

Ms. Sharon Daniel  
Manager  
Mailing Standards  
Room 3436  
United States Postal Service  
475 L'Enfant Plaza, SW  
Washington, DC 20260-3436

November 13, 2006

Dear Ms. Daniel:

Re: Comments of the National Postal Policy Council on  
New Standards for Domestic Mailing Services

The National Postal Policy Council (NPPC) welcomes the opportunity to comment on the standards proposed in this notice to accompany and effectuate changes in pricing proposed in current Docket R2006-1 before the Postal Rate Commission. NPPC is the trade association for large business users of First Class Mail. Our membership is drawn from the banking and financial services, telecommunications, utilities, insurance and mail services industries. NPPC supports a robust and thriving postal system as key to its members' business success and the overall health of the economy.

At the outset, NPPC would like to express its appreciation to the Postal Service for making this proposal about mailing standards with an opportunity to comment this early in the rate change process, and for scheduling a second round of comments after the proposal has been adjusted in light of comments received in response to this notice. The comparatively early date in the process is enabling NPPC members and other mailers to analyze and begin adjusting to changes. And, the second round will afford an opportunity to fine-tune comments – and USPS reactions – to the various changes.

With the foregoing in mind, NPPC does have several brief comments on the rules as proposed. First, we have some questions about the imposition of CASS requirements by 2009. What are not clear are the basics: why the rules are being propounded now, and what their specifics are. Many in the industry find that this information has not been adequately communicated to them to date, and we suggest that USPS find an appropriate vehicle in the near-term to do so. NPPC members believe that a one-year lead time is essential to ensuring that all changes specified are fully incorporated into addressing software. Moreover, a discussion of the impact of the 4-state barcode in this area would be very useful to

mailers, including NPPC members. Again, notwithstanding USPS efforts at communicating information in this regard, many mailers have either not received or do not yet understand it.

Second, we have a similar concern with the automation flat flexibility and strengthening standards. Here, significant design changes may be necessary to accommodate the new requirements. Substantial time will need to be devoted to analyzing new standards, and developing and testing new designs. As a result, a one-year lead would once again be the most appropriate way to approach this, and ensure that mailers can be ready when the new standards apply.

Third, an issue with the "Flats Sequencing System" (FSS) has arisen. The concern comes from the plan to standardize address placement on the top third of the piece in portrait format. A number of NPPC members produce substantial quantities of flats, and this proposed change would require significant internal changes on outbound documents and envelopes, and our members' ability to scan the returned Business Reply Mail piece. In addition, some NPPC members maintain a large current inventory of forms and envelopes to process on their current landscape format. This cannot be replaced or depleted more quickly than current demand without entailing a quite sizeable unbudgeted and unexpected expense. Finally, if USPS equipment now can read address information on the entire piece, why go to such a geographically restrictive address placement?

Relatedly, there is significant wariness about the impact of FSS in the face of unpredictability about letters or flats for given recipients from month-to-month. For example, in the telecommunications area, bills will vary monthly from letters to flats and back again, with no predictability, depending on telephone line usage. If a recipient is already in sequence for flats and his/her usage is brief enough for only a letter, it's not a simple matter of redirection to flats. The computer logic to print in the top third simply would not be there, and would require updating of software, reformatting of print files, and a significant expenditure of funds on IT personnel's time – potentially each month. And, such an issue would hardly be unique to telecommunications companies; banking and financial services, utilities and other firms could easily experience the same problem. Finding some practical solution here would be quite important.

In sum, the programming and testing of this proposal could be monumental and cause our members severe economic impact. We believe this requires some further consultation and adjustment to see whether the mutual goal of more efficient mailing can be accomplished in a less financially intrusive manner.

Fourth, NPPC would reiterate its point of view that the lead time necessary in general for the new rates and standards underlying those rates would be 120 days. We are not unmindful of the financial position of USPS, but compliance is extraordinarily difficult with less time. NPPC members are in a position of waiting for their software suppliers to be able to absorb and create software responding to the new rules. With the amount of rewriting and testing necessary, 120 days would at least be marginally adequate to assure accuracy and elimination of “bugs.” A shorter time frame would make this most problematic and costly to the companies, while temporarily complicating acceptance and other matters for USPS, as well. We urge USPS to reconsider any imposition planned for a shorter time frame, as we understand is likely the case.

Thank you for considering our comments.

Sincerely,

Arthur B. Sackler  
Executive Director