



# USPS Rate Case One Step Forward

## Board of Governors Respond

The Postal Service Governors approved an increase in the price of a First-Class stamp to 41 cents, authorized the issuance of the Forever Stamp, approved shape-based pricing and set a May 14 implementation date for these changes. However, they delayed implementation of periodicals and requested reconsideration for some mail classes.

USPS proposed new rates May 3, 2006, and the Postal Regulatory Commission (PRC) issued its recommendation Feb. 26, 2007. The Governors spent considerable time deliberating the PRC's recommendations – meeting six times and rewriting several drafts of their decision – before voting on March 19, 2007. The Governors complete decision is available at:

<http://www.usps.com/ratecase/>.

“We praise the PRC for its early and thoughtful recommended decision,” said Board of Governors Chairman James C. Miller III, “and appreciate the comprehensive analysis the Postal Service staff provided in its rate proposal.”

### Forever stamp

The Governors approved the Forever Stamp, which will sell at the new 41-cent First-Class Mail one-ounce letter rate. The value on these stamps will always be the one-ounce letter rate and can be used for any future one-ounce letter mailing without extra postage.

“The Forever Stamp is a consumer innovation that delivers convenience and value and will help ease the transition for mailing letters when prices change,” said Chairman Miller.

### Shape-based pricing

The new prices also reflect differences in the costs of handling letters, large envelopes (flats), and packages. Mailers are encouraged to consider options available to reduce postage costs. For example, if the contents of a First-Class large envelope are folded and placed in a letter-sized envelope, mailers can reduce postage by as much as 39 cents per piece.

### Request for reconsideration

The Governors, however, requested reconsideration of the PRC's rate recommendations for Standard Mail flats (catalogs), the non-machinable surcharge for First-Class Mail letters and the Priority Mail Flat-Rate Box.

**Standard Mail flats** – The Governors are concerned that price increases recommended by the PRC may impose an unnecessary degree of “rate shock” on the catalog industry, particularly small businesses. The recommended increase for some catalog mailers is as much as 40%, which is more than double what the Postal Service had proposed.

### Non-machinable surcharge

–The PRC decision on First-Class Mail two-ounce and three-ounce letters does not differentiate between machinable and non-machinable. The Governors believe this warrants further analysis to ensure there are incentives for mailers to provide letters that can be processed at lower cost on efficient sorting equipment.

### Priority Mail Flat Rate Box

– The PRC recommended a rate of \$9.15 for the Priority Mail Flat-Rate Box, which is \$1.05 above the current rate and 35 cents higher than the Postal Service proposal of \$8.80. The Governors believe a rate below \$9 would be more appropriate for this popular consumer and business product and would be cost-justified.

### Delayed implementation

The Board of Governors also delayed until July 15, 2007, implementation of the new prices for Periodicals (magazines and newspapers) to allow time for the publishing industry to update computer software and adjust to the complexity of the PRC-recommended rate structure for periodicals. USPS had proposed a single container charge for periodicals to encourage efficiency, but the PRC recommended 55 different prices based on container type, entry point and level of sortation.

# GREATER ATLANTA PCC OFFERS MERLIN WORKSHOP

Robbie Butler, Mail Piece Design Analyst and a member of the USPS Speaker's Bureau was the guest presenter at the Greater Atlanta PCC's first workshop of 2007. Butler provided the latest information on the MERLIN™ Program (an acronym for the Mail Evaluation Readability Lookup Instrument), a tool that is used by the Postal Service to assist with the acceptance of discount rate mailings. The workshop, attended by more than forty customers, was held at the Atlanta Processing & Distribution Cen-

ter on February 8<sup>th</sup>, and was followed by a tour of the processing center and Bulk Mail Acceptance Unit.

Did you know that the Postal Service offers discounts for mailings that meet certain address, barcode and sortation standards so as to allow the mailing to bypass certain processing steps and expedite the mailing process? These special discounts are called 'work share' discounts. *It's no magic trick!* MERLIN™ allows the Postal Service to verify overall mail quality and apply appropriate customer discounts.



The MERLIN™ Program helps mailers qualify for automation discounts and meet certain mail quality standards. Using MERLIN™ to improve mail quality can result in:

- Reduced mail production cost
  - Accurate application of discount rates
  - Increased consistency of mail delivery
- For more information about MERLIN™ visit the MERLIN™ website [www.usps.com/merlin](http://www.usps.com/merlin), or contact your local Mail Piece Design Analyst at (404) 765-7541.

## USPS Service Spotlight

### An Alternative Shipping Solution - USPS Shipping Assistant™

The USPS Shipping Assistant is an alternative to using major mailing systems or Click-N-Ship®? to create shipping labels. The Assistant provides a wide variety of shipping tools including:

- Priority Mail and Package Services labels with electronic rate Confirmation Services
- Single-ply Express Mail labels
- Address Book with address validation
- Track & Confirm (allows up to 5 inquiries at a time)
- Service standards
- Rate calculator

Although a useful shipping application in and of itself, the Assistant was originally created to provide you with a tool to show off our USPS Web Tools™ at <http://www.usps.com/webtools/>. These tools can be used by mailers who want to integrate USPS shipping information into their web sites or mailing operations.

Check it out! USPS employees can obtain USPS Shipping Assistant software by completing a PS Form 1357 through <https://eaccess/> (In the past, this application could be downloaded from usps.com, however, that feature is no longer viable due to USPS computer restrictions.)

Once you've received the Assistant and identify customers that benefit from it, they can download the PC based application from the Shipping Assistant web site at <http://www.usps.com/shippingassistant/>.



## Credits

The Greater Atlanta  
PCC  
NEWSLINE

Is published Quarterly  
by the Greater Atlanta  
Postal Customer  
Council. Send all cor-  
respondence to P.O.  
Box 161002, Atlanta  
GA 30321-1002.

Editors:

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For more information  
visit [www.usps.com/at-  
lanta/pcc](http://www.usps.com/atlanta/pcc)

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# EYE

May 1, 2007  
Golf Outing  
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June 14, 2007  
Address Your  
Bottom Line  
Workshop

August 9, 2007  
Non-Profit/Standard  
Mail Workshop

September 13, 2007  
National PCC Day!



**ATL  
INSIDER**

## A Look Into the business of mail

### VOICE OF THE INDUSTRY...

When we look at a rate increase on postage, I think it is important to realize it is only one piece of the pie. Finding ways to improve efficiencies is critical to both the USPS and to mailers. And going forward, it is the only way to offset rising costs.

My direct involvement as a member of the National Postal Policy Council and the Major Mailers Association, as well as serving actively on the Postal Customer Council Advisory Committee keeps DATAMATX front and center of all the changes and allows us to advocate for your interests in every way possible. The postal increase will cover operational costs, but it will also go toward improving the efficiencies of the USPS as it moves toward greater automation. We must move with them by understanding and following the most current USPS technology and regulations to minimize postal expense.



Pictured: Harry Stephens

*Sincerely,*  
Harry Stephens  
President, CEO

## PCC MISSION STATEMENT

The Greater Atlanta Postal Customer Council (PCC) has been organized since 1987. Our mission is to promote local cooperation and support and to foster a close working relationship between the United States Postal Service and all businesses that use the mail to communicate and interact with their customers; to share information and facilitate the exchange of ideas about new and existing Postal Service products, programs, services, and procedures that affect all businesses that use the mail; and, help PCC members and their organizations grow and develop professionally through focused educational programs.

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