



AMERICAN CATALOG
MAILERS ASSOCIATION

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PRC 'Summer Sale' Ruling a Victory for Catalogers

The Postal Regulatory Commission has approved the USPS's plan to conduct a Standard Mail Pricing Initiative ("Summer Sale") this summer. We had concerns going in that the PRC would either rule against the Summer Sale outright, based on the Public Representative's testimony, or exclude Standard Mail Flats (catalogs) from the incentive, based on an argument filed by coupon mailer Valpak. Valpak contended that the USPS should exclude Standard Mail Flats because they don't cover their attributable cost.

But the PRC sided with, and cited ACMA testimony extensively. "The inclusion of Standard Mail Flats in the program is consistent with the intent to design a program encouraging volume growth, not only directly, but indirectly through additional mail resulting from discounted mail," the PRC said. It added that by allowing catalog mail to take part in the Summer Sale, the USPS has an opportunity to "measure the response of additional types of mailers to short-term price changes."

ACMA approached this year's Summer Sale fully aware that a number of our members can't make it work for them, either because they don't mail enough catalogs or can't mail 5% more catalogs during the sale's timeframe than they did last year. If you fall into this category, you still should be pleased with this outcome, because it's the beginning of better, farther-reaching mailing incentives to follow. The PRC is seeing the light well beyond merely adding up the numbers. Take this portion of its ruling, for example: "The Commission commends the Postal Service for its efforts to identify new and creative tools for estimating the effects of volume discount incentives on the Postal Service's finances, and for recognizing the importance of designing incentives that maximize beneficial volume increases while minimizing the potential for losses from discounts on mail that would be sent anyway."

That all said, along with the DMA, ACMA also proposed including more mailers in future incentive programs. The PRC said in response that it felt this year's Summer Sale filing "appears reasonable and not unduly discriminatory." However, it added that the USPS "should explore opportunities to expand its incentive programs to include the maximum number of mailers consistent with their efficient administration and maximization of contribution [to profit]." The PRC said the USPS could seek to have mailers cover its administrative costs in the future to allow for participation in future incentives by more mailers.

The PRC ended its ruling with a laundry list of requirements from the USPS by November and December this year, all in the interest of proving that the Summer Sale's pricing, methodology, administrative costs, and mailer eligibility all add up. For the complete PRC ruling, [click here](#).

All the 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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