

NPPC Annual Report 2005 -- 2006

As we near the conclusion of the current Fiscal Year for NPPC (on October 31), the Board thought it might be useful to review the highlights of what the Council has accomplished over the last two years. As you will see from this summary, NPPC has significantly expanded its scope and is well-positioned to address the difficult issues that the postal industry increasingly faces as we look to the future.

For twenty-four years, NPPC has served as the fulcrum for bringing together leading executives in our industry with officials and policymakers in the postal system to address technical and policy issues. We strive to work collaboratively, but if we must disagree, it is always with respect. NPPC's excellent reputation as a thoughtful and effective advocate for First Class issues has been well-earned.

Over the past two years, the Council has added to its mission by joining the debate on Capitol Hill on postal reform, and in proceedings, including the current rate case, before the Postal Rate Commission. Following will detail some of what we have done in those two arenas, as well as what we have continued to do at USPS, and discuss how the Council itself has been evolving.

At the outset, it is important to note that NPPC's achievements are the result of a team effort. It is through the generous contributions of time and effort by the Board Members, MTAC Representatives, and especially all of you, that we are able to develop and implement a strategic course for the Council and specific initiatives or responses. Without your participation, support, and feedback, none of that would be possible.

USPS

NPPC has maintained its very successful program at USPS. We continue to enjoy access to, and mutually productive relationships with, executives from the Chairman of the Board and the Postmaster General down through the ranks to whichever official is necessary to address any issue, operational or policy. These executives continue to regularly participate in our quarterly meetings and value our points of view. We have also maintained our lengthy record of constructively contributing to MTAC and its deliberations on behalf of the industry. In short, NPPC has remained highly visible and respected at USPS.

More specifically, the Council led the mailing industry in persuading USPS to adopt a more reasonable approach and transition period in the critical question of adjusting its content distinctions between First and Standard. We negotiated a well-received resolution to the contentious Meter Upgrades issue, once again including a lengthy transition period. We have also participated, along with a small number of other postal trade groups, in in-depth discussions of postal reform with the Postal Governors, and with the Postmaster General. In MTAC, we have been a member of many of the work groups, and have presented an overview of the Council in the MTAC associations program.

CAPITOL HILL/POSTAL REFORM

In a significant departure for the Council, we have played a very active role in postal reform. In the course of our activity, we have become recognized by both Houses, the Administration, the Postal Service, the unions and other mailers as an organization with perspective, substance, discretion and, ultimately, impact on the debate. To get there was a collaborative effort. As you may recall, we set our reform strategy by first soliciting views from all of you (and nearly all responded) about issues to address and priorities to set. Next, the Board met in a retreat and devised our strategy for taking action and parameters for various of the issues. Then, the Council, working with a number of its members, collectively established a new benchmark for First Class impact on the Hill by amplifying the strong efforts those companies have traditionally made in Congress.

To be specific, we were a founding member of the unprecedented (for the postal arena) 21st Century Coalition. This broad grouping of hundreds of organizations has been very effective over the past two years in coordinating efforts to surmount the manifold problems for this legislation and keep it moving forward without sacrificing our core goals on rate caps, a strong exigency standard and resolving the escrow and military retirement issues appropriately. NPPC has been part of the legislative subgroup of the Coalition which has shaped substantive positions and negotiated compromises throughout.

The Council was also specifically instrumental in ensuring a workable compromise was reached on worksharing, and warding off NSA provisions from the bills, when they likely would have (and still would) torpedoed the legislation altogether had they been included. And finally, the Council alone negotiated a deal on the “fair and equitable” provision that had kept the bill hung up in the Senate for six months. That deal enabled a bill many were labeling as dead to proceed to a Senate vote that was overwhelmingly in favor.

REGULATION

We have taken a new and highly visible approach at the Postal Rate Commission. As at the Postal Service, NPPC and its members have access to and mutually productive relationships with, all five commissioners and staff throughout the Commission. Of course, our interchanges with them are governed by ethics and Commission rules so that, for example, we are careful not to discuss any open proceeding with any Commissioner except in the record of that proceeding. Commissioners and staff have regularly participated in our quarterly meetings.

Over the course of the past year, we have intervened and played a role in two NSA proceedings and the current rate case, as well as submitted comments in a rulemaking concerning NSAs. In the rate case, we have retained both legal and economics counsel, and will be actively litigating for the first time. We have also created, and lead, an ad hoc group of First Class-oriented parties. Comprised now of nine organizations, the ad hoc group exists to exchange information and coordinate activities to maximize the leverage of limited resources in a very expensive forum.

NPPC ORGANIZATIONALLY

Finally, NPPC itself has been evolving. As outlined above, the Council has broadened its agenda from one consisting largely of technical issues, to one that now also actively deals with policy issues of importance to the members and the industry. For the first time, we are participating extensively both on Capitol Hill and at the Rate Commission. This has not happened by chance; dictated by a rapidly changing mail marketplace, the Board has taken a stronger hand in planning strategy for the Council and its future. Undergirded by consistent communications with and feedback from all of you, the Board has set a course for the Council that has adapted to the challenges we face as mailers in the 21st Century.

As part of the crucial avenue of communications, NPPC has maintained its successful quarterly meeting format, where members gather to hear from postal policymakers and industry leaders. We also have regular communications between NPPC and its members, and have overhauled our website at the direction of the Board. On membership, while our core has remained steady, we have added new members carefully to maintain the moderate size of the Council. This fosters in-depth discussions, open dialogue with postal executives, and quick decisions that lead to action.

And, we have done all of the above within budget. The value the Council adds is clear, substantial and relevant to each of its members. We will continue to try to make it better.

Thank you.