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MAILING INDUSTRY TASK FORCE

Implement an Industry Council

Recommendation Recap

The October 2001 report of the Mailing Industry Task Force recommended the establishment of a unified, CEO-level council whose mission would be to ensure the viability of the hard-copy mail delivery systems by focusing on standards development, channel promotion and issues awareness.

The Task Force developed a vision for the council that would position it as both a promoter of mail and the mail channel and as an organization through which efforts could be taken to build support for legislation and other regulatory change. Because the Council would have a lobbying role, the Postal Service – the Task Force agreed – would neither hold membership in the organization nor participate in its activities.

The Mailing Industry CEO Council was subsequently incorporated as a non-profit business league on June 26, 2002. The Council has defined its mission as “to unify the mailing industry and to represent and promote the critical role of mail in U.S. business and commerce.” Consistent with this mission, the CEO Council will focus its activities on the establishment and maintenance of public policy and mailing industry standards, intended to support industry growth in both the near-term and long-term future.

“We are all very enthusiastic about the success the Council has already had in bringing together companies from a diverse spectrum of the industry and uniting for the greater good of a vibrant and healthy mailing industry,” said Task Force co-chairman Michael Critelli, who heads the Council. “The Council has proven to be a powerful and effective means to articulate to public policy makers the importance of various issues the industry faces and the significance of the industry’s impact on the economy. Through our letters to the President, team visits to Capitol Hill, comments to the Presidential Commission and press interviews, we are getting out the message — mail is critical to commerce.”

PROGRESS

- ✓ *Established CEO Council*
- ✓ *Council Launches Mail Channel Ad Campaign*
- ✓ *Council Launches Coordinated Government Relations Strategy*

Industry Council Expands Membership and Reach. In the nine months since its incorporation, the CEO Council has added members to broaden its scope and industry influence. Founding board members are Critelli, the Chairman and CEO of Pitney Bowes; Gary M. Mulloy, Chairman and CEO, ADVO; William Davis, Chairman, President and CEO, R.R. Donnelley; Hamilton Davison, President and CEO, Paramount Cards; Charles Morgan, Company Leader, Acxiom; Nigel Morris, President and COO, Capital One; David Sable, Vice Chairman and President, Wunderman; and Michael Sherman, Vice Chairman, Crosstown Traders. Members added since last summer include Judy F. Marks, President, Distribution Technologies, Lockheed Martin; Charles Schellhorn, President and CEO, DST Output; Richard Hochhauser, President and CEO, Harte-Hanks, Inc.; Ann Moore, Chairman and CEO, Time Inc; and Richard Bravman, Vice Chairman and CEO, Symbol Technologies.

Identify Mission-Critical Issues and Activities. The Council, operating independently of the Mailing Industry Task Force, continues to identify issues and activities that will support its mission to unify the fragmented mailing industry. Among its initial efforts has been messaging around the continued need for legislative reform in support of the Postal Service Transformation Plan as it reflects the original Task Force recommendations.

CEO Council's Coordinated Government Relations Strategy. The Council and its sub-committee on government relations led by Judy Marks, has developed message points used by Council members and other industry leaders to address influencers and policy makers “with one voice”. This shared focus has been directed towards two principal topics: the President’s Commission on the Postal Service, and proposed CSRS legislation allowing the Postal Service to change the formula by which it calculates its Civil Service pension payment obligations.

President’s Commission on the Postal Service: In a letter to President George W. Bush recommending the Commission, the Council requested that the Commission spur action needed to address the serious challenges facing the postal system. “[The Commission] needs to be an impetus for legislative reform and not an excuse for Congressional delay,” the Council wrote. “We need changes sooner, not later, if American business and the American public are going to have a viable and competitive mailing system in the 21st century. There are those in the postal world who seem content with the status quo of an ailing postal system. Those voices of inaction must not be allowed to drown out the chorus for reform.”

Once the Commission had been formed, the Council submitted comments that stressed five major areas:

1. Value of Mail: U.S. mail is critical to commerce and its value cannot be underestimated.
2. Universal Service must be maintained with universal access and universal delivery at affordable prices.
3. Price stability is a critical element of any reform implementation.
4. The private sector partnerships can grow and continue to produce the most cost-effective postal system.
5. USPS-industry collaboration should be maximized to drive innovation.

CSRS Legislation: In its letter to the President, the Council expressed strong support for legislation to amend the statutory formula by which the Postal Service meets its Civil Service pension obligation. “The proposed legislation,” wrote the Council, “will enable the Postal Service to pay down its outstanding debt to the Treasury at a faster rate and gives the USPS the time it needs to develop and implement long-term changes in the Transformation Plan that are necessary to keep it healthy and viable well into the 21st century. This pension overfunding has resulted in higher than necessary stamp prices for American consumers and businesses and could lead to further unnecessary price hikes if not quickly corrected. The Postmaster General has indicated that passing this legislation will negate the need for a rate increase for two more years, pushing back that increase until sometime in 2006...Delay [in passing the legislation] will have significant consequences for the \$900 billion mailing industry that we represent, many segments of which are already enduring a difficult industry downturn. Those of us in the mailing industry will be in a better position to increase capital investment and business operations in a climate where postal rates remain stable for several years.”

CEO Council members delivered their shared message to leaders on Capitol Hill and in the Administration during a series of high-level meetings.

Develop and Launch an Advertising and Marketing Program. A prototype advertising campaign for the mail channel – developed by the Wunderman agency – was unveiled at the Spring 2002 National Postal Forum and got a favorable reception. The campaign, directed towards influencers and policy makers, centers on the concept that mail plays a crucial role in American business and American lives. Plans for further dissemination are in development, and one of the proposed next steps in the ad campaign appears on the back page of this report. A communications program designed to inform the industry and other postal stakeholders about the progress made on Task Force recommendations is also continuing.

Provide Standards Development Leadership. Council members continue to lead standards development efforts as part of the work done by Task Force committees on intelligent mail, consumer gateway services, preparation and entry optimization, payments and credit, pricing, address quality and network optimization, although the Council as a group has yet to be involved in standard-setting activity.

FUTURE ACTIONS

Independent of the Task Force, the Mailing Industry CEO Council intends to pursue the following:

- Continue to promote the issues and legislation needed to strengthen the mailing industry and the postal system, so critical to commerce and a national economic recovery.
- Continue to prioritize Council objectives, and align government relations and communications planning efforts with those priorities.
- Continue efforts to recommend development of unified standards, particularly through continuation of Task Force work groups.