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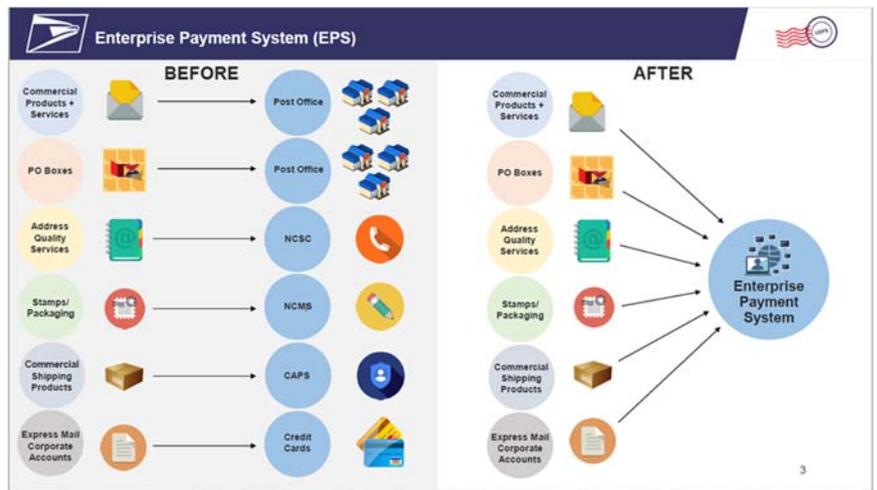
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Postage Payment Modernization Leads to Better User Experience, More Acronyms

As the USPS continues its push to streamline services, expect to see changes in postage payment over the course of 2018. Postage payment modernization is a topic that Postal has been looking into for a while and they are ready to implement their solution this year. The Enterprise Payment System (EPS) will be the future of payment by business mailers to pay for products and services through a single Enterprise Payment Account (EPA).

Throughout the year, the USPS will be transitioning business mailers from the CAPS system to the EPS. With an EPA, customers will be able to consolidate multiple permits into one account, and pay for services via ACH connected directly to a bank account. The most convenient aspect of EPS will be that customers will also be able to pay for services at **ANY** retail location by using their 10 digit EPA account number. There will be no need to zero out your current permit balances. Current Permit balances will simply migrate to EPS upon permit linkage. Looking ahead, Postal is also working on a mobile deposit option as well.

The USPS is also optimistic that the EPS will provide a better customer experience due to a new and improved user interface. The modern customer dashboard will allow users to login to a single source to manage multiple EPS accounts. Customers will receive real-time transaction and balance reporting, as well as mailing details and account activity. EPS will provide detailed information for any mailings submitted using PostalOne. There are numerous data fields that will help the customer filter reports and find the correct CSV/Excel/PDF file.



Retrieved from: <https://postalpro.usps.com/feb2018pccpresentation>

Make sure you are prepared for Postal to begin its transition to EPS. The following email handles are available to help your company migrate to EPS:

USPSPayment@usps.gov

- Submit an EPS request. Make sure to include your Business Customer Gateway (BCG) username for Business Service Administrator (BSA), your email address, and CRID(s).

Postalone@usps.gov

- PostalOne! help desk is available to support customers with EPS setup & use. Or you can call 800-522-9085.

USPSPayment@usps.gov

- Customer support for migration preparation.

The USPS will also be offering free educational webinars every Tuesday from 3/6/2018 until 8/28/2018 from 12:00pm to 1:00pm (CT). You can login using the following information:

- * Toll Free Attendee Dial In: 1-855-860-7461
- * Call-in number: 1-678-317-2063
- * Conference Code: 358 251 5082
- * Attendee Direct URL:
<https://uspsmeetings.webex.com/uspsmeetings/j.php?MTID=mb2fa637535b3d99a3c91879db494ff8f>
- * Alternate URL: <https://usps.webex.com>
- * Event Number: 744 937 062

As always, you can also contact your local BMEU and they will also be able to help you with the setup and use of EPS.

Postal Rate Commission Update

The Postal Rate Commission (PRC) has been extremely busy in the last few months. In December 2017 the PRC concluded the 10 year rate system review. Along with releasing their findings on the 10 year review the PRC also published proposed changes to the current system.

In 2006, when the Postal Accountability and Enhancement Act (PAEA) was passed into law, it required the PRC to conduct a 10 year review of the law to make sure the system was working and that the objectives were being achieved. When the PRC announced their findings they determined that the current rate system is not meeting all of the objectives outlined.

The PRC's findings are outlined in a two-hundred and ninety-three page document that can be found at (www.prc.gov/doc/102/102709/order%20No.%204257.pdf). The PAEA outlined nine objectives that the rate system needed to achieve. The PRC found that the rate system was "largely successful" in achieving stable and predictable rate adjustments in terms of timing and magnitude. It also found in favor of a reduced administrative burden, increased transparency in the ratemaking system and allowing the USPS pricing flexibility while maintaining "just" prices. All of these were objectives outlined in the PAEA.

However the PRC did not feel that the USPS has increased pricing efficiency and has not maintained the financial health of the USPS, which were also objectives. The PAEA also contains objectives the USPS must meet in conjunction with maintaining high quality service standards. The PRC noted that they did not think the service standard objectives were being met, stating that in the last 10 years the USPS has significantly reduced service at least twice, pointing out the eliminating of overnight delivery and the introduction of "Load Leveling".

While the PRC said that they did not think the current system was working, they did propose a set of changes that would significantly change the system. These recommendations can be found in a 190 page document at (www.prc.gov/docs/102/102715/order4258.pdf). Here are a few of the major points of recommendation:

- The PRC proposes that the CPI-price cap system be maintained to provide stability but also recommends a "discrete amount of Rate authority". Specifically a five year period where USPS can have 2% of supplemental rate authority to the CPI-cap.
- Flexibility to increase rates by 2% above the % increase per mail class, for all "underwater" products not meeting their attributable costs.
- Introducing "Performance based rate authority" up to an additional 1%, if the USPS meets predetermined operational and service measurements.
- The PRC wanting to get workshare discounts equal to or less than 100% pass through of avoided costs.

The PRC has *proposed* these changes and at this time, that is all that they are, a *proposal*. However the PRC has opened a comment period from industry and welcomes a "robust" conversation.

As a recipient of this newsletter, and a stakeholder in the mailing industry, what does all of this mean for you? It means that the PRC, the USPS, and the industry are hard at work analyzing the USPS rate system and trying to find the best way to create a financially stable USPS. This is one goal we all can agree on. Many Industry associations are finalizing their comments to the PRC. Here at United Mailing Services we are actively involved in those proceedings and are doing our best to protect the workshare discounts that you use every day to achieve cheaper postage. As these procedures continue we will keep you posted on current and relevant happenings.

Congratulations Terry on PCC Position!



Pictured: Terry Loose [loh-see]
Business Development Manager

Terry Loose, longtime Account Manager at United mailing Services, was recently elected to the Milwaukee Postal Customer Council (PCC) as their Treasurer. His position is responsible for; maintaining records of money received, preparing written treasurer reports, and managing bank accounts for the council. The PCC is a valuable resource for business mailers big and small. It provides an open dialogue between the USPS and their customers. Terry highly encourages new members to attend meetings to learn valuable information from industry leaders. The PCC holds networking events and meetings throughout the entire year. These include golf outings, the Lombardi walk/run, Brewers games and more. United Mailing Services would like to congratulate Terry for continuing our involvement in the PCC.

For more information about the Milwaukee PCC, or anything regarding your mail, please contact Terry Loose at (262)432-7261 or at tloose@unitedmailingservices.com.

New Faces in New Places

UMS has recently made a position change for one employee and added two new faces to our team. We would like to congratulate Joel Mueller in his new role within the company, as well as welcome Nicholas Her and Meng Lor to the UMS family.

Joel has become our Systems Analyst and is now in charge of monitoring and analyzing all USPS data and statistics. This position was created as a direct result of our company transitioning into Streamlined Mail. His new role is crucial to ensure that we're processing your mail as efficiently as possible and capitalizing on the best Postal discounts. Joel has been with us since 2008, and previously worked for us as a technician maintaining our sorting equipment. In his free time he enjoys swimming in his pool and playing the drums.



Pictured: Nicholas Her
Network Admin



Pictured (from left to right): Joel Mueller, Systems Analyst & Meng Lor, System Administrator

Nick is our new Network Administrator, handling all of our I.T. duties. He is currently responsible for upgrading all of our I.T. infrastructure. This will enhance our internal communications and enable us to become even more efficient. When he is not working, he enjoys spending time with his family and is a casual P.C. gamer.

Meng is our new System Administrator, and he is currently leading the development of UMS' website and UMS Print Solutions' web store. Upon launch, our new web store will put you, the customer, a click away from ordering any of our print and mailing products. He also lends support to Nick, assisting on all I.T. related issues. In his free time Meng enjoys being outdoors and spending time with his family.

National Association of Presort Mailers Member Convention 2018

The National Association of Presort Mailers (NAPM) Annual members' convention was held in Orlando, FL and two of our own, Mark Kolb & Joe Cullen, were in attendance. There were multiple speakers at the event, including Mark, discussing various issues and concerns with the mailing industry.

Robert G. Taub, Chairman of the Postal Rate Commission, spoke about the issues facing the PRC today. The PRC is in the midst of conducting its 10 year review of the Postal Accountability and Enhancement Act (PAEA) which was put into law in December of 2006. This is the review of the current system of regulating rates and classes for market dominant products. On December 1st, 2017 the PRC released its findings from the review and the public is open to comment on them until March 30th, 2018.

Gary Reblin, USPS VP of New Products and Services, spoke to why USPS has not offered any promotions in 2018. The USPS Board of Governors needs to approve all promotions and currently all seats are vacant on the board of governors. Mr. Reblin was optimistic an appointment was near and they were still going to get some promotions in for 2018. Mr. Reblin also spoke about Informed Delivery and its increased adoption. You can add more value to your mailings by increasing the adoption of Informed Delivery by being able to see what is in your mailbox before you get home and imbed links to web pages in those images to lead your customers to your offerings. To learn more about Informed Delivery and to sign up visit: <https://informeddelivery.usps.com>

Sharon D. Owens, USPS VP of Pricing and Costing, spoke about how USPS is working to manage their internal costs and how they are working their pricing strategy around costs. All of our marketing mailers have noticed in recent years how the spread from Network Distribution Centers [NDC] to Sectional Center Facilities [SCF] have decreased. Ms. Owens explained that this is due to the decline in mail volume. USPS is only using about 40% of their transportation capacity from NDC's to SCF's. They have to send the trucks from NDC's to SCF's and they have room for a lot more capacity so this is why the SCF transportation drop has less value to the USPS.

Our own Mark Kolb, Vice President of UMS, presented on Seamless Acceptance and how UMS continues to be a leader in the industry. UMS is a Seamless Acceptance mailer in all of our print and presort locations. This means that we have access to the full suite of USPS Streamlined Mailing Services, ensuring that you save the most money on postage as possible. This also allows you, our customer, access to USPS services such as Mail Anywhere that enables you to use a single permit from any city to deposit mail into any USPS office. If you have questions, we can get you the answers!



Pictured: Mark Kolb, Vice President of UMS, speaks at the 2018 NAPM conference.

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*Helping You Save More on
Mailing, Printing, and
Fulfillment!*

Commingling is Our Core

Our goal as a company is to provide our customers with a one stop shop for all of your mailing and printing needs. This business model has led us to diversify our company in many different directions based on customer needs, postal rate changes, postal regulations, and an ever changing business environment. Our main goal is to streamline all product lines to make the process seamless to our customers.

With all of the changes we have made, our core business is still commingling mail. By sorting all of our customers' mail into one large mailing, postage costs can be driven down as our overall volumes increase. As mail volumes decline across the nation, we have positioned the company to be stronger than ever before. Our product line diversification has allowed our company to grow it's commingle mail pool to mail volumes we had only hoped for in the past. This allows our entire customer base, from fortune 500 companies to small mom and pop shops, to obtain deep postage discounts on all mail that is brought into our commingle pool.

As we continue to grow as a company, you can rest assured that our intentions and business model is always to keep your postage costs as low as possible.

Did you know that...



Informed Delivery provides participating customers with images of the mail that will be placed in their mailbox each day. Black and white images of the actual letter-sized mail pieces, processed by Postal Service sorting equipment, will be provided to you each morning. Catalogues and magazines may be added in the future. As of Jan 2017, more than 100,000 customers had signed up for this service.

It is also available on your phone! Look for Informed Delivery ® in Android Apps on Google Play or in iTunes for Apple Devices.