

Comments of the American Catalog Mailers Association to  
Chairman Boucher and Ranking Member Sterns

The American Catalog Mailers Association (ACMA) appreciates the opportunity to comment on the draft legislation on information collection, use and disclosure. ACMA is a trade organization representing catalog marketers across America. ACMA's 100-plus members include both Business-to-Consumer (B2C) and Business-to-Business (B2B) marketers, and their key suppliers. Company sizes span from the large, nationally known brands to small "mom and pop" companies. More information on ACMA may be found on the web at [www.catalogmailers.org](http://www.catalogmailers.org).

Catalog shopping is part of the fabric of our nation. Half of America buys from catalogs. In 2006, catalogers did an estimated \$270 billion in commerce, representing nearly 2% of the American economy. Catalog marketers are multichannel. They use the mail, have sophisticated e-commerce operations, and use print, broadcast and interactive media channels to communicate with customers.

In addition to the considerable commerce, employment and taxes generated by the industry, catalog companies are also major supporters of the US Postal Service (USPS); in fact, they originated nearly 10 percent of all mail volume in 2006. Catalogers generate mail of all types, including flat-shaped catalogs and Standard Mail and First Class letters and postcards. Catalog companies also ship a large number of packages. They are key customers for the USPS and all major package delivery services.

Catalogs help make it possible for all Americans to have mail service. The US Postal Service receives no federal tax dollars and is entirely supported by postal rate-payers. Catalog-generated revenues are a key source for the USPS, contributing significantly to the funding of mail's universal service to all Americans, regardless of income, location or class, binding the nation together.

The catalog industry has a wide number of other benefits. In recent testimony before a House of Representatives subcommittee<sup>1</sup>, ACMA offered a recently published white paper<sup>2</sup> that is also included with this communication. Here are some highlights:

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<sup>1</sup> US House of Representatives, Subcommittee on Federal Workforce, Postal Service and the District of Columbia hearing held May 12, 2010 titled "The price is right, or is it..."

<sup>2</sup> American Catalog Mailers Association, *The American Catalog Experience: Catalog Marketing's Social Importance to American Consumers & Culture*, published May 2010, available at <http://www.catalogmailers.org/clubportal/clubdocs/2129/Social%20Benefits%20of%20Cataloging%20-%2020100516.pdf>

- Catalog shopping is convenient and unconstrained by geography or store hours. Catalogs define “universal access.”
- Catalogs are America’s largest carpool; they are open 24/7/365 without dealing with parking or traffic.
- Catalogs represent the ultimate anti-“big box” store experience. Catalogs and their websites offer an astounding assortment of niche products you can’t find elsewhere.
- Catalog marketing helps small businesses. Direct mail companies don’t have to be located in urban America to thrive, thus creating jobs in rural regions of the country with limited employment. Catalogs also provide a viable shopping alternative for rural-based Americans. The same convenience rings true for busy working mothers, the elderly, and the disabled.
- Although online shopping has certainly supplanted some forms of catalog marketing, print catalogs are responsible for generating more than half of online sales for most multichannel marketers. Catalogs also generate retail store traffic and revenues.
- Most mailers use recycled and FSC-certified paper (Forest Stewardship Council, the international group that sets the “green” standard for forestry products) for their catalogs.
- The vast majority of catalog companies honor consumer mail preference choices, because it is ethical and good for business.

### **ACMA’s Concerns About the Draft Bill**

As drafted, this bill would have disastrous consequences for catalog marketers. It could easily shut down most of them overnight. It would instantly eliminate all reputable forms of third-party data exchange/sharing, etc., which is how catalogers function and grow. Stopping this longstanding practice would be akin to telling store retailers they can operate, but just cannot let any customers in their stores.

The Bill’s restrictions would also remove the industry’s ability to communicate relevant messages to consumers. It does no good to send an older consumer information on baby equipment, for instance. Worse, sending a surviving spouse information clearly aimed at his or her recently departed loved one opens wounds just starting to heal. Consumers expect companies to be sensitive, appropriate and relevant.

Other provisions of the draft legislation are unworkable to virtually all direct marketers. These are covered in some detail in comments of the Direct Marketing Association. We have read these comments and support the concerns enumerated.

We appreciate and fully agree with the intent of your work to give consumers control over their personal information. Catalogers are very sensitive to doing what is right by the customer. When customers complain about any aspect of their relationship with a cataloger, the company listens and addresses these issues.

ACMA believes that self-regulation is effective, efficient and appropriate. Our group endorsed Catalog Choice ([www.catalogchoice.org](http://www.catalogchoice.org)) early after its formation and publicly called on all catalog companies to apply suppression requests to their mailing. Likewise, ACMA implores its members and non-member catalogers to apply suppression requests from DMAchoice ([www.dmachoice.org](http://www.dmachoice.org)). Finally, ACMA frequently discusses best practices in privacy, consumer choice and related matters at industry conferences, emphasizing it's not only the correct thing to do, but also as good business practice.

Catalogers store and process their consumer data electronically. The sheer volume of names makes it economically impossible to manually handle and examine discrete consumers. This reality also removes the risk that individually-identifiable information is accessed or disclosed inappropriately. In fact, customer lists and ordering history are the chief assets for virtually all catalog companies. As such, they are closely guarded and protected. Most employees do not have access to this information. Those that do are — by definition — known to be reliable and trustworthy by the owner of the company.

Proof that there is not a problem lies in the fact that millions of Americans shop by catalogs each year — but there are no widespread stories of identify theft, fraud or abuse. It is certainly in everyone's direct economic interests to protect catalog customers, but the current system works. Adding additional legislative requirements helps nobody, neither consumers nor businesses.

Thank you for providing us with this invitation to comment on your work. We would be pleased to address any questions you have.

Respectfully submitted,

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