

# MEMO to MAILERS

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## Keeping the mail safe and secure

Following the terrorist attacks on the American public and postal employees through the mail, Postmaster General John E. Potter ordered extraordinary measures to ensure the security and safety of the mail. As always, protecting the health and safety of employees and the public is the Postal Service's top priority. The Postal Service will continue to take the lead and full responsibility for selecting and implementing the best technology available to carry out this task.

Among the measures being implemented is a process for irradiating the mail to destroy the presence of any biohazardous material. USPS is currently leasing irradiation facilities in Ohio and New Jersey to decontaminate mail. The Postal Service also has issued contracts for future purchases of irradiation equipment. The Postal Service reiterated that irradiation will be used on targeted mail, not all mail, and that has not changed.

Recognizing the extraordinary expense these national security measures will take, the Postmaster General testified before the Senate that the Postal Service would need \$1.1 billion through next June to implement full safety and security measures, including protective equipment for employees, mail processing detection and filtering equipment, and irradiation and mail decontamination equipment.

USPS will continue to utilize a variety of technologies and will use all methods

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## Neither snow, nor rain ... nor a nation challenged

Message delivered with pride. Accepted with gratitude.

You've probably seen it by now, the television message from the United States Postal Service — the 800,000 men and women of USPS are doing their jobs with honor and pride, serving the American people, even in times of uncertainty and through the winds of change.

Response to the TV spot from the public and employees has been overwhelmingly positive, with Americans writing to the Postal Service saying "thank you for all you do" and "it made me proud to be a customer of USPS."

In the wake of the anthrax attacks through the mail, the TV message is the "ultimate response — and it is kind of magical," says *Adweek* columnist Barbara Lippert. She

says the music "knocked me out of my socks, it's so buoyant, transporting and soaring." The TV message features Carly Simon singing her Oscar-winning song, "Let the River Run."



The TV message will run through early January, airing during nationally broadcast television programs and sports events. It's also available for viewing at [www.usps.com](http://www.usps.com) through streaming video. Look for a schedule of television air dates at the website as well.

"This is our message to America," says Postmaster General John E. Potter. "You can be reassured that we will continue to face the challenge. We've been here since September 26, 1789. We're still here. America can count on us." ■

# Productivity gains despite financial loss

The Postal Service reported increased productivity, cutting \$900 million in costs during fiscal year 2001. USPS processed and delivered the mail to 1.7 million new addresses with fewer employees and 23 million fewer work hours.

However, USPS finished the fiscal year with a \$1.7 billion loss, caused by the lack of mail volume growth caused by the economic slowdown and the Sept. 11 attacks. Revenue also was down as a result of the delay in implementing new postal rates because of a cumbersome regulatory process, said Chief Financial Officer and Executive Vice President Richard Strasser.

Despite the loss, the Postal Service says it was a successful year. USPS maintained record service performance and high levels of customer satisfaction in delivering 207.5 billion pieces of mail last year.

This year's productivity gains continue a trend of cost savings. Last year, productivity increased by 2.5%, representing \$1.6 billion in savings. In the past two years, USPS has reduced career employees by 22,500, while in September, PMG John Potter announced a restructuring that included reducing administrative costs, reorganizing marketing and sales, and bringing more focus to our core business.

USPS was further hurt by a mail volume decline of about 800 million pieces following the Sept. 11 terrorist attacks, eliminating mail volume growth for the year. USPS finished the year with a mail volume decline of about 420 million pieces, the first mail volume drop since 1991.

In October 2000, USPS had planned a 2001 fiscal year budget that reflected a net loss of \$480 million, anticipating slower revenue growth and further inflationary expense increases. To counter declining revenue, USPS froze the capital program for facilities, and began an aggressive cost reduction program for staff and expenses.

The Board of Governors approved an appropriation request to Congress of \$988 million, which includes \$928 million for reimbursement for the remaining amount due USPS under the Revenue Foregone Act of 1993. The payment is for services from 1991 to 1998.

Facing the harsh economic realities of the times, the Board felt it was appropriate to ask for the full amount due. Twenty-nine million dollars of the request represents an annual installment from Congress to cover costs for nonprofit categories. The remaining \$31 million is to cover the cost of providing free matter for the blind and overseas voting materials for FY 2003.

USPS did not request reimbursement to cover costs incurred in providing universal service, although such a request is allowable. USPS has not received any operating subsidies from taxpayers since 1982.

The Board also deferred further requests for funds for mail sanitization, detection and security pending decisions on the technology to be used and the outcome of appropriations this year. USPS will make a supplemental request for FY 2003 to cover these costs. ■

# Keeping the mail safe and secure

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that prove effective, safe and cost-effective, and that can be integrated into the Postal Service's mail processing system. USPS is fully committed to detecting and

removing biohazards from the mail. The safety of postal employees and the public is paramount and USPS will do whatever it takes to ensure the security of the mail.

## Gearing up for the holidays

As always, the Postal Service is gearing up for a busy holiday mailing season, which runs until New Year's Eve. This year, the Postal Service has the following holiday plans in place:

- Extending post office hours and opening on Sundays at many of the 38,000 post offices.
- Hiring thousands of temporary workers as needed.
- Extending full use of its 210,000 Postal Service vehicle fleet and obtaining extra trucks from the 7,000 trucking firms it contracts with on a daily basis.
- Adding three holiday network hubs with more than 85 supplemental airplanes dedicated entirely to moving the mail.
- Obtaining additional space on thousands of train rail cars.
- Printing 2.85 billion holiday stamps. ■

## What a "complement!"

Through a partnership with Microsoft bCentral, the Postal Service website — [www.usps.com](http://www.usps.com) — is offering a set of complementary web-based tools to help small businesses grow and prosper.

"Web-based Solutions" integrates five web services from Microsoft bCentral, the software giant's small business website, with a web-based offering of traditional and online USPS direct mail, shipping and eCommerce services.

Consider the possibilities. Through the USPS "Web-based Solutions" site, small businesses can sign up for Microsoft bCentral Web Hosting to build a professional website — and then go to USPS Mailing Online to send

postcards announcing the site. Visitors can find high-quality e-mail lists with USPS Direct Mail Lists and then execute personalized e-mail campaigns by subscribing to bCentral List Builder. Or, subscribers selling goods online via bCentral Commerce Manager can link to the USPS Shipping Center to initiate shipments via Priority Mail.

"The Postal Service and Microsoft uniquely provide a powerful, complementary mix of online and offline capabilities," says Paul Courtemanche, manager, USPS eCommerce programs. "Small businesses will benefit from using both the Internet and the U.S. Mail for marketing and sales." ■

# An update every month

**W**ant the most up-to-date ZIP+4 address information? Turn to the new monthly electronic state directory being offered to Postal Service customers in place of the previous hard-copy version.

The new CD-ROM product, *ZIP+4 State Directory*, contains information for all 50 states. It provides the following options:

■ **Address Lookup** — Find individual addresses to obtain the correct ZIP Code, ZIP+4 Code, carrier route code, county code, delivery point code, and check digit code.

■ **ZIP+4 Retrieval** — Look up and print reports of street records in various ways (city, state, ZIP

Code, carrier route code, etc.).

The electronic *ZIP+4 State Directory* is encrypted and data cannot be exported. It will allow the ability to retrieve, view and print hard-copy reports similar to the existing hard-copy directories.

The hard-copy ZIP+4 state directories are being eliminated as part of a paper and cost-reduction initiative that will save the Postal Service about \$1 million in fiscal year 2002. Over the past few years, customer orders for this product have declined significantly, making it more costly for USPS to maintain.

At the time of printing, the information contained in the directories was already at least six months

old, considering the advance time required for the production and printing processes. Furthermore, about one and a half million additional address records are added to the USPS ZIP+4 database each year.

The hard-copy *Five-Digit ZIP Code Directory* will continue to be printed and offered as a product to customers.

The *ZIP+4 State Directory* is available as an annual subscription with 12 monthly updates for a fee of just \$50. If you would like to obtain an order form, please call the National Customer Support Center at 1-800-238-3150. ■



# Tracking trailer loads of mail

**W**hen you're dealing with thousands of trailers loaded with mail every day, it's critical that the right trailer is at the right dock at the right time. That's where VTAPS comes in.

VTAPS is the Postal Service's Vehicle Tracking Analysis and Performance System — a computerized Bulk Mail Center (BMC) trailer tracking inventory that allows USPS to better determine when and where to place the right resources. This computerized yard control system was recently deployed to the final BMC, bringing all 21 centers online.

"The 21 Bulk Mail Centers receive, unload and process 4,000 to 5,000 trailers of mail every day," says George Martin, executive program director of BMC Operations at headquarters. "VTAPS is

a state-of-the-art yard management system that helps get the right trailers to the right docks in the very least amount of time. It also keeps very detailed data for operations analysis and improvements."

VTAPS replaced a manual pen and paper system that was used to track trailers arriving at the BMC, from their entry until they were dispatched out of the gate. VTAPS is linked to the Transportation Information Management Evaluation System (TIMES) and Drop Shipment Appointment System (DSAS), which provide updates on arrival, unload, load and dispatch data continuously.

"Linked to TIMES and DSAS, it is a powerful logistical tool," says Martin.

VTAPS is linked through TIMES to feed data to the national transportation database, and it provides



and updates arrival and unload data to the DSAS database. This, in turn, provides the mailers with timely accurate data on their drop shipments.

The program sends the trailer content data from Processing and Distribution Centers and BMCs so that the receiving facility knows what is on the trailer and allows the facility to put it at the correct type of dock (container, sack belt, pallet, etc.). It also tracks the trailers so as to work the mail on

a first-in basis.

VTAPS is an internal BMC "yard control" tool whose process and benefits are transparent to mailers. However, it records when a mailer's trailer arrived and left the BMC. Those time stamps are added to the DSAS "close-out" record, which customers can access.

The deployment of VTAPS began in 1997 and required the skills of a highly specialized group of postal employees to achieve this task. ■

# New efficient co-packaging option

**A** new preparation option next year will increase efficiency for both the Postal Service and mailers. Effective March 31, mailers will be able to combine flat-size automation rate pieces and flat-size Presorted rate pieces of the same mail class into the same package.

The new preparation option is called “co-packaging” and will be available for First-Class Mail, Periodicals and Standard Mail. The co-packaging option is an outgrowth of the co-traying and co-sacking requirements already adopted by USPS.

The change is being implemented because the Postal Service’s previous need for segregating barcoded and nonbarcoded pieces no longer exists due to advances that include an optical character reader (OCR) on the flat-sorting machine (FSM) 881 and the OCR/image lift capabilities of the new automated flat-sorting machine (AFSM) 100. Dur-

ing 2002, USPS plans to retrofit FSM 1000s with OCR capabilities.

Therefore, continuing to require the separate preparation of automation rate and Presorted rate pieces results in more packages, which reduces the average depth of sort. This causes additional work hours for the Postal Service associated with sorting, opening and preparing flats for processing.

Most of the same operational justifications for allowing packages of automation rate and Presorted rate flats to be combined in the same container (co-sacking and co-traying) also support allowing the combining of flats within the same package (co-packaging).

In addition, automation rate flats and Presorted rate flats are usually processed by the Postal Service within the same operation.

For more information, refer to the Nov. 29 issue of the *Postal Bulletin*. ■



# MTAC plays key role in reassuring mailers

**D**uring the challenges of recent months, the Mailers’ Technical Advisory Committee (MTAC) has played a key role in maintaining the confidence of key stakeholders in the safety and effectiveness of mail.

“The MTAC mission is a joint effort between mailers and the U.S. Postal Service to share technical information, advice and recommendations to enhance customer value for mutual benefit,” says MTAC Industry Chair Joe Lubenow. This working rela-

tionship proved critically important following the anthrax attacks through the mail. Never before in its 25-year history had MTAC played such a crucial role in keeping mailers informed.

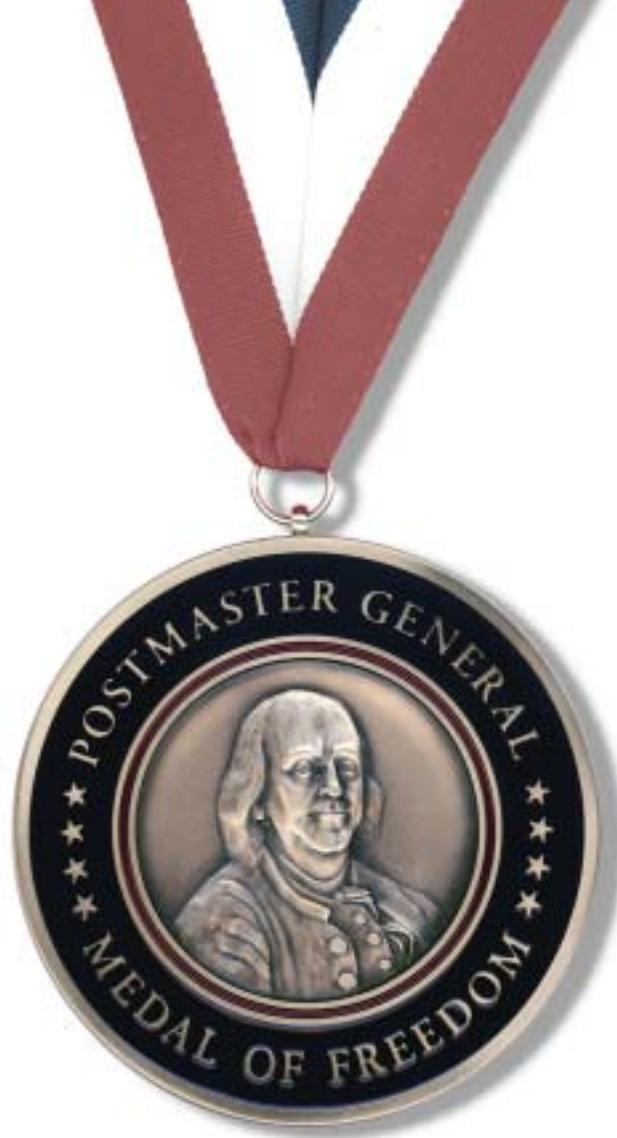
MTAC Vice Chair Bob O’Brien said Postal Service senior management and medical experts who addressed the MTAC meeting in November were especially effective in helping to focus on facts and allay fears. Members heard from Deputy Postmaster General John Nolan about what had been

done to educate employees and customers about bio-terrorism in the mail. Chief Operating Officer Pat Donahoe detailed how the Postal Service had rapidly restored service after the attacks.

In addition, Dr. Devesh Kanjarpane, president and CEO of Occusave, Inc. and a medical consultant to the Postal Service, discussed the risks related to contracting anthrax in the mail and the effective USPS response to the discovery of anthrax. Vice President of Engineering Tom Day

assured the mailing industry that the Postal Service would work with them closely to ensure that products transported in the mail would be protected. He said additional briefings on mail sanitization would be held as new information becomes available.

The Postal Service will continue to keep MTAC members updated with information provided through the Postal Customer Council network and other postal communication systems. ■



The 800,000 men and women of the Postal Service perform heroic acts every day. They live their lives with duty, honor and pride.



Joseph P. Curseen, Jr.

Some go beyond even that, performing acts of special courage or heroism, suffering injury or making the ultimate sacrifice in service to others. They are awarded the Postmaster General's Medal of Freedom.



Thomas L. Morris, Jr.

Neither snow, nor rain, nor gloom of night, nor winds of change, nor a nation challenged will stay them from the swift completion of their appointed rounds.

Ever.



Founded September 26, 1789

## POSTAL CUSTOMER COUNCILS GET THE WORD OUT ON MAIL SECURITY

In response to customers, Chief Operating Officer Pat Donahoe and Chief Postal Inspector Ken Weaver called the PCCs to action in October and November to address mail security issues. These meetings included the local postal inspector, district manager, postmaster and a postal medical representative. More than 120 PCCs reported that they held 170 mail security sessions that reached about 13,000 customers. The sessions not only focused on anthrax and general safety best practices, but also reinvigorated customer confidence in the safety of mail.

The primary participants at these PCC meetings were representatives from the Postal Service's highest volume customers — National and Premier accounts — although a large number of smaller mailers in each geographic area also attended. PCCs are planning to add additional sessions as needed.

Customers said they were pleased with the information they received. Additionally, many PCCs are including mailroom security articles in their newsletters and on their websites to reach a broader audience. "The PCCs are a great grassroots network to effectively and efficiently communicate with our customers," says Donahoe.

For regularly updated information on mail security issues,

## LOOKING AHEAD TO 2002

As many of you change your executive boards in January, some Postal Customer Council Advisory Committee (PCCAC) members want to pass on their thoughts as you "resolve" to consider plans, policies and procedures for the coming year:

Joyce Bagby, postal logistics manager, RJ Reynolds Tobacco Co: Have a planning session to set meeting topics for the year. Discuss the PCC awards and what your PCC could submit. Resolve to submit at least one entry for your PCC.

Wanda Radgowski, manager, Postal Affairs, Ace Marketing Services: Give a copy of your PCC's mission statement to each executive board member and ask the question, "Do the programs we have scheduled support this mission?" Review your PCC's by-laws to see if they need revision.

Clay Clark, manager, Office Services, Rolls-Royce: Increase your local PCC promotions with a goal of increasing National

Postal Forum participation.

Kim Waltz, President, Fred J Waltz Co. Inc.: PCCs are always looking for what works best at PCC meetings. Survey your members on a regular basis and you'll always know what they want, hence, more will attend each meeting.

Steve Burn, Mail & Central Receiving, Colorado State University: Stay in contact with your college and university members. Their operations often mimic the Postal Service and they have a lot to offer PCCs in meeting space, speakers and experience.

Guy Incontrera, Atlantic Division training director, Pitney Bowes: The first executive board meeting should set the direction for the new year. A calendar of events for the year should be developed and communicated to all of the PCC members. Subcommittees should be created and chairpersons selected. To develop team unity, plan an event for board members early in the year. Make a general mailing

announcing the new executive board members and provide contact information.

Grayson Poats, managing counsel, Corporate Law, USPS: PCCs should provide changes in industry or postal officers and contact info to the PCC program manager, via the website, whenever there is a change.

Eric McCleaf, webmaster, Technology Team, Inc.: As always, effective PCC communications can be enhanced by using the web, templates and technology wherever possible.

Pat McGee, national PCC co-Chair, USPS: PCCs should resolve to have one additional meeting this year that focuses on helping medium-size businesses in their community be successful with mail.

Bob Belmont, national PCC program manager, USPS: PCCs should bookmark the PCC website and refer to it on a regular basis. Updates are weekly and testimonials/case histories/support materials appear often to provide help.

log on to [www.usps.com](http://www.usps.com) or [www.usps.com/nationalpcc](http://www.usps.com/nationalpcc). ■

## NATIONAL PCC AWARDS — 2002

A copy of the National PCC Awards criteria and application has been sent to all PCCs. This information also is posted on the PCC website. Please get your nominations in by Feb. 1. The National PCC Awards, which recognize the fine work of PCCs during 2001, will be presented at the PCC Leadership Conference April 21 at the National Postal Forum (NPF) in San Diego, CA.

Speaking about the successful

PCC Leadership Conference in Denver, the next one promises to be more interactive and provide additional insights to help make your PCC the best it can be. Be sure to mark your calendars and monitor the website for updated conference information over the coming months. ■

## MEETINGS IN A BOX

Didn't make it to the Denver NPF? We're bringing Denver to you. As part of the Postal Customer Council Advisory Committee's (PCCAC's) commitment to provide PCCs with timely and

informative content for their meetings, PCCs were provided with four more tapes in the "Meetings in a Box" series. Included were highlights of the Denver Postal Forum and the PCC Leadership Conference. And, as a bonus, a copy of the Postal Service's new television message was included.

The tapes include "stand-alone" segments featuring Postal Service officers that could be used for business sessions at your local PCC meetings. The PCCAC is interested in your feedback about these tapes. Just go to the website, click on the feedback icon, and let them know your thoughts.

## NEW SHIPPING OPPORTUNITY

The Postal Service and Skynet International Express announced a new option for shipping from the Philippines to the United States.

Skynet International Express will prepare shipments, transport them to the United States, clear them through commercial customs and then enter the packages into the Postal Service's domestic mail delivery network as Priority Mail.

A relatively new courier company, Skynet International Express provides low-cost "discount" services from the Philippines to most destinations worldwide. Customers enjoy a range of benefits, including payment on delivery and track and trace.

The Postal Service's Global Business Development group has negotiated similar agreements with commercial enterprises in South Korea, Mexico, Europe, Central America, South America, India and Asia, and is seeking to build a global network for premium delivery service from around the world into the United States.

## WHAT'S YOUR BIGGEST HEADACHE?

Attracting new customers is small business' biggest headache, according to a study conducted for the Postal Service by Millward Brown Group. The study surveyed 511 small business owners on their efforts to acquire and retain customers and their efforts to fulfill customer orders. Survey participants were owners of small businesses with fewer than 20 employees.

The study showed that small business owners underestimate the amount of time needed to attract new customers. It found that 41 percent of small business owners spend 10 — 20 hours a week trying to attract new customers to their business. An additional 20 percent spend more than half of their week doing so. Despite the fact that more than half (52 percent) of small business owners said that they spend the bulk of their time trying to attract customers, the inability to draw prospective clients is the number one reason for small business failure.

In the survey, small business owners said that lack of time and money were the two biggest reasons for the inability to gain new customers. More than 60 percent said it was due to the difficulty of reaching prospective clients, while 59 percent acknowledged that it's simply too costly to attract new customers.

## KEEPING MAILROOMS SAFE

The mailroom is a critical hub of any business or organization. If you're looking for information on keeping your mailroom safe from terrorist threats, go to [www.usps.com](http://www.usps.com).

The Postal Service website features video clips that address security and training and offer plans for different scenarios that mailrooms may face.

Business customers can order the complete video at [www.usps.com/shop](http://www.usps.com/shop) by clicking on "Stamp Products" and then "Mailroom Video." Or call toll-free 1-877-702-6215.



In the Chinese lunar calendar, the Year of the Horse begins Feb. 12, 2002. The U.S. Postal Service will mark the occasion with the issuance of the 10th stamp in the award-winning Lunar New Year series.

## MEMO to MAILERS

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At the National Postal Museum in Washington, DC, third graders from a local elementary school get some pointers from Postmaster General John Potter on how to address their letters to Santa. Potter was joined by DC letter carrier Delvin Johnson.

**MEMO** to  
**MAILERS**

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*this holiday season.*

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