporting outlined in the current proposal still lacks much of the granularity and detail that would truly guide direct marketers in adjusting campaign cadence to the actual performance of the postal network. Information on such items as differential performance for the delivery of mail of different shapes (letters vs. flats) or differential performance by different processing facilities within the USPS network would allow marketers to make the adjustments in mailing schedules required to achieve consistent in-home performance.

The new postal landscape made possible by the Postal Accountability and Enhancement Act (PAEA) in which service standards are set for all classes of market dominant mail and the Postal Service's performance against those standards is measured and reported, will take time to implement. The mailing industry understands that implementing service performance measurements will be an evolutionary process that will require refinement and adjustment as these measurement systems are rolled out. We look to the Commission to ensure that opportunities continue to be provided for stakeholder input into this process.

We look forward to continuing our collaboration with the Commission as you continue this important undertaking.

Kind regards,



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