

POSTAL SERVICE

39 CFR Part 122

Service Standards for Market-Dominant Special Services Products

AGENCY: Postal Service.

ACTION: Final rule.

SUMMARY: This notice adds a service standard for Stamp Fulfillment Services to the set of service standards for stand-alone market-dominant special services products set forth in 39 CFR 122.2.

DATES: *Effective date:* [INSERT DATE 30 DAYS AFTER PUBLICATION].

FOR FURTHER INFORMATION CONTACT: Khalid Hussain at 816-545-1250.

SUPPLEMENTARY INFORMATION: Section 301 of the Postal Accountability and Enhancement Act of 2006, Pub. L. 109-435, 120 Stat. 3198 *et seq.*, requires the Postal Service to establish modern service standards for its market-dominant products within a year of the law's December 20, 2006, enactment. Section 301 also requires that these service standards be revised "from time to time." With this final rule, the Postal Service adds a set of service standards for Stamp Fulfillment Services (SFS) to the previously-established set of modern service standards.

After extensive consultations with the Postal Regulatory Commission (PRC), the Postal Service established modern service standards for market-dominant products at 39 CFR Parts 121 and 122. See 72 FR 58946-70 (October

17, 2007) (proposed rule); 72 FR 72216-31 (December 19, 2007) (final rule).¹

The Postal Service also requested the PRC's approval of proposed systems for the measurement of service standard achievement for its market-dominant products. See PRC Docket No. PI2008-1, Notice of Request for Comments on Service Performance Measurement Systems for Market Dominant Products (December 4, 2007).

Since the establishment of the Postal Service's service standards, the PRC added SFS to the market-dominant products list. PRC Order No. 487 (July 13, 2010). As a result of SFS' classification as a market-dominant product, the Postal Service now considers it necessary to add a set of service standards for SFS to 39 CFR Part 122.

SFS provides the fulfillment of stamp and product orders received by mail, phone, fax, or Internet at the Postal Service's SFS center in Kansas City, Missouri. Orders can include stamps, stamped cards, envelopes, and stationery, and other philatelic items such as First Day Covers and stamp collecting materials. The Postal Service charges a fee for order processing and handling.

Based on the nature of the fee, the distinct aspect of SFS service consists of SFS' intake, processing, and handling of orders for stamps (both mail use and philatelic), stamp products, and retail items. Once the order is processed, the

¹ By operation of 39 U.S.C. 410(a), the Postal Service is exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 553 (b), (c)) regarding proposed rule makings. The Postal Service determined that public comment was appropriate for the initial service standards rulemaking in light of its unprecedented role. Given the limited scope of the rules issued in this notice, however, the Postal Service is exercising its discretion to forego notice-and-comment rulemaking in this instance.

Postal Service transmits the items as First-Class Mail, Priority Mail, Express Mail, Certified Mail, or Registered Mail, depending on the nature and priority of the order. These mail channels are subject to their own service standards, performance measurement, and reporting, where applicable, and so the Postal Service does not consider it necessary or reasonable to add a separate standard for the time that SFS is in transit as a mail shipment. Due to the variety of customer orders received at SFS (mail use stamps, collectible stamps, retail product, etc.), the Postal Service establishes a set of service standards for SFS based upon order profiles.

Stamp Fulfillment Services	
Service Standards for Fulfillment Process	
Customer Order	Service Standard¹
Internet Orders: Non-Philatelic / Non-Custom	≤ 2 Business Days
Business Level Orders	≤ 5 Business Days
Philatelic / Custom and All Other Order Sources	≤ 10 Business Days

These service standards apply to the period from receipt of the order with payment in Stamp Fulfillment Services' order intake system thru order completion for entry (pick up by mail truck) into USPS mail stream. These standards exclude orders which may be comprised of pre-orders, backorders, or orders where merchandise is not fulfilled at SFS.

The service standards for SFS reflects thorough consideration of the objectives listed in 39 U.S.C. 3691(b)(1) and the factors listed in 39 U.S.C. 3691(c), with an emphasis on customer satisfaction and customer needs.

39 U.S.C. 3691(b) requires that market-dominant product service standard performance be measured by some objective external system, or by internal methods approved by the PRC under 39 U.S.C. 3691(b)(2). The Postal Service will submit a plan for service performance measurement to the PRC for review.

List of subjects in 39 CFR Part 122

Mail, Postal service

For the reasons stated in the preamble, the Postal Service amends 39 CFR Part 122 as follows::

PART 122 – [AMENDED]

1. The authority citation for 39 CFR Part 122 continues to read as follows:

Authority: 39 U.S.C. 101, 401, 403, 404, 1001, 3691.

2. Section 122.2 is amended by adding subsection (e), as follows:

§ 122.2 Stand-Alone Special Services.

* * * * *

(e) The service standards for Stamp Fulfillment Services order fulfillment service is shipment of orders within the following timeframes, based from the time of order receipt within SFS systems, excluding designated postal holidays.

Stamp Fulfillment Services	
Service Standards for Fulfillment Process	
Customer Order	Service Standard¹
Internet Orders: Non-Philatelic / Non-Custom	≤ 2 Business Days
Business Level Orders	≤ 5 Business Days
Philatelic / Custom and All Other Order Sources	≤ 10 Business Days

Stanley F. Mires,

Attorney, Legal Policy & Legislative Advice

[END DOCUMENT]