MEMO to MAILERS

MAILERS
JUNE 2000

UNITED STATES POSTAL SERVICE
VOLUME 35 NUMBER 6
JUNE 2000

continued on page 4 continued on page 3

WHAT’S INSIDE:
3 SMARTRMAIL HELPS FLAT MAILERS
4 TRACKING TARDY PERIODICALS
5 eCATALOGS OUT, DIRECT MAIL IN
6 NEW INTERNATIONAL RATES
8 TAKE BUSINESS MAIL 101

LEGALIRE UPDATE

McHUGH: The time to act is NOW on H.R. 22

Postal Service’s new secure electronic delivery service

Try it, you’ll like it!

The U.S. Postal Service has launched Post Electronic Courier Service, PosteCS™, a global electronic document delivery service that enables users to securely send documents via the Internet. PosteCS allows the sender to track:

- when a document arrives at its web address,
- when the recipient has been notified of delivery and
- when the recipient has actually opened the package.

COOL!

Customers are invited to try PosteCS for a 30-day, FREE trial period. It’s easy to get started, just log on to <www.usps.com>, and follow the link to PosteCS. The site also features a list of frequently asked questions (FAQs) on this new service offering.

“PosteCS brings the trust, security and peace of mind that the Postal Service brand is known for to the area of global electronic communications,” said Deputy Postmaster General John Nolan. “In addition, through PosteCS, customers have the option of using the USPS Electronic Postmark™ which provides an added layer of security for electronic documents.”

When a document is sent using PosteCS, it is available at a unique Web address (URL) created specifically for the secure delivery of the package. The recipient, who is notified with an e-mail message, can then retrieve the document by clicking on the URL link, which is given in the message, and download the file.

continued on page 4

LEGISLATIVE UPDATE

McHUGH: The time to act is NOW on H.R. 22

Postal Customer Council (PCC) members from Long Island to Long Beach — and one hundred points in between — tuned in to National PCC Day via satellite broadcast from the Providence, RI, PCC.

The message from guest speakers New York Congressman John M. McHugh and Postmaster General William Henderson is that regulatory reform is needed now through the passage of H.R. 22, the Postal Modernization Act. McHugh is the bill’s author.

“Our future is in jeopardy because of our inability to apply the pricing and other commercial freedoms our competitors already possess. We need the ability to move faster, act more agilely and better respond to changes in the marketplace,” Henderson said.

Foreign posts such as Canada Post and Deutsche Post AG are free to invest, able to enter into forward-looking pacts with labor, and encouraged to seek out partnerships, alliances and new markets. “The Postal Service needs those same commercial freedoms, including market-based pric-
Postal Service to retire electronic postage meters

The U.S. Postal Service has a proposal in the Federal Register (May 1, 2000) for a plan to retire all manually set electronic postage meters. This ruling will affect those mailers who must bring electronic meters into their Post Office to add new postage. Companies using electronic meters that are set remotely are not affected, however.

The proposal states that if your lease on an affected meter expires during calendar year 2000, you will be allowed to extend the lease to December 31, 2001. If your meter is covered by a multiple-year lease, which expires after June 30, 2001, you may use the meter until the lease expires. All other affected meters must be withdrawn at the expiration of the user’s lease.

This is the last phase of a plan that began in 1996 — in cooperation with all authorized postage meter manufacturers — to phase out, or decertify, all postage meters that were subject to tampering and misuse.

Written comments should be mailed or delivered by June 15 to the Manager, Postage Technology Management, U.S. Postal Service, Room 8430, 475 L’Enfant Plaza SW, Washington DC 20260-2444. For further information contact Nicholas S. Stankosky, (202) 268-5311.

Once the plan is final, the Manager, Postage Technology Management, Postal Service Headquarters will send affected meter users an explanation of this action and a detailed description of the retirement plan. Correspondence on this issue from non-postal sources should not be considered official.

Commercial mail receiving agency deadline extended

The deadline requiring mail addressed to private mailboxes (PMB) to include the PMB designation has been extended from April 26 to August 26. New standards for CMRAs were originally published in the March 25, 1999, issue of the Postal Bulletin.

New labels will “track and trace” trayed mail

As part of its Information Platform, the U.S. Postal Service is proposing a new 24-digit barcoded tray label that will enable tracking and tracing the movement of mail trays through postal plants. The current 10-digit barcoded tray label would be replaced within the next two years. The proposed tray label format has been published in the May issue of Mailers Companion.

Who uses these labels now?

Bulk mailers (consolidators, fulfillment centers, etc.), who receive a “machine compatible barcode/presorted discount” for origin tray mail.

Soliciting your input

Comments are welcomed and should be mailed or delivered by July 15 to Daryl Hamilton, Information Platform, U.S. Postal Service Engineering, 8403 Lee Highway, Merrifield VA 22082-8145. Mailers may also e-mail comments to Dhamilto@email.usps.gov.

Tell us, says mailer

Postal Service employees who work on the floor know a lot more than I do about the problems they’re seeing. If an employee notices a delivery problem, we want to know.

Recently, I found an open package of ours at a Bulk Mail Center. An employee told me, “Your packages fall apart all the time.” I thought to myself, “Why didn’t you tell us before?”

We’ve since fixed the problem by switching from a paper, cold-seal package to a polybag that is certified and tested. It’s more cost-effective and doesn’t get caught in the conveyors.

Timeliness is important. Teachers make their lesson plans around the arrival of the books and periodicals, so it’s important that they get there on time. And the children get so excited when they get the books.

Believe me when I say that we want and need postal employees’ advice to make my job easier, make their job easier and get books to the kids faster.

Libby Pool
Scholastic Inc., Director, Delivery Services, Jefferson City, MO
(Scholastic publishes books, periodicals, etc., for school-age children.)

Editor’s note: We are in the process of asking employees for their suggestions or tips to mailers. In the meantime, below is an unsolicited letter received by Postal Life, a USPS employees’ publication.

Since you asked...

I am concerned about mail that is damaged or destroyed by our mail processing equipment. I don’t fault the equipment — it’s some of the best in the world. The problem is our customers’ lack of knowledge about how their mail is handled.

Please let our customers know that keys, coins, cassette tapes, etc., will not make it through our equipment and could be lost or damaged.

I suggest using safer packaging, like small boxes or large, sturdy envelopes. We are interested in helping our customers get their mail delivered undamaged. If we do this, we will greatly lower the amount of damaged mail and ... our customers will like us more.

Michael Duval
Electronic Technician, Las Vegas, NV
SMARTMAIL saves time and money for flat mailers

Delivered times from one to four days, but at a money-saving bulk rate

Does your company mail a lot of First-Class Mail flats (oversized letters) or small packages but lacks the staffing or equipment to take advantage of U.S. Postal Service bulk mail discounts? Well Bunky, there’s a company that may have a solution for you.

The company – SmartMail – specializes in combining and sorting flats and small packages from a lot of companies like yours. SmartMail employees put the flat mail (now in ZIP Code order) into “Express Mail” and “Priority Mail” bags and overnight them to the destination postal plant (dropshipping).

The results are delivery times from one to four days, but at a money-saving rate. By commingling mail from various clients, SmartMail has enough volume to offer their customers generous discounts. SmartMail founders Sonny Smith and Randy Holleschau say they are able to pass on savings to their customers by offering a 15 to 50 percent discount.

Founded in 1996, SmartMail is dedicated to timely, efficient and high-quality worldwide distribution of oversize letter mail (flats) and lightweight parcels ranging from compact discs and paperback books to enrollment kits and proxy statements.

According to SmartMail, their tightly controlled operation even offers single-piece accountability — because every mailing piece receives a unique tracking number. This allows for individual piece weighing, address verification and 11-digit bar-coding: “perfect mail” for the Postal Service’s processing system.

SmartMail’s business success story began in 1996, when it operated out of the historic Brooklyn Army Terminal. It received venture financing from Great Hill Partners of Boston. Today, SmartMail, headquartered in Atlanta, has 10 SmartMail Centers across the nation.

Last year SmartMail mailed nearly 50 million pieces and is now the second-largest Express Mail customer in the nation.

Through a strategic alliance with the Postal Service, SmartMail delivers reliable and cost-effective solutions for businesses of all sizes. The SmartMail indicia proudly says shipped via “USPS Expedited Services.” It is one indication of a partnership that has worked well for them and the Postal Service. Since 1996, Smartmail has relied solely on the Postal Service for all its mailing needs.

LEGISLATIVE UPDATE

Continued from page 1

The Chairman of the House Subcommittee on the Postal Service said he believes the Postal Service is vital to the lives of millions of Americans and that nothing can replace the kinds of jobs postal employees do every single day. “But this is a new era.

“We’ve seen the handwriting on the wall and it’s been electronic handwriting,” explained McHugh.

“We [Congress] have not reformed the postal laws that regulate and govern this $60+ billion industry in three decades and no business can operate under those kinds of restraints and restrictions,” McHugh said, referring to the present H.R. 22 bill.

McHugh, who appeared live from Capitol Hill in Washington, DC, told the mailers that his new reform bill, H.R. 22, is the key to continued success, affordable mail and universal delivery.
New MTAC publisher-designed program tracks tardy periodicals

Where can I log into PCTS?

The Periodicals Complaint Tracking System will be located on the Postal Service’s ADVANCE Website, but is separate and different. ADVANCE utilizes state-of-the-art technology to notify delivery units of time-sensitive mailings and monitors their performance in meeting the customer’s requested in-home delivery dates. The Periodicals Complaint Tracking System is designed specifically to handle individual subscriber delivery complaints.

POSTeCS continued from page 1

The basic $1.70 fee for POSTeCS includes the following standard features:

- delivery tracking,
- capability to import mail lists and
- set document expiration dates.

Customers may also add additional features including:

- encryption,
- password protection and
- the USPS Electronic Postmark.

The USPS Electronic Postmark, introduced earlier under the Postal Secure Services™ family of services, adds an additional level of security by providing date and time stamping and tamper detection for electronic messages. 

POSTeCS, built on Tumbleweed Communications Corp.’s Integrated Messaging Exchange™, is a cooperative venture of the U.S. Postal Service, La Poste of France, Canada Post Corporation, and the International Post Corporation, and has been extensively pilot tested. Based on the success of the pilot, Canada Post Corporation commercially launched the service last month and La Poste will be launching soon.
Perhaps it’s not a Web world after all. At least that’s what some online “etailer” startups are finding out. According to a recent article in The Industry Standard, the latest discovery for Net retailers who are scrambling to build a brand is “that merchandising throwback, the printed catalog.”

Yes, it’s true. Those ultra-hip dot.com companies are just now learning what many brick-and-mortar companies have known all along—the U.S. Postal Service’s direct mail is a sure way to introduce an online startup venture to home web surfers.

The Internet has certain advantages over the traditional catalogs: an unlimited amount of products can be offered and product selections can be changed or deleted at the click of a mouse. Additionally, advertising on the Internet is simpler than direct mail. There is no worrying about tedious details such as mailing lists and printing and postage costs.

On the flip side, however, etailers have found that transitioning today’s customer to a laptop screen is easier said than done. Most potential purchasers would still rather curl up with a catalog. Also, etailers have no way to market to their potential customers, since they don’t have e-mail “addresses,” only shipping addresses.

In a recent interview, Deputy Postmaster General John Nolan told the Dallas Morning News, “The Internet retailers were feeling the need to advertise on the Internet to make that channel work, and the resources to do that came out of their hard-copy budgets. We saw a drop that was noticeable in our advertising volume going into the holiday season.”

The magalog? Barking up a new tree?

Pets.com is using the latest advertising trick: the magalog. This is a clever blending of editorial content and limited product offerings. Pets.com CEO Julie Wainwright says its magalog has gotten a phenomenal response since its debut at Christmas. “We use it for brand leadership and a great way to communicate with our customer base.” Wainright says the publication pays for itself through advertising.

In its third quarter, Postal Service reports indicate that Standard Mail (A) volumes are again on the rise, having increased 4.8 percent over the same time last year; although they are not yet approaching the 8 to 9 percent range of the late 1990s.

Dot.com companies are seeing catalogs in a new light as an education and shopping tool, as well as an effective customer-acquisition mechanism, says The Industry Standard.

Nolan agrees, “The more dot.coms you have, the more they need to advertise, and direct mail is a very viable alternative. For example, AOL built its business on direct mail. That’s how everybody heard about AOL.”

While the catalog business is picking up, Nolan says, “We’re not naïve enough to think that people won’t figure out how to advertise better on the Net in the future, and that some portion of advertising volume could be at risk going down the line.”

The first commercial availability of the USPS Electronic Postmark (EPM) was inaugurated in a ceremony at the Smithsonian Institution’s National Postal Museum.

EPM is designed for e-mail subscribers who want a higher level of security for electronic messages. It will be available through participating e-mail providers as an add-on feature.

“The Electronic Postmark will give on-line communicators a little peace of mind and add a level of trust and security that Americans have come to expect from sending a regular hard-copy letter,” said Deputy Postmaster General John Nolan. Internet communications company PostX Corporation is the first e-mail service provider to offer EPM as an option on e-mail services.

The Postal Service’s Electronic Postmark is not a replacement e-mail service provider, but rather a feature that can be added to just about any e-mail, if the service provider chooses to add the EPM as an optional feature to its e-mail messaging services.
MEMO to MAILERS
JUNE 2000

The U.S. Postal Service signed an agreement with Wackenhut Courier Service to transport shipments of mail from Santiago, Chile, and other major markets in South America, to the U.S. for delivery through its Priority Mail system. Wackenhut will accept shipments in Chile, transport them to the U.S., and clear them through commercial customs. Then, they will enter the pieces into USPS's Priority Mail system for delivery. The agreement focuses attention on international business opportunities. It is the first step in establishing a global network of third-party providers for inbound shipments from foreign countries.

Wackenhut provides security-related services to business, industry and government. It employs over 11,000 people in Chile and has branch offices worldwide.

New surface postage rates for regular printed matter and small packets to Mexico, and for books and sheet music to all countries, except Canada, took effect on May 28, 2000. Prior to their being implemented, those new international rates were approved by the presidentially-appointed Board of Governors of the Postal Service, which has final regulatory authority in such matters.

“These rate adjustments better align revenues and costs,” said Jim Wade, vice president of the Postal Service’s International Business. “A very small volume of mail is affected.”

On May 28, new Priority Mail Global Guaranteed™ (PMGG) rates were also implemented. PMGG, which is a guaranteed day-certain international expedited service for documents with track and trace features, has now been expanded to include delivery to more than 200 countries and territories. New multiple rate groups based on weight and destination begin at $20 for a half-pound package sent to Canada and Mexico or to Singapore for $24. PMGG is offered through a strategic alliance between the U.S. Postal Service and DHL Worldwide Express and is available from more than 10,000 post offices. Check the website, www.pmgg.com, for more details.

See Postal Bulletin 22024, dated May 18, 2000, for additional details about these concurrent changes in International postage rates.

1 Mexico
Regular Printed Matter and Small Packets (Surface)

<table>
<thead>
<tr>
<th>Weight Not Over</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lb.</td>
<td>Oz.</td>
</tr>
<tr>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>0</td>
<td>15</td>
</tr>
<tr>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>0</td>
</tr>
</tbody>
</table>

Each additional pound or fraction of a pound $2.30

Note: Maximum weight is 4 pounds for small packets and 11 pounds for regular printed matter.

2 Books and Sheet Music (Surface)

<table>
<thead>
<tr>
<th>Weight Not Over (Lbs.)</th>
<th>Mexico</th>
<th>All Other Countries (Except Canada* &amp; Mexico)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2.26</td>
<td>2.24</td>
</tr>
<tr>
<td>2</td>
<td>3.94</td>
<td>3.97</td>
</tr>
<tr>
<td>3</td>
<td>5.38</td>
<td>5.35</td>
</tr>
<tr>
<td>4</td>
<td>6.82</td>
<td>6.73</td>
</tr>
<tr>
<td>5</td>
<td>8.26</td>
<td>8.11</td>
</tr>
<tr>
<td>6</td>
<td>9.70</td>
<td>9.49</td>
</tr>
<tr>
<td>7</td>
<td>11.14</td>
<td>10.87</td>
</tr>
<tr>
<td>8</td>
<td>12.58</td>
<td>12.25</td>
</tr>
<tr>
<td>9</td>
<td>14.02</td>
<td>13.63</td>
</tr>
<tr>
<td>10</td>
<td>15.46</td>
<td>15.01</td>
</tr>
<tr>
<td>11</td>
<td>16.90</td>
<td>16.39</td>
</tr>
</tbody>
</table>

*Canada’s rates are unchanged.

USPS establishes South American link

The U.S. Postal Service signed an agreement with Wackenhut Courier Service to transport shipments of mail from Santiago, Chile, and other major markets in South America, to the U.S. for delivery through its Priority Mail system. Wackenhut will accept shipments in Chile, transport them to the U.S., and clear them through commercial customs. Then, they will enter the pieces into USPS’s Priority Mail system for delivery. The agreement focuses attention on international business opportunities. It is the first step in establishing a global network of third-party providers for inbound shipments from foreign countries.

Wackenhut provides security-related services to business, industry and government. It employs over 11,000 people in Chile and has branch offices worldwide.
BEN FRANKLIN WOULD BE PROUD

The National Newspaper Association (NNA) awarded Postmaster Phil Layne of the Fort Mills, SC, Post Office with the group’s Benjamin Franklin Community Newspaper and Postal Partnership Award of Excellence. NNA members — community newspaper owners, publishers and editors — give the honor to the postal employee who best represents the spirit of first Postmaster General Benjamin Franklin.

HALF OF INTERNET USERS WANT FED PRIVACY REGS

Direct Newsline says that 47 percent of online households strongly agree that the government should regulate the use of personal information gathered online, according to research from Odyssey LP.

Another 35 percent agree at least somewhat with the concept. In addition, 59 percent strongly distrust the intention or ability of business to keep personal information confidential, regardless of the policies that may be in place.

The random national telephone survey also revealed that privacy and security concerns are paramount among users. Fifty-eight percent fear that their personal information is being stored on computers across the country, while 41 percent believe that those users who think Web sites are secure are deluding themselves.

Odyssey is based in San Francisco and researches the relationship between consumers and technology.

USPS’ GIBERT WINS ENVELOPE MANUFACTURERS’ AWARD

The Envelope Manufacturers Association awarded Pam Gibert, the U.S. Postal Service vice president for Retail, Consumer and Small Business, the 2000 John Henrich Nelson award for “providing inspiration and excellence in postal retail.”

Gibert’s office is responsible for developing new postal retail services and products, retail employee training, PC Postage, postage meter programs, electronic cash registers called point-of-service (POS) terminals, self-service equipment, stamps by mail and phone programs. In their introduction, the envelope manufacturers called her the “mother of the intelligent envelope.”

SPEAKING OF CUSTOMER SATISFACTION

The Wall Street Journal reported in mid-May that, “according to the American Customer Satisfaction Index, the U.S. Postal Service has seen its score improve 18 percent since the survey began more than five years ago, a greater increase than any company included in the first-quarter results for 2000. The USPS rose 1.4 percent to a score of 72, compared with the previous year.” “If you look at what they’ve been doing over the past couple years, they’ve really moved up in the quality of their services,” says Peter Coleman, senior analyst for Bank of America Securities.

FOR A DIFFERENT VACATION, ATTEND WORLD STAMP EXPO

For a unique history-enriching experience this summer, plan on attending the Postal Service’s World Stamp Expo 2000 from July 7-July 16, at the Anaheim Convention Center in California.

P

Postal Study Participants Aid Cancer Foundation

Participants in the Postal Service’s annual Household Diary Study receive $25 in return for completing the study. Now they can choose instead to help people manage and survive cancer by electing to donate their $25 to the Lance Armstrong Foundation.

So far, about 27 percent of participants — who keep track of all of the mail coming into and going out of their homes for one week — are choosing this option. Recently Dr. Carlos Arce, president of the company conducting the research, Nustats Research & Consulting (middle right), presented a check for $22,590 to Jeff Garvey, chairman of the Lance Armstrong Foundation (far right), Gail Sonnenberg, senior vice president for Sales for the Postal Service (far left) and Lance Armstrong, the Postal Service’s TEAM USA 1999 winner of the Tour de France.

USPS’ GIBERT WINS ENVELOPE MANUFACTURERS’ AWARD

The Envelope Manufacturers Association awarded Pam Gibert, the U.S. Postal Service vice president for Retail, Consumer and Small Business, the 2000 John Henrich Nelson award for “providing inspiration and excellence in postal retail.”

Gibert’s office is responsible for developing new postal retail services and products, retail employee training, PC Postage, postage meter programs, electronic cash registers called point-of-service (POS) terminals, self-service equipment, stamps by mail and phone programs. In their introduction, the envelope manufacturers called her the “mother of the intelligent envelope.”

SPEAKING OF CUSTOMER SATISFACTION

The Wall Street Journal reported in mid-May that, “according to the American Customer Satisfaction Index, the U.S. Postal Service has seen its score improve 18 percent since the survey began more than five years ago, a greater increase than any company included in the first-quarter results for 2000. The USPS rose 1.4 percent to a score of 72, compared with the previous year.” “If you look at what they’ve been doing over the past couple years, they’ve really moved up in the quality of their services,” says Peter Coleman, senior analyst for Bank of America Securities.

FOR A DIFFERENT VACATION, ATTEND WORLD STAMP EXPO

For a unique history-enriching experience this summer, plan on attending the Postal Service’s World Stamp Expo 2000 from July 7-July 16, at the Anaheim Convention Center in California.
Want to feel like a freshman again? why not take BUSINESS MAIL 101?

Do you want to save even more money when you mail? Check out Business Mail 101, Smart Choices for Beginning Mailers.

This new Internet application is a perfect starting point for new business mailers that brings together basic information from various postal sources. “It’s a great addition to our Postal Service Website, www.usps.com,” says Sherry Suggs, manager of Mail Preparation and Standards.

Modeled after the popular business mail seminars, Business Mail 101 walks customers through all of the critical decision points in making a mailing:

- Can I get a discount if I mail a lot of the same type of packages?
- Should I be using “Priority Mail” or “Express Mail” for fast service?
- How do I get a permit?
- Do I qualify for nonprofit rates?
- How do I fill out a postage statement?
- What special services are available?

One great feature of the site is the ability to search just the Business Mail 101 site. “Type in a word or phrase,” says Suggs, “and you get ‘smart results,’ or a concise description of the content, not just the first few words of an article that makes you wonder if it’s what you really need.”

The site also has interactive “decision trees” that ask a few basic questions about what you want to mail. Business Mail 101 then quickly guides you to options and links that are customized just for you. The cost analysis feature helps individual mailers decide if bulk mail is right for them.

As good as it is, this is only phase one. “Enhancements with even more interaction are in the works right now,” adds Marketing Specialist Anne Emmerth. “Our goal is to let customers do as much as they can right from their desktops.” So access it at www.usps.com, then click on “Business,” then either “Mail or Ship” or “Get Info.”