



“Do Not Mail” Initiative Update

September 2008



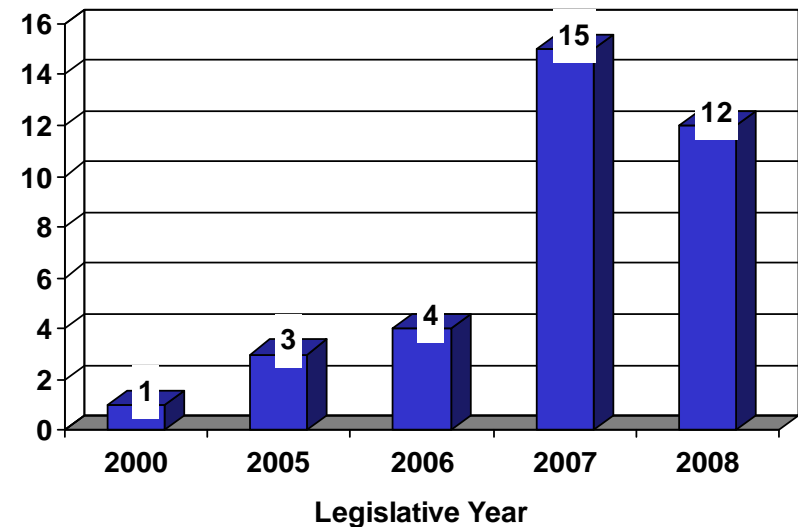
Verso simple.

Do Not Mail – Legislation Activity



- Do Not Mail initiatives have gained momentum in recent years
- The first Do Not Mail legislation was proposed in New York state in 2000
- During the 2008 legislative session, 12 states had Do Not Mail bills under consideration
 - Hawaii
 - Illinois
 - Maryland
 - Michigan
 - New Hampshire
 - New York
 - North Carolina
 - Pennsylvania
 - Rhode Island
 - Tennessee
 - Vermont
 - Washington

of States Proposing Do Not Mail Bills



Do Not Mail – Proposed Legislation



- The proposed Do Not Mail bills differ to varying degrees, but share a similar objective
 - To create a Do Not Mail registry (similar to the Do Not Call registry that was established in 2003) or impose other restrictions on advertising mail
- Most of the state Do Not Mail bills would
 - Impose hefty fines for each violation (\$1,000 - \$11,000)
 - Exempt non-profit and political organizations as well as existing business relationships

Do Not Mail – Key drivers

- There are 3 key consumer drivers of Do Not Mail legislation
 - Annoyance with unsolicited mail
 - Increasing environmental consciousness
 - Privacy concerns
- Environmental organizations are also fueling Do Not Mail efforts
 - For example, Forest Ethics launched a Do Not Mail campaign in March 2008. It is focused on passing legislation that would establish a national Do Not Mail registry.
 - The Forest Ethics campaign also supports state Do Not Mail legislation. Most recently, they have been partnering with the state of Vermont.

Do Not Mail – Economic Impact



- To date, Do Not Mail legislation has not been successful, but the growing interest is cause for concern
 - ✓ **Direct mail comprises 30% of the Postal Service's revenue.** Without this revenue stream, the USPS would not be able to maintain current pricing and service levels
 - ✓ **Direct mail fuels economic growth.** Businesses rely heavily on direct mail for its proven return on investment. Last year alone, direct mail represented more than \$686 billion in sales and accounted for 3.5% of US GDP in 2007
 - ✓ **Direct mail provides jobs.** Some 460,000 people were directly employed in direct mail marketing and another 3.1 million people were employed in related industries (paper, printing, mailing, fulfillment, etc.)

Even passage of one Do Not Mail bill would have a significant negative impact on consumers, businesses and the USPS

Do Not Mail – Industry Initiatives



- As individual direct marketers continue to improve their list hygiene practices and increasingly use sophisticated tools to more effectively target customers and prospects, they are helping to lessen the stigma of direct mail as “junk mail”
- Marketers and the mailing industry are also working together to combat Do Not Mail efforts. Two key industry initiatives are Mail Moves America and Commitment to Consumer Choice.

Industry Initiatives – Mail Moves America



Mail Moves America – The Direct Marketing Association (DMA) formed Mail Moves America, a coalition of 50 trade associations and companies involved in the paper, printing, mailing, marketing, publishing and advertising industries, in late 2006. Mail Moves America has 2 primary objectives

1. to stop the passage of Do Not Mail legislation and
2. to promote direct mail in a more positive light. The coalition works to establish a dialog with state legislators to educate them on the potential impact of Do Not Mail legislation. It also encourages direct marketers to self-regulate.

Industry Initiatives – Commitment to Consumer Choice



- **Commitment to Consumer Choice** – This program was rolled out to DMA member companies in October 2007. It was designed to address consumers' concerns about advertising mail. DMA member companies are required to:
 - *Abide by Consumer Requests to Modify/Eliminate Mail* – A notice explaining the consumer's right to opt out of future communications must accompany all mailings
 - *Disclose the Source of a Consumer's Name (by request)*
 - *Use DMA's Mail Preference Service (MPS)* – Requires monthly usage of the this name removal file (prior to this, DMA member companies were only required to utilize this service on a quarterly basis)
- The MPS was first established by the DMA in 1971. It has been enhanced to give consumers greater control over the mail they receive. The MPS allows consumers to suppress different types of mailings and/or opt out of direct mailings for individual brands. Non-members are also encouraged to use this service as well.