

MEMO to MAILERS

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PMG TO SPRING 2000 NATIONAL POSTAL FORUM

AFFORDABILITY, GROWTH, REFORM ARE ESSENTIAL

Keeping the mail affordable, growing the mailing industry and reforming the regulatory environment are necessary to keep mail powerful, significant and relevant.

That's what Postmaster General (PMG) William J. Henderson said in opening remarks at the National Postal Forum, held at Opryland Hotel in Nashville, March 19–22. The National Postal Forums are held twice a year and provide mailing professionals with ongoing education and training in the rapidly changing industry.

The 7,000 attendees heard Henderson's remarks at the official opening of the Forum, which offered over 120 educational and business sessions; discussions with top

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DON'T MISS

NATIONAL PCC DAY—MAY 18

Tune in, turn on ... and follow the bright (camera) lights to Providence for the National Postal Customer Council (PCC) Day satellite telecast, May 18, at 1 p.m., EDT.

All across the nation PCCs will simultaneously watch Postmaster General William Henderson discuss "live" the future of the USPS; Congressman John McHugh talk about the status of legislative reform and H.R.#22, The Postal Modernization Act; and Chief Postal Inspector Ken Weaver explain mail fraud avoidance tips.

Up to 50 lucky PCCs will have a Postal Service Vice President in attendance, who will be available for a later Q&A session. So reserve your seat now and call your local PCC representative or your local Postal Service representative for time and location.



CheckFree CEO Pete Kight (left) and Output Technology Solutions CEO Randy Lintecum watch Postmaster General William Henderson (right) demonstrate how easy it is to sign up for *USPS™ eBillPay*. The service is free for the first six months and after which two service plans are offered.

The U.S. Postal Service invites all of its customers to try its newest online service—*USPS™ eBillPay*—for a six-month free trial period. The Postal Service's *eBillPay* service offers one central, secure Internet site for bill-paying transactions.

USPS™ eBillPay customers will be able to electronically pay virtually any company or individual from his or her bank account. If a company or individual cannot receive electronic payments, a physical check will be created and mailed. *USPS™ eBillPay* can be accessed through the Postal Service's Website, www.usps.com.

In addition, customers can electronically view their bills from nearly 100 leading companies such as AT&T Consumer Long Distance, MCI WorldCom, Sprint Long Distance, GTE, BellSouth, Qwest Residential, Countrywide Home Loan, Homeside Lending, Amoco Oil, Florida Power and Light, and other regional telecom-

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“I don’t want to be flippant about this, but you’re either with us or against yourselves.

Our futures, our successes are that entwined.”

William J. Henderson
Postmaster General

postal executives and industry leaders; an exhibit hall with over 180 companies displaying the latest in mailing industry technology, products and services; and much, much more.

Henderson said the Postal Service has “already driven billions of dollars of cost out of the system” and that postal expenses will be reduced by at least \$4 billion by 2004, in addition to the billion cut last year. Savings will come from many places, he said, including a reduction in the career workforce

of at least 20,000 jobs—roughly equivalent to the total number of postal workers in the states of Tennessee and Rhode Island combined—through attrition.

But “cost-cutting alone will not secure our future,” said Henderson, adding that the Postal Service must “create new business models, new products and new streams of revenue to ensure that the mailing industry grows.”

The PMG told the group the Postal Service would help them grow their industries by strengthening core products and putting the new technologies of eCommerce to work. “Electronic postmarks, bill presentment and payment, and electronic mailboxes for those who want them ... are services that enhance our core products, keeping mail—and the mailing industry—relevant, reliable and vital,” he said.

As for regulatory reform, Henderson counted Canada, Germany, the Netherlands, Sweden, New Zealand and Australia as countries where commercial freedoms allow “postal services to aggressively come to terms with new business environments. They’re free to invest,

able to enter into forward-looking pacts with labor and encouraged to seek out partnerships, alliances and new markets.”

Henderson told the group that the Postal Service has an aggressive plan for tackling the challenges faced and that “I don’t want to be flippant about this, but you’re either with us or against yourselves. Our futures, our successes are that entwined.” On Tuesday, a panel of industry experts discussed the importance of marketing strategies in the multi-cultural arena and of making use of the strength of diversity in companies’ own workforces. “America is turning brown before our very eyes,” said Lafayette Jones, president and CEO, Segment Marketing Services, a marketing and publishing company that serves *Fortune* 100 companies. “In 1990, the Census said about 25 percent of the U.S. population was African American, Latino and Asian. By the middle of the century, 51 or 52 percent will be.”

“On Demand” video of all Spring Postal Forum general sessions can be accessed until mid-May at www.usps.com. ■

“Markets of the Future” featured a panel discussion about the changing face of America. Pictured from left to right: Rafael Saldaña, Fingerhut; Brett Savage, U.S. Postal Service; Eliot Kang, Kang & Lee Advertising; Mildred Recio, PRTL, GTE International; Lafayette Jones, Segment Marketing Services; John Nolan, U.S. Postal Service; Gary Berman, The Market Segment Group; and moderator Giselle Fernandez.



THE 2000 USPS SOCIAL AWARENESS AWARD

BRINGING MISSING KIDS HOME

ADVO honored for reuniting families

"The tragedy of not knowing where your children are is very high on the list of sorrows life can bring. We thank you for helping end that sorrow."

That touching remark came from Ron Elchin, a father whose three missing children were returned to him with the help of the power of the mail. And for harnessing that power, ADVO, Inc., received the Postal Service's Social Awareness Award, presented March 22 at the National Postal Forum.

The award honors companies that use the mail and work closely with the U.S. Postal Service to increase awareness of an important social issue. Since 1985, ADVO has distributed pictures of missing children weekly to about 60 million households nationwide as part of its "America's Looking for its Missing Children" program, in conjunction with the National Center for Missing and Exploited Children (NCSEC). Ninety-eight children—about one in every six featured—have been recovered and safely returned.

"As the nation's largest direct mail marketer, we know that Americans pay attention to the messages they receive in their mail," said Vincent Giuliano, senior vice president of Govern-

ment Relations at ADVO, who accepted the award with ADVO Chairman and CEO Gary M. Mulloy. "The public's response to our direct mail cards has proven that."

Elchin's children were abducted from their Maryland home by their non-custodial mother and had been missing for almost a year. When a photo of Elchin's ex-wife and son Jeffrey was featured on an ADVO card, an anonymous tipster quickly called the toll-free number on the card, 1-800-THE-LOST, and provided an exact address in Florida where the children were found. ■



Ernie Allen (right), president and CEO, National Center for Missing and Exploited Children, happily poses with (clockwise from top) Ron, Jennifer, Wesley and Jeffrey Elchin at the National Postal Forum. The Elchin children—plus 95 others—have been reunited with their families through ADVO's program.



ADVO Senior Vice President of Government Relations Vincent Giuliano (left) accepted the award with ADVO Chairman and CEO Gary M. Mulloy.

USPS™ eBillPay continued from page 1

munications, utilities and cable providers.

The Postal Service is partnering with CheckFree Corporation and YourAccounts.Com, the eCommerce division of Output Technology Solutions, to provide *USPS™eBillPay*.

HOW IT WORKS

■ To get started, customers simply click the *USPS™eBillPay* button on the Postal Service home page at www.usps.com to enroll in the service.

■ *USPS™eBillPay* customers

then select the companies whose bills they want to receive online.

- Participating *USPS™eBillPay* customers then view and pay the bills online, sending the payment electronically, at their convenience.
- Customers have the option of specifying the exact payment date. They can also electronically pay billers who do not send eBills, creating a "Pay Everyone" service.

COST

■ New customers get to use *USPS™eBillPay* free for the

first six months after enrolling. After that, there are two service plans: "Pay Everyone," which includes 20 payments for \$6.00/month plus 40 cents for each additional payment; and "Pay As You Go" for \$2.00/month plus 40 cents for each payment. Both plans offer the same functionality for receiving and paying bills.

- The Postal Service will also work with CheckFree and YourAccounts.Com to help billers prepare and distribute their bills online. ■

CONGRATULATIONS

NATIONAL POSTAL FORUM 2000 Award Winners!



Social Awareness

ADVO, Inc.
Windsor, CT

Partnership for Progress

Thomas Lynn Chandley
Senior Director
Affiliate Operations, USPS Affairs
Total System Services, Inc.
Columbus, GA

Ernie D'Angelo

Senior Vice President
Administrative Services
Prudential Insurance Co. of America
Newark, NJ

Earl G. Graves

Chairman and CEO
Earl G. Graves Limited
New York, NY

Floyd Hall

Chairman, President and CEO
Kmart Corp.
Troy, MI

Patrick J. Woods

Assistant Vice President for Print
Management and Network Services
New York Life Insurance Co.
Lebanon, NJ

Industry Excellence

Colleges and Universities

Louis R. Eichler
Director, Central Mail System
The University of Iowa
Iowa City, IA

Executive Excellence

Thomas W. Lemke
Vice President, Database Marketing
Kmart Corp
Troy, MI

Government

Al Davidson
Marion County Clerk
Marion County Elections
Salem, Oregon

International Marketing

John Goodrich
Global Transportation Manager
Lands' End, Inc.
Dodgeville, WI

Multicultural Marketing

Mildred Recio
Director and General Manager, PRTL
GTE International
San Juan, PR

Rafael Saldaña

Vice President and General Manager
Hispanic Business
Fingerhut Companies
Minnnetonka, MN

Retail Postage Technology

Salim Kara
Founder
E-Stamp Corporation
Houston, TX

Technology

Joe Lubenow
Vice President, Postal Affairs
Experian
Schaumburg, IL

International Mailing Industry Leadership

Lands' End

John Goodrich
Global Transportation Manager
Dodgeville, WI

Mailing Industry Leadership

ACS (Affiliated Computer Services)

Robert Cornelius
Vice President and General Manager
Communications Industry Services Data
Dallas, TX

Deere & Company

Bonnie J. Johnson
Coordinator, Direct Mail
Moline, IL

Discovery Financial Services

David W. Nelms
President and CEO
Deerfield, IL

FDI Services

Donald Hill
Vice President, Sales
Frederick, MD

John Hancock Financial Services

Scott London
General Director of Corporate Distribution
Boston, MA

John Harland Company

Nick Piraino
Logistics Manager
Lakewood, CO

Lexis Label, Inc.

Michael Dantu
Account Executive
San Marcos, CA

Mercury Airfreight Intl., Ltd.

Andrian Curshen
Director, U.S. Operations
Avenel, NJ

PlanetRx.com

Bill Razzouk
Chairman of the Board and CEO
Memphis, TN

SmartMail Services LLC

Stephen Senvisky
General Manager
Erlanger, KY

U.S. Cavalry

Ron Miller, Jr.
Vice President, Operations
Radcliff, KY

Mail Center Manager

Emil S. Aquino

Pharmacy Support Manager
Merck-Medco
Las Vegas, NV

Susan M. Bogden

Asst. Vice President, Mail Operations
Mellon Financial Corporation
Pittsburgh, PA

Catherine Cheesebrow

Manager, Image Records & Data Dist.
Fortis Financial Group
Woodbury, MN

William Coll

Manager, Supply Branch
Navy Federal Credit Union
Vienna, VA

Tim Fannan

Asst. Vice President, Office Services
Raymond James & Associates, Inc.
St. Petersburg, FL

Lora Geionety

Mail Manager, Mail Services
American Fidelity Assurance Co.
Oklahoma City, OK

Sylvester Green

Fulfillment Supervisor
Crenshaw Christian Center
Los Angeles, CA

B. Jeffrey Joseph

Senior Manager, Operations
Disney Direct Marketing
Jonesville, SC

Dennis McNamara

Fulfillment Manager
Business and Legal Reports
Old Saybrook, CT

Rob Quick

Lettershop Process Owner
BUDCO
Detroit, MI

Kevin Stock

Mail Center Manager
SmartMail Services LLC
Brooklyn, NY



PMG STRESSES NEED FOR REFORM, PRICING FLEXIBILITY

Testifying at a House appropriations committee meeting last month, Postmaster General William Henderson stressed the importance of regulatory reform to the future of the Postal Service.

“The United States is now several years behind leading foreign counterparts in modernizing its postal charter,” Henderson said. “Prolonged delay will increasingly keep American consumers and businesses from reaping the growing benefits of global commerce.”

Henderson said that postal reform is “desperately needed” because of the significant erosion in letter mail that is expected to begin in 2004. To cope with such declines, the Postmaster General stressed that right now “our only tool is to raise prices.” That is why the Postal Service needs greater

pricing flexibility, so it can offer rate incentives to customers and increase business.

Reiterating his support for H.R. 22, the postal reform bill introduced by Congressman John McHugh, Henderson said that the Postal Service is working to educate customers on the importance of the legislation.

“Prolonged delay will increasingly keep American consumers and businesses from reaping the growing benefits of global commerce.”

William J. Henderson
Postmaster General

At the hearing, the Postal Service asked Congress for \$96 million for Fiscal Year 2001 to cover the costs of reduced postage rates for services like free mail for the blind. For the 18th straight year, the Postal Service did not accept the “public service” subsidy of \$460 million authorized by law.

The hearing was chaired by Jim Kolbe, chairman of the Subcommittee on Treasury, Postal Service, and General Government, which falls under the Committee on Appropriations. ■

ideaforum

THOMPSON GROUP decreases costs



THE CHALLENGE

The Thompson Group is a mail order catalog company specializing in linens, apparel and cigars. They wanted a simple method to fill out their postage statements and drop ship forms (USPS Forms 3602-RV and 8125), and an easy quality control check that ensured that packages destined for the Postal Service’s 21 Bulk Mail Centers (BMCs) were getting on the right trucks. They also didn’t want to spend money on costly software.

THE SOLUTION

Thompson Traffic Manager Susan Lafferty and her staff created two spreadsheets. One lists the number of Standard Mail (A) sacks going to each BMC and the weight of each sack; it’s used to manually check off the sacks as they are loaded onto the trucks. The second spreadsheet lists the sacks going to each BMC, plus additional information such as postage rate, piece count and pound rate. This second document helps the Postal Service figure the residual shape surcharge, as well as apply the piece/pound postage rate calculations to the 3602-RV. Together these two spreadsheets provide excellent quality assurance and also make it easy to fill out the postal forms without having to purchase additional software that needs annual upgrades.

THE RESULT

In addition to saving time processing paperwork (20 minutes daily), the spreadsheets provide both Thompson Group and the Postal Service a quality check that prevents errors in postage rate calculations and prevents packages from being delayed by going to the wrong BMC. Questions? Contact Susan Lafferty at 5015 West Knollwood St., Tampa, FL 33634-8003. ■

SMART PARCEL SORTERS MEASURE UP —literally— FOR CUSTOMERS

The U.S. Postal Service has purchased smart technology that aligns, measures and sorts barcoded parcels without the need for labor-intensive manual sorting. The equipment also streamlines the purchase and return of goods purchased over the Internet.

A \$73.4 million contract, recently awarded to Lockheed Martin Federal Systems, Inc., calls for installing two Singulator Scan Induction Units (SSIUs) in each of the Postal Service's 21 Bulk Mail Centers (BMCs).

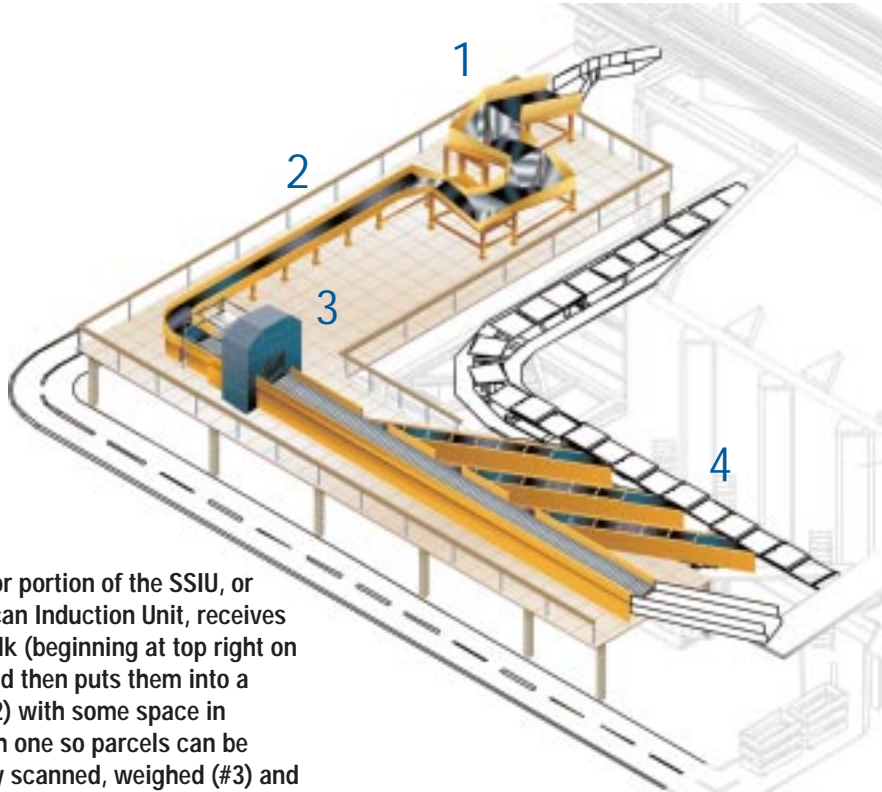
"Beyond the labor savings," explained William J. Dowling, vice president, Engineering, "this technology expands the information we can share with our customers. It will identify specific mail processing, transportation and delivery volumes and help us place the right resources in the right place at the right time."

The SSIU automates processing of barcoded packages with dimensions of up to 21 inches on each side. From a safety perspective, the units will reduce the chance of repetitive back strain injuries by eliminating the need for four employees to manually "face" or position parcels scanned by today's barcode readers. Postal officials estimate that 97 percent of parcels bear barcodes.

The system, designed for processing barcoded parcels within a BMC's geographic service area, resembles a futuristic assembly line operation.

Labor savings are expected to exceed \$24 million annually once the two SSIUs are fully implemented into the 21 BMC network by 2002. Prototype units have been deployed and tested in Dallas and Pittsburgh.

The SSIU will extend the foundation of the Postal Service's information platform, which leverages technology used to process, transport and deliver the mail into an information-rich data base for both customers and the Postal Service. It will enable large mailers to track their mail and determine in-home delivery dates, which is especially helpful for merchants coordinating multimedia sales campaigns. ■



The singulator portion of the SSIU, or Singulator Scan Induction Unit, receives parcels in bulk (beginning at top right on graph, #1) and then puts them into a single file (#2) with some space in between each one so parcels can be automatically scanned, weighed (#3) and sorted (#4).

While the SSIU has sophisticated controls, its design and parts are simple, so it's reliable to operate and requires little maintenance. The SSIU can read and sort 5,000 parcels an hour.



PITNEY BOWES ADDS CLICK (TO LICK AND STICK)

The latest PC Postage solution is ClickStamp™ Online Internet postage from Pitney Bowes Inc.

PC Postage, launched in August 1999, is computerized postage downloaded directly from a personal computer and printed onto an envelope or mailing label. It is also offered by E-Stamp Corp. of San Mateo, CA, and Stamps.com, Inc., of Santa Monica, CA.

According to a recent study by International Data Corp (IDC), Framingham, MA, small businesses and home offices have spent \$8.2 million on PC Postage products since they were introduced. The IDC study projects spending to reach \$300 million by the end of the year, and to double by the end of 2001.

GOT A GREAT POST OFFICE IN MIND?

The Smithsonian's National Postal Museum is looking for nominations in the "Great American Post Office" competition.

The general public is invited to nominate Post Offices that have one or more of the following: architectural significance because of the design or architect; historical significance because of an important event that occurred there; and/or are deemed great because of the level of service that has been or is being provided.

The winning Post Office will be designated as a "Great American Post Office" by the National Postal Museum and will receive a brass plaque for prominent local display. Nominations should be mailed to the Great American Post Office Award, National Postal Museum, Smithsonian In-

stitution, Washington, DC 20560. All nominations must include sufficient documentation as to why the Post Office should win, and be submitted by July 1.

SHARE YOUR SUCCESS

Got a success story about using the mail cost-effectively and profitably? Then we'd like to hear about it, because something that has worked once will often work over and over again—and we want those ideas in everyone's hands.

Send your success story to "Idea Forum," in care of Heidi Cherry, Strategic Marketing, U.S. Postal Service, 475 L'Enfant Plaza SW, Washington, DC 20260-1430, or e-mail it to hcherry@email.usps.gov. You can also give ideas to your local Postal Service account manager. The best ideas will be showcased at a National Postal Forum and/or publicized in postal publications.

PACKAGE INTEGRITY VIDEO AVAILABLE

A new nine-minute video discussing the cost and service impacts of broken packages of Periodicals and Standard Mail (A) flats—and how to avoid the problem—is available from district business mail entry units.

Called "The Issue: Broken Bundles," the video was created by the MTAC (Mailers Technical Advisory Committee) Package Integrity Work Group and produced by the USPS Office of Pricing and Product Design.

The video provides guidance to help mailers prepare packages in sacks and on pallets so that they stay secure. And that will result in efficient processing, plus delivery in good condition.



Lobby of Reno, NV, Post Office

MEMO to MAILERS

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POSTAL SERVICE SEEKS COMMENTS ON FIVE-YEAR PLAN

Here is a chance to get in your two-cents about Postal Service long-term goals and strategies.

"The Postal Service is asking for comments to help shape its next Five-Year Strategic Plan," said Robert Reisner, vice president, Strategic Planning. "We would like to hear what our stakeholders—and that is anyone affected by or interested in the Postal Service—think about some vital issues. These include the Postal Service's role and responsibility to provide universal service and what that should entail. Our mission is to bind this nation together and to manage the Postal Service in a business-like manner. The challenge is how to keep pace with a changing market."

The exact wording of six issues on which the Postal Service is seeking input was published in the April 5, 2000, *Federal Register*. You can find it on the Internet at www.nara.gov/fedreg.

According to federal law, the Postal Service must update its strategic plan—and ask for comments—at least once every three years. Comments for the upcoming strategic plan must be in by May 15. But Reisner added, "We welcome ideas at any time."

Written comments should be addressed to Robert A.F. Reisner, Vice President, Strategic Planning, United States Postal Service, 475 L'Enfant Plaza SW, Washington, DC 20260-1520. Comments may also be sent via e-mail to stratpln@email.usps.gov.

Change Service Requested

Priority Mail helps
White Flower FarmGROW
BUSINESS 

How do you make a great gift even better? If you're the gift seller, how about free, high-impact packaging that helped increase sales by nearly 17 percent in just one year?

That's what happened when White Flower Farm, a leading mail order seed, live plant and bulb company, began using Priority Mail packaging for their gift certificates.

White Flower Farm—which grows many of their plants in Litchfield, CT, and ships from offices in Torrington, CT—has been in business nearly 50 years and sells gift certificates for most of their offerings. When they decided their certificates should not only be a

gift, but look like a gift too, they revamped the “presentation” inside and out. They now place each certificate, plus a catalog, in a beautiful, tissue-lined forest green stationery box and tie it with a white gros-grain ribbon. Then they slide the gift into a Priority Mail padded envelope.

“The bubble wrap in the Priority Mail envelope makes preparing the gifts an easy, one-step process for our employees,” said Mary Lacilla, White Flower Farm Mail/Internet team leader. “And when someone sees that Priority envelope in their mail, they notice it first and open it immediately.”

In 1996, White Flower Farm sold 6,200 certificates, said Lacilla, adding that they can be used for any of 2,000 items, including garden tools and sup-



Photos by White Flower Farm—Litchfield, CT

Lois Zulaski (left), White Flower Farm mail processor, and Mary Lacilla, Mail/Internet team leader, with some gift certificates about to be sent by Priority Mail.

plies, that they offer with their sister company, Shepherd's Garden Seeds. The first year they used the gift box sent via Priority Mail, sales soared 16.9 percent to 8,300 certificates. For each of the next two years, sales went up another ten percent, and Lacilla attributes part of the increase to the presentation, which includes the Priority Mail mailer.

Because of their success with the gift certificates, White Flower Farm is expanding its

use of Priority Mail to live plants and other products. “Arrival time is critical for us, and Priority Mail performs,” said Lacilla. “We realize the two-to-three-day delivery time is not a guarantee, but we could almost say it is.”

“Our customer service standard is way above the average, and we expect the same from any delivery service we use,” she added. “Priority Mail and the Postal Service have always performed within our own high standards.” ■

