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Postal Regulatory Commission
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April 29, 2011

Hon. Shoshana M. Grove
Secretary
Postal Regulatory Commission
901 New York Avenue NW, Suite 200
Washington, DC 20268-0001

Dear Ms. Grove:

This transmits the enclosed copy of the Postal Service's first progress report regarding the participation rates, compliance, and data yield of bulk First-Class Mail and Standard Mail customers using Full-Service Intelligent Mail. This responds to the requirement in the Commission's FY2010 Annual Compliance Determination Report that the Postal Service furnishes monthly reports of such information.

Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in black ink that reads "R. Andrew German". The signature is fluid and cursive, with a long horizontal stroke at the end.

R. Andrew German

Enclosure

**Monthly Progress Report on Full-Service Intelligent Mail Participation and Compliance by Bulk First-Class Mail and Standard Mail Customers
(April 29, 2011)**

The Postal Service previously updated the Commission on the progress of Full-Service Intelligent Mail participation and certification in its Reply Comments in Docket No. RM2011-7, March 3, 2011, at 3-4.

From March 3 to March 21, 2011, the number of certified Full-Service Intelligent Mail mailer-sites included in service performance measurement increased from 105 to 118 (22 percent of active mailer-sites). These 118 mailers generated over 655 million measured First-Class Mail items in Quarter 2. The Postal Service's primary focus during the quarter was certifying First-Class mailers, but several high-volume Standard Mail customers were also certified near the end of Quarter 2. Although the Standard Mail data for Quarter 2 remain relatively limited, the Postal Service anticipates measured volume to increase in Quarter 3.

Through the certification process, the Postal Service has recognized the challenges in matching commercial customers' electronic documentation to Customer Supplier Agreements (CSAs). These challenges have negatively affected the Postal Service's ability to certify mailers and subsequently increase the volume of commercial mail included in service performance measurement. As a result, the Postal Service is taking necessary steps to simplify the process to determine when the measurement clock starts. The first such step is to simplify electronic documentation by removing the previously required transportation fields. This will allow the Postal Service to match electronic documentation to the applicable CSA by declared mail-mix/separations only.

In alignment with these changes, the Postal Service will implement national Customer Acceptance Times and Critical Entry Times (CATs/CETs) in Quarter 4, in place of the currently complex array of CATs/CETs set by individual CSAs.¹ These national CATs/CETs will be defined by mail class, entry type (origin/destination), facility type, and level of mailer separation. The national CATs/CETs will assist both mailers and Postal Service personnel in understanding when the measurement clock starts and should not affect actual service performance in terms of acceptance, processing, or transportation. These changes, in conjunction with the mandate to scan all 99M container barcodes, should enable virtually all Full-Service Intelligent Mail users to be included in measurement beginning in Quarter 4, except for particular instances where data integrity may continue to be a problem.

¹ See Reply Comments of the United States Postal Service, Docket No. RM2011-7, March 3, 2011, at 2, 4 (referring to data systems changes planned for June 2011).