



February 21, 2008

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

Dear Sharon:

The American Catalog Mailers Association (ACMA) submits these comments on behalf of its members to the proposed rules on the "Implementation of Intelligent Mail Barcode," published in the Federal Register Notice of January 7, 2008.

Although the ACMA understands the U.S. Postal Service's requirement to comply with PAEA, **we strongly object to the January 2009 deadline by which catalogers must implement the Intelligent Mail Barcode (IMB) or face the loss of automation discounts.** The technical and practical challenges described in the letter make it virtually impossible for catalogers and their printers to comply with IMB requirements so quickly. Coming on the heels of a last year's devastating postage cost increase and another increase this year the loss of automation discounts – as much as 6.4 cents – could prove disastrous to the catalog industry.

1. All catalog industry ink jet-printers cannot produce a readable IMBs today. As we understand it, a major proportion of current production capacity may not be able to produce a valid IMB today. The technical explanations can be found in the comments from IDEAlliance. As customers of catalog printers, we appreciate that IMB will require significant capital outlays that may ultimately translate into additional catalog production costs that our members must bear. Nor is the industry in a position to make a rapid shift to a completely different type of printing, as we necessarily must complete extensive testing on the impact on catalog response rates before a new production method can be implemented if the impact is noticeable to the recipient (please see our comments to the Federal Register Notice of October 10, 2007). Although flats printers are scrambling to resolve these issues, it is apparent that catalogers, for both technical and economic reasons, will not be able to meet the IMB standards by January 2009.

2. The “Full Service” option does not provide additional value to catalogers at this time. The proposed rules list two options for using the IMB: Basic and Full Service. Without understanding the rate structure for each of these options, it is very difficult to comment fully. We believe the USPS would like mailers to use the Full Service option for several reasons including providing data for Service Standards measurement. However, in initial conversations with our members on these two options, ACMA has not been able to identify significant mailer benefits under the Full Service option. As a result, many or some of our members are not currently planning to make use of the expanded reporting enabled by IMB. Until there is a clearer demonstration of how the IMB can improve response rates or a significant price advantage to the Full Service option that offsets its additional costs, we expect that only a few catalogers will use the Full Service option. The problem with this lack of perceived benefits is that the Full Service option requires significant new data transfer capabilities between catalogers and their suppliers, and ultimately the USPS. Each of these may generate new IT programming needs for data transfer specifications that have yet to be fully defined.

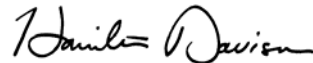
3. The catalog industry needs additional time to phase in use of the Mailer ID. The proposed rules state mailers will be expected to use the mail owner’s Mailer ID (MID) in most circumstances. We have been informed that mail owners would apply for an MID at the office of their local Mailpiece Design Analyst (MDA). Most of our members, however, have never had contact with their local MDA and have relied on their printer/mailer to address and resolve technical or mail piece design issues on their behalf. We understand the application process consists of a questionnaire. We assume that most catalogers would have to rely once again on the printer/mailer for guidance. There are approximately 20,000 separate catalog companies operating in American today; even reaching this dispersed community will be a challenge. As a result, we suggest the MID application process be the same format as for Bulk Permit application and that catalogers be allowed to use their printer/preparer MID for a period of years during the IMB implementation process.

Ms. Sharon Daniel, Manager, Mailing Standards
February 21, 2008
Page 3

Given these unresolved implementation issues that have a disproportionately adverse impact on catalogers, we strongly urge the Postal Service to postpone the implementation date of January 2009 for catalogers. The catalog industry is still suffering from rate shock, and we need industry-appropriate IMB standards and a reasonable period of time to adjust to those standards. Anything less than this threatens to further depress mail volumes and harm an industry already facing extreme hardship.

We appreciate the opportunity to provide input on the IMB deployment, and welcome the opportunity to work with the Postal Service to resolve the obstacles to IMB implementation facing catalog mailers.

Sincerely,
AMERICAN CATALOG MAILERS ASSOCIATION



C. Hamilton Davison
Executive Director