

**BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001**

**Periodic Reporting of Service Performance
Measurements and Customer Satisfaction**

Docket No. RM2009-11

**COMMENTS
OF THE
PARCEL SHIPPERS ASSOCIATION
ON PRC NOTICE OF PROPOSED RULEMAKING
(Dated September 2, 2009)**

The Parcel Shippers Association (PSA) submits these comments in response to Postal Regulatory Commission (PRC) Order No. 292¹, inviting interested persons to submit comments in the above-entitled proposed rulemaking. PSA strongly supports the Commission's proposed service performance reporting requirements for market-dominant products.

I. The Commission's Proposed Rule is an Improvement of USPS's Initial Proposal

The proposed reporting requirements improve on the Postal Service's initial proposal in two particularly important ways: (1) level of reporting; and (2) treatment of delivery scan failures. Regarding the former, the proposal would require the Postal Service to report service performance by product, not by class. Order No. 292 at 8. This level of reporting is appropriate.² PSA agrees with the Commission that reporting service performance by product is mandated by Section 3652 of the Postal Accountability and Enhancement Act (PAEA). Docket

¹ Notice of Proposed Rulemaking on Periodic Reporting of Service Performance Measurements and Customer Satisfaction, September 2, 2009.

² While PSA believes that the proposed level of reporting is appropriate for oversight purposes, the Postal Service should make more detailed and customizable performance reports available to parcel shippers and other mailers. See, Docket No. PI2008-1 PSA Comments (January 18, 2008) at 5-6.

No. PI2008-1 PSA Further Comments (July 9, 2008) at 2 and PSA Comments (January 18, 2008) at 3-4.

Product-level reporting would also provide much more useful information to parcel shippers. Because parcels comprise a small percentage of mail volume in First-Class Mail and Standard Mail, class-level performance statistics would provide little useful information for parcel shippers. As explained in Docket No. PI2008-1, “[o]nly by coincidence would letter and flat service performance results reflect what was happening with parcels.” Docket No. PI2008-1 PSA Comments (January 18, 2008) at 4. Reporting by product will ensure that parcel-specific performance will be publicly reported. This will provide important information to parcel shippers for planning purposes as well as a significant incentive for USPS to improve service performance for market-dominant parcels.

The other improvement from the initial USPS proposal is the Postal Service’s agreement (in response to concerns previously raised by the Commission) to treat “[a] failure to obtain [a] delivery scan...as a Certified Mail or Delivery Confirmation service failure.” PRC Order No. 292 at 25-26. This measurement approach will focus USPS attention on increasing delivery scan rates, thereby improving the quality of service performance measurement data over time and providing shippers with additional data to manage their operations.

II. Phasing In – There Should be Early Implementation of the Rules for Product Level Reporting

Like the Commission,³ PSA is sympathetic to the Postal Service’s current fiscal challenges and understands that it will likely take some time for the Postal Service to develop new systems for measuring service performance. For this reason, service performance measurement will necessarily be imperfect in the short term. This, however, is not sufficient reason to delay product-level reporting further. Nearly three years have passed since the

³ See, PRC Order No. 292 at 2.

enactment of the Postal Accountability and Enhancement Act. Additionally, Order No. 292 does not require the Postal Service to significantly change its performance measurement approach; rather, it focuses on how the performance information is to be reported.⁴ PSA thus recommends that the Postal Service begin reporting parcel-specific service performance no later than the 2nd quarter of FY 2010 based upon existing systems or show good cause for not doing so. The Postal Service can incrementally transition to new systems and measurement approaches as they are developed. Separately reporting service performance for parcels in the short term should not be difficult. The Postal Service has been measuring service performance for Parcel Select parcels using Delivery Confirmation, the same approach that will be used for market-dominant parcels, for nearly a decade. Further, in its November 2007 proposal,⁵ the Postal Service stated that while it did not plan to report service performance for parcels, it did plan to collect service performance information separately for parcels.

Conclusion

Finally, PSA recognizes that as with all new systems, there may be a number of issues (e.g., the “start-the-clock” event) to be resolved to enable accurate service performance measurement for market-dominant parcels. These issues are best resolved through collaboration between the Postal Service and the parcel shipping industry. Just as they have done in the past in developing service standards and a measurement approach for Parcel Select and service standards for market-dominant parcels, our members are prepared to work with the Postal Service to develop and improve its systems for measuring service performance for market-dominant parcels and PSAS has communicated this willingness to the Postal Service.

⁴ See, PRC Order No. 292 at 1.

⁵ See, United States Postal Service Service Performance Measurement, appended to PRC Order No. 48 (December 4, 2007) at 11-2, 23, 39.

Respectfully submitted,

Timothy J. May

Patton Boggs LLP

2550 M Street, N.W.

Washington, DC 20037

tmay@pattonboggs.com

&

James Pierce Myers

Attorney at Law

1617 Courtland Road

Alexandria, VA 22306

jpm@piercemyers.com

Counsel for Parcel Shippers Association

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