



AMERICAN CATALOG
MAILERS ASSOCIATION

Your Catalog Advocate!

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ACMA Group Marches on Washington

On Feb. 16-17, nine **American Catalog Mailers Association** members were accompanied by ACMA president & executive director Hamilton Davison and me for several key meetings with top USPS management in Virginia and Washington, DC.. A few of us also stayed on for the Mailers Technical Advisory Committee (MTAC) meetings held on Feb. 17-18.

ACMA members: *You can access complete details of each facet of this trip on the Member Side of the ACMA website at www.CatalogMailers.org. Below are highlights:*

To learn and explore how flats mail is processed, as well as offer up our ideas for how we might do things differently with their potential cost savings, on Feb 16, we first met with Rosa Fulton, executive director, FSS, for the USPS. She and several other colleagues then led us on an extensive tour of two mail processing plants: the Sterling L&DC and the Dulles P&DC, both located in suburban Virginia. On Feb. 17, we met with Fulton, Deputy Postmaster **General Pat Donahoe**, Krista Fazzano, the USPS's manager of operational requirements, and other USPS managers for a two-hour brainstorming meeting at USPS headquarters in Washington. Later that day on Feb. 18, we took part in the MTAC meetings.

In addition to Hamilton and me, attendees included Michael Bloom of Now You Know Media; Beth Diekman of Oriental Trading Co.; Nancy Cushman of Crate & Barrel; Jonathan Fleischman of Potpourri Group; Ryan Hennig of Miles Kimball; Ryan Jennings of Vermont Teddy Bear; Phylliss Mosca of Ulla Popken; Dana Pappas of Plow & Hearth; and Bryan Wolfe of Redcats USA.

Groundbreaking Meeting with DPMG

Although many moments stood out, the highlight of the trip was the meeting with the Deputy PMG and his colleagues. In calling the meeting to order, Donahoe said, "This is a meeting we didn't want to miss." That's because to date, he and other USPS personnel haven't been properly exposed to the inner workings of companies that do business by print catalog. What's more, they were eager to get ideas from our group on how to process catalogs through their flats automation equipment more efficiently, exploring different cost and customer value drivers that should be considered.

Donahoe, Fulton and Fazzano are clearly eager to find more efficient ways to sort flats. Donahoe said the USPS needs to figure out how to eliminate at least half of the 10 steps to processing flats, much of which is manually accomplished. (An entire presentation on this issue will be

posted on the Member Side of the ACMA site soon.) Beginning with mailpiece design and ending with final delivery, the steps Donahoe told us he'd like to find a way to eliminate are strapping and wrapping of bundles, the loading of bundles and wrapping of pallets, unloading of bundles and pallets, dumping and sorting of bundle distribution and unstrapping and unwrapping of bundles prior to sortation and sequencing. We agreed these all add cost and complexity but create no value from the cataloger perspective.

As we could see first-hand during our tour of the Sterling and Dulles plants the day before, despite the USPS's sophisticated Flats Sequencing System (FSS) sortation equipment, there are many instances where manual sortation of some catalogs (and magazines) is required. This adds to USPS costs and slows sorting and delivery time.

"The meetings provided rare, valuable and productive time spent reviewing flats processing and talking to the decision makers within the USPS who can influence improvements," said Phyliss Mosca, president of Ulla Popken, a cataloger of women's apparel. "We discussed inefficiencies and identified actionable solutions for short- and long-term solutions for cost savings to both the USPS and flats mailers. I believe it was a true win-win from both sides."

MTAC Recap

On Feb. 17, the MTAC meetings were kicked off with a presentation by USPS inspector general David Williams. His presentation was on the agency's efforts to recapture \$75 billion it has overpaid since 1972 to the Civil Service Retirement System. He noted that legislation is needed to make the necessary adjustments to pass the overpayment back to the USPS. "The fix is fairly simple," he said. The hard part is in getting it through the political process.

Other key MTAC highlights:

- **Summer Sale 2010 Takes Shape:** Deeming last year's "Summer Sale" a success, USPS manager, marketing mail Tom Foti said the USPS will soon finalize a proposal to the Postal Regulatory Commission for a similar incentive to take place later this year. (ACMA published a summary of the proposed Summer Sale that also became the source [for this article](#).) Foti later told Hamilton and me, however, that summer sales won't necessarily continue every year thereafter. Foti said that with ongoing and extensive, eye-opening input from ACMA, the USPS is more interested in long-term solutions to draw more catalogs into the mailstream at rates catalogers and other mailers can afford. ACMA continues to work closely with USPS managers on developing a plan that grows and retains cataloger volumes.
- **Deflection Mailing Standards ("Droop Test") Raise Uproar:** Attendees attacked the deflection test for automated flats processing in the FSS system, presented by Becky Dobbins, USPS manager, mailing standards. As Dobbins attempted to demonstrate the test, MTAC members criticized it for being too subjective and not allowing for precertification ahead of time. She said that the standards were set to begin on June 7 and mailer members said this date was too soon considering they still don't find the droop test scientifically acceptable.
- **USPS Builds Five-day Delivery Case:** Despite being shot down already, the USPS continues to build its case to eliminate Saturday mail delivery. Bob Michaelson, the USPS's manager, programs management & support, listed the services that the agency proposes shutting down on Saturdays vs. those that would still function. He assured MTAC members that the USPS could handle a two-day (Saturday-Sunday) suspension of mail processing to still get mail delivered on Mondays.
- **Expected Future Mail Volume Numbers Not So Bad?:** USPS vice president finance & planning Steve Masse said that although mail volume was down 8.9% in the first fiscal quarter of 2010, he's seeing signs of a recovery in government data being released on the economy that might lead one to believe that the largest volume shortfalls are behind us.

ACMA members: Again, more complete details on the MTAC meetings have been posted on the Member Side of the ACMA website.

ACMA's National Catalog Forum Agenda Now Available

Registration for the ACMA's National Catalog Forum, April 13-15 in Nashville remains open but space is filling fast. The meeting agenda will be packed with high level access and issues of strategic importance to your business. View it now on our website by [clicking here](#) right now. The stakes are getting higher considering all that's going on in Washington these days affecting catalog mail. Find out what this means, what you can do to make sure the decisions go your way, and compare notes on solutions to pressing issues and needs. And the ACMA Forum is a great way to meet major USPS and PRC officials, hear what their thinking is about catalog mail and share your concerns and your "story." They *need* to hear from people like you!

With aggressive input from several members, ACMA has the health, well-being and future of catalog mailing concerns top of mind right now with the USPS. Our education and work is ongoing in several fundamental areas. We need as many catalog companies and their suppliers on hand as possible to help advance the cause. You do not need to be an ACMA member to participate. So now's the time to [register for the Forum](#).

And don't come alone; be sure to bring one or two colleagues who care about how much their catalog postage costs and how well their books are being mailed. [Click here](#) to register online right now, or go to www.CatalogMailers.org. In addition to the host hotel, the Gaylord Opryland (\$199/night), you have other lower-cost choices and we've listed them all on our website. Book now; the rooms are going fast.

Best,

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About the American Catalog Mailers Association:

ACMA is a Washington-based not-for-profit organization specifically created to advocate for the unique collective interests of catalog mailers in regulatory, public and administrative matters where the shared impact transcends individual company interests. ACMA participates in rulemaking and other proceedings of significance where a single collective voice increases influence and effectiveness. Membership is open to any party with significant interests in the catalog industry. More information can be found at www.catalogmailers.org.

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