



What Can Your Credit Union Do to Combat the Rising Postal Rates?

A proposed postal rate increase is set to come in May 2007!

Let us face it! It seems every time we turn around the post office is asking for more money! They seem to get you coming and going. Although, your credit union may be doing everything it can to include offering e-statements, there is still a group of members who want their paper statements! Is there any way to hold down spiraling costs of postage, you ask? The picture looks bleak indeed and you lose sleep over balancing your budget with an unplanned increase! **There is good news! There is a way to hold down postage costs by utilizing innovation and technology!!!!**

Here is the proposed rate chart and quote to be found at www.USPS.COM. Click on "Rate Change Update" on the home page concerning the three (3) cent increase which is on the immediate horizon.

"Shaping a More Efficient Future"

"On May 2, 2006, the Postal Service Board of Governors approved filing an omnibus rate case with the Postal Rate Commission to adjust postage rates in spring 2007 to cover increasing operational costs. Our proposal calls for a 3-cent increase in the price of a First-Class stamp and a new "forever stamp" that would be good for any future 1-ounce single-piece First-Class Mail letter, no matter how prices may change beyond 2007.

Although postal rates did change in January 2006, that change was the result of a federal law passed in 2003 requiring us to place \$3.1 billion in escrow. The 2006 filing is the first time in nearly five years that we proposed to adjust postage rates to cover rising operational costs. We included several improvements in our price relationships and incentives to send the right signals to enhance efficiency, offer more choices, and ensure that all types of mail cover their costs."

Assuming your mail is full rate, here is the rate change chart. Presorted or barcoded automation compatible mail will reflect further savings.

The rates (you will be charged for) will depend on the level of sort and whether your mail is full rate, presort rate, or barcode rate.

First-Class Mail — Single Piece							
Current				Proposed			
Weight Not Over (ounces)	Letters	Flats	Parcels	Weight Not Over (ounces)	Letters	Flats	Parcels
1	\$0.39	\$0.52	\$0.52	1	\$0.42	\$0.62	\$1.00
2	0.63	0.63	0.63	2	0.62	0.82	1.20
3	0.87	0.87	0.87	3	0.82	1.02	1.40
4	1.11	1.11	1.11	4	1.02	1.22	1.60
5	-	1.35	1.35	5	-	1.42	1.80
6	-	1.59	1.59	6	-	1.62	2.00
7	-	1.83	1.83	7	-	1.82	2.20
8	-	2.07	2.07	8	-	2.02	2.40
9	-	2.31	2.31	9	-	2.22	2.60
10	-	2.55	2.55	10	-	2.42	2.80
11	-	2.79	2.79	11	-	2.62	3.00
12	-	3.03	3.03	12	-	2.82	3.20
13	-	3.27	3.27	13	-	3.02	3.40

Additional Ounce	\$0.24	Additional Ounce	\$0.20
Nonmachinable		Postcard	0.27
Surcharge	0.13		
Postcard	0.24		

Regardless of weight, letters that do not meet the aspect ratio, or have any other nonmachinable characteristics, will be subject to the rates for flats.

Alpha Omega cannot stop the rate increase, but we can help hold down overall postage costs and reduce your bottom line! By using technology, innovation, and the tricks of the trade, your credit union can greatly benefit. We combine general mailing principals with high tech specialized computer programs to restructure your statement (called reformatting). **We have easily reduced the credit union page counts by up to 50% per month in many cases.** These techniques include:

1. Paper and page count reduction techniques saving on paper and postage.
2. Weight reduction techniques that reduce overall postage and allow for more inserts without becoming overweight.
3. Envelope marketing allows marketing messages to be printed on the outside of the envelope, thus decreasing weight and increasing member response.
4. Removal of waste and redundancy, shrinking the overall size of the statement.
5. Multiple statement consolidation. It is less expensive from the standpoint of postage and envelopes to mail two different types of statements consolidated in one envelope than separately in two envelopes. Even if the consolidated mailing is overweight, the second postal ounce is less expensive than two separate one-ounce mailings. This also saves on the cost of the second envelope.
6. Statement graphics are designed to increase member response without increasing the weight of the mail piece.
7. Householding and target marketing mean less offset printing costs, shipping costs, postage increasing weight and brochure insertion costs.
8. Selective/shortened or intermittent disclosures free up dead space for printing of the data.
9. Weight reduction counseling is offered.
10. E-statements, e-checks, and e-tax returns reduce the need to mail paper statements.

These techniques will be discussed in more detail in future newsletters, however for faster information, you may send a request by e-mail to lynn@laserprinting.com or call Lynn toll free at 888-624-8455.

ENVELOPE MESSAGE OF THE MONTH



TurboTax for the Web

Step-by-step tax help at
www.laserprinting.com