



**PROLIST**  
DIRECT MARKETING SERVICES

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## Whoa USPS! Not So Fast! PRC rejects proposed Standard Mail rate change

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



Postal rate cases seldom offer much excitement these days. The USPS proposes raising all of their rates at just about the rate of inflation, maybe with a couple of "gotchas" on parcels or something just to keep people on their toes. The Postal Regulatory Commission reviews the proposal, frowns, makes some harrumphing sounds, and stamps the proposal "approved." The USPS sheepishly takes back the papers, skulks back to their lair, and raises everybody's rates a few weeks later. None of the ten months of animal sacrifices and ritual dancing that was at the heart of rates cases before Postal Reform in 2006. But this year, the thrill is back!

In all fairness we are greatly stretching the meaning of the word "thrill" here, but still, there is some controversy surrounding this year's rate case. The PRC sent the proposal back to the USPS and directed them to take another stab at Standard Mail rates. It's all about letter vs. flat rates, in what is shaping up as an epic battle between Valpak and LL Bean.

A little background: It costs the USPS a lot more to process flat size mail than it does to process letters. Different machines that run at different speeds, as well as just the greater difficulty of fitting flats into mail bags and boxes drive the disparity. Thus you pay more postage for a flat-size piece than for a letter. However, the differential in postage is not enough to cover the difference in handling costs. The USPS essentially loses money on every Standard Class flat it delivers. They raised the rates on flats – a lot – a few years ago, and drove away a lot of catalog mail, so they have been hesitant to do that again. Still, they promised the PRC that they eventually would raise the rates on flats to compensate. Really, they would. Pretty soon. I mean they've been real busy and all, and just haven't had the chance in the last few years, but they'll be getting right on it. Just not in *this* rate case.

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So, the proposed rate case had no differential, no "catch-up" increase for flats – in fact, in some cases the proposed increase was greater for letters. Valpak, who happens to mail a whole bunch of letters, was not amused and filed a motion with the PRC that contained a lot of large legal words that essentially meant, "Hey! No fair!"

LL Bean, on behalf of a group of rustic, outdoorsy type catalog mailers filed a reply of, "Uh-huh! Is too fair!"

We may be paraphrasing.

The PRC is growing impatient with the Postal Service, and did send that portion of the rate case back to them for another stab. The Postal Service has come back with a proposal that increases the rate for flats a bit more (an increase of 2.617% vs. the originally proposed 2.57%), but offers no reduction for letters or parcels. Fear not, though – the USPS and PRC still feel there's plenty of time to get the new proposal approved in time for the January 27, 2013 increase.

In a related word association test ProNews staff blurted out the terms "deck chairs" and "Titanic."

**Contact Us Today!**

Dave Lewis  
[dlewis@prolist.com](mailto:dlewis@prolist.com)  
301 924-4545  
[www.ProList.com](http://www.ProList.com)



We will be publishing an updated rate chart in the coming weeks.

## New Folded Self-Mailer Rules Still on for January Please, Please, Please let us check your self-mailer designs

This is not news to regular ProNews readers, but time marches inexorably on, and on January 5, 2013 new rules will take effect for folded letter-size self-mailers. We continue to see self-mailers come in that are jim-dandy today, but will be, well, less than jim-dandy after January 5.

Again, the highlights are:

- Maximum size will be 6" high by 10.5" long;
- Final folded edge **MUST** be on the bottom;
- On tri-folded letter-size self-mailers, the final panel cannot be the address panel. We cannot think of an easy way to explain this, but if your address is at the top of a sheet, and you are then folding it down to a letter-size, it is probably wrong. Let's talk.
- The penalty for not following the rules is steep – typically about 20 cents a piece, regardless of class or presort level.

You can read more details about these rules [here](#). Better still, let us review your design before you produce it. We have a frightening amount of knowledge on this stuff.

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8341 Beechcraft Avenue  
Gaithersburg, MD 20879



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