

# MAILING INDUSTRY TASK FORCE

## Create Enhanced Payment Systems

### Recommendation Recap

The October 2001 report of the Mailing Industry Task Force recommended that the Postal Service and the industry work together to develop and deploy enhanced payment systems and commercial credit options.

Working with the Task Force, the Postal Service addressed legal and financial issues associated with surety bonds, letters of credit and equalized credit. After thorough investigation of these financial instruments, members developed a set of principles upon which payment-system enhancement should be constructed in order to realize increased levels of value for customers. When the Postal Service presented a proposal to develop a system called *PostalOne!®* incorporating Web-based scalable technology, the Task Force immediately offered encouragement, support and feedback on how the new system might best serve the mailing industry. At present, *PostalOne!®* has been launched, with the full suite of its features to be developed over the next 18 months.

"*PostalOne!®* should dramatically improve the mail acceptance and payment processes to make it easier to do business with the Postal Service," said Gary Mulloy, Chairman and CEO of ADVO. "Customers will be able to go to one source to find the information we need about the business we do with the Postal Service."

### USPS/INDUSTRY PROGRESS

- ✓ *PostalOne!® Successfully Launched*
- ✓ *Phased Features Roll-out In Place*
- ✓ *Foundation for Future Customer Relationship Management*

*PostalOne!® Deployment.* The rollout of electronic mail entry documentation and payment recording system – begun last fall — will continue over the next year-and-a-half, with new functions and components to be released every six months. When fully operational, *PostalOne!®* will have the following attributes:

- New account management functions, including a core permit function that creates a single national numbered permit account for multi-site mailers.
- New acceptance and processing tools, including streamlined verification.
- Enhanced postage payment, with expanded Centralized Account Processing System (CAPS) participation and a single corporate account.
- Electronic access through a single business mailer portal, with consolidated payment reporting.
- Better interface with postal operations, allowing for improved mail flow management and forecasting, and service measurement.

The Task Force continues to support the Postal Service plan to release the system's modules incrementally, to ensure that it can be adapted to any future policy or procedure change and to minimize disruption for postal clerks, who will also be managing legacy permit systems.

Some of *PostalOne!®*'s initial customers helping to mature new postage payment processes include ADVO, ALLTELL Information Services, American Color Graphics, Arandell, Fry Communications, Harte-Hanks, Perry Judd's, Quad/Graphics, Quebecor World, RR Donnelley, and Sprint Mailing Services.

"We will now be able to better serve our customers with the use of this system," commented Task Force member John Campanelli, president of R.R. Donnelley Logistics, which was awarded *PostalOne!®* certification in 2001. "We can electronically submit, track, and review bulk mailings, which increases efficiency and timely delivery."

*Third-Party Financial Intermediaries.* The deployment of *PostalOne!*<sup>®</sup> has reduced the need for a third-party intermediary work-around. Another proposal considered would allow third-party intermediaries selected by CAPS-enrolled mailers to offer those mailers credit terms, with the Postal Service debiting the third parties for the mailers' postage. The Postal Service approached a majority of its relationship banks about participating in this test. Consistent with the banks' viewpoint, the Postal Service concluded that the appropriate third-party relationship should be between mailers and their own banking institutions. The Task Force continues to see some potential value in third-party facilitation from the perspective of ease of use for the customer, rather than lowest cost of mailing. The Postal Service is continuing to explore various third-party payment options.

*Subcommittee Hiatus.* The Payments Subcommittee successfully completed its tasks set forth in the Mailing Industry Task Force report last fall. In the future, it will continue to meet as needed.

#### **FUTURE ACTIONS**

- The Task Force will support the implementation of *PostalOne!*<sup>®</sup> and continue to supply data and input for further enhancement of planned features.

#### **ENHANCED PAYMENT COMMITTEE MEMBERSHIP**

The Enhanced Payment committee has had members representing ADVO, Capital One, Computer Sciences Corporation, the Department of Defense, DST Output, JC Penney, McGraw Hill, Pitney Bowes, Relizon, R.R. Donnelley, Time Customer Service, Inc., Quebecor World and SBC Communications. Currently in hiatus, the committee has been co-chaired by Gary Mulloy, the Chairman and CEO of ADVO, and by Robert Pedersen, Vice President, Treasurer of the United States Postal Service.