



July, 2011

Is the USPS Really Going Out of Business?

Ummm...we don't think so, but...

ProList, Inc. is an Industry Innovator in data management and direct mail services solutions.

If you are thinking of starting up your own business, we might suggest you consider a pizza parlor or maybe a nail salon rather than a federally controlled nationwide delivery service with 575,000 employees. That particular business is kinda tough these days.

Postal revenue continued to drop at a pace worse than forecasted, with the resulting financial crisis threatening to push the agency into insolvency before the end of the year. Total mail volume was down 3.4% for the first two months of Postal Quarter III (April and May), led by a decline in First-Class mail volume now extending into at least 14 straight quarters. Would you like some extra cheese on that pizza?

Standard Mail volume, which had rebounded in the second half of calendar year 2010 after serious declines in early and mid-2009, did show a bit of growth, but it has cooled. Standard Mail volume is expected to stay relatively stable, while First-Class Mail volume will continue to drop. Since First-Class Mail is much more "profitable", this is not a rosy picture for the Postal Service. A loss of \$8.3 billion is anticipated for fiscal 2011, which added to their existing debt from previous years will put them \$19.1 billion in debt, well beyond their statutory \$15 billion debt limit. It could get even uglier in 2012. Can we paint your toenails, too?

So, what does it all mean to you? It seems unlikely that there will be a service interruption, but there is likely to be much hand wringing. The Postal Service has put forward a proposal that, among other things, stresses three key actions:

- Eliminate Saturday delivery;
- Allow them to close more non-performing post offices;
- Don't require the Postal Service to continue to contribute (excessively in their view) to federal retirement and health care funds.

All three require "congressional action", an oxymoron if there ever was one. Eliminating Saturday delivery and closing some facilities is almost a certainty. The retirement and health care funding issue is less certain, as it is really just pushing costs from one federal program to another. It's much more complicated than the Postal Service portrays.

Some other likely outcomes (in our often-wrong opinion):

- The USPS statutory debt limit will be increased, against their protests, like a rich uncle stuffing a twenty in your shirt pocket;
- Postage rates will go up (duh) but in a way to bring "underwater" subclasses up in the air. Periodicals and Standard flats are likely to be hit hard. Again.
- Nonprofit discounts will be reduced, or subsidized by congress. It is possible nonprofit rates could go up a lot; .
- Postal unions may need to make big concessions, as labor is still a big part of postal expenses.

There are a lot of bills knocking around congress right now, and someone will have to do something. Of course congress has been pretty wrapped up with its own issues lately and not likely to spring into action anytime soon. In a recent interview with *USA Today*, Postmaster Patrick Donahoe indicated he believes congress will ultimately be open to legislation allowing the post office to reduce services. If postage is an important part of your budget; you should keep an eye on postal bills that are in congress, and let your representatives know the issues that are important to you. And, of course, we'll keep informed as best we can. Check out the Donahoe interview [here](#).

Hmmmm...maybe a deli would be nice. Everybody likes food...

ProList Webinar Makes Integrated Marketing Real

Ultramodern technology lets you still watch it today!

Historically, many in the Washington DC direct marketing community have planned their spring wardrobes and vacations around the ProList May seminar. This year, we switched seasons and technology to present our first webinar, **Zero to Integrated in 30 Minutes**, an action-packed web-based presentation that covered step-by-step how we planned and deployed our acclaimed "Hail the Snail" integrated campaign this spring.

"Laughter, tears, QR codes, flow charts, and landing pages – they're all included in this timeless romp through a coordinated marketing campaign," gushed one clearly over-enthusiastic attendee. We felt that "oddly entertaining" and "genuinely useful" were more apt descriptions. Still, you be the judge. You can still see this presentation by [clicking here](#), or you can reach it on our web page – www.prolist.com.

You can also read more about integrated direct marketing at - Spoiler Alert – www.hailthesnail.com.

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