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National Association of Advertising Distributors, Inc.

Postal Regulatory Commission
Submitted 1/26/2011 3:17:57 PM
Filing ID: 7-1586
Accepted 1/26/2011
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January 20, 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

Honorable Commissioners:

The National Association of Advertising Distributors, Inc. (NAAD) is an association representing lettershops across the country. We handle all kinds of mail but specialize in resident or advertising mail. We think that docket MT2011-3 along with the USPS January 2 rule change to allow city style flats to be mailed without addresses is a very bad step in the wrong direction. We think that the 2 items are different but also very similar in their eventual outcome. Below are a few of the reasons we think the Postal Regulatory Commission should take a strong look at disallowing this request by the USPS.

The USPS is claiming that much of the mail from both programs will come from small to medium sized businesses that have not had an opportunity to use the mail. We feel that claim to be not true and the data that supports that claim cannot be confirmed. The mailing industry has many ways of contacting these businesses from the couponers like Val Pak to the newspapers TMC programs, local shoppers and marriage mail programs. Most of this type of advertising is sent via US mail and we have mined most if not all of the nuggets this report claims are not being met by the mail. It is not the difficulty of getting a list and addressing the piece that is the problem it is the cost of postage and complicated procedures required by the USPS that keeps many advertisers out of the mail.

In addition to the basic problems described above there are much greater and far reaching problems such as privacy issues. We have strived as an industry and with the help of the USPS to streamline our addressing practices and mailing procedures to avoid sending mail to households that don't wish to receive mail and this process will collapse that effort in a matter of months. NAAD is one of two complete national files of all deliverable addresses in the country and we can eliminate a name in seconds after receiving a request from a mail recipient. This is an everyday occurrence that we take very seriously with the help of the DMA Preference File we keep our list up to date. We feel this helps tremendously to deter DO NOT MAIL legislation.

Whether or not it was pure coincidence or a well planned strategy two more state efforts (New York and Indiana) to establish DO NOT MAIL legislation hit the news last week mere days after the initiation and filing of these two USPS actions.

The unions are currently contracted to carry up to 3 bundles. The MMME program has the potential for a local DDU to receive multiple bundles of mailings with 5000 pieces accompanied by a do not deliver manifest. Imagine a local carrier has 6 or more bundles each with its own do not deliver manifest. This would not only cause problems in the delivery unit on the decision of which bundle to deliver but think of the additional time required by the carriers to deliver the mail and meet the do not deliver requirements. NAAD does not see this as a potential problem but a realistic problem because we know how many names we remove from our list of 150+ million addressed weekly.

Another aspect of this process is the way in which the USPS initiated the January 2 (flats-simplified mail) and the MMME request to the PRC. Industry encourages open and transparent dialog on decisions that affect the industry and improve on our nation's postal sector. These two actions taken by the USPS have left a bitter taste with the industry. It appears that when the USPS deems a change is "rule oriented" the "change" would not require public comment.

The Mailers Technical and Advisory Committee (MTAC) meet on November 17 & 18, 2010 at postal headquarters and barley 30 days after that the December 21, news release came out concerning the simplified rules for flats in city routes. Paul Vogel President & Chief Marketing & Sales Officer addressed the group and never mentioned this new rule change that affected the majority of those present.

Moving mail from addressed single piece mailings to unaddressed simplified mail has no real financial gain for the USPS. Mr. Vogel's office has told us that there is a process that will monitor and quantify the new mail involved in these two changes but there is no way to measure the amount of mail that may come out of addressed single piece mail and be converted to unaddressed simplified mail. Shoppers and marriage mail products that have lobbied long and hard for these changes are by design products that move potential and existing single piece mailings into group mailings thus reducing revenue for the USPS

There are long lists of additional items I know you will be hearing about from other industry representative but we wanted to bring these primary items to your attention. If we can provide additional information please don't hesitate to contact me.

Sincerely,

Keith Judkins
President & CEO