

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

SERVICE PERFORMANCE MEASUREMENT )  
FOR MARKET DOMINANT PRODUCTS )

Docket No. PI2008-1

**COMMENTS OF  
MAGAZINE PUBLISHERS OF AMERICA, INC.  
(July 9, 2008)**

Magazine Publishers of America, Inc. ("MPA") respectfully submits these comments in response to Order No. 83, *Second Notice of Request for Comments on Service Performance Measurement Systems for Market Dominant Products* ("Second Notice"), issued by the Commission on June 18, 2008, and published at 73 Fed. Reg. 36136 (June 25, 2008).

As we explained in our January 18, 2008 response to Commission Order Nos. 48 and 49 ("First Notice"), MPA believes that the Postal Service's proposed approach 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.

Further, MPA believes that the Postal Service's June 2008 proposal (attached to the Second Notice) ("Revised Proposal") is a substantial improvement from its November 2007 proposal (attached to the First Notice) ("Initial Proposal") in three important respects detailed below. MPA believes, however, that the proposed service variance reporting on the "tail of the mail" falls short. Consistent with the

recommendations of many commenters on the Initial Proposal, USPS should extend the number of days on its proposed variance reports.

## **I. FY 2009 SERVICE PERFORMANCE REPORTING**

The Revised Proposal states that during FY 2009, when the Postal Service plans to measure Periodicals service performance using data from the DelTrak and RedTag systems, the Postal Service will report service performance by area, rather than its previous proposal of reporting only national aggregate service performance in FY 2009. While more granular district-level reporting is preferable for identifying and resolving service problems, MPA Comments (January 18, 2008) at 3-4, area-level reporting in FY 2009 is a reasonable compromise given the Postal Service's concerns regarding the statistical validity of the data now available for Periodicals Mail. As soon as sufficient IMB-based service performance data are available, the USPS should report Periodicals performance by district.<sup>1</sup>

## **II. "START-THE-CLOCK" EVENT**

In our January 18, 2008 comments (at 2-3), MPA expressed concern that the Postal Service's Initial Proposal was unclear as to what event (e.g., the arrival of the mail, the unloading of the vehicle by Postal Service personnel) would start the service performance clock for mailings entered at postal plants. We recommended that the mail arrival time should be used because mailers can control when their trucks arrive, but not

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<sup>1</sup> We also encourage the Postal Service to share more timely and detailed information with publishers to help them plan their mailings and diagnose service problems. Facility-level service performance information is particularly useful for diagnostic purposes.

when the Postal Service unloads them. Consistent with our recommendation, the Revised Proposal makes clear that the arrival time will generally start the clock:

The “start-the-clock” event is documented in FAST at the destination entry facility. For mailings that arrive at the scheduled appointment time, the “start-the-clock” event is the driver-reported arrival time. For mailings that arrive prior to the scheduled appointment, the “start-the-clock” event is either the appointment time or unload start time, whichever is earlier. For mailings that arrive after the mailer-scheduled appointment time, the “start-the-clock” event is the unload start time.

*Id.* at 50 (reprinted at 73 Fed. Reg. at 36152 col. 2).

This approach is reasonable. On a related note, MPA appreciates that the Postal Service will not penalize publishers—i.e., by making Day-0 the following day—when a truck arrives late for an appointment on a multi-stop route because of USPS delays at a previous stop. *Id.* Just as a mailer cannot control when USPS unloads its truck, it has no control over USPS delays and thus should not be held responsible for them.

### **III. CRITICAL ENTRY TIMES (CETs)**

MPA supports the Postal Service’s proposal to establish locally-defined CETs for Periodicals, and allow the Postal Service and publishers to enter into Customer/Supplier Agreements (C/SAs) specifying alternative acceptance windows.<sup>2</sup> *Id.* at 8 (reprinted at 73 Fed. Reg. at 36138-39). This approach will ensure that publishers enter their mail in time to meet local operational needs without the imposition of artificially early national

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<sup>2</sup> While not addressed in the Revised Proposal, the Postal Service introduced the concept of a Critical Arrival Time (CAT) at the last Mailers’ Technical Advisory Committee (MTAC) meeting. The CAT is the time a mailer’s truck must arrive at a postal facility before the CET in order for the day of entry to be counted as Day-0. At that meeting, USPS stated that the CAT could be as much as two hours before the CET. The Commission should ensure that this new concept does not unreasonably push forward the time by which mail must be entered.

CETs, which would undoubtedly be based upon the operational needs of the lowest common denominator facility.

For example, differences in transportation distances between processing plants and their delivery units require the Postal Service to have publishers enter their mail earlier at facilities that process Periodicals for a larger geographic area (e.g., Billings, MT) than at facilities that cover a much smaller area (e.g., New York, NY). Later CETs for the latter facilities properly align entry requirements with postal operations.

While strongly supporting the locally-defined CETs for Periodicals, MPA also urges the Postal Service to take two additional steps to make the use of locally-defined CETs administratively practical for the Postal Service and its customers. First, the Postal Service should establish a central repository where publishers can access CETs for all facilities. And second, the Postal Service should establish a centralized process for national mailers to negotiate C/SAs that cover all of their entry points. These two administrative steps are important because many publishers currently enter their mailings at 200 or more facilities throughout the country to qualify for destination entry rates.

#### **IV. SERVICE VARIANCE REPORTING**

Understanding that service performance is a function not only of the percentage of mail that is delivered on time, but also how late the remaining mail is delivered, the Postal Service proposed in both its Initial and Revised Proposals to provide service variance reports showing the distribution of late-delivered mail by the number of days late. Revised Proposal at 35 (reprinted at 73 Fed. Reg. at 36147-48). MPA agrees

that variance reporting on late-delivered mail is critical because mail that is delivered a week late, for example, is much more problematic than mail that is delivered a day late.

While MPA supports the USPS proposal to provide service variance reports, we wish to add our voice to that of other parties<sup>3</sup> opposing the Postal Service's unchanged proposal to truncate these reports at three days. Current (albeit primarily anecdotal) evidence indicate that a small, but important volume of Periodicals is delivered more than three days late. More extensive reporting on late-delivered mail is necessary for the Commission and mailers to truly understand the service actually being provided.

Respectfully submitted,

James R. Cregan  
Executive Vice President, Government Affairs  
MAGAZINE PUBLISHERS OF AMERICA, INC.  
1211 Connecticut Ave., N.W. #610  
Washington, DC 20036  
(202) 296-7277

David M. Levy  
SIDLEY AUSTIN LLP  
1501 K Street, N.W.  
Washington DC 20005  
(202) 736-8214

*Counsel for Magazine Publishers of America,  
Inc.*

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<sup>3</sup> BAC Comments (Jan. 18, 2008) at 4; NPPC Comments (Jan. 18, 2008) at 5-6; PostCom-DMA Comments (Jan. 18, 2008) at 14 Public Representative Comments (Jan. 18, 2008) at 43, 45-46.