

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

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**Notice and Order Concerning Filing of Postal Service  
Request for Temporary Waivers from Periodic  
Reporting of Service Performance Measurement**

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**Docket No. RM2011-1**

**COMMENTS OF THE ASSOCIATION FOR POSTAL COMMERCE  
AND THE DIRECT MARKETING ASSOCIATION: ORDER NO 552**

The Association for Postal Commerce and the Direct Marketing Association, Inc. (herein collectively "PostCom/DMA") provide these comments in response to Postal Regulatory Commission (PRC) Order No 552, Docket No. RM2011-1, Temporary Waivers from Periodic Reporting of Service Performance Measurement.

The Association for Postal Commerce (PostCom) and the Direct Marketing Association (DMA) appreciate the Postal Regulatory Commission's continued work on service performance measurement systems and periodic reporting. The provision of publicly available service performance reporting is vital to ensuring that the service provided by the USPS meets customer needs by facilitating the conduct of postal communication and commerce.

In reviewing the Postal Service's request for periodic service performance measurement temporary waivers, we offer the following comments for the Commission's consideration.

## **General Comments:**

The lack of service performance measurement and reporting at the product level would permit the USPS to levy (essentially) what equates to a price increase by way of service reductions. The Postal Service is in the process of making network design changes and facility consolidations. Without product level service performance measurements, there will be no way for stakeholders and regulators to evaluate the impact of network and facility changes on mail service for which mailers pay.

***Service performance reporting for all products is critical to stakeholders and regulators to ensure the USPS does not engage in de facto price increases through service reduction.***

We are aware of the fiscal pressures the USPS is under. As purchasers of mailing services, however, we need the assurance that service performance measurement/reporting remains a priority for the USPS and that the requested waivers will not take on an element of permanency [e.g., that the USPS won't just ask for additional temporary waivers.] In the short-term, where the cost of measurement for a particular product group appears to outweigh the potential benefit of measurement, we recommend that the USPS be directed to work with affected product users to determine an alternative service measurement solution.

***If, therefore, the Commission concludes that it will grant the temporary waivers requested by the USPS, it should make clear that this is a one time only determination,***

*and that does not establish a precedent. The Commission should also consider establishing an informal venue for discussions between it, the Postal Service and industry through which full implementation of the service performance measurements and reporting system approved by the Commission is accomplished. At minimum, the USPS should engage industry in some venue to further discuss service performance measurement systems and reporting issues for all products.*

### **Service Performance Measurement Business Rules**

The USPS at the November 17-18, 2010, meeting of the Mailers Technical Advisory Committee (MTAC) announced to mailers that it has changed the business rules for calculating service performance measurement, particularly around determining the start-the-clock date. The USPS did not engage industry in discussions about the changes prior to making them, and the information presented at the MTAC meeting was confusing and quickly presented as a done deal, not a proposal. Included in the changes announced by the USPS were establishment of national standardized Critical Acceptance Times (CATs) and Critical Entry Times (CETs) for First-Class Mail, Standard Mail, and Bound Printed Matter flats.

Without additional information and analysis, it is difficult to know the impact of these changes on service performance measurement. For instance, the USPS has established a Critical Acceptance Time (CAT) of 1800 hours (6:00 pm) for First-Class Mail entered at BMEUs co-located in processing facilities, and 1500 (3:00 pm) for First-Class Mail entered at BMEUs not co-located in processing facilities. A Critical Entry Time (CET) has been established for PVDS

First-Class Mail of 1900 (7:00 pm). Any FCM entered after the CAT/CET would have a start-the-clock date of the next USPS acceptance day. The same applies for the other categories for which the USPS has now established national standardized CAT/CETs.

Lacking more detailed information to analyze these changes, it is difficult to assess their impact on service performance measurement. If, for instance, a significant percentage of First-Class Mail currently is entered later than the CET/CATs being established by the USPS, and the USPS does indeed process that mail the same day (not hold it for the following acceptance day's processing), then the start-the-clock date would actually be the day after the mail begins to be processed. Is it the USPS' intention not to process mail entered after the CAT/CET? That is not clear. If not, there could end up being IMb scan data with dates earlier than the start-the-clock date and we are unsure how the USPS would treat this data in terms of the service performance reports.

Further, PostCom/DMA is concerned with the manner in which the USPS has made these changes in that there were no discussions with customers prior to the changes. The USPS had additional changes to business rules in its MTAC presentation, but swept through the presentation slides very quickly. The information has not been published by the USPS and no handouts were provided to attendees of the meeting (PostCom receives a copy of the presentations for trade press purposes but this does not represent widespread distribution of the information to affected stakeholders). We are concerned that there may be other changes being made to the business rules which could have an impact on service performance measurement but which customers have not had a chance to have input on. Per the PRC's Order No. 465,

establishing the final rules concerning periodic reporting of service performance measurements and customer satisfaction, Section 3055.5:

“3055.5 Changes to measurement systems, service standards, service goals or reporting methodologies. The Postal Service shall file notice with the Commission describing all changes to measurement systems, service standards, service goals or reporting methodologies, including the use of proxies for reporting service performance, 30 days prior to planned implementation. The Commission may initiate a proceeding at any time to consider such changes if it appears that the changes might have a material impact on the accuracy, reliability, or utility of the reported measurement, or if the changes might have a material impact on the characteristics of the underlying product.”

While changes to the business rules underlying service performance measurement are not specifically noted in Section 3055.5, it is our opinion that the business rules are an integral part of the measurement of service performance and, as such, should be included in this section. At minimum, the Postal Service should present proposed changes in business rules in advance to the mailing industry and its regulators for consideration and comment.

*We request that as part of this proceeding the Commission order the Postal Service to re-publish in its entirety the updated business rules underlying the service performance measurement systems so that industry can review and comment on the changes presented at the MTAC meeting. It would be helpful if the USPS presented the business rules in a manner highlighting the changes from the previously established business rules which the PRC approved in Order No. 140 in Docket No. PI2008-1 (based on the USPS' June 2008 revised measurement proposal). It is our belief the June 2008 proposal is the most recent time the USPS has officially published its business rules underlying the service performance measurement system. Further, PostCom/DMA request that the Postal Service or the PRC maintain a copy of the*

*business rules on its web site so that customers can access the information and understand how the service they paid for is measured, or will be measured, for those products (such as commercial parcels) where reporting is yet to be provided.*

Further, it should be noted that in MTAC general sessions, the start-the-clock discussions are typically covered as part of the Intelligent Mail barcode (IMb) agenda for letters and flats, so detailed business rules for start-the-clock events for parcels have never been discussed outside MTAC Workgroup #123 Service Information Needs, Reporting, and Communication Channels. Even then, business rules were not firmed up. The February 2009 Final Recommendations of that workgroup stated that “post-May parcel reporting modifications will be updating the existing reporting business rules (e.g., Start-the-Clock) with PAEA requirements to be consistent with the letter and flat rules.” (Page 17). There have been several attempts since then to get clarification, but to no avail. The Temporary Waiver Request now outlines a very different approach of a hybrid method for Standard Mail NFM and parcels, and, using first en-route scans for First-Class Mail parcels and Package Services which would ignore a substantial amount of USPS transportation and handling time in many scenarios. The start-the-clock business rules should be the same for all commercial parcels.

### **Measurement Reporting Based on Live IMb Data**

The USPS at the November 17-18, 2010, MTAC meeting also presented highlights from the Quarter 4 FY 2010 service measurement reports, which mark the first reports based on using the live IMb data. Between comments by postal officials at the November 17, 2010, Technical

Conference held at the PRC on periodic reporting of service performance measurement, and comments made by postal officials at the MTAC meeting, we are confused about USPS-reported “issues” with the data underlying the Quarter 4 reports. At the technical conference, postal officials said the reports have not yet been released because the USPS is still in the process of “writing caveats about flaws in the data,” which it is trying to get rectified for the Quarter 1 FY 2011 reports. The USPS said at the technical conference that there are data flaws from “fundamental mailer errors” where the mail entry date in mailer electronic documentation is one day earlier than the actual entry date for the mailing. At the MTAC meeting, however, postal officials also described issues with start-the-clock rules established in Customer Supplier Agreements (CSAs) which led to failures in service performance per the Quarter 4 data. The USPS said it will be reviewing all CSAs to ensure that the start-the-clock dates put in place by local postal management are “service-responsive.” The USPS also presented changes in the business rules underlying the start-the-clock calculations, as discussed above.

PostCom/DMA is concerned with the Postal Service’s response to the service performance shown by the Quarter 4 reports. On one hand, we are very encouraged with the response from some postal officials that the data reveals service issues which the organization needs to resolve. USPS operations officials described to the MTAC audience specific issues that were uncovered in terms of First-Class Mail “off-loading” to neighboring plants because of capacity issues at the entry plant which were negatively impacting the Postal Service’s ability to achieve the appropriate service standards for that mail. We view this as a very positive thing in that it reinforces the value of the live IMb data for identifying and resolving service issues. We continue to believe that more detailed reporting and USPS analysis of the data will lead to

identification and resolution of additional service issues. We applaud any efforts by the Postal Service to use the live IMb data and service performance reporting to identify issues and make service improvements which benefit users of the mail and improve the value of mail.

PostCom/DMA are concerned, however, that the Postal Service appears to be challenging the accuracy of the live IMb data to the extent that it is withholding publication of the Quarter 4 reports, changing business rules underlying the measurement systems, changing start-the-clock rules, and identifying a host of “issues” with the data. The USPS has been using data from pilot IMb mailers for over a year now and had not identified any such issues with the system, but with the advent of the full IMb data and perhaps a more complete picture of service performance, the USPS now challenges the data. We understand that there may be data mechanisms which need to be refined to more accurately reflect service performance, but we are concerned that the USPS seems to be making changes with no oversight or checks and balances to ensure that the changes are appropriate or warranted to ensure the accuracy of the data. The USPS has refused to share with industry its MTAC presentation with the Quarter 4 service scores, even though it presented the information in a public venue.

The PRC in its Order No. 140 in Docket No. PI2008-1 responded to concerns raised in the proceeding by PostCom/DMA and others expressing the need for external audit of the USPS’ measurement systems by stating:

“External audits will protect the credibility of various internal and hybrid measurement systems. Although the Postal Service no longer describes such audits in its proposal, the Commission expects to require appropriate verification that reported service performance is representative. This may well involve audits of service achievement in various processing streams. At this juncture, however,

it seems premature to focus resources on exploring methods for auditing systems that are not yet operational.”

While the need for external audit of USPS measurement systems may have been premature in 2008 when the systems still were in their infancy, perhaps it is an issue that should be re-considered as the USPS has begun using live IMb data.

*PostCom/DMA recommend that the PRC re-consider the issue of establishing a periodic external audit process on all shapes of mail for ensuring the accuracy of USPS measurement systems and reporting. Such audit process should be designed to constructively identify issues with underlying data accuracy, representativeness of the data in terms of the product group being measured, basis for data exclusions, and the business rules underlying measurement. The external audit process should not be punitive in nature, but should focus on identifying issues and making recommendations to help the Postal Service refine and improve its measurement system.*

### **A Significant Volume of Full-Service IMb Pieces are Being Excluded from Measurement:**

At the August 12, 2010, and November 18, 2010, meetings of the Mailers Technical Advisory Committee (MTAC), postal officials reported that between **75% and 80%** of Full-Service Intelligent Mail barcode pieces are being *excluded* from service performance measurement. The USPS at the November 18, 2010, MTAC meeting briefly presented a series of confusing slides with data on the types of issues being identified which exclude IMb pieces

from measurement, but offered little explanation of the issues or collaborative discussion on how they will be resolved.

The USPS has suggested that a major cause of pieces being excluded from measurement is that IM container barcodes are not being associated to FAST appointments. The USPS said that its business rules for start-the-clock are based on the FAST appointment data, so when the container IM association is not made, there is no valid start-the-clock data. Many businesses and service providers, however, have told the USPS for some time that they can not meet the existing container association requirement, and have asked the USPS to pursue alternative solutions.

In October 2010, the USPS published an updated version of its *Guide to Intelligent Mail for Letters and Flats* (Pages 98-101, Section 4.3.4, “Updated Start-the-Clock Approach for Drop-Ship Mailings”) in which it outlined new business rules to allow for an alternative option to associating IM container barcodes to FAST appointments to determine the Start-the-Clock. This change was put in place to help determine accurate Start-the-Clock data for a significant percentage of mail currently being excluded from service performance measurement (see below), and was a result of a joint USPS/industry dialogue. We are concerned with the Postal Service's time line for implementation, however, and we are concerned that IMb program management deficiencies have impeded widespread acceptance and implementation of this aspect of the IMb program.

The USPS implemented the Full-Service IMb program in May 2009 and since that time has been processing IMb pieces and electronic documentation submitted by mailers. For nearly

18 months the USPS has had the opportunity to work through IMb Full-Service issues in terms of the service performance measurement system it designed. It only recently, however, has identified what appears to be a significant issue that excluded much IMb Full-Service volume from its service performance measurement system.

The USPS did not identify and resolve this issue with sufficient dispatch to avoid impacting the amount of mail that could be included in the measurement system. As a consequence of the Postal Service's requirement regarding the association of Full-Service IMb containers to FAST appointments, many businesses were forced to invest significant resources and incur significant costs to build the necessary systems and IT support to meet specifications that now no longer will be required. This situation could have been avoided if the USPS had dedicated service performance measurement program management in place.

The USPS has advised the mailing industry that it is not yet able to implement the necessary software changes to systems to support the alternative laid out in its *Guide to Intelligent Mail for letters and flats*. It stated in the guide, "The Postal Service is evaluating the software updates required to support the new option and the modification of the current approach and will advise the industry on when these are scheduled to be implemented." In joint industry/USPS discussions on IMb topics including this issue, the USPS had indicated that the software functionality likely will not be implemented before May 2011.

The bottom line is that it took the USPS 18 months after IMb implementation to identify a significant service performance measurement issue, and will take it another 9 months (or more)

for it to resolve the issue. In the interim, a significant percentage of IMb Full-Service pieces will remain excluded from service performance measurement.

There is no longer a dedicated management organizational group within the USPS to deal with service performance measurement issues and the result is service performance measurement program management is incidental to the larger IMb program.

*The USPS needs better organizational focus and program management as far as the implementation and enhancement of its service performance measurement and reporting systems are concerned. The question of service performance measurements in relationship to IMb should be a topic of consideration at our requested informal conference with the Postal Service and the Commission.*

**Full-Service Intelligent Mail barcode Adoption Rates:**

Industry adoption of Full-Service Intelligent Mail barcode usage is a critical component to the USPS' service performance measurement of many products. Per the PRC's Order No. 140, Docket No. PI2008-1, Order Concerning Proposals for Internal Service Standards Measurement Systems, Page 13:

The IMb system, used to capture internal service performance data, is the centerpiece of several of the measurement systems proposed by the Postal Service. In particular, successful operation of the IMb system is necessary for implementation of the hybrid measurement system. Thus, the rate at which mailers are likely to start using the IMb, specifically the full service option of IMb that is required by the measurement systems,

along with whether the IMb mail presented by the adopting mailers is representative of intended total population subject to measurement, must be considered.

The PRC further noted, on Page 15:

The Commission also finds that tracking the representativeness of the actual full service IMb sample is important. For presort mail, the sample of full service IMb presort mailers must be representative of the entire population of presort mailers. The Commission expects the Postal Service to develop a protocol for testing to assess whether this sample is in fact representative. To the extent that uncertainty exists, the Commission agrees with the mailers' suggestions that it will be necessary to monitor IMb adoption rates so that possible solutions may be formulated to ensure reasonably representative and unbiased service performance estimates. The appropriate place to consider periodic reporting of IMb adoption rates and analysis of representativeness is the upcoming rulemaking on service performance data reporting requirements.

In earlier documents filed with the PRC as part of its Service Performance Measurement proposals, the Postal Service has included information on projected IMb adoption rates for letters and flats. That information was not updated in its waiver request and has not been updated in some time. While postal officials routinely have shared a total cumulative IMb usage number at meetings of the Mailers Technical Advisory Committee (MTAC), the information is meaningless without more detail. The USPS at the November 18, 2010, MTAC meeting, for example, reported that since November 6, 2009, IMb Full-Service volume has been 39,099,119,207 pieces. Yet no information has been shared by the USPS regarding the volume of usage by product. As a result, stakeholders and regulators do not know whether the IMb adoption rate for any specific product is sufficient for meaningful service performance measurement. Enabling stakeholders to review the information in this manner will help identify those products with low adoption rates.

***The USPS should provide updated information on IMb adoption rates, broken out by product as to be reported under the PRC's periodic reporting rules. The***

*information should show adoption by product, by postal quarter, since the May 2009 implementation of IMb discounts. Further, the USPS needs to work with industry to identify and resolve obstacles to IMb adoption for specific product groups, or to devise alternative strategies for service performance measurement.*

**USPS Request for Temporary Waivers for Market-Dominant Parcels:**

It is premature for the Postal Service to request a waiver and suggest yet further changes for service reporting of Standard NFM/Parcels based on its recent proposal to subdivide this product group and transfer a portion of it to the Competitive Services product category as there has been no ruling on this request.

Further, the periodic reporting changes for market-dominant parcels requested by the USPS in its request for Temporary Waivers, which would take effect once the USPS begins reporting at that level, would potentially ignore a substantial amount of USPS transportation and handling time in many scenarios. This would result in inaccurate reporting, overstating service levels. For example, for First-Class Mail parcels and Package Services, the new suggestion of using the first piece en-route scan as start-the-clock does not account for 3-digit and 5-digit sacks and pallets which are destination-entered at NDCs and SCFs and cross-docked for transportation to the next facility (either another SCF or the Delivery Unit). And for those individual pieces which are processed at the NDC or SCF, the first en-route scan does not account for unload and staging times. Moreover, for origin-entered parcels accepted at Detached Mail Units (DMUs) in

mailer facilities, the entire transit time from the mailer to the postal facility would not be captured in the service measurement.

In the USPS' response to the PRC Chairman's Information Request No. 1 concerning First-Class Mail parcels, the USPS states that mailers indicated that including the FAST appointment number in the electronic documentation is not operationally feasible. This same issue arose with letters and flats and the USPS and mailers agreed that pallet scans would be a feasible and acceptable alternative for start-the-clock. The same should apply to parcels, and the start-the-clock method should be the same for all parcels – First-Class, Standard NFMs/Parcels and Package Services. If determining the start-the-clock date in this manner is not feasible for the Postal Service, it should work with the product users in those categories to determine a viable start-the-clock mechanism.

Further, service reporting should not be limited to parcels where mailers have paid extra for Delivery Confirmation service. Many market-dominant parcels are inducted with electronic documentation (eVS) and carry unique eVS barcodes that are passively scanned on USPS sorting equipment and are scanned upon delivery. It is possible that the volume of market dominant parcels with unique eVS barcodes scanned in the USPS' system exceeds the volume of parcels using Delivery Confirmation given the price difference. Beginning with the May 2009 price change, more Standard Mail NFMs/Parcels began to be inducted via parcel consolidators with eVS electronic documentation and barcodes to achieve destination entry discounts and improved service levels. These parcels should be included in service performance measurement and

reporting. It is also possible that the adoption rate of uniquely barcoded/electronically inducted Standard Mail parcels has been higher than that for Standard Mail letters.

***To be the most inclusive and representative of service performance for market-dominant parcels, parcels inducted with electronic documentation and with unique eVS barcodes should be included in service performance measurement.***

The USPS stated in its request that “there is currently no measure of service performance in place for Standard Mail Non-Flat Machinables (NFM) / Parcels.” USPS management has indicated on multiple occasions, however, that it does have such reporting available and that USPS management reviews such data on a regular basis. It has robust internal diagnostics for market dominant parcels through its EDW (Enterprise Data Warehouse), as illustrated in MTAC Workgroup #123 Final Recommendations for Service Information Needs, Reporting, and Communication Channels (pages 15-17).

***For the reasons outlined above, PostCom/DMA oppose granting the USPS the requested start-the-clock changes and temporary waiver for separate reporting of Standard Mail NFM/parcels until Q4 FY 2011. Since the USPS already maintains parcel service performance reports via its EDW, the USPS should be directed to publish those reports, for all market dominant parcels, as of Q4 2010. The start-the-clock events for those reports should be clearly referenced along with the scenarios for exclusion. For example, we know from Parcel Select reporting that pieces with scenarios such as “events out of sequence” are excluded from measurement. The***

*Postal Service then should formally work with the industry to establish accurate and feasible start-the-clock events that are consistent across all market dominant parcels.*

**USPS Request for Temporary Waivers for Standard Mail (letters and flats):**

The USPS requests temporary waivers for period reporting of service performance measurement for Standard Mail beyond the level currently being reported. The USPS reiterates that this waiver is necessary because “for mailers using Postal Wizard or the Intelligent Mail Range Record (IMR) documentation method, current electronic documentation requirements do not allow Postal Service systems to distinguish each mailpiece’s product category.” The USPS further estimates that a significant percent of Full-Service IMb volume uses such documentation methods.

The USPS stated that it is working with industry on new electronic documentation specifications to resolve this issue and stated that it could develop and support such changes by May 2011, but that industry adoption would take two years or more. The USPS therefore stated that it does not expect to be able to fully comply with the product and sub-product level service performance reporting requirements for Standard Mail letters and flats until 2012 at the earliest.

The USPS in its responses to CHIR No. 1, as well as in its Request for Temporary Waiver, attributed its inability to report Standard Mail performance by product to electronic documentation methods that do not allow it to distinguish the product category at the piece level.

The USPS at the November 17, 2010, technical conference held at the PRC on these issues, indicated that the lack of specific product identification is an issue for flats prepared in bundles where range records are used for the total bundle, which does not allow the USPS to distinguish product category of each piece within the bundle. The USPS has not explained whether similar issues exist for Standard Mail letters and parcels.

It is unclear exactly what specifications need to be changed to allow the USPS to report service performance at the product category level. If the issue is limited to flats prepared in bundles, we are confused as to why the USPS is seeking a temporary waiver for reporting at the more specific product level for Standard Mail letters and parcels.

Further, if the issue is limited to flats prepared in bundles, our members have told us that the necessary changes to Mail.dat specifications to support the anticipated electronic documentation changes to obtain piece-level data for service performance measurement reporting of this category will be implemented with the same software release as the USPS' functionality to support the container association alternative for start-the-clock referenced earlier in this document. Per the USPS' original request for temporary waivers, this software functionality will be implemented in mid-2011. In its response to the CHIR No 1 on Pages 20-21, however, the USPS in discussing its ability to determine whether each Periodicals piece is Within County or Outside County notes that "[m]odifications are being made to the systems to include the data beginning January 1, 2011."

It is our belief that the system modification described by the USPS in its response to

CHIR No. 1 on Page 20 (b) for Periodicals are the same system modifications necessary to report product level detail of Standard Mail. It is unclear, therefore, why the USPS in its original request for temporary waivers indicates that the requisite software functionality for Standard Mail product-level detail would not be implemented until mid-2011.

Further, it is unclear why the USPS believes that it would take industry an additional two years beyond that time to comply with the new specifications. If there are technical or operational barriers that would negatively impact mailer adoption of these revised specifications, the USPS should be aggressively exploring potential solutions with industry.

The USPS lays out in its request a table with its proposed reporting levels for Standard Mail (with some noted exceptions) beginning in Q1 FY 2011. While PostCom/DMA consider the USPS' proposed interim reporting to be an improvement over current reporting in that it proposes to separately report Standard Mail letters, Standard Mail flats, and (eventually) Standard Mail NFM/Parcels, we have serious concerns with the open-ended nature of the USPS' request for temporary waiver "until the requisite level of detail is available for at least 80 percent of the Standard Mail pieces with Full-Service Intelligent Mail® barcodes." In addition, we are confused by the USPS' response to the PRC Chairman's Information Request No. 1 in this matter, since the USPS in that response on Pages 12-13 includes a table with the required quarterly reporting levels for Standard Mail "All Planned for 2012."

If the USPS now has amended the requested duration of its temporary waiver from reporting Standard Mail at the product level, it needs to clearly state the duration of the waiver

request and provide rationale for the date requested, including milestones that it intends to accomplish in the interim. It is unclear now whether the USPS is requesting a temporary waiver from quarterly reporting of the required Standard Mail product level until some point in 2012, or “until the requisite level of detail is available for at least 80 percent of the Standard Mail pieces with Full-Service Intelligent Mail® barcodes,” as outlined in its original request for temporary waiver.

If the latter still represents the USPS’ request, PostCom/DMA consider the end point for the USPS’ temporary waiver request for Standard Mail to be entirely nebulous. Although the USPS in its CHIR No. 1 response provides additional information concerning its proposed 80 percent threshold for duration of its waiver request, it fails to outline any plan or interim steps as to how it will incent mailer adoption of the required specification changes or work with industry to overcome any technical or operational barriers. Granting the USPS an open waiver until “the requisite level of detail is available for at least 80 percent of the Standard Mail pieces with Full-Service Intelligent Mail® barcodes,” with no firm time line, would not provide the USPS any incentive to aggressively resolve the barriers to meeting the requirements for reporting Standard Mail at the product level.

In addition, the wording of the USPS’ request implies that 80 percent of *all* Standard Mail pieces using Full-Service IMb would need to provide the necessary level of detail. It is our position that as each separate Standard Mail product category were to meet whatever threshold the PRC approves, then reporting at that product level detail should commence.

*We request that the Commission deny the USPS' request for temporary waiver of Standard Mail as proposed by the USPS. The USPS should provide a detailed description of all the issues which need to be resolved before performance can be reported at the product category level within Standard Mail, the steps it plans to take to resolve the issues, and a time line for achieving the more detailed reporting level, with a specific time line for existence of a temporary waiver. In addition, the USPS should clarify whether its Full-Service IMb electronic documentation specification changes necessary to meet the more detailed reporting requirements apply only to flats, and lay out details on the necessary specification changes as soon as possible, so that industry can review the proposed changes and plan accordingly. The USPS should work closely with industry to overcome any technical or operational barriers that would negatively impact industry adoption of the new specifications, and the USPS should explore ways to encourage adoption. Working with industry, the USPS may be able to reduce its anticipated compliance time line.*

## CONCLUSION

We appreciate the attention the Commission continues to give to service performance measurement systems and periodic reporting. Although PostCom and DMA recognize and support the need for measurement and reporting to be an evolutionary process, we stress the need for these issues to receive the attention they deserve, even when other issues take precedence in terms of the Postal Service's long-range success. We hope that our comments provide both the Commission and the Postal Service with useful information on the needs and expectations of our members with respect to service performance measurement and reporting.

Respectfully submitted,

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