

**BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001**

Notice of Price Adjustment

Docket No. R2009-2

**DECLARATION OF CHARLES M. HOWARD ON THE
PRICE ADJUSTMENT FOR PLATINUM CONFIRM SERVICE**

1. My name is Charles M. Howard, and I am employed by Harte-Hanks as Vice President, Postal Affairs. My responsibilities include working with the United States Postal Service at all levels and assuring that Harte-Hanks and our mutual clients gain the best benefit from the use of the mail. This includes working within Harte-Hanks to be sure our solution sets make the most effective use of postal systems and internal training and making sure our client base is well informed on all things “postal.” I write and publish a newsletter to assist with this effort.

2. I am submitting this declaration on behalf of Harte-Hanks, in support of the separately filed Platinum Coalition comments. Harte-Hanks opposes the Postal Service's plans to increase the price to mailing agents of the Platinum subscription for Confirm service to \$250,000.

3. The statements herein are made to the best of my knowledge, information and belief.

I. Harte-Hanks: About Us

4. Founded in 1923, Harte-Hanks today is a worldwide direct and targeted marketing company that provides direct marketing services and shopper advertising opportunities to local, regional, national, and international consumer and business-to-business marketers. As North America's largest owner, operator, and distributor of weekly shopper publications, Harte-Hanks brings buyers and sellers together. With more than 1,100 separate editions, *The PennySaver* and *The Flyer* deliver a print circulation of more than 13 million in California and Florida. The Direct Marketing side of the company provides end-to-end direct marketing services from database (Trillium), to creative, mailing, drop ship entry, tracking, and response analysis.

II. How Harte-Hanks Uses Confirm

5. Harte-Hanks has made use of the raw scan data provided through the Postal Service's Confirm service since 2000. This data is in a format that is not usable for any type of reporting without a system that processes the data. We at Harte-Hanks have invested heavily in developing a program that applies a specific algorithm to the raw data to produce a daily in-home predicted delivery date reporting for the mail we enter. Over the past 9 years, we have tweaked this algorithm and have found that our program is extremely accurate in the prediction on daily delivery of bar-coded materials. Our basic reporting schemes also now include a number of proactive reporting segments that have added significant value to the other services we provide our clients. . These reports allow our clients to view their promotions by a number of different attributes, including, for example, print version, store, territory, pre-sort level, and drop ship entry type and location. Another main reporting function is to analyze the throughput for each of the

Postal Service mail processing facilities and then tie that information back to appointment setting for entering future promotions in order to achieve the delivery dates our clients desire. Our clients rely on this use of historical data for continuous improvement. These reports become a valuable part of the overall direct mailing process, and support the reports provided to senior management within our clients' organizations.

6. As much use as our clients find from our Mail Tracking program, the USPS also benefits from our data management and reporting. We have trained and allowed over 100 USPS personnel access to the system, have provided account login information to each of the Business Service Network areas as well as District level personnel to access and view specific delivery data for our client base. We also follow this up with detailed delivery information for all our clients both on an individual basis as well as in aggregate. This information is provided in Pivot Table format for ease of use to determine throughput for each Postal Area, District, Sectional Center Facility and 5 digit Delivery Unit. This data is submitted to all areas as well as management staff at USPS Headquarters at no cost to the USPS.

III. The Price Adjustment for Platinum Level Confirm Is Shocking

7. The Postal Service's decision to increase the price to Mailing Agents of Confirm service from \$23,500 to \$250,000 is absolutely surprising and shocking. This increase in cost can not be passed on to a client base that is already struggling and looking for areas to cut their budgetary spending. Our customer base simply will not pay for the additional increase to cover this cost; they would most likely opt out of using our Confirm- data management and reporting services.

8. As a result, this unbudgeted increase is one that we as a company would need to absorb, at a time when we too are looking to cut budget, not add to them. If the increase to \$250,000 for mailing agents is realized, we would need to look to the viability of the program and determine if we would continue to offer our value-added Confirm related services. We anticipate needing to cut back on staffing, and decrease the amount of proactive reporting that we currently perform for our client base as well as the USPS Areas/Districts and Management.

9. It is the position of Harte-Hanks that mailing agents should be given the same Confirm subscription terms as mail owners, a \$25,000 annual subscription.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: _____

Charles M. Howard
Vice President, Postal Affairs
Harte-Hanks, Inc
42 N B Harrison Lane
Henderson NC 27537-4029
(252) 492-3418