



**Major Mailer's Association (MMA)- Move Update Concerns Regarding
NOTICE OF PRICE ADJUSTMENT AND CLASSIFICATION CHANGES
RELATED TO MOVE UPDATE ASSESSMENTS Docket No. R2010-1 Filing
ID: 65198-submitted/accepted October 15, 2009**

Wednesday, November 04, 2009

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

I am writing on behalf of Major Mailers Association (MMA) to express MMA's serious concerns regarding three critical matters:

1. The announcement by the USPS that, beginning on January 4, 2010, the USPS will use a "Performance Based Verification" (PBV) process to test workshare mailers' Move Update compliance and impose financial and/or operating penalties upon mailers that "fail" the new PBV test,
2. Excessive costs for First-Class mailers to develop new processes and software to flag and mail Move Left No Address (MLNA) and Closed PO Box no forwarding address on file at full rate postage, and
3. **Most importantly**, the Postal Service Inspection Service (USPIS) troubling, undocumented audit initiatives which threaten workshare mailers with significantly harsher penalties and fines even if they "pass" the new PBV test.

MMA supports all reasonable steps to minimize Undeliverable As Addressed (UAA) mail costs as well as rational efforts by the USPIS to assure the integrity of postal revenues where truly negligent parties / flagrant abusers deserve such assessments and penalties. Our concerns are summarized below:

Performance Based Verification

The Postal Service's unilateral imposition of Performance Based Verification (PBV) is flawed, both procedurally and technically. For the last six months and the foreseeable future, MMA has and will continue to work closely with other industry associations in the ongoing lengthy dialogue conducted with the Postal Service in all efforts to ensure all Move Update requirements are formally defined, standardized, and documented for industry use. Thus, MMA members, along with the mailing industry, have provided a detailed, well-documented listing of concerns and issues with both the sampling methodology and calculation of penalties, with the expectation that the USPS will publish formal written requirements to define all Move Update 'failures'.

Furthermore, the USPS maintains that PBV is not a process to measure compliance. However, mailers will be charged if they fail to meet the threshold described (for whatever reason) by the USPS because addresses are not correct according to the process used by the USPS to validate Move Update. The USPS has requested, in this filing, a language modification in the Move Update classification schedule to attempt to remove their own admission that PBV is a process to test Noncompliance, now compounding the confusion for mailers on what is compliance for Move Update.

“The Postal Service also changes the name of the charge from “Move Update Noncompliance Charge” to “Move Update Assessment Charge (Page 5)... but instead is designed to encourage compliance with rules for cleaner Addresses (Page 6).”

Noncompliance yields a consequence for failure to meet certain criteria. PBV employs a monetary consequence if a mailer does not meet the threshold metrics. An assessment (penalty) will be served to mailers who fail to meet the USPS PBV and Move Update standards, standards not fully defined for action by the industry on the part of the USPS. If the USPS is granted the language change, then mailers could be fined by the USPS for the initial finding under the guise of assessments, charges that are in fact noncompliance and subsequently fined by the USPIS for noncompliance, creating undue financial hardship on mailers and a revenue windfall for the USPS. MMA requests the PRC to acknowledge that PBV is, by definition, a tool to validate noncompliance as currently stated in the Move Update classification schedule and mailers should not be subjected to situations that create the opportunity for double jeopardy nor should mailers be subjected to any fines or assessments in January 2010, as these important points are yet to be resolved.

New Process Development

PBV discussions also revealed that the USPS has an expectation for the mailing industry to flag and present MLNA and Closed PO at full rate postage, which represents new Move Update requirements. For First-Class mailers, these volumes are miniscule. However, there is no current cost-effective solution to correct this ‘failure’. Couple the current state of confusion for what constitutes compliance and the potential costs to develop and implement a solution and, the result is an incentive for First-Class mailers to invest in alternative communication methods where mail will no longer continue to be the primary portal for commerce, as mail continues to be more and more burdensome to manage. MMA hopes the ongoing discussions with the USPS regarding this issue will result in a reasonable approach to recognize that MLNA and PO Box closed addresses are allowed to be mailed at discounted rates.

Inspection Service Audits

MMA’s **most serious concern** is the USPIS audit initiative, which we understand to be an independent effort to insure that the mailers fully meet all applicable standards to qualify for workshare discounts. While the mailing industry has requested formal documentation regarding USPIS methodology and data requirements, including mailer rights and recourse, no substantive information has been provided. In an environment with no clarity, what does appear clear is that the USPIS does not use the same Move Update compliance methodology as the Postal Service (cumbersome at

best in current state). So, while the mailing industry remains engaged in productive, data driven dialogue with the USPS to discern what constitutes Move Update compliance, the USPIS is conducting audits using both different requirements and a significantly different penalty system. Again, the key seems to be for the Postal Service to document and publish Move Update requirements, so that everyone – the mailers, the USPS, and any auditing/enforcement body can work by the same rules.

As noted, MMA remains fully committed to proper and accurate addressing, which is critical to the business success of our members. Indeed, MMA members for many years have worked tirelessly with postal officials at all levels to make mailer address lists as clean and accurate as possible. To assure continued success, several simple elements are necessary before any penalty based process should be used to validate Move Update:

1. Assurance that USPS provided data for Move Update is accurate and actionable,
2. Removal of the MLNA and Closed PO Box no forwarding address criteria from the current scoring process or,
3. Defined, detailed descriptions and requirements to handle mail without a forwarding address, with proper formal notice by the USPS and realistic time frames to implement and,
4. Documented Move-update audit policies and procedures which are easily accessible, fair, understandable, and actionable for all parties involved before assessments/penalties are charged to mailers by the USPS or USPIS.

If you have questions or concerns, or require more information, please let me know.

Sincerely,

Stuart J. Mc Allister
MMA Board of Directors
MMA Addressing Team Chair
(706) 644-3321