

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Proposed Rulemaking on Periodic Reporting of Service
Performance Measurements and Customer Satisfaction

Docket No. RM2009-11

ADDITIONAL REPLY COMMENTS OF THE DIRECT MARKETING ASSOCIATION
TO COMMISSION ORDER NO. 292
(December 1, 2009)

The Direct Marketing Association (DMA) offers these brief additional comments in response to the United States Postal Service (USPS) comments filed on November 2, 2009 in response to Order No. 292.

In those comments the Postal Service states that:

“In assessing the Commission’s proposals, the Postal Service believes that several key considerations should control. We express these as principles against which specific proposals for particular reports can be evaluated.” United States Postal Service Comments in Response to Order No. 292, pp 2, 3.

Cost is among these principals:

“The third principle is that the rules must carefully balance the legitimate objective for reporting performance, and the need for information, against the cost and effort that will be needed to achieve compliance.” *Id.*, p 5.

Later in its comments, the Service describes the critical role that IMb plays in controlling costs, but notes that customer participation is critical in eliciting Full-Service Intelligent mail.

“In this regard, the Postal Service notes that the cost constraint on performance measurement and periodic reporting can be minimized insofar as the Postal Service can utilize data obtained from passive scans in the Intelligent Mail system. [footnote omitted] Full-Service Intelligent Mail does have the capability to provide granular data below the class level. A significant limiting factor, however, will be customer participation. Full-Service Intelligent Mail is focused upon business to business mail, business to consumer mail, and, in the case of Qualified Business Reply Mail (QBRM), consumer to business mail. Consumer to consumer mail would not be addressed, and would require existing EXFC methods as the source of performance data. In theory, additional Intelligent Mail capability could be built, but it would not guarantee participation. If customers choose

not to participate, other, more expensive means would have to be established to measure performance.” Id., p 38.

In DMA’s joint comment with Postcom we explained that the Service has reasonable ground to fear that they will not receive sufficient Full-Service Mail to enable least cost solutions for the Postal Service because “participation in Full-Service IMb has imposed significant cost on the private sector, with little or no return on investment in sight.” Comments of the Association for Postal Commerce and the Direct Marketing Association in Response to Order No. 292 (November 2, 2009), p 1, 2.

We believe that both the Postal Service and DMA are correct: Full-Service Intelligent Mail provides a low cost solution for service performance measurement, and current pricing incentives are likely insufficient to elicit quantities large enough for the system to work. We suggest a simple solution to the quandary: the Postal Service should increase the size of the discounts while ensuring mailers that they will remain in effect long into the future. Pricing in this manner will not affect adversely Postal Service’s financial position. In fact, it may improve it since pricing in this manner will elicit larger quantities of Full-Service Mail. This would eliminate the alternative—creating and separately funding an external system that does not rely on Full-Service Mail.

Respectfully submitted,

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