



Welcome to our First E-Newsletter

Thanks for taking a few minutes from your busy day to look at our first e-newsletter. To help keep you up to date on industry news, it's been designed to be timely and informative. We'll publish a new edition periodically as events warrant. Ideas for articles are welcome, so please share them with us by sending an email to edunlap@idmailsystems.com. Let us know what you like and what you don't like about our e-newsletter. Thanks again for your time and please look for our future editions.

Upcoming ID Mail Events

POST Expo

Fira Barcelona (Expo Center)
Booth 1110
Barcelona, Spain
October 2, 3 & 4, 2007

Parcel Forum

Hyatt Regency O'Hare
Rosemont, IL (Chicago)
October 30 & 31, 2007

World Mail & Express Americas

Puerto Vallarta, Mexico
December 2007

Other Industry Events

UK Express Delivery Conference

Olympia Conference Centre
London, England
July 3 & 4, 2007

Mailcom Las Vegas

October 8, 9 & 10, 2007

Rate Case Redux Averted

On the heels of the recent USPS rate case implementation, it seems that all rates were *not* cast in stone for the next year or so. Lobbied by catalog and other light-weight Standard Mail flats mailers, the PRC recommended to the Board of Governors a 3¢ reduction in the piece rate for all such flats. However, the PRC's recommendations did not include an offsetting 0.7¢ increase in the rates for Standard Mail letters. Without the increase in letter rates, the Board of Governors voted June 19 not to implement the reduction in the flats' piece rates, which allows the rates implemented for Standard flats on May 14 to remain in effect.

Periodicals are still slated for their new rates to be implemented on July 15.

Low-Cost Dispatcher

ID Mail Systems recently announced the creation of a reduced cost version of its flagship product, the [Dispatcher](#). The USPS Rate Case greatly enhances work sharing discounts for flats. Driven by these changes, interest in flats processing has reached an unprecedented level. To reduce the entry barriers for new processors, ID Mail is offering the new, lower cost Dispatcher from now until September 1.

The new Dispatcher is offered at a substantial savings versus previous Dispatcher models and other industry flats-compatible sorting systems. This latest version is specifically configured for USPS flats and includes: a re-supply module, CASS database, DRS database lookup, USPS reporting software, 8" reading system with OCR software, 2" color/BW printer and 32 single-level SL4 bins. A variety of options are available to enhance this model, including a weigh-in-motion scale, in-line labeler, barcode verifier module, addressing capabilities, manifesting software for mixed-weight items and additional SL4 bins. Tri-level TL3 bins are also available for space-constrained sites.

But the most important issue isn't the content of the product, it's what the Dispatcher provides after it's installed. With the recently implemented rate case, the work sharing discounts were increased dramatically for First Class flats, with a 1 ounce piece sorted to the 5-digit now providing revenue of \$0.471 versus the single-piece rate. Items sorted to the 3-digit, ADC, MADC and Presort receive discounts of \$0.316, \$0.233, \$0.113 and \$0.101, respectively. Using an example of a 5,000 piece national mailing, revenue of nearly \$800.00 is generated each day under the new rate case. When considered as a regional mailing, the same 5,000 pieces generate approximately \$1,150.00 in daily revenue.

<i>Qualification Level</i>	<i>% Qualifying</i>	<i># Pieces</i>	<i>Per Piece Revenue</i>	<i>Revenue</i>
National Mailing				
MADC	20%	1,000	\$0.0635	\$63.50
ADC	80%	4,000	\$0.1825	\$730.00
Total – National				\$793.50
Regional Mailing				
MADC	10%	500	\$0.0635	\$31.75
ADC	30%	1500	\$0.1825	\$273.75
3-Digit	50%	2500	\$0.2655	\$663.75
5-Digit	10%	500	\$0.3665	\$183.25
Total - Regional				\$1,152.50
*Each scenario assumes the presort discount is split between the processor and the customer with the processor retaining all deeper discounts.				

After accounting for labor, the resulting revenue stream generates a quick payback from 1 to 1 ½ years, creating an almost immediate dividend from your investment.

A Vision for the Future of International Mail Automation

The postal market is changing and evolving at a rate not seen since the introduction of automation in the 1960s. For the past few decades the national Posts have operated in a fairly stable environment with the main threat coming from new communication technologies that appeared to undermine the value of the posted letter. This threat, of course, is still present today and the role of physical mail continues to adapt to the changing communications environment. But overall it is generally accepted that physical mail still has and will continue to have a role in business and personal communication.

The new reality of the postal market is increasing market deregulation and, as a direct consequence, an introduction of competition for essentially the same level of overall mail volume. In the short to medium term, the effect of deregulation is the creation of many

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smaller postal operations in a geographic area. Historically, the national Posts have geared up to process the entire mail traffic in their geographic area and have implemented expensive and sometimes less flexible automation strategies. These strategies were the right approach in the stable environment of the past and produced low unit operating costs. However, for large operators facing inevitable volume reductions, these costly and less flexible automation solutions are no longer able to support the variety of current products and services.

For operations in the process of adding services or involved in climbing the volume growth path, capital investment must be appropriately scaled and matched with the volume growth pattern. This does not always lend itself to the large step function or “Big Bang” impact of many high performance, high throughput automation solutions. Furthermore, technology investments are increasingly being evaluated based on their flexibility as opposed to their ability to perform a single job particularly well.. In short, solutions which are sufficiently flexible to handle a wide variety of applications provide a far easier investment justification and also provide insurance that the investment will still be viable even if circumstances change.

Visit our web site www.idmailsystems.com to see how the [Dispatcher](#) and our other automation solutions can solve this and other mail processing issues for your national Post, presort bureau, international processor or private delivery service.

For additional information about ID Mail's products and services, please visit our web site at www.idmailsystems.com, or send an email to sales@idmailsystems.com.