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January 25, 2011

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
901 New York Avenue NW, Suite 200  
Washington, DC 20268-0001

Re: Docket No. MT2011-3: Market Test-Marketing Mail Made Easy

**Simplified Addressing of Carrier Route Mail and MMME Test**

Dear Honorable Commissioners:

I am the Executive Vice President of Production for World Marketing, Inc. which operates six production mailing facilities around the country, processing and entering over a billion pieces of mail annually. We are owned by the Omaha World-Herald Newspaper which owns multiple smaller newspapers and operates a TMC program in the Omaha market. My involvement in the mailing industry goes back to 1954 when the USPS delivered city and rural carriers via simplified addresses and quit doing the city routes as it was not working. World Marketing owns some products that might save a few dollars with these programs and I also compete with other companies in same position. While this docket only refers to Marketing Mail Made Easy, I am addressing this along with a new program announced by USPS to process city routes via simplified address as well. To my knowledge there was no notice of the City Route change and published for opportunity to provide public input.

While these two programs have the same characteristics and create many similar issues, they also have different problems. The USPS is basing this program on claims of millions of pieces of mail that will come from small and medium sized businesses that do not have the opportunity to use mail. This is actually not accurate as most newspapers have local zone deliveries and support from TMC programs. ValPak, and other co-op insert programs call on these prospects as their base clients. Many local shoppers, free community newspapers, and Valassis also go after these accounts. Most of these products are delivered via the mail. It is not getting a list and addressing mail pieces that are the biggest barriers to mail use, it is postage cost and complexity of dealing with the Postal Service. The USPS recognizes the bigger problems in the MMME concept as expense of postage, and complicated requirements. Cost of permits and difficulty mail entry are mentioned as an issue. While World Marketing's business is production of single piece mailings and we have no love for shared mail programs, these options have successfully addressed all the barriers for small business regarding using the mail.

Many of the public activist issues that will be raised by this action are the same ones that PPMG Potter had previously asked the mailing industry to work in conjunction with the USPS to avoid not too long ago. These have died down with the drop in the economy. Now the USPS is throwing fuel on these fires to reignite them.

Another concern is that the USPS is degrading its services by proposing MMME service. There are some in the industry and a few in USPS who feel the only long term value the Postal Service can bring is delivery of the last mile and that the private sector should handle other the part of package and mail processing. MMME

requirements are in line with this “last mile concept” and can be used to validate this destructive concept. No one wants to create a self fulfilling prophesy.

I have outlined concerns by industry segment below with specifics addressed to MMME.

**Problems created by these programs outside the USPS and mailing industry:**

- It is a fact that when USPS does either of these it will bring out the “junk mail” editorials and bad publicity for mail in general. We have already seen current articles to support this.
- This will also bring out conservationists with cries of killing trees, filling landfills, producing carbon emissions, and other irrelevant issues.
- The two items above will add fodder to those who want “do not mail” lists and voice concern over privacy issues. Again there is currently proposed state legislation to support this claim.
- My guess is if we have not seen it already, we will see cash strapped government agencies blaming mail for increased cost of garbage removal and disposition, that junk mail will create a call for tax increases.
- I give support to those who feel that the USPS should only concentrate on the last mile of delivery and give other services to the private sector. This would damage all other areas of mail processing.

**Problems created for the USPS:**

- Taking revenues from addressed single piece saturation mail and moving to unaddressed simplified mail has no real financial gain to the USPS.
- The Postal Service must now set up and maintain some way for carriers to manage and utilize list provided for no mail deliveries. Our understanding is this will be done on an individual mailing basis having the carrier to manage multiple mail preference lists. Based on regulations in section 508 of DMM, the USPS denies any responsibility for stopping such deliveries. This will add cost to delivery of mail that will be hard to account for and may lead to increased cost of all mail.
- The USPS must come up with a way to track new unaddressed revenues but also needs to track loss of address carrier route saturation mail.
- The USPS has invested heavily in barcode sorting equipment to automate processing and tracking of mail delivery. These two programs go against this entire process, more so if letters than flats but are still not consistent with previous claims.
- This could, if successful, increase the amount of mail being entered at DDU's, which are not normally manned for mail acceptance indirectly increasing cost to the USPS and negatively affecting the bottom line.
- This could also open the debate of ownership by the USPS of mail boxes. This is a question that the PRC is already asking the Postal Service. If private delivery companies can use mail boxes for distribution and unemployment is at 9%, the door-to-door delivery industry could grow quickly and grab a lot of market share from the USPS in the area where they are trying to grow business. We were in the door-to-door business for many years but got out when unemployment went below 6%.
- In a recent news release by the USPS they made reference to Opt Out Options for these programs: “Market research indicates that requests for non delivery will be minor.” Having been in the door-to-door business a numbers of years back, we did not find this to be accurate. In rural areas there were few people who requested not to have door-to-door delivery. In more urban areas, gated communities, and high end apartments the average was above 15% who opted out. While the USPS may not see a 15% average, it will be higher than they think. This will increase carrier time and cost as well as reduce mail volume and revenues. Will also lead to more customer complaints and negative view of mail in general.

**Specific to MMME program:**

- The USPS must set up new rules and regulations to manage these programs as they do not require permit purchase. This system must fit within the current permit system or there will be no ability to monitor postage payments. It appears this could create more opportunity for fraud and misappropriation of monies.

- These mailings if entered by small business owners who are inexperienced in mail preparation will consume time of the staff at a DDU. We have all had interaction with inexperienced mailers both large and small and they consume a great deal more administrative time than do experienced clients. We have had to resign accounts due them consuming so much administrative time we could not make money. How will added administration costs be accounted for? This would also apply in getting supplies and forms to these clients, and teaching them how to complete the forms.
- It is likely that the added cost of managing these new small clients under MMME may exceed revenues generated. This could turn into a jobs creation program increasing staffing in USPS when they need to cut staff.
- History says that local USPS facilities often accept mail that is not prepared right from their neighbors such as local churches and process it while absorbing the additional cost.

A SOX audit on this program could really be interesting.

**Negative impact on the mailing industry:**

- This move has the potential to harm those companies who have invested in developing CDS files. It is not just the cost of these files but the software and other enhancements that have gone into this effort. There is a good chance the USPS will get little or no bottom line benefit from these programs while damaging highly invested long term partners. To throw salt into a wound it was only a few years back when the USPS was asking these CDS owners to move away from simplified rural route addresses to add barcodes for automated processing. Barcodes are now required on saturation and high density letter mail. This was also to be used to provide the ability to eliminate people from files due to privacy and conservation concerns, making it green friendly to help ward off do not mail proponents. Companies spent a lot of money in this effort to be viewed now as a barrier to mail growth by the USPS.
- This could have an impact on lettershops that have invested in equipment to apply ink jet addressing. Many of these lettershops are salespeople who generate mail for the USPS, not just produce it but actually go out and generate new sales. Many small mom and pop operations selling to the same local markets the Postal Service is targeting claiming they are not being serviced. The Postal Service is taking revenues from the industry at a critical economic time on programs that the USPS has no real way to show will benefit their bottom line. If these small lettershops close, the USPS loses part of its free industry-based sales force.

In my opinion the risks to even test these programs override any revenue opportunities brought to USPS due to concerns of privacy, do not mail legislation, environmental, and last mile challenges. To fuel the fires of issues that we already have concerns with as an industry and take chance on local legislation that could spread makes no sense. Unless the USPS can show they have major upside potential, both the simplified city delivery and MMME programs should be considered unfeasible.

A better option would be for the Postal Service to review all of their requirements, costs and procedures to see how all mail might benefit from simplifications in dealing with the USPS. Make it easier for clients to give you their money.

Sincerely,

Charles Thompson  
EVP of Production  
World Marketing, Inc.