

# THE UMS WORD

NEWSLETTER DATE

MAY 2007

## USPS Announces 2007 Rate Case

### What????!! Postage Rates are going up again...

They sure are. May 14, 2007 the price of a First Class Stamp is going to \$0.41, up from \$0.39.

Though every rate case comes as an inconvenience with necessary budget increases, new rules and regulations on how we prepare our mail, and just the question of: "When are they going to stop?" This rate case has been designed much differently than those imposed in the past.

Currently our customers spend between .293 and .371 on a one ounce presorted letter. After May 14, 2007 presorted postage will increase an average of 2 cents per piece. This seemingly small increase could impact a medium sized mail center's annual budget more than \$15,000.00 in postage and processing costs alone.

The USPS has set up the new rates to more accurately reflect their costs associated in processing each mail piece. The USPS is implementing "shape based pricing". This theory is based on the USPS' realization they were charging the same postage to process a large

awkward envelope as a smaller automation compatible envelope, based on the two being the same weight. The USPS' processing costs are significantly more for the larger envelope. The new "shape based pricing" structure reflects this. The USPS will now charge more for the awkward envelope and less for the smaller automation compatible mail piece.

The USPS has also created incentives to automate flats, which were of minimal benefit to mailers in the past. They are now offering massive postage discounts for bar-coding flats.

The USPS uses rates to drive their customer's mail preparation. In this rate case they will offer significant discounts to customers who can produce automation compatible mailings.

United Mailing Services, Inc. is attacking this rate case head on. As a presort mailer we work in partnership with the USPS. We are also, along with everyone else, at the mercy of the USPS' rate increases. However, we are also prepared to take full advantage of the postage DECREASES which they have announced (yes,

we said postage decreases). By stepping into the automated flat environment which we mentioned earlier, we open the door for our customers to send flat sized mail at a greater discount. Some discounts and postage rates will be lower than they are today BEFORE the rates increase.

UMS is coming up with new, creative ways to take full advantage of the letter discounts being offered as well. By increasing our daily mail volumes and improving our qualifications, we are able to submit more mail trays to the 5 digit, direct level.

This rate case encourages mailers to increase their sortation and levels of qualification. They have added to the discount between full rate and the automation 5 digit rate, and they have decreased the discounts between the lower levels of sort and full rate. This has forced us to re-evaluate the way we process mail.

The USPS has begun a new age with this rate case. This new age could revolutionize the entire mailing industry.

At United Mailing we look forward to the upcoming changes and welcome the future challenges.

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### SPECIAL POINTS OF INTEREST:

- *Ums has made a capital investment in the purchase of Vsort Flat Sorter by NPI.*
- *Postage rates are going up!!!*
- *DPV, what is it?*
- *Your UMS contacts have new e-mail addresses.*
- *Is UMS ready for the upcoming rate case?*
- *UMS is providing an additional STD mail option.*
- *Who is Dale Morrell?*



## Dale Morrell

In October of 2006 United Mailing Services was pleased to welcome Dale Morrell as the newest member of our team. Recently married with a successful 29 year old daughter, Dale has a lot to offer our UMS management team.

Dale was hired on as the customer service manager for our Brookfield facility. He brings 35 years of mail industry management experience.

As a production manager he gained extensive knowledge of the standards for today's mail. Dale is a member of the Milwaukee Postal Customer Council (PCC) and a past board member of the Wisconsin Chapter of the Mail Systems Management Association (MSMA). Both give him great knowledge that will benefit UMS along with our customers.

He looks forward to meeting all of you.



*Welcome to our team Dale!!!*

## United Mailing Services' New STD Mail Option

United Mailing Services, Inc. has developed an additional STD mail option. This straight forward approach in pursuing greater discounted postage rates will be aimed toward our customers who send out national STD mail.

Achieving BMC and SCF entry discounts has been a long time goal of UMS. This new development makes that possible. By transporting STD letters directly to their final destination Post Office the USPS grants discounts over \$0.07 per piece. For medium to large mailers this is a huge benefit.

This new approach UMS has implemented will also benefit our customers by providing track-ability to their mailings. We will be able to notify our customers where their mail is, when it has arrived at the destination

Post Office, when the delivery of their mail is projected, and when it actually was delivered.

Early testing results have shown average delivery times between 10 and 14 days. Our customers using this program are excited about these improved delivery times.

This additional option along with our current STD mail services will be provided for our corporate office customers located in Brookfield, along with a logistics plan to accommodate our facilities in Madison, Oshkosh, Green Bay and Wausau. This new program will aid United Mailing Services in competing in a STD mail market where we could not compete before.

We are excited about this new developing system and look forward to implementing more and more of these new programs, which will produce more savings

## Automation Flats

The USPS Rate Case R2006-1 has brought new and exciting changes to the flat mailing industry. These changes have allowed UMS to venture into the commingled automated flat environment.

UMS has been paying close attention to our largest business partner, the USPS, and the regulations and rate changes they have made to automation flats. When the Federal Registry was released in September of '06, we knew UMS needed an automation flat solution that works best for our clients.



UMS has made the capital investment in the Vsort Flat Sorter by NPI. This will allow UMS to bring additional discounts and savings to our customers. This machine will process up to 20,000 flats per hour.

With the best OCR and through-put technology in the industry, this flat sorter will be able to automate your flats, FCM or STD. The USPS has been a great partner working with UMS to make the necessary changes in production. These changes will allow UMS to offer greater discounts to our customers, helping you save more on mailing!

## Delivery Point Validation

With an implementation date of August 1, 2007 the United States Postal Service's regulation on Delivery Point Validation (DPV) is just around the corner.

DPV is one of the strategies the USPS is utilizing to help diminish the costs associated with UAA (Undeliverable as Addressed) mail pieces which contribute to billions of dollars in lost revenue for the USPS each year.

If the address on the mail piece is not a delivery point address (DPV verified positive), with a legitimate mail box as the recipient, DPV will reject the address and that particular mail piece will not be eligible for a presorted discount.

United Mailing Services is currently analyzing

how DPV will effect our customers. Our preliminary testing indicates a 2-5% increase in undeliverable mail. This will decrease the ability to automate and discount this mail. This could cost our customers more postage on a daily basis to submit their mail.

UMS believes our customers can lessen the impact of DPV by being proactive. This can be achieved by keeping accurate mailing lists and updating those lists regularly.

Any address which does not conform to the USPS' DPV mandate will cost the customer additional postage in every attempt to send to that invalid address.

Additional information on the USPS' new DPV mandate can be found @ <http://ribbs.usps.gov>

## Check out our Web Site

United Mailing Services, Inc. is on the world wide web . Check out our web site at:

[www.unitedmailingservices.com](http://www.unitedmailingservices.com)

Current customers can request supplies, contact your local UMS representatives and stay up to date with new USPS rules and regulations by visiting our newly designed web site.

See all the services we can provide, and all the ways United Mailing Services can assist you and your company in alleviating your mailing headaches.

*Visit us Today!!!*

[unitedmailingservices.com](http://unitedmailingservices.com)

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*Helping You Save  
More on Mailing*

### From the UMS Blog

Excitement has hit hard at UMS. For the past year we have had quite a few projects going, but things have all been coming together smoothly. We are in the middle of a small move. The headquarters of UMS is currently located in a Brookfield multi-tenant building. The addition of our new automation flat department and our sister company UDT (United Data Tech), both being located in our Brookfield location, made us realize we needed more space. As of April 2007 UMS will be adding additional units to increase our total square footage. Our new location will house our corporate offices, our NPI Automation Flat Sorter, and United Data Tech. Along with the new location will be the addition of our new phone system. Barb, our Administrative Assistant, will finally be able to transfer you into our new voicemail system.

As you will read in "Auto Flats Coming to United Mailing Services," an article in this newsletter, the new flat sorter will be operational by the rate case. With all the new regulations in play, UMS is excited to be able to offer our customers better flat solutions at additional savings. As our new standard mail solution expands, UMS is eager to announce two STD mail options. As a customer we now allow you an option to greater discounts for your national STD mailings.

It is a really good time to be a part of UMS. With the new growth comes new opportunities. We have gone through internal promotions and hired some great new people. The rate case is here, DPV is around the corner in mass cycle, and with all the other USPS regulation changes...

*"We are busy, but that's okay. It's exciting!"*

**We're on the Web!**  
**[unitedmailingservices.com](http://unitedmailingservices.com)**