

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

DIRECT TESTIMONY OF  
PRITHA N. MEHRA  
ON BEHALF OF THE  
UNITED STATES POSTAL SERVICE

(USPS-T-7)

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## **Autobiographical Sketch**

My name is Pritha N. Mehra. As Vice President of Mail Entry and Payment Technology for the United States Postal Service, I have been responsible for the development and promotion of convenient and efficient strategies for commercial mail acceptance, payment and entry since June 2008. Currently, my organization is comprised of four units: Mail Entry, Business Mailer Support, Payment Technology, and Product & Payment Technology Systems. Through the use of technologies such as Intelligent Mail barcodes, continuous mail tracking and mail quality feedback, my group strives to provide streamlined processes for mail entry and payment transactions.

From July 2004 to July 2008, I served as the Manager of Marketing Technology and Channel Management, where I drove significant changes to several business mail acceptance processes, introducing technologies such as the *PostalOne!* system and Intelligent Mail programs. During my United States Postal Service career, I have held positions in Product Development, Strategic Marketing, Customer Relations, and Engineering and Research.

I hold a Bachelor of Science degree in Computer Science from the University of Maryland, and a Master of Business Administration degree from Georgetown University.

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3 **I. Purpose of Testimony**

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The purpose of my testimony is to provide an overview of the commercial mail entry channel with some insights regarding impacts to commercial customers that can be expected as a result of the service changes proposals under review in this docket. My testimony will describe the measures the Postal Service will implement to mitigate these impacts. I conclude with a discussion on planned overall improvements in the commercial mail channel.

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12 **II. Commercial Mail Channel - Overview**

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The commercial mail entry channel is an essential touch-point between the United States Postal Service and business customers.<sup>1</sup> This channel performs both a mail entry and a customer support function. The mail entry function comprises mail acceptance and verification. Postal Service mail acceptance personnel verify payment and mail preparation to ensure that mail is entered according with the varied requirements associated with an array of workshare discounts claimed by the mailers. They also provide customer support functions and assist customers with mail preparation and acceptance questions. Postal mail acceptance personnel serve a highly diverse customer base that includes small volume mailers that manually prepare their mailings, such as religious institutions, civic organizations, newspapers, and other local businesses. This customer base also includes medium

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<sup>1</sup> I use the terms "commercial" and "business" mail broadly to refer to mail sent in bulk quantities sufficient to qualify for workshare price categories, irrespective of whether the mailer is a profit-seeking business enterprise, a government agency or a charitable institution.

1 and high volume mailers who submit mailings containing millions of pieces with  
2 complex mail preparation that allows them to take advantage of the lowest available  
3 price points.

4 Customers may enter commercial mail into the Postal Service through  
5 Business Mail Entry Units (BMEUs), Detached Mail Units (DMUs) located at mailer  
6 plants, and designated Retail/Associate Office (AO) units. In fiscal year 2011,  
7 commercial mail customers submitted over 11 million mailings which generated over  
8 \$38 billion dollars in revenue.

9 Commercial mail channel activities are categorized into three areas: mail  
10 preparation, account management and payment, and acceptance and verification.  
11 In mail preparation, postal entry personnel provide commercial mailers with  
12 guidance on mail preparation and design standards. Under the account  
13 management and payment functions, postal personnel assist customers with  
14 establishing payment accounts and transacting payment for business mailings.  
15 Customers must have an account (permit) in each location where they present mail.  
16 At mail acceptance and verification, postal personnel verify the mail to ensure the  
17 mail preparation is compliant with applicable requirements for the workshare  
18 discounts claimed. Revenue assurance is a critical function performed by postal  
19 mail acceptance personnel to ensure all mailings are accurately accounted for and  
20 postage has been paid.

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1 **III. Commercial Mail Channel – Response to Network Rationalization**

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3 The Network Rationalization Plan described in the testimonies of Postal  
4 Service witnesses David Williams (USPS-T-1) and Frank Neri (USPS-T-4) calls for  
5 significant changes in the postal network in response to declines in mail volume.  
6 More specifically, it calls for the adjustment of the workforce, facilities, vehicles and  
7 equipment that correspond to the reduction in the network infrastructure based upon  
8 decreased mail volumes. The commercial mail channel will accordingly be affected  
9 by all of these mail processing adjustments and consolidations.

10 Mail Entry & Payment Technology will play a key role in support of network  
11 rationalization. We have established standard operating procedures to ensure that  
12 care is taken to understand potential business mail entry customer impacts when a  
13 facility is being studied for closure. Once operational consolidations and other  
14 changes are implemented, it also is our responsibility to make sure that mailers are  
15 informed of any mail preparation and entry changes and pay the proper postage for  
16 the mail whenever and wherever it is entered.

17 My group reviewed the comments and feedback received by the Postal  
18 Service in response to its advance notice of proposed rulemaking concerning  
19 potential changes in First-Class Mail, Periodicals and Standard Mail service  
20 standard regulations (*76 Federal Register* 58433, September 21, 2011). We  
21 evaluated commercial mailers' concerns and have developed mitigation strategies in  
22 response to those concerns. Some of the significant mailer concerns and mitigation  
23 strategies are summarized below.

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1           Mailer Concerns:

- 2    --    Possible closure of mail entry units co-located at an impacted processing  
3           facility, potentially increasing distance traveled by mailer to enter mail,  
4           and loss of workshare discounts, such as for Sectional Center Facility entry.  
5  
6    --    Changes to or possible elimination of existing postal transportation from  
7           mailer production facilities – Detached Mail Units (DMU).  
8  
9    --    Potential changes in mail preparation and separation requirements in support  
10           of network rationalization.  
11  
12   --    Adequate staffing and platform space in remaining postal facilities to  
13           handle consolidated workload and volume.  
14  
15   --    Reduction or loss of available time slots in daily plant verified drop shipment  
16           appointment calendars.  
17  
18   --    Changes to the submission time of First-Class Mail (FCM) to meet service  
19           standards (*i.e.*, Critical Entry Times).  
20  
21   --    Cancellation and re-opening of payment account (permits) and authorizations.  
22

23           Mitigation Approaches

24           In response to these concerns, the Postal Service intends to move forward in  
25           a manner that incorporates the following approaches and actions.

26           BMEUs located in facilities being studied for closure will be impacted. Where  
27           practicable, BMEUs will remain in the impacted facility. If this is not feasible,  
28           acceptance units will be located within relatively close geographical proximity to the  
29           impacted facility and mailers will be allowed to retain their SCF discounts for the  
30           foreseeable future for mail entered at the BMEUs.

31           DMU/Plant Load Agreements will be determined based upon the new network  
32           and related impact on postal transportation and logistics. Communication with large  
33           volume mailers at Detached Mail Units will help to identify any changes required in

1 mail preparation, separation or transportation. Customers will be given adequate  
2 time to prepare for any change required to their plant load agreements or customer-  
3 supplier agreements due to a plant closure or operational relocation.

4           Communication with business mailers will be maintained so that postal  
5 managers can have an up-to-date understanding of impacts of network  
6 rationalization and changes on mailing profiles, patterns, etc.

7           Communication with mailers will be maintained so that postal management  
8 can be aware of changing patterns in mail volume and customer drop times. This  
9 information will be used to make any necessary adjustments to the plan regarding  
10 local staffing levels and facility capacity for the remaining (gaining) entry facilities in  
11 order to maintain quality customer service.

12           Plant-Verified Drop Ship appointment windows in the Facility Access and  
13 Shipment Tracking (FAST) system will be adjusted as necessary to support shifting  
14 volumes across the network.

15           Presort First-Class Mail users will continue to have the option of entering  
16 intra-Sectional Center Facility mail after the day-zero Critical Entry Time for the 2-  
17 day delivery standard and retaining an overnight delivery expectation if such mail is  
18 properly prepared, accepted, verified and released for processing no later than 8:00  
19 a.m. on the day before expected delivery for mail with less than a 5-digit sort. If  
20 such mail is presorted to 5-digit level or finer, such mail may be accepted, verified  
21 and released for processing no later than 12:00 p.m on the day before expected  
22 delivery with an expectation of next-day delivery.



1 Commercial customers will be able to maintain existing permit account  
2 numbers from their former sites at the new sites without having to close and open  
3 new permit accounts. Customers will be able to use the existing indicia and will not  
4 be required to make changes to their mailpieces to accommodate new permit  
5 account numbers or fill out additional paperwork.

6 The Postal Service's review of the comments received in response to its  
7 advance notice of proposed rulemaking forms the foundation for the *Federal*  
8 *Register* notice-and-comment rulemaking that will be conducted concurrently with  
9 this docket. My group will again be involved in reviewing comments received in  
10 response to that rulemaking. During that process, we will consider whether  
11 adjustments to the mitigation strategies described above are warranted.

#### 12 **IV. Commercial Mail Channel – Future Improvements**

13 The Commercial Mail Channel's strategic goal is to automate, integrate, and  
14 streamline the payment and acceptance processes to improve customer experience.  
15 Our vision has several key components.

16 We are building convenient automated tools for small and medium business  
17 mailers to design and prepare their mailings through a simplified online, self-service  
18 solution. Utilizing these tools, mailers will prepare mailings with unique barcodes  
19 and bring these simple mailings to a Post Office. In doing this, we are working to  
20 expand mail entry access by enabling business mailers to induct mailings at  
21 convenient locations, including the local Post Office or at a Business Mail Entry Unit.

22 Along with the expanded mail entry access, we are centralizing the account  
23 management structure under a new Mail Anywhere/Pay Anywhere blueprint. This

1 new account structure will allow Full-Service Intelligent Mail users to enter mail at  
2 designated entry points throughout the postal system with a single permit account.  
3 This option applies to First-Class Mail, Standard Mail, and Bound Printed Matter  
4 mailings that contain 90 percent or more Full-Service Intelligent Mail barcode pieces.

5 We will be automating verification and induction processes through the use of  
6 two primary capabilities, eInduction and automated verification, to further enable  
7 electronic interaction. The eInduction process will provide mailers with an electronic  
8 process to induct mail into Postal Service destination facilities without hard-copy  
9 paper forms. The automated verification process will analyze mail at induction and  
10 as it flows through automated processing equipment. It will compare data from  
11 postal automated systems against the electronic documentation and postage from  
12 the mailer. This will enable an automated verification and reconciliation process and  
13 streamline the mail entry process.

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## 15 **V. Conclusion**

16 Processes are in place to address customers' concerns during the Network  
17 Optimization initiative and to ensure fulfillment of our fiduciary responsibilities. The  
18 changes I have outlined above for commercial mailers will reduce manual-intensive  
19 activities at local postal facilities, minimize the burden on mailers, increase ease of  
20 access, and automate mail submission tools for the small mailers. These changes,  
21 will give commercial mailers flexibility to adjust to mail preparation changes resulting  
22 from initiatives like Network Rationalization.