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January 31, 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:

Background

World Marketing is a full service mail service provider with manufacturing/production facilities in Atlanta, Chicago, Dallas, Omaha, and Los Angeles. In 2010 we produced 994,612,334 cards, letters, flats, and parcels for a wide variety of small, medium, and large mail owners with a postage impact of \$230,617,811.25. I have worked in the direct mail marketing industry for 33 years, 26 with World Marketing.

I am submitting my comments to you primarily because I believe in the value of the mail to our economy and feel that both the December 16, 2010 Postal Bulletin announcement (PB22300) allowing unaddressed Flats bundled for city routes that are Destination Delivery Unit entered as well as the associated concept in Docket No. MT2011-3 will cause substantial industry harm.

United States Postal Service (USPS) and Industry Opposition to Unaddressed (Simplified) Mail

I co-chaired a year-long Mailers Technical Advisory (MTAC) workgroup (MTAC 129 “Eliminating Obstacles to Mail Growth” in 2009. My postal co-chair and I were invited to present the workgroup’s recommendations to Postmaster General John Potter and his executive committee on March 16, 2010. The concept of allowing service providers to give the USPS unaddressed mail was one of the concepts discussed with strong views on both sides of the issue. I stated my personal opposing view and Mr. Potter remarked, *“I’m with Wanda on that one.”* Considering Mr. Potter’s tenure and insight, I would think that his opinion is valuable. He most likely had greater insight into the union rules limiting “Flat bundles” to three per day and other concerns. Questions such as, “Which mail owners would be identified to have their mail held back” and “how will that be controlled” and “Is that an unfair disadvantage to them” should be answered.

The primary reason several MTAC workgroup members were in favor of the concept was to save money in their own operations. They could avoid addressing mail and obtaining or maintaining addresses. I sincerely doubt that they would pass those savings to the mail owner.

USPS Quick to Market

Approximately two weeks after Mr. Potter's retirement the USPS made a change in Postal Bulletin 22300 (12-16-10) allowing a practice that they knew was strongly opposed without allowing a wide industry review and comment.

I have heard a senior USPS official state, *"we need to get past selfish interests and legacy thinking."* My concerns are not related to a loss of revenue from list rental sales, but rather the negative impact to mail that has already started to surface. The Wall Street Journal misquoted the program requirements on January 13, 2011. Soon after that article, the following Do Not Mail (DNM) legislation was introduced:

- New York: SB1958 "requires persons who advertise using unsolicited written communication to maintain an exclusion list."
- New York: SB2063 "do not offer statewide registry act"
- Indiana: SB14 "amends state do not call to include mail sent by the United States mail"

Avoiding the unnecessary legislation related to DNM is my primary concern, and has been for many years. When we receive a call from the USPS (through the "Pandering Regulations" in Domestic Mail Manual 508) we have an industry controlled immediate measure to flag that record by mail owner, and the address is not generated. There is no additional cost passed onto the USPS with what I understand is a "roster" that will be given to letter carriers to manage. I question the concern and ability of the person presenting the bundles to actually meet this requirement, and how will it be monitored? Industry needs to efficiently control consumer preference so that we are not forced into DNM practices.

Associations that work to stave off the threat of DNM have always been able to correctly list the tools that industry uses to police our consumer preference. As you may know, the Federal Trade Commission is supporting a move called, "Do Not Track" designed to regulate online tracking for internet marketing – because that industry has not been able to police their own activities that seem to infringe on consumer preferences and privacy.

I would not want the USPS to publicize the inadequate consumer preference for the SME and MMME concepts or the DNM initiative will continue to snowball with unintended consequences.

Ample Avenues for Small Businesses to Mail

As I stated above, World Marketing, and many other service providers prepare individual marketing pieces for all levels of mail owners. There are other service providers who also support combined mail packages for businesses, at a lower cost than individual marketing messages. We operate as a sales arm for the USPS.

Step Backward in USPS Processing, Automation, and Service Performance Measurement

Unaddressed mail on Rural Routes was the result of the condition of the addressing system used for people living on in rural areas. Their mail was delivered to a Rural Route and their mail box number, (e.g., RR 1 Box 23). Many years ago the USPS promoted the value of an address on rural routes to

facilitate the 911 emergency system. My company and members of an industry association I belong to invested hundred of thousands of dollars to establish the “911” address format for rural addresses as encouraged by the USPS. While not a current requirement, the vast majority of the flats that we address do contain both the “911” street type address format and the associated barcode.

It is our estimation and forecast that the USPS will be moving away from processing bundled mail and will make the move to merging flats using the Flats Sequencing System equipment in the future.

The USPS would want to also use the value of a barcode in their service performance measurement results reported to the PRC and the public. You can’t get that barcode (whether POSTNET or Intelligent Mail barcode) unless you have an address – which we do on both rural routes and city routes.

The address files that we maintain are updated weekly by the USPS. We are able to provide the correct quantity of pieces per route while suppressing the consumer preference indicators, the seasonal (snowbird) addresses, and vacant. Addressing each mailpiece controls supplying too many pieces that result in waste as well as provides a true quantity to saturate the route. I do not believe that business people who have no knowledge of the mail will effectively obtain updated accurate counts from the USPS. I am aware of preliminary tools offered and have a difficult time envisioning a diligent use of that system.

My company’s (and many others) proactive investment in a valuable addressing system for all delivery addresses has just been damaged to be replaced by a “quick to market” philosophy that was made without proper industry wide review and consideration in a desire to make a bold move and gain a reputation – a feather in the cap of a new USPS executive.

Opening up the Mailbox

Allowing unaddressed mail to city routes will promote “hands inside the mailbox” and allow people who are not paying postage to insert their advertising inside the mailbox. The Mailbox Rule (18 U.S.C. Section 1725, enacted in 1934) can only be enforced when the division between mail and non-mail is clear. When printed matter is unaddressed it looks like it was placed inside the mailbox by someone other than a letter carrier.

The MMME test program states that “no permit, permit fee, or annual accounting fee will be required to qualify.” Consumers will see unaddressed pieces without a permit and the “buzz” will follow. Other people will take advantage of this new innovation and pieces will be placed inside the mailbox without postage paid. The value of mail will be weakened cheapening the USPS brand. With unemployment at the current high level door-to-door advertising programs will prosper. No need to go door-to-door now that the mailbox has been left open by both the SMP and the MMME programs.

Will the people who have taken advantage of the SMP program since December 16, 2010 and paid for a permit, permit fee, and annual accounting fees be allowed a refund since the MMME test does not require those fees?

Summary and Request

Both the Simplified Mailing Process and the MMME test should have been widely discussed with all the true concerns identified instead of thinking that our motive was egotistical as already stated in the Wall

Street Journal, *"eliminating the need to buy pricy mailings list, along with the onerous task of addressing every envelope."* Allowing unaddressed flats (at this time it is flats, we won't know what is being proposed since the USPS needs to be "quick to market") does save revenue for some very large service providers. I do not believe those cost savings will be passed along.

Industry policing consumer choice using the Direct Marketing Mail Preference file, along with other address based tools must be a key concern. The method the USPS proposes in their MMME test will not be sufficient and will add costs to the product.

I urge you to use your rate making authority to assure that competitive advantage and disintermediation does not result due to allowing unaddressed flats (at this time) on city delivery routes. I ask that you deny the MMME market test and advise the USPS to rescind the Simplified Mailing (unaddressed mail) Process on city carrier routes.

Please help protect the mail and the jobs that come with what is still a vital industry.

Sincerely,



Wanda Senne
National Director Postal Development