

Before the  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Temporary Waivers from Periodic)  
Reporting of Service Performance     )  
Measurement                                 )

Docket No. RM2011-1

PUBLIC REPRESENTATIVE REPLY COMMENTS  
PURSUANT TO ORDER NO. 552

(December 6, 2010)

The Public Representative hereby responds to initial comments provided in response to Commission Order No. 552,<sup>1</sup> seeking comments on the Postal Service's request for temporary waivers from periodic reporting of service performance measurement for various market dominant postal products, or product components.<sup>2</sup> In addition to the Public Representative, three parties provided initial comments on November 24, 2010.<sup>3</sup>

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<sup>1</sup> See PRC Order No. 552, Notice and Order Concerning Filing of Postal Service Request for Temporary Waivers from Periodic Reporting of Service Performance Measurement, October 4, 2010; see also PRC Order No. 587, Order Rescheduling the Dates for Filing of Comments and Reply Comments, November 16, 2010.

<sup>2</sup> See United States Postal Service Request for Temporary Waivers from the Periodic Reporting of Service Performance Measurement (herein "USPS Request"), Docket No. RM2011-1, October 1, 2010.

<sup>3</sup> See Public Representative's Initial Comments in Response to Postal Service Request for Temporary Waivers from Periodic Reporting of Service Performance Measurement (herein "PR Comments"), November 24, 2010; Comments of the Association for Postal Commerce and the Direct Marketing Association: Order No. 552 (herein "PostCom/DMA Comments"), November 24, 2010; Parcel Shippers Association Comments on the United States Postal Service Proposed temporary Waivers for Reporting of Service Performance Measurement (herein "PSA Comments"), November 24, 2010, and, Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc. Initial Comments Regarding Temporary Waivers from Periodic Reporting of Service Performance Measurement (herein "Valpak Comments"), November 24, 2010.

On that date, the Postal Service also provided notice to the Commission of its “provisional partial withdrawal” of the request for a temporary waiver for First-Class Mail Flats.<sup>4</sup> That notice referenced a new Postal Service request, filed November 23, 2010, seeking instead a semi-permanent exception from the service performance reporting of First-Class Mail Flats on a quarterly basis at the district level or, in the alternative, a petition for a rulemaking.<sup>5</sup>

Below, the Public Representative offers an observation on the Postal Service’s withdrawal of its requested temporary waiver for First-Class Mail Flats, and responds to the initial comments of PostCom/DMA.

#### SEMI-PERMANENT EXEMPTION FOR FIRST-CLASS MAIL FLATS

In its withdrawal notice, the Postal Service indicates that the withdrawal is “due to the imbalance of cost to benefit in measuring district-level First-Class Mail Flats performance on a quarterly basis.” Notice at 1. Clearly the instant docket is not the proper forum for evaluating whether or not there is an imbalance of costs and benefits, given the Postal Service’s pending request to change the service performance reporting for First-Class Mail Flats. That said, the Postal Service noted in its request for a temporary waiver that the estimated cost of modifying the EXFC system to support expanded measurement of First-Class Mail Flats was “approximately \$4 million per year.” USPS Request at 4.

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<sup>4</sup> See United States Postal Service Notice of Provisional Partial Withdrawal of Request for Temporary Waiver (herein “USPS Notice”), Docket No. RM2011-1, November 24, 2010.

<sup>5</sup> See United States Postal Service Request for Semi-Permanent Exception from Periodic Reporting of Service Performance Measurement or, in the Alternative, Petition for Rulemaking Concerning 39 C.F.R. § 3055.45(a), Docket No. RM2011-4, November 23, 2010.

The Public Representative observed in its initial comments that the Postal Service had failed to provide any documentation to support this cost approximation. PR Comments at 4. In the rulemaking docket established to consider matters related to the Postal Service's request for a semi-permanent exception,<sup>6</sup> the Commission should seek to obtain a reliable cost estimate in order to evaluate the bases for the asserted imbalance between costs and benefits.

### COMMISSION ROLE IN ADVANCING SERVICE PERFORMANCE REPORTING

In their initial comments, PostCom/DMA ask the Commission to

consider establishing an informal venue for discussion 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.

PostCom/DMA Comments at 3.

PostCom/DMA also urge that the Postal Service be directed to work with affected product users to determine alternative means of service performance measurement "where the cost of measurement for a particular product group appears to outweigh the potential benefit of measurement." *Id.* at 2.

The Public Representative agrees with PostCom/DMA that a more active role for the Commission is warranted. At this juncture, additional Commission involvement is essential to ensure that the service performance reporting requirements duly established by the Commission are implemented in a timely fashion. Only when a

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<sup>6</sup> See PRC Order No. 600, Notice and Order Concerning Filing of Postal Service Request for Relief from Periodic Reporting of Service Performance Measurement, Docket No. RM2011-4, November 30, 2010.

complete system of periodic reporting of service performance measurement for all products is operational can the Commission comply with its statutory obligation to evaluate the service performance of the Postal Service. At a minimum, service performance reporting by product is essential to preclude the degradation of service, which effectively imposes a price increase on mailers in excess of the price cap.

For these reasons, the Public Representative suggested in its initial comments that the Commission establish a permanent docket to, among other things, more closely monitor required Postal Service status reports concerning implementation plans for achieving compliance and receive public comments, where necessary, with respect to Standard Mail and Periodicals products. PR Comments at 15 and 17. Such a docket could also serve as a vehicle for the discussions suggested by PostCom/DMA on jointly advancing service performance measurement and reporting. In addition, the proposed docket could be expanded to include service performance reporting for all products.

The Public Representative respectfully submits the foregoing reply comments for the Commission's consideration.

Respectfully submitted,

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