



Direct Marketing Association of Washington

USPS Status: What is Fact and What is Fiction?

Questions from the Webinar

Q. When talking about transportation issues - is that between comminglers and SCF's or the actual letter carriers?

It's between the comminglers and SCFs. The letter carriers come into play at the very end, when the mail has reached the local destination post office and is ready to be delivered to your home/office.

Q. Commingler is faster for national mailers but may not be faster or cheaper for locally concentrated mailers.

That is correct. Locally meaning a very small/targeted area where the mail is only going to one USPS SCF (maybe two) before the local delivery post office. Again, work with your vendor partner whether that be an agency, mail shop, or logistics company. They will analyze your file and present several scenarios. Least expensive, quickest delivery, etc.

Q. At what qty is drop shipping a better solution than commingling for getting in home the quickest during the fall busy time?

It ranges and depends on file size and also if your mail shop has other mail going to the same location(s). For instance, if you are using a mail shop in Virginia, and your file is small but concentrated in a geographic area several states away, you may be able to drop ship if there are other mailings headed that way and combined, you fill up a truck so the cost of the truck is spread out. Again, work with your vendor partners. They truly are great resources and want to help.

Q. why should we be concerned about the timeline for the delivery of letter mail when the usps overall volume is significantly down - year to date = year over year. I don't get it. Less mail should be able to be processed more efficiently.

As we discussed, to be as efficient as possible and keep costs down, the USPS moves/removes equipment periodically. For instance, with decreased mail volume, machines will be taken out of service to reduce salary costs ... and so there's enough work for a person to fill up a shift.

Q. How many people have signed up for Informed Delivery?

I believe Dave Lewis says 30million. In my experiences it's anywhere from 17% - 24% of a file. Your vendor partner can run your file against the USPS Informed Delivery database and provide those results.

Q. What does SCF and NDC stand for?

Sectional Center Facility (SCF). These are located in a smaller, more targeted area. Network Distribution Center (NDC). These are located in a geographically larger area than SCFs. SCFs fall under NDCs.

Q. One of the biggest concerns was/is the potential that millions of ballots will not be requested and/or returned until the final weeks before election day. And given the bureaucracy of state/county boards of election, they may not be able to allow for late ballots to be counted - does Steve think the USPS can "deliver" on time and prioritize mail-in-ballots under those circumstances?

A: I think the Postal Service will deliver ballots as fast as they would normally carry First Class Mail on time. They have special markings and are given priority. The volume is not overwhelming. But vote administrators need to get the ballots out early enough for them to be received, filled out, and returned on time. There might be problems with some of the elections, but it won't be because the mail wasn't delivered timely. Five states – Colorado, Hawaii, Oregon, Utah, and Washington – successfully do 100% vote by mail, but they spent quite a while working with printers, USPS, and others to get it right. Now, 40 plus states are ramping up in a much shorter period of time. Some are likely to make mistakes, like bad addresses, mailing too late, and not processing returned ballots quickly.

Q. Thanks for arranging & hosting this informative session. The panelists and moderator did a great job and presented a ton of useful information. If the panelists are taking post-webinar questions I'm interested to hear their thoughts about the law highlighted below, what long-term impacts they feel this is causing, if they feel this law will result in privatization of USPS and if that would be a net negative or positive for the non-profit market.

- **Postal Accountability and Enhancement Act (PAEA) passed in 2006**

A: PAEA is on balance very positive for nonprofit mailers. The CPI price cap is really important, is state of the art monopoly regulation, provides predictability and affordability, and must be retained. The prefunding issue is not really an immediate problem because USPS is not using cash to prefund now, and there are well-known fixes. Retiree health benefits need to be integrated with Medicare and invested at market rates. Pensions need to be amortized over a reasonable time period and based on sound estimates with USPS data. The most important question is how to fund the growing gap between revenues and expenses; since much of the expense growth is public services, it should be funded with annual appropriations of taxpayer money.