



AMERICAN CATALOG
MAILERS ASSOCIATION

Your Catalog Advocate!

Postal Rate Case Heating Up Get Involved Now to Save Your Company

On Aug. 2, the USPS responded to the Affordable Mail Alliance's Motion to Dismiss the postal exigency rate case with a rather strong and acerbic reply to the Postal Regulatory Commission, accompanied by a direct attack on the AMA. If you're not familiar with it yet, the AMA is a group of mailers who have unified to say with one strong voice to the USPS and PRC that now is *not* the time to increase rates. ACMA is a cofounding and very active member of AMA, and in addition to filing documents with the PRC, AMA is lobbying Congress and engaging the press to help influence policy makers.

In its rhetoric-laden reply to the AMA Motion, the Postal Service essentially said it has done all it can on cost reduction and that its hands are tied. This is probably helpful, because it shifts the focus to the real issue: how to reign in out of control cost escalation that has plagued the USPS and mailers for decades. If there are barriers to addressing postal costs, then the USPS and mailers need to work together to remove any barriers that exist.

The protection for mailers from accelerating mailing costs well beyond inflation was a central protection gained in the run up to the Postal Accountability and Enhancement Act (PAEA – a/k/a Postal Reform) of 2006. At that time, Congress made clear the extent to which an “exigent” circumstance warranted a postage increase, and as the AMA argued in its Motion to Dismiss, this rate case falls far short of being such a circumstance. [Click here](#) and [here](#) to read recent comments by Sen. Susan Collins (R-ME), who co-authored PAEA.

The cataloger reality is we're still not out of the woods from the 2007 postage increase. We have lost huge numbers of jobs and witnessed massive declines in both cataloger revenues and catalog-generated mail volume. We have restructured our operations, marketing plans, and even entire businesses over the past three years. Whole companies have been lost since 2007. The carnage has been huge. As catalog circ and revenue have fallen, industry employment

and the count of catalog companies operating nationwide have all fallen by a third each.

As we have seen in the past few years, a postage increase only migrates more volume out of the system to drive up the unit cost for all remaining pieces of mail, leading to another increase and another migration out of mail. This vicious and self-defeating cycle must be broken. We now have an historic opportunity to do this.

We are calling on Washington to say no to exigency, demand that Congress restructure legacy costs, push for greater cost improvements to the unit cost per piece, provide real, lower unit price opportunities for catalogers who want to mail more and head the other way up the growth curve.

ACMA and the AMA can't combat this travesty without your direct involvement. The days of catalogers standing around on the sidelines waiting for their associations to pull rabbits out of hats must end now. See our next piece below this one for more on how you can help – and it won't require much on your part.

I had a nice communication from a cataloger who is not an ACMA member saying his company really wanted to join ACMA and provide financial support, but the company is barely hanging on. He told me he may not be able to make payroll this month. "We support your work fully... I promise, as soon as we are able to generate any spare cash flow, we will join ACMA." I thanked him for reaching out and urged him to get involved personally if his company can't do it financially right now. He has since done so and you should follow suit in every way you can. We cannot let cataloger inattention to what is happening in Washington depress our sales and profits. Give us a call to find out how you can make a difference. We need your help right now.

Finally, please [click here](#) to read more on how you can help ACMA and AMA defeat this rate case, starting with details on how to attend the PRC hearings.