



To our valued NAPM members,

Please take a few minutes to read this letter, where we provide information on what we see coming in 2022 and why your continued support of NAPM is more important than ever. Members like you are essential to all that NAPM does – it is through your dues support as well as your critical participation and feedback that NAPM continues to be the leading industry association representing the presort and commingle ecosystem and its unique needs.

We know that these are challenging financial times for some of our members, so we continue to work on changes that have a positive impact on your bottom line as well as identifying and educating members on growth opportunity areas. We are the only industry association that provides in-depth member support on daily operational issues, as well as broader postal policy and legislative issues to help make your NAPM dues expenditure more than worthwhile. Through our continued collaborative efforts with the USPS as it redesigns its processing and logistics network, introduces new products and services, and inevitably makes changes that will impact your business, NAPM is working hard to ensure all its members have what they need to succeed in these challenging times.

NAPM in 2021 has worked diligently on your behalf, through a challenging year where members are still greatly impacted from the pandemic, and looking ahead, 2022 will bring a host of changes and challenges for NAPM members. Now more than ever, your dues support is essential so that NAPM can work in 2022 to support and educate members on what's to come as well as advocate on behalf of your business to make sure your needs are represented where it counts.

## Looking Ahead to 2022...

**USPS Strategic Plan Initiatives.** The USPS in 2021 continued to embark on a significant strategic transformation, as outlined in its “Delivering for America” (DFA) plan. For the fall of 2021, however, the USPS has placed its primary focus on the peak mailing and shipping season, determined to avoid the issues experienced last peak. Once the peak season is past, as soon as January 2022, the **USPS plans to re-start many of its strategic initiatives that it put on hold**. Some of the coming changes that NAPM is monitoring include:

- **Redesign of the USPS Processing & Logistics Network.** In 2022, the USPS will finalize its redesign of its processing and logistics network and begin an incremental implementation over the next 2-3 years. Included in this redesign are **changes to service standards** – some of which the USPS has already implemented, but more is **still to come**; **changes in induction points for letters/flats** as the USPS converts today's NDC network to a new STC (Surface Transfer Center) network that will also include regional induction points for containers with mail for more than one SCF; and potential **changes in mail preparation rules/workshare incentives**. NAPM is part of a special group working with the USPS on the future network design and potential changes, and it is essential that we continue to collaborate with the USPS and provide feedback on how potential changes may impact our members' businesses.
- **New USPS Products/Services.** As part of its 10-year DFA strategic plan, the USPS is working on ways to increase revenue, including from **growing mail** and **offering new products/services**, both of which are good for our businesses and help create new opportunities. One example of this is the USPS' new parcel offering, USPS Connect Local, which is likely to be nationally implemented in 2022. With this and other new USPS offerings, NAPM continues to promote the valuable role our members can play to help the USPS succeed as well as create new business opportunities for NAPM members.

- **USPS Pricing.** The USPS made the decision, after listening to industry feedback, not to increase prices in January 2022 and instead hold the next price change until July 2022. The USPS recently announced its plan, however, to potentially change Market Dominant mail prices two times each year, starting in 2023, with one change in January and another in July each year. The USPS said it will decide each year whether to do two price changes, but wanted to let industry know there would be that possibility going forward so businesses can budget and prepare.

The USPS also is performing much analysis on its costs and will continue to do so as it makes significant changes in its network and processes, which could result in changes to price structures and workshare discounts. NAPM will continue to work closely with the USPS to advocate for workshare discounts and price incentives that reflect the work our members do, including retention of the Full-Service price incentive, and Seamless price incentive that NAPM was instrumental in getting the USPS to implement, as well as presort discounts. NAPM advocated for the requirement for the USPS to set workshare discounts closer to 100% passthrough, which were included as part of the PRC's 10-year rate system review final rules.

NAPM's work with the USPS to support creation of the Seamless incentive worked to remind the USPS that mailers incur real costs to support programs like Seamless, and it also helped promote the value that NAPM members and others supporting these programs bring to the USPS. The **Seamless price incentive also means real \$ in your business' pocket** once you move into full Seamless, if you've not done so already. NAPM has lots of support available to help members get into Seamless, so reach out to us if you need help!

- **USPS Reorganization.** As the USPS continues its reorganization there is much movement of people into new positions as well as new employees in key positions. During this transition period, NAPM has worked tirelessly to communicate to the USPS headquarters team issues that are occurring as a result of new people in customer-facing positions such as in Business Mail Entry. Through our close relationships with USPS, we are able to have many of the issues reported by our members addressed quickly and collaboratively, including issues around mail acceptance, verification, postage and more.
- **More to Come!** The above are just a few of the key initiatives we know the USPS will be working on and implementing in 2022 as part of its strategic plan. There are more areas the USPS is likely to be making changes in and NAPM will be vigilant in ensuring your business has the information on what's to come as soon as it is available so that it can plan and succeed.

**Promoting the Value our Members Bring.** NAPM will continue to educate the USPS, postal regulators, Congress, and others about the value that our members bring – value to the USPS, value to the economy, value to businesses using the mail, and value to consumers. In 2022, NAPM's Strategic Planning Committee will be focusing on a broad marketing and education program as well as specific meetings with key influencers and decision-makers to communicate the many ways our members add value. That value includes preparing and entering mail in the most efficient manner possible for the USPS to help reduce its costs, improving USPS service performance for mail users, providing mail users with access to affordable postage rates, acting as first line sales force and educating mail user customers on USPS products and services, and much more.

In addition, the Intelligent Mail data provided by our members through Full-Service and Seamless fuels a growing list of USPS products and services. NAPM will continue to emphasize to the USPS, PRC, and others the value of that data and the need to enhance workshare discounts/price incentives that compensate our members for the cost to support these data-rich programs. Nearly every initiative the USPS is pursuing to retain mail volume (e.g., Informed Delivery, Election Mail/Ballot tracking, etc.), reduce costs (Seamless, IMb Full-Service, Enterprise Payment System, Address Quality initiatives, etc.), improve service (USPS' Service Performance Measurement System, Informed Visibility and internal analytics/tools, etc.) and more -- could not function without the Intelligent Mail data we provide.

**Promoting Your Business.** NAPM in 2022 will engage in several initiatives focused on promoting the use of commingle and promoting your business to prospective customers. We will be developing presentations and education materials on the value of commingle which members can use with customers, at local Postal Customer Council (PCC) meetings or other venues. NAPM will conduct presentations around the value of commingle at conferences such as the National Postal Forum and other venues where prospective customers gather. We will be fine-tuning NAPM's "Member Locator" tool which is available to anyone on the NAPM web site as a way to find service providers (so make sure your company info and listing are up to date!).

**Helping Your Business at the Operational Level.** One of NAPM's **key strengths** that sets it apart from other industry associations is the work we do to help members at the operational level of their business. We continue to assist dozens of members each year as they work through business mailing related issues covering everything from overcoming business or technical obstacles they are experiencing at their local acceptance to disputing revenue assessments, moving into programs such as eInduction or Seamless Acceptance and more. Where appropriate to the issue, we engage our vendor members to help MSP members resolve their issues. Our assistance helping members appeal postage assessments has realized **hundreds of thousands of dollars** being returned to them and our direct support and education of members helps reduce their costs.

**Identifying Growth Opportunities.** NAPM in 2022 will continue to identify potential new business and growth opportunities for its members and provide education and resources to help members explore new opportunities. At our 2022 Annual Conference, our agenda will include several sessions focused on growth opportunities, and NAPM will continue to conduct webinars for members where we bring knowledgeable speakers on specific growth areas to share their expertise and experience.

**Grow the Membership.** NAPM over the years has maintained a loyal set of members with strong membership retention. As our industry and the pressures members face continue to evolve, however, mergers and acquisitions among our members will continue and likely grow. To remain strong and continue to do the important work we do, NAPM must not just retain existing members, we need to grow and bring on new members. Growing our network of members not only keeps the association strong, it provides many opportunities for collaboration and partnerships between members, which will become more important going forward if mail volumes continue to decline.

**On the Legislative Front.** Through its efforts as part of C21 (Coalition for 21<sup>st</sup> Century Postal Service), NAPM has worked to advocate legislative positions that benefit our members. When appropriate, we have invited members to participate in educational discussions with key Congressional representatives as well as writing letters on key issues. Whether the reform bill that ultimately gets voted on focuses on elimination of the USPS' pre-funding requirements for retiree health care, or takes the shape of a larger more comprehensive postal reform bill that could impact our industry in many ways, NAPM will be vigilant and active both in letting our members know what is happening as well as continuing our industry collaborations to work on legislative issues.

NAPM also works collaboratively with others in the industry to keep a pulse on key legislative activity happening at the state level and provide information to members. We will continue to educate members on legislative activity around privacy, sales tax, and other key issues through our member webinars and our Annual Conference as well as articles in our newsletter and on our website.

**On the Regulatory Front.** NAPM in 2022 will continue to closely watch activity at the Postal Regulatory Commission (PRC) and submit comments when invited to do so that help educate the regulator on our industry and members' needs, as well as opposing any potential changes not in the best interests of our members. Litigation around the PRC's 10-year rate system review final rules continues in the D.C. Court of Appeals, which NAPM will continue to watch closely until a decision is rendered. NAPM also will closely watch and actively participate in any proceedings around changing the methodologies used to determine workshare discounts.

**Promoting and Connecting our Vendor Members.** Everything that NAPM does to strengthen its MSP member community also benefits our vendor member community, since the MSP base represents its customer base. Many products/services offered by our vendor members relate to workshare discounts, address updating, mail sortation, IMb Full-Service qualification, Mailer Scorecard management for Full-Service or Seamless Acceptance customers, and many more of the initiatives that NAPM works on. NAPM encourages its MSP members to buy products and services from NAPM vendor members, and we offer vendor members a growing list of opportunities to promote their products/services/tracking or connect with other NAPM members, including:

- NAPM offers its vendor members **visibility** to customers as well as the USPS through face-to-face meeting opportunities at the Annual Conference as well during member webinars, providing opportunities to **develop relationships** with existing customers and prospects.
- NAPM helps its vendor members **stay up-to-date** on postal changes
- NAPM vendor members can **promote** new postal equipment, parts, service and other offerings to members.
- NAPM vendor members that offer **discounts** to NAPM members are listed on the NAPM website and promoted to members
- NAPM's online **Member Locator** directory allows anyone to search for NAPM members by the products/services they provide or location, providing vendor members with promotion opportunities.
- NAPM routinely allows vendor members the opportunity to present information on their solutions during NAPM member **webinars**
- NAPM offers vendor members the opportunity to **exhibit** at the Annual Conference and to **present** during the event, as well as a variety of **networking** events to connect with prospective customers
- NAPM offers member-only communication tools for sending information to the membership on topics such as used equipment (buying or selling).
- NAPM held a second virtual conference event in 2021 and may do so in 2022, which provides our vendor member community with even more opportunities to show off their solutions to our members.
- **More Opportunities to Come!** NAPM is in the process of identifying and exploring additional opportunities for vendor members in 2022, including new opportunities at NAPM's 2022 conference.

**We Need YOUR Continued Support!** 2022 and the next few years are going to bring many challenges and opportunities for NAPM members as the USPS continues to implement changes from its new strategic plan. It's never been more important for the NAPM to remain strong – which we do through the support of members like your business! We need to continue to work closely and collaboratively with the Postal Service, educating them on the value our members bring as well as advocating for opportunities that will benefit our members. We also need to work with our members to help guide them through the changes to come, so they can plan accordingly and explore partnerships where appropriate.

We need **your** help to keep the NAPM strong! Whether it is through increasing your dues level, participation from your organization on NAPM committees, helping us bring in new members, or other contributions to the organization, we need the support of all our members to continue the work we do.

We hope the above information helps your business make the right decision about **renewing your NAPM membership for 2022!** If you have questions or need more information, please do not hesitate to contact us!



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