

**TESTIMONY OF ANTHONY CONWAY
ALLIANCE OF NONPROFIT MAILERS
BEFORE THE
SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT,
GOVERNMENT INFORMATION, FEDERAL SERVICES, AND
INTERNATIONAL SECURITY
OF THE
SENATE COMMITTEE ON HOMELAND
SECURITY AND GOVERNMENTAL AFFAIRS**

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Mr. Chairman and members of the Committee, my name is Anthony Conway. I am the Executive Director of the Alliance of Nonprofit Mailers. Thank you for inviting me to testify on behalf of the Alliance about the importance of mail, service standards, and performance measurement.

The Alliance is a coalition of nonprofit organizations that is dedicated to the preservation of affordable postage rates and dependable mail service. Established in 1980, the Alliance is comprised of over 300 nonprofit organizations and commercial service providers that have an interest in nonprofit mailing issues. Our members include many of the Nation's best-known charitable, religious, educational, scientific and other nonprofit organizations. These members rely heavily on Nonprofit Standard Mail and Nonprofit Periodicals Mail to generate necessary support and to communicate with existing and potential members, beneficiaries, and other stakeholders.

Consistent, predictable and measurable delivery of mail is critical to the mission of nonprofit organizations. Like most businesses that use Standard Mail to solicit actions from the public, nonprofit mailers have learned that the response rate to a mail campaign depends on delivery within a predictable window of time. This is particularly true for campaigns that are coordinated with follow-up campaigns or seasonal events.

The same is true of nonprofit publications. The timeliness and predictability of mail delivery not only affects the timeliness of our members' publications for their readers, but is also critical to the effectiveness of advertisers' campaigns. Advertisers rely on the estimated in-home dates of nonprofit publications to know when to staff call centers. Many nonprofits in turn rely on their printers to identify when the critical "in home windows" occur. And the nonprofit, their printer, and advertisers all rely on the predictability of mail delivery to establish these windows. Mail that arrives late—or unexpectedly early—can wreak havoc with these plans.

The Alliance recently surveyed our members about service issues and received reports of an unevenness of service. Here are some of the comments from some of our members in the nonprofit community. We offer them not in a spirit of criticism—we believe that the United States Postal Service is the finest postal system in the world and is managed by dedicated professionals who work hard to achieve good outcomes within a difficult set of constraints—but to illustrate the importance of reliable and predictable service to mailers:

Boston University: A postal manager at Boston University reports that, while mail entered at the Boston Bulk Mail Entry Unit ("BMEU") is usually processed in a timely manner, service after the mail leaves the BMEU is more unpredictable. Letter-shaped Nonprofit Standard Mail can take five to twenty days for delivery. Standard Nonprofit flats can take up to 25 days. Last year, 24,000 pieces of First-Class auto presort metered mail entered by the university took five days for delivery to *local* addresses. While Boston University believes that it receives excellent service overall from the Boston Post Office, the lack of accountability after the mail leaves the Boston BMEU is a problem.

Consumers Union: Consumers Union ("CU") also relies on the USPS to carry out CU's mission. Occasionally CU personnel must notify the Postal Service's Business Service Network representatives in Westchester, New York, about a problem that CU would like to bring to the Postal Service's attention. Sometimes the problem needs immediate attention; other times,

it may need to be researched and then resolved. CU generally finds that the BSN staff are responsive and attentive, but that resolutions or explanations are often elusive.

In February 2007, CU notified the Westchester BSN that “seed” (i.e., sample) pieces from CU’s large national December and January mailings were taking an inexplicably long time to be delivered—roughly a month from the BMC in Jersey City, New Jersey, to CU’s headquarters in Yonkers, New York (a distance of about 20 miles). CU provided all the relevant data so that the USPS could investigate the problem. Although CU has seed pieces collected at an outside concern, the organization’s internal marketing and production staff routinely examine seed pieces received at CU headquarters as another quality control check. Three weeks later, CU received the following communication:

This issue was elevated through the ranks to get the best possible resolution, as it stands thru far, this issue has no resolution.

According to our BMC and Westchester P&DC there we no processing delays listed from 12/1/06 to 1/31/07 and no explanation to determine what could have caused such a delay. Due to the time factor of this mailing, we believe at this time that these were isolated incidents.

Diocese of Metuchen, New Jersey: The Diocese reports that it does some large mailings for their events. An increasingly common phenomenon is the return of mailpieces carrying correct and current addresses. This requires some time and investigation about the address only to find it is correct. It also requires additional postage to resend the mail.

Diocese personnel have also noticed that some of the returned mail is astonishingly old. Indeed, some returned mail had been held for *four years*. Just a few months ago, the Diocese reports receiving three mail pieces from a mailing for an event that took place 2003.

Easter Seals, Inc, Chicago, IL: The history of Easter Seals is closely linked to the mail and supporters place “seals” on envelopes and letters. The organization reports that service problems in Chicago resulted in significant delivery delays for their February and March mailings

of the organization's signature Easter "seals." The mailing is an important source of philanthropic funding for their new Therapeutic School and Center for Autism Research in Chicago, as well as other services provided in the area. With the delivery delays, response rates and revenues were down almost 30 percent this year. These are resources Easter Seals will not have to help families in Chicago.

Elks Lodge No. 46, Milwaukee, WI: The Milwaukee, Wisconsin, Lodge of Elks mails approximately 500 copies of its monthly newsletter. The Lodge formerly sent the newsletter by Nonprofit Standard Mail. As postal delivery performance deteriorated in recent years, the promotion of events and fundraising suffered. The Lodge engaged the Postal Service for an extended period in search of answers to resolve the poor delivery performance but, unfortunately, the problem persisted. Eventually the Lodge was forced to switch from Nonprofit Standard Mail to First-Class Mail in order to receive acceptable service performance. The Lodge views this as an unacceptable compromise caused by a degradation of Postal Service performance which, in effect, resulted in a postage rate increase.

Marian Helpers Center, Stockbridge, MA: The Manager of Donor Development from the Marian Helpers Center reports that, despite the time sensitivity of its direct mail campaigns, the organization cannot project an in-home delivery date. The seed pieces from a given mailing can arrive up to two weeks apart, even to two residence addresses *in the same town*.

The Marist Brothers, Chicago, IL: This organization reports that it has experienced delivery times of more than *six weeks* for Standard Nonprofit Mail; in other instances, delivery takes only six days.

Pepperdine University, Malibu, CA: Pepperdine reports that it has experienced delays since the closing of the Postal Service's Marina del Ray Processing Plant several years ago. Delivery times for mailings of Standard Mail to addresses in the Los Angeles area itself have ranged from one day to a full month. Average time to delivery has been ten days. The

unpredictability of Standard Mail delivery times has caused departments to use First-Class Mail more often.

Word&Way. *Word&Way*, a bi-weekly newspaper published by the Missouri Baptist Convention, also reports service problems. Each issue of the newspaper is entered in Columbia, Missouri, on Tuesday or Wednesday to achieve delivery by Thursday, the stated publication date. Subscribers often report, however, that they do not receive the paper until the following week, especially in the St. Louis and Kansas City metropolitan areas.

Delays of this kind harm the churches that rely on the newsletter to disseminate information to their members. Individual churches print their specific information on the back page of *Word&Way*. Subscribers rely on the back page to get the information regarding upcoming events at their churches for the weekend. When the paper does not arrive at the home until the following week, the news is dated. In addition, the church is disappointed because members did not know about the events, making *Word&Way* an unreliable means of communication.

Word&Way has lost subscribers because of poor delivery service over the last several years. The publisher has worked diligently with the Postal Service, particularly with the manager of the business entry mail unit (“BMEU”) in St. Louis. Though the delivery has improved to some extent, it is not enough for cancelled newsletter users to resubscribe with confidence.

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These illustrations of service problems at multiple locations throughout the United States underscore the importance of establishing a more current and granular measure of actual service performance than is now available to mailers.

Data should be broken down by 3-digit ZIP Code pairs, or at least the ones carrying sizeable amounts of volume. Frequent reporting of service performance data by geographic region will not only help us plan our mailings, but will also allow us to work collaboratively with the Postal Service to resolve service performance issues.

Further, since the Postal Service intends for its class-specific service standards to be developed, expressed, and maintained on a detailed basis by origin-destination pairs of three-digit ZIP Code prefixes, it is important that the service measurement system report on the Service's performance on the same consistent basis. Only then can mailers and the Commission properly evaluate service performance against the service standards of each class.

Finally, these detailed service reports should help protect the Postal Service against reports of poor service that are unfounded. With the increase in fuel costs during the past two years, some private consolidators or trucking companies have delayed transportation of mail tendered for entry at the Postal Service until a full truck load has been entered. Reliable and detailed reports on actual mail delivery performance should help protect the Postal Service against bearing the blame for delays that were caused by others.

Service standards must be linked with rate levels. The Postal Service should not be allowed to comply with the rate index of the Postal Accountability and Enhancement Act simply by reducing service levels. If service standards are reduced or critical entry times are shifted earlier, those changes in service quality are tantamount to a rate increase. Changes in service quality that are substantial and systematic warrant an offsetting adjustment to the rate index.

In conclusion, the nonprofit community relies on the Postal Service for universal delivery of mail. Nonprofit organizations work hard to meet all regulations and look forward to working with the USPS to not only develop and improve service standards but also to develop service measures that can be reported in the aggregate to the "printer" but also reported in detail to the customer.