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January 10, 2014

Shoshana Grove, Secretary
Postal Regulatory Commission
901 New York Ave, N.W. Suite 200
Washington, DC 20268-0001

Dear Secretary Grove:

I am writing to express my concerns regarding the Postal Service's "load leveling" plan the Commission is evaluating in Docket No. N2014-1. Regardless of the legal merits of the Postal Service's proposal, the proposed changes in entry times, in-home dates, and service standards will have significant consequences for businesses like mine which organize mail preparation activities around a targeted in-home date.

World Marketing, Inc. provides mail services for for-profit and nonprofit mail owners generating approximately 1.2 billion pieces of mail and \$172 million dollars in postage annually. The impact of the change proposed in the load leveling concept will most significantly impact the retail mail owners and other time-sensitive documents. As a mail service provider, we are required (and in some situations contracted) to prepare and enter mail to meet a requested in-home date range and will be significantly impacted by the proposed change.

It is understood and accepted that Standard Mail is deferrable. A day-certain delivery is not expected. However, for retail mail and time sensitive mail, early delivery is a problem. The load leveling tests that took place during the 2013 fall busy season will not provide the same results as when mail volume is low (summer months). With the USPS' "First-in, First-out" policy we have received early delivery (even considering the two-to-three day service commitment) when mail is entered at an SCF. I estimate even more early delivery will result when mail volume is lower than that of the load leveling test period based on the USPS' statistics.

The statistics from the USPS' IMb Planning Tool for the period 12/27/2013 – 1/2/2014 Standard Mail entered at SCF demonstrate the difficulty of meeting a mail owner's requested strategy. **Early:** Letters: 39.58%; Flats: 21.34%. The USPS does not currently follow their color coding scheme; it is not expected that the load leveling change will amend that practice. If the USPS was **consistent** with their mail processing and delivery, better service and results from mail entry could be achieved.

If mailing/entering retail mail on Fridays, attempting to avoid any Saturday delivery, you can see the percentage that could be delivered early and negatively affect the retail mail owner's weekend sales. If consumers see a sale coming the next week, they won't go to the store on the weekend, resulting in negative weekend sales potential.

The USPS system to schedule mail entry appointments (FAST) on Thursday and Fridays are already difficult, and in some cases impossible to get. Some appointments are shown as available, but plant capacity indicates zero, which means that mail cannot be entered on Friday and must shift to Saturday – which costs (in some scenarios) double freight costs... that cannot be passed along to the mail owners.

To avoid this early delivery, one could suggest that mail should be entered on Saturday/Sunday. However that is a higher logistics/freight cost that if absorbed in the mail owner's budget would significantly reduce their budget for mail communications. Considering that large retail mail owners have already advised me that they are **considering options to direct mail**, any additional costs will not be acceptable. As mail owners consider options, it is widely known that newspapers provide dates that can be relied upon for their messaging.

The changes proposed by the Postal Service will also adversely impact co-mailing activities, raising costs for the entire industry. Under the current scheme mail entered on both Thursday and Friday has an expected delivery day of Monday. Co-mailings can thus be created among mailings entered on Thursday or Friday, with no change in the expected delivery day. Under the Postal Service's proposal, however, only mail entered on Thursday will have a Monday expected delivery. Under the new standards, some mailers currently entering mail on Friday may decide to enter mail on Thursday to maintain the Monday delivery, while others, less concerned with Monday delivery, may maintain their Friday entry date. Co-mailings will no longer be possible for these mailings. This reduction in co-mailing activity benefits neither mailers nor the Postal Service and raises costs for the industry as a whole.

Finally, the Postal Service has decided to move forward with these changes with limited regard to the views of its customers. The load-leveling proposal is designed to cure the Postal Service's problem of excessive delivery volumes on Mondays. The proposal ignores, however, the fundamental fact that Monday delivery volumes are higher because mailers want their mail delivered on Monday and enter it accordingly. Monday delivery facilitates the mailers' business. Changing the delivery standards as the Postal Service has proposed will not change the mailers' desire to have their mail delivered on Monday. Rather than working with its customers to learn how it can best facilitate their use of the mail, the Postal Service has focused solely on how best to maximize its own operational efficiency. But the Postal Service does not exist just to deliver mail—it exists to serve its customers. Attempting to restructure its operations without regard to how its customers use the mail will likely result in unintended consequences, such as significant shifts to Thursday entry. The Commission should encourage the Postal Service to focus on its customers' needs, as it is the business realities mailers face which ultimately determine how the Postal Service must process mail.

Sincerely,



Charles R. Thompson
EVP Production Services

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