

the Communicator

Baltimore Postal Customer Council

Spring 2007 Volume 6.9

Fall PCC Meeting Another Success



The US Marines landed again at this year's PCC fall meeting and here are two of our nation's finest standing guard over the more than \$400.00 worth of toys donated to and bought by the Baltimore PCC. Joined with the Marines is Judith Antisdale of Antisdale & Associates Inc., and Matthew Staley, Manager of Loch Raven and Towson Finance USPS Branch Offices.

The fall meeting of the Baltimore Postal Customer Council was held on Friday December 1, 2006 and what a day it was! 145 people attended and no one was disappointed. Culinary delights ranging from the raw oyster & clam bar, around to the pit beef, ham & turkey table, back around to the full buffet of salads and deserts. Not to mention a variety of beverages to quench any thirst.

More importantly it was another great opportunity to greet some old friends and meet some new ones and be brought up to speed on mailing matters. Association and communication are the meat of the PCC so it was only fitting that the keynote speaker of the day was Mr. Lewis Johnson, National PCC Program Manager, who outlined the key objectives

of the National PCC, which you will find inside this edition.

USPS co-chair Michael Harlow, Postmaster of Baltimore advised the meeting that PMG Jack Potter extended his regrets for not being in attendance. It was originally scheduled that Mr. Potter would be in attendance but important matters in Washington precluded his appearance. Mr. Harlow thanked everyone for all that they do for the PCC



A look at some of the many toys that were donated and bought by the Baltimore Postal Customer Council for the Toys for Tots campaign 2006.

Industry co-chair Charlie Howard thanked everyone for attending and rendered a special thanks to the Baltimore PCC Executive Board members who organized and spent their time and talent to put together one of our best meetings ever.

In case you missed it, Judith Antisdale MC'd another great game show. This year it was a spin off of "Deal or No Deal". Last year it was "Jeopardy". Next year? Only Judy knows.

Upcoming Training

in the Baltimore District

The Baltimore District will be conducting customer training sessions on a monthly basis for the year 2007. Training will be 2 hours in duration from 10 am – 12 noon on the dates below. Instruction will be held at the main post office in room # 401. Parking will be available on the customer parking lot. Carpooling is encouraged. Please register for the classes by calling 410-347-4436 between 9:00 am and 5:00 pm and provide company name, contact person, telephone number and number of attendees.

Customer Training Schedule – 2007

- March 13 Standard Mail Preparation
- April 24 Nonprofit Stand Mail
- May 22 First Class & Standard Mail Eligibility
- June 19 MERLIN
- July 17 PostalOne
- August 14 Perfect Bundle
- September 11 Standard Mail Preparation
- October 23 Nonprofit Standard Mail
- November 20 Periodicals Eligibility
- December 18 MERLIN



Events

NPF

March 25-28, 2007, Washington DC

PCC Education Seminar

April 27, 2007, Baltimore, MD

Baltimore PCC Education Committee

by Jim Barlow, Mail Systems Management Consultants,
Education Committee Chairperson

Upcoming Education Activities

Well, it's that time again. Everyone is waiting for the mailer's education event of the year. Yes, it's the BPCCC Annual Mailer's Education Seminar and Business Expo on April 27th. And you thought it was the National Postal Forum. No, this is better and it's designed for OUR membership.

This one day event is filled with exciting education opportunities with the latest mail related topics, Vendor booths and great food. Our keynote speaker for this education filled day U. S. Postal Service's Vice President of Customer Service, Susan Plonkey. She is responsible for improving customer service and customer relationships and developing new marketing opportunities. M's Plonkey oversees Retail Marketing, Business Mail Acceptance, the Business Service Network, Market Development, Customer Relationship Management, Licensing Strategies, and Customer and Industry Marketing. Customer and Industry Marketing includes the National Postal Forum (NPF), Postal Customer Councils (PCCs), tradeshows and promotions, and the Mailers Technical Advisory Committee (MTAC). While maintaining her responsibility for customer liaison activities for the PCCs, NPF and MTAC, M's Plonkey also focuses on innovative marketing strategies to

help sustain the Postal Service's ability to serve its customers and compete in a technology-driven environment. These are all key areas that are vitally important to our relationship as customers to the US Postal Service. As a key Postal Official, it will be very interesting to find out what Susan Plonkey has to say about our relationship and what we can expect in the future, especially with the dynamic changes taking place in the USPS and the mailing industry.

The 2007 BPCCC Education Seminar and Business Expo is crammed full of information and presented in nine sessions plus a SUPPER SESSION as follows:

- Mail Piece Design and MQC
- Intelligent Mail/Four State Barcode
- Advertising and Direct Mail/Core/
New Products
- Demographics of the Mail
- Presorted Standard Mail and Flats
- Address Management/Ancillary
Endorsement/NCOA
- Mail Security/Identity Theft
- Postal One/Postage Statement Wizard
- Selecting for Success -
Vendor/Evaluation

SUPPER SESSION - 2007 RATE CASE...DON'T MISS THIS ONE!

The 2007 Rate Case is expected to be implemented in May, 2007. It is not just an increase in Postal rates but also changes in classification and mail make-up with a new emphasis on mail piece size and weight in order to move more mail into the efficient US Postal automation processes. Understanding these changes will be critical to saving postage costs in 2007 and beyond.

Make plans now to attend this informative and educational seminar to gain the latest and best information critical to growing your revenue and maintaining a more efficiently mail operation. **PCC Members registering before March 30, 2007, will pay only \$60.00! The cost for PCC members after the March 30, 2007, deadline will be \$75.00. Cost for Non PCC Members is \$85.00. However, join the PCC before March 30, 2007, and pay only \$60.00! That's a savings of \$25.00. To join, please visit our website at www.baltimorepcc.com; Download and complete our membership application and send it in with your registration form today.** The seminar fee includes workshop sessions, continental breakfast (beginning at 8:00 a.m.) and lunch. For more information go to our website, click on the date and "Show More Details."

If you just need a Registration Form, see below.

RESERVATION FORM

Mailer's Education Seminar, Friday, April 27, 2007, at 8:00 a.m.

COMPANY: _____

ADDRESS: _____

PHONE: _____

NAMES OF ATTENDEES: 1) _____ 2) _____

3) _____ 4) _____

Please return this form with your check payable to PCC no later than March 30, 2007 to:

ANGELA Y. BROWN
MARKETING DEPARTMENT/PCC SEMINAR
900 E FAYETTE ST ROOM 508, BALTIMORE MD 21233-9996

Tickets, directions, and parking information will be mailed upon receipt of registration.

Other Educational Opportunities

The Baltimore District will be offering customer training sessions on a monthly basis for the year 2007. Training will be conducted by John Gibson, Manager of Business Mail Entry and his staff and will be 2 hours in duration from 10:00 am – 12:00 noon on the dates listed below. Instruction will be at the main Post office, 900 E. Fayette St., Rm #401, Baltimore, MD 21233. Parking will be available on the customer parking lot. Carpooling is encouraged. Please register for the following classes by calling (410)347-4436 between 9:00am and 5:00pm and providing company name, contact person, telephone number and number of attendees.

Customer Training Schedule – 2007

- Jan 16 Postage Statement Wizard
- Feb 13 Postage Statement Wizard
- Mar 13 STD Mail Preparation
- Apr 24 Nonprofit STD Mail
- May 22 1st Class & STD Mail Eligibility
- Jun 19 MERLIN
- Jul 17 PostalOne!
- Aug 14 Perfect Bundle
- Sept 11 STD Mail Preparation
- Oct 23 Nonprofit STD Mail
- Nov 20 Periodicals Eligibility
- Dec 18 MERLIN

The Baltimore District remains committed to providing excellent service to their customers.

These are all worthwhile and essential to understanding these critical areas to save postage dollars for you and your customers.

The Education Committee strives to provide education opportunities for the Baltimore PCC members in partnership with the US Postal Service. Education events facilitate the exchange of ideas about new and existing Postal Services products, programs, services and regulations that affect all businesses that use the mail. Please check our website www.baltimorepcc.com for "Upcoming Events." Please let us know if you have any ideas about possible future Education Seminar sessions or events for our planning process such as, tours of local commercial mailers, printers and mail center operations. You can reach me at jamesbarlow@comcast.net or call 410-321-8821.

Your Baltimore Postal Customer Service – Moving forward

by Charley Howard



USPS was well represented at the PCC Fall Meeting at Martins East

We are changing the dues structure of the BPCC to more reflect Company involvement and to recognize the need to support those events we have for the membership to further knowledge and interaction with both the industry and postal officials.

We are creating a new category of BPCC Partners. These new partners of the BPCC will be providing a foundation of funds to help your PCC provide the events we need to be sure you are up to date on everything postal. In addition we will be seeking sponsors of specific events or costs. An example would be the cost of this newsletter. Another would be if we provide an outing to the Postal Engineering and Research facility in Merrifield, VA the cost of the required buses.

Each Partner and Sponsor will be duly recognized and receive other benefits. These will be outlined in the coming "dues" letter for year 2007.

It is becoming increasingly more difficult to even come close to breaking even on the events we host and rather than raise the rates for attending these events we are seeking base, or item, funding. This is how most of the major market PCCs handles these costs. We have been able to delay doing this due to heavy sponsorship we received for hosting the 1985 NPF held in Baltimore. Well, those funds are finally depleted and we need to move to the next level of cost coverage.

We are managing the costs and you may see events held in other sites in the coming years due to the effort to contain costs.

We feel the new dues structure is more fair and equitable to all members and allows organizations to have as many representatives as they are willing to pay for. And, yes, there are "volume" discounts for this.

We of the BPCC really need your support and your participation. 2007 and 2008 promise to be very busy challenging postal years for all involved and you need to be on top of the developments and part of the solutions that arise from these issues.

We look forward to your further involvement with your PCC.

National PCC Program Manager – Keynote Speaker



Mr. Lewis Johnson, guest speaker is shown here receiving a gift from from our two co-chairs, Baltimore Postmaster Michael Harlow and Charlie Howard.

You can tell that the national PCC is on the move and under management of Mr. Johnson there are many positive initiatives on the horizon. The Baltimore PCC thanks Mr. Johnson for taking time out of his busy schedule to visit with us and share his vision for the future of the PCC, which are outlined below.

- New PCC electronic newsletter "PCC Insider" was launched in October, 2006. Remember, you have to register for this publication at the national PCC website.
- Workshops in a box. Thirteen workshops are available to local PCC's with a wide range of subjects.
- The new rate case will soon be released on DVD.
- PC Leadership Conference will be introduced at the NPF in March. This will include workshops and professional certifications.
- An Industry Speakers Bureau is in the works.
- Small Business Resource Guide which illustrates products and services to rolled out in December, 2006.
- Developing a partnership with the National Black Chamber of Commerce to identify 20 or 30 local chapters and match them up to local PCC's.
- National PCC website to be at the forefront as a primary source for real time PCC info.
- PCC Advisory Committee comprised of USPS and industry reps to conduct focus groups and provide oversight to PCC's.
- National PCC survey to find out what is important.

Meet Our New Acting Postmaster



William L. Ridenour
Baltimore Post Office

William (Bill) Ridenour, a native of Baltimore, began his Postal career as a Letter Carrier at Hamilton Station, Baltimore Post Office in 1980. After serving five years as a carrier his career progressed rapidly. He was promoted to Supervisor, Delivery and Collections in 1985. In 1986 he was promoted to Delivery Analyst and in 1987 he was again promot-

ed to Superintendent of Collections. In 1988 he became Manager of the Catonsville Branch, Baltimore Post Office and in 1989 became a Postmaster; first at Aberdeen, MD and then Pasadena, MD. He became Officer in Charge (OIC) of Ellicott City, MD 1992 and in 1993 was promoted to Manager, Post Office Operations for the 210/211 ZIP Code area. He served as the Acting Postmaster of the Baltimore Post Office, in an Executive Detail from April 2004 through October 2004. He has served as OIC and Postmaster of Alexandria, Virginia Post Office since August 2005. On January 1, 2007, he became the Acting Postmaster of Baltimore.

Ridenour graduated from Archbishop Curley High School in Baltimore and attended Essex Community College and the University of Maryland. He holds both an ASM in Management and a BS in Business Administration from Thomas Edison State College. He has been married to his wife Anna for twenty three years, and is the proud father of one grown daughter. Ridenour proudly served his country in the United States Navy from 1974-1979



What a great crowd and everyone had a wonderful time



There were plenty of vendors with state of the art equipment



Judy Antidel show here with the microphone leading the USPS contingent in the "Deal Or No Deal Game." Maybe the USPS should consider changing their uniform color to red. They are looking pretty sharp.

There is Indeed Postal Reform

By Charley Howard

Just when the nails were being hammered into the coffin for Postal Reform the lame duck congress passes the reform with very few changes on the last day. In addition the President signed this bill as the Administration was part and party to the compromise.

Now that we will actually have postal reform – what does that mean to all of us in the mailing industry?

First, the Postal Rate Commission is renamed the Postal Regulatory Commission. The new PRC then has 18 months from the date of enactment to establish a "modern" system for regulating rates and classes for market dominant products. Basically, these are all the products that are not "expedited". That means we should have a slightly different USPS around June 2008, coincident with the first installation of the Flat Sequencing Sorter.

Also tied to this date are "modern" service standards. Within 12 months from enactment the USPS, working with the PRC, is to establish a set of service standards for all market dominant products. Key objectives of the standards to be developed are:

- Enhance and preserve the value of postal services to senders and recipients and to
- Provide a system of objective external performance measurements for each market-dominant product; to reasonably assure customers delivery reliability, speed and frequency consistent with reasonable rates and best business practices.

Then, within 6 months the USPS is required to submit to Congress a plan for meeting those standards. The plan is to be very encompassing including the Postal Service's long term "vision" for rationalizing infrastructure and workforce.

What about postage rates?

This can get a little scary in that the PRC could start from scratch in determining rates and rate relationships. The PRC is supposed to consider the value of mail service provided by each class and that each class bears the direct and indirect postal costs attributable to each class plus overhead costs of the USPS. First and foremost is that the rates "be fair and reasonable." Given that this PRC will just be completing a current rate case filing there may not be any surprises to be concerned about.

Caps to rate increases are included in the language of the bill that basically relate to the Consumer Price Index. This seems reasonable, but there are two exceptions that need mention. First is the exigency area where the USPS may exceed the CPI due to extraordinary or exceptional circumstances. There are operating rules controlling this situation and it is meant to protect the USPS if for example fuel rates sky-rocket well beyond inflation. The other comes from the White House and it muddies the waters as regards predictable rate increases. This is the Banking Provision. The general idea behind banking is that if the USPS seeks a rate increase below the CPI they may bank the difference for use in a future rate case – by class of mail!

Let's say that in 2008 the USPS asks for a 2% rate increase for Standard Mail and the CPI is 5%. The USPS can then hold the unused 3% for a future rate case say where the CPI is 2% and the USPS wants 5%. This

may be good in the eyes of postal management but it will make it difficult to predict when this banked unused CPI will be employed.

Worksharing is preserved in the bills with the proviso that they not exceed the cost that is avoided by the USPS. What immediately comes to mind are the 3-Digit and 5-Digit Letter Automation discounts for Standard Mail which currently are at 200% and 150% of costs today. It is felt that the PRC will not correct this in the current rate case before it as this would make ECR-Basic more attractive than automated and that is not a good thing.

Worksharing discounts can exceed postal costs if the discounts are associated with a new postal service or is a new incentive. In addition, the discount may exceed the costs if it is deemed necessary to influence mailer behavior to drive use of more efficient automated postal processing services as well as the current idea of avoiding rate shock. However, the "overage" of the discount will have to be phased out over a limited time.

Negotiated Service Agreements are not specifically addressed in the bills. However, they include factors that the PRC is to take into account that appear to promote the idea of NSAs. These are the desirability of special classifications for both postal users and the Postal Service in accordance with the policies of this new legislation, including agreements between the Postal Service and postal users, when available on public and reasonable terms to similarly situated mailers that either:

- improve the net financial position of the Postal Service through reducing Postal Service costs or increasing the overall contribution to the institutional cost of the Postal Service; or
- enhance the performance of mail preparation, processing, transportation or other functions; and do not cause unreasonable harm to the marketplace.

I think it safe to assume current NSA's will remain in force and there will be opportunities for new ones; perhaps mail service provider agreements.

So, what does "this" Postal Reform do for rate cases?

First, I believe the USPS will go to annual rate cases and this means that on average they will reasonably reflect CPI.

Postal Reform will not impact the current rate case. There is at least 18 months till postal reform will be in effect and I seriously doubt that the USPS will hold off to file their next rate case till then. There is a strong need within the USPS to further differentiate the rates by shape. The impact of Standard Mail flats on carrier street time is huge and I expect we'll see another rate increase soon requested by the USPS similar to the one in the current rate case of roughly 12.5% before postal reform is implemented. I believe further increases to parcels will ensue as well. I think there would be an urgency to get these differences in-place before reform is implemented so that there would not be any concern about being "locked-in" to current rate relationships. I originally felt that the USPS will file shortly after the implementation of R'06 which is currently set to happen 5/6/2007. However, current thinking is for the end of 2007. The projected implementation of a subsequent rate case filed late 2007 would be likely January 2009.

The issue of resolving the escrows and military retirement costs basically assures rates are based on operational costs of the USPS and not extraneous federal burdens. This was the "show me the money" aspect of Postal Reform. I do not think the USPS could breakeven if restricted to CPI and still had to bare these unwarranted costs.

The next 18 months should be interesting to say the least.

An Award Well Deserved



A special surprise award was presented to Lisa Kline by Baltimore PCC co-chairs Michael Harlow and Charlie Howard for her outstanding service, untiring dedication and commitment to the Baltimore PCC. An award that Lisa was certainly worthy of, as she has been

an active contributing member of the Baltimore PCC for six years. Lisa is also very active in her personal life as well, as she balances daily activities between her husband, her daughter, four dogs and one cat. Lisa is quoted as saying "I have been in the mailing industry for twenty years, and really enjoy the opportunity to work with and assist other companies in the mailing industry. I am currently employed at CAC Direct. Other than that, I am really boring". The PCC executive board will undoubtedly take exception to her quote as we have found Lisa to be anything but boring and we offer hearty congratulations for her well deserved award.



Francine Moore (standing), Eloise Jackson and Dee Sanders of the USPS hosted the reception desk at the fall meeting and reflected the festive mood with their red dresses.



Everyone was anxious to have their picture taken with our United States Marines.

Express Mail Open and Distribute and Priority Mail Open and Distribute

Effective February 1, 2007, we will implement two new mailing options, Express Mail Open and Distribute™ and Priority Mail Open and Distribute in 705.16 of the Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM). Express Mail Open and Distribute and Priority Mail Open and Distribute replace Express Mail and Priority Mail Drop Shipment. Our revised standards, newly developed address labels, and USPS tags will enhance the Postal Service™'s ability to provide mailers with expedited service to destination delivery units or other processing facilities.

The Express Mail Open and Distribute and Priority Mail Open and Distribute options provide alternatives to mailer-transported drop shipments for mailers who want to expedite mailings of other classes of mail to destination postal facilities. Mailers may use Express Mail Open and Distribute or Priority Mail Open and Distribute for all or part of a mailing. Mailers prepare mailings according to standards for the enclosed class of mail and present the mailings to the postal acceptance unit for USPS shipment in containers as either Express Mail or Priority Mail. Mailers should contact acceptance offices in advance regarding critical entry times.

We eliminated the previous standards for mailings with postage-affixed contents that required advance notice and special authorizations, since there are no similar requirements for mailer-transported shipments and no operational reason to retain those requirements. We encourage the use of the electronic option for Delivery Confirmation for Priority Mail Open and Distribute containers, and we may require it in the future. Mailers who want access to delivery or service performance data for their Priority Mail Open and Distribute shipments will use the electronic option for Delivery Confirmation on address labels for Priority Mail containers, in accordance with requirements in Publication 91, Confirmation Services Technical Guide. As a reminder, the destination facility ZIP used in Delivery Confirmation electronic file records is validated by using the Drop Shipment Address File available at the USPS FAST Web site at <https://fast.usps.com>.

USPS will incorporate this revision into the next printed version of the DMM and into the monthly update of the online DMM available via Postal Explorer® at <http://pe.usps.com>.

How the Proposed Changes to First-Class Mail May Apply to Your Mail

The USPS has proposed separate First-Class Mail rate categories for the different mail shapes: letters, flats, and parcels. The post-card rate category would also be retained. The following information is provided to better explain how the proposed prices may apply to the mail shapes you currently use, and assist you in making decisions to reconfigure your mailpieces to take advantage of the price structure.

Currently, First-Class Mail prices (over 1-ounce) do not distinguish between letters, flats, and parcels. The single-piece price is 63 cents to mail a 2-ounce letter, a 2-ounce flat, and a 2-ounce parcel. Our proposed prices recognize that each of these mail shapes has different processing costs and, therefore, should have different prices.

The proposal creates an adjustable rate system that provides you opportunities to obtain lower rates as you find ways to reconfigure mailpiece contents into mail shapes that reduce postal processing costs and decrease your material costs. For example, if the contents in a flat-size piece can be folded and placed in a letter-size envelope, you can reduce the postage by as much as 20 cents per piece. If the contents of a parcel can be configured as a flat-size piece, you could save 36 cents. Emphasizing shape allows us to reduce the rate for the additional ounce(s). For letters over one ounce, the new prices are actually lower than today's prices.

Size isn't the only factor to consider — but also the physical characteristics of letter-size and flat-size pieces. Under the proposal, certain letter-size pieces may not be eligible for the proposed prices for letters due to aspect ratio, nonmachinable characteristics, or weight (keep in mind, the weight limit for all letters would be 3.5 ounces). If flat-size pieces are not rectangular in shape, or rigid, they may be subject to parcel rates. Letters and flats that are automation-compatible and bear an appropri-

ate POSTNET barcode would continue to be eligible for automation rates.

Here are the elements that would subject letters to the rates for flats, followed by a breakdown illustrating First-Class Mail card rate, letter-size, and flat-size parameters:

Regardless of weight, a letter-size piece is considered non-machinable and would be subject to the rates for flats if it has one or more of the following characteristics.

- Weighs more than 3.5 ounces.
- An aspect ratio (length divided by height) of less than 1.3 or more than 2.5.
- Measures more than 4-1/4 inches high, or 6 inches long, and thickness is less than 0.009 inch.
- Pieces which are rigid or contain odd-shaped contents such as a pen, loose key(s), coins, or tokens that cause the thickness to be uneven (nonuniform).
- Is polybagged, polywrapped, or enclosed in any plastic material.
- Clasps, strings, buttons, or similar closure devices.
- Self-mailer with a folded edge perpendicular to the address and is not folded and secured (e.g., tabbed).
- Booklet with the bound edge (spine) along the top of the piece (length) or along the shorter dimension and is not secured (tabbed).

Any mailpiece that does not fit within the physical criteria for letter-size, or flat-size, is a "parcel," and is therefore subject to parcel prices. Under the proposal, presorted mailings subject to parcel rates that do not bear a (5-digit) UCC/EAN Code 128 barcode would incur a 5 cent surcharge, in addition to the postage. A summary by class of mail and complete current and proposed prices can be found in the May/June 2006 Mailers Companion, and at usps.com/ratecase.

A few more pictures for your viewing pleasure





Baltimore PCC
Box 1010
Baltimore, MD 21203

PRSR STD
POSTAGE & FEES PAID
USPS
PERMIT NO. G-10

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