

**UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001**

Review of Nonpostal Services

Docket No. MC2008-1

Statement Of

Charles P. Naumoff

On Behalf Of

ASC, Inc.

Michael W. Hall
23663 Grasty Place
Middleburg, Virginia 20117

Counsel for
ASC, Inc.

Table Of Contents

	Page
AUTOBIOGRAPHICAL SKETCH.....	1
PURPOSE AND SCOPE OF STATEMENT.....	1
ASC'S OPERATIONS.....	1
IMPORTANCE AND BENEFITS OF OLRP/PHILATELIC PROGRAMS	3
SUMMARY AND CONCLUSIONS.....	5

1

Autobiographical Sketch

2

3

4

5

My name is Charles P. Naumoff. I am the founder and President of ASC, Inc. (ASC). Founded in 1997 as American Stamp Collectibles, Inc., ASC is a Pennsylvania corporation with offices and manufacturing facilities in Greensburg, Pennsylvania.¹

6

7

8

9

10

ASC was created for the sole purpose of manufacturing and selling high quality Framed Stamp Art to the Postal Service for resale to customers in post offices across the United States. ASC was one of the first suppliers of retail products to the Postal Service and helped initiate the Retail Program that continues today as the Official Licensed Retail Program (OLRP).

11

12

Prior to founding ASC in 1997, I served as President of two nationally recognized companies that manufactured home furnishings.

13

14

In 1963, I received a Bachelor of Arts degree from Franklin and Marshall College with a major in Business Administration and a minor in Accounting.

15

Purpose And Scope Of Statement

16

17

18

19

20

The purpose of my statement is to provide a different perspective on, and additional support for, the Postal Service's proposals to continue operating the OLRP Program and offering Philatelic Products and Services, such as those produced by ASC, to stamp collectors at its retail locations and through the usps.com web portal.

21

ASC's Operations

22

23

ASC has made significant investments to produce the high quality Framed Stamp Art it sells to the Postal Service and other customers. ASC operates a

¹ The name of the corporation was changed to ASC, Inc. in 2006 but it continues to do business as American Stamp Collectibles.

1 very efficient 30,000 square foot manufacturing facility with state-of-the-art
2 equipment and a team of up to 20 experienced, highly trained craftsmen. Our
3 management team augments our manufacturing expertise with years of
4 experience in product design, purchasing, manufacturing management and
5 sales.

6 In order to produce high quality Framed Stamp Art, ASC maintains an
7 inventory of over 5.5 Million new and cancelled U.S. postage stamps as well as
8 framing materials and over 100,000 linear feet of frame molding. This substantial
9 investment permits ASC the flexibility to create and deliver on time the dynamic
10 Framed Stamp Art products desired by the Postal Service and individual stamp
11 collectors.

12 ASC's current Stamp Art catalogue includes over 800 distinctive designs.
13 Representative examples of ASC's Framed Stamp Art products can be viewed at
14 the following web pages:

15 ❖ *Take Me Out to the Ball Game*

16 [http://shop.usps.com/webapp/wcs/stores/servlet/ProductDisplay?catalogId
17 =10152&storeId=10001&categoryId=11812&productId=39301&langId=-1](http://shop.usps.com/webapp/wcs/stores/servlet/ProductDisplay?catalogId=10152&storeId=10001&categoryId=11812&productId=39301&langId=-1)

18 ❖ *Limited Edition Ben Franklin Framed Art*

19 [http://shop.usps.com/webapp/wcs/stores/servlet/ProductDisplay?catalogId
20 =10152&storeId=10001&categoryId=11812&productId=38765&langId=-1](http://shop.usps.com/webapp/wcs/stores/servlet/ProductDisplay?catalogId=10152&storeId=10001&categoryId=11812&productId=38765&langId=-1)

21 ❖ *Tour of Duty: Afghanistan Framed Art*

22 [http://shop.usps.com/webapp/wcs/stores/servlet/ProductDisplay?catalogId
23 =10152&storeId=10001&categoryId=11812&productId=38801&langId=-1](http://shop.usps.com/webapp/wcs/stores/servlet/ProductDisplay?catalogId=10152&storeId=10001&categoryId=11812&productId=38801&langId=-1)

24 ❖ *Famous Figures*

25 <http://www.americanstampcollectibles.com/product.cfm?col=1&style=6>

26 Most of ASC's Philatelic Product offerings contain real U.S. postage
27 stamps and feature recently issued stamps and/or classic stamps that relate to

1 particular themes, such as the history of flight, Abraham Lincoln, Military Wives,
2 as well as tributes to Vietnam, Iraq and Afghanistan War Veterans.

3 ASC currently operates under the Postal Service’s OLRP Program. Under
4 OLRP, responsible personnel in local post offices throughout the country preview
5 and order specific ASC products using a highly efficient, automated “eBuy”
6 program. After ASC receives these orders through the eBuy system, it
7 manufactures the number of items ordered and then uses the Postal Service to
8 deliver the products to individual postal retail locations that ordered them.

9 Existing OLRP systems have worked well for ASC and the Postal Service.
10 Automated order processing and fulfillment has enabled ASC to plan and
11 execute its manufacturing functions in a very efficient, cost effective manner that
12 results in very favorable prices for the Postal Service and the ultimate consumers
13 of ASC’s Philatelic Products. Another important feature of the OLRP program is
14 that the vendors, including ASC, assume the inventory risk and only ship to post
15 offices when there is demand, thus eliminating large funding requirements and
16 inventory risks for the Postal Service.

17 Currently, sales to the Postal Service account for over 80% of ASC’s
18 annual revenues. ASC is concerned about any developments, including the
19 ongoing review of nonpostal services in this proceeding, that might, however
20 inadvertently, disrupt the smooth functioning of the Postal Service’s existing
21 OLRP and philatelic service programs.

22 **Importance And Benefits Of OLRP/Philatelic Programs**

23 Framed Stamp Art, like that offered by ASC, and other Philatelic Products
24 and Services should continue to be available to consumers in Post Offices and
25 through the usps.com web portal for several reasons. First, such activities
26 promote the core business of the Postal Service by promoting Stamp Collecting
27 along with related sales of philatelic products. Together, they form strong bonds
28 between the Postal Service and users of the postal system because they

1 showcase the beauty and collectability of U.S. postage stamps. These
2 educational activities also foster a greater appreciation of the Postal Service's
3 role, throughout history, in shaping and promoting the Nation's core cultural
4 values and celebrating the extraordinary achievements of its citizens working
5 together. Similarly, many philatelic products emphasize significant shared
6 experiences as embodied in beloved cultural icons such as the Legends of
7 Hollywood Series (featuring Frank Sinatra, Elvis Presley, Marilyn Monroe and
8 others), Baseball, the American Flag, and Black Heritage (Martin Luther King, Jr.
9 etc.).

10 Second, as a practical matter stamps sold to stamp collectors
11 (Philatelists), including new stamps incorporated into ASC's Framed Stamp Art
12 products, are an important source of additional revenue for the Postal Service.
13 Collectors purchase stamps at the full rate. However, unlike most stamps which
14 people use in payment for delivery service, collectibles do not require the Postal
15 Service to incur the costs of actually delivering mail pieces. Accordingly, sales of
16 stamps to collectors are more profitable for the Postal Service.

17 Third, profits that the Postal Service earns on sales of ASC's Framed
18 Stamp Art provide direct, tangible support for the Postal Service's core mission -
19 delivering the mail. Fourth, notwithstanding the fact that ASC's products have
20 been sold through the auspices of the Postal Service's OLRP program, the
21 products produced by ASC and other similarly situated firms are properly
22 classified as Philatelic Items and are part of "Philatelic Services." In this regard,
23 the March 19, 2008 Statement Of Tina Lance indicates (at 11, footnote 7) that
24 certain philatelic collectible items currently accounted for under the OLRP
25 program are likely to be accounted for as philatelic items in the future. ASC is
26 committed to working closely with the Postal Service to accomplish any
27 necessary programmatic changes and minimize disruption to the smooth
28 functioning, mutually beneficial operations that have been the hallmark of the
29 OLRP program. The Commission can and should play a uniquely helpful role by
30 eliminating the uncertainty now facing ASC and other similarly situated providers

1 of philatelic services and providing prompt assurances that these valuable
2 programs and activities can continue unencumbered by unnecessarily intrusive
3 regulation.

4 Finally, there are few other viable retail outlets for Philatelic Products,
5 including the Framed Stamp Art produced by ASC. Other retail outlets simply
6 are not widely available to the general public or stamp collectors, especially
7 young people just beginning to experience the pleasures of stamp collecting. In
8 contrast, local post offices and the Postal Service's usps.com web site are
9 natural focal points for exploring the educational and other benefits of stamp
10 collecting. Accordingly, the mutually beneficial, cooperative relationship that now
11 exists between the Postal Service and creators of Framed Stamp Art and other
12 Philatelic Products should not cause the Commission any concern that the Postal
13 Service's participation in this activity interferes with the rights and prerogatives of
14 private firms. To the contrary, the supportive role played by the Postal Service
15 has been a key to ASC's success.

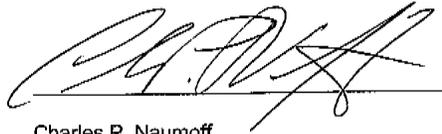
16 **Summary And Conclusions**

17 ASC's Framed Stamp Art has a 10-year proven track record of quality and
18 salability. ASC is an established and respected partner of the Postal Service and
19 has demonstrated time and time again our commitment to maintaining and
20 growing this successful business relationship.

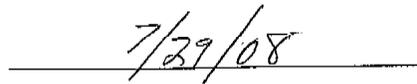
21 The Postal Service should be allowed to continue providing valuable
22 philatelic products and services to stamp collectors and the general public.

DECLARATION

I, Charles P. Naumoff, declare under penalty of perjury that the foregoing statement is true and correct to the best of my knowledge, information and belief.

A handwritten signature in black ink, appearing to read 'C.P. Naumoff', written over a horizontal line.

Charles P. Naumoff

A handwritten date '7/29/08' written in black ink over a horizontal line.

Date