



141 Chesterfield Business Parkway
Chesterfield, MO 63005 636.536.5344
July 2, 2012
Latin---Pak & Companies

Docket No. MC2012---14 and
Docket No. R2012---8

Dear Secretary, Postal Regulatory Committee:

This letter responds to Questions 4 through 6 of Notice of Inquiry No. 1 issued by the Commission on June 15, 2012.

Latin-Pak & Company's President & CEO was traveling when he learned of the existence of this proceeding to approve the Valassis NSA. Consequently, he could not prepare a response sooner than today. Latin-Pak & Company requests that these comments be accepted one day late. It believes that late acceptance will not prejudice any party in this proceeding.

Latin---Pak and sister companies utilize USPS to place millions of direct mail pieces annually on behalf of our retail clients who sell both durable and nondurable goods. Additionally, we work with our USPS local representative on an ongoing basis to discuss how we can collaborate with them on presenting approved USPS programs to our clients. Finally, we often utilize USPS postal products in combination with our other direct marketing services to offer our clients a comprehensive direct marketing campaign.

Established in 1996, Latin---Pak and sister companies: Black---Pak, Boomer---Pak, Asian---Pak, and Rainbow--- Pak are project based direct marketing companies specializing in advertising to ethnic demographics and special interest groups nationwide utilizing email, direct mail, mobile marketing, door hangers, and free standing inserts into special interest newspapers. Latin---Pak and sister companies have the ability to orchestrate all of the portions of any direct marketing campaign or can implement one element of a campaign. This includes the capacity to overlay information across databases in order to implement all modes of delivery to one household for a comprehensive direct marketing effort.

There are numerous reasons we believe the Postal Regulatory Commission should reject the proposed NSA, Docket No. MC2012---14:



1. The proposed rate discount would give Valassis an unfair pricing advantage over Latin---Pak and sister companies as well as other direct mail companies when competing for advertising business. Because of the high volume threshold for qualifying for the proposed rebates, Latin---Pak and sister companies would not be eligible for them. Valassis, a large, powerful company would be the only beneficiary of these rebates, which would give them an insurmountable advantage in competing for business in the advertising industry. If allowed, this discrimination will ultimately reduce the quality and variety of USPS products offered to the Advertising Industry as the direct mail services of companies such as Latin---Pak and sister companies who compete directly with Valassis may be driven from this market. It would clearly and unfairly disrupt the direct marketing industry in the United States.

2. The proposed rebates would most likely reduce the total net revenue of the USPS. This is because in order to survive, Latin---Pak and sister companies would find it necessary to resort to alternatives to direct mail. This is because the advertisers would expect Latin---Pak and sister companies to pass through as much of the postage rebate as Valassis would be able to pass through to them.

3. Not all in the advertising industry would benefit from this program. The advantage would go to national companies with larger buys, hurting regional companies who cannot afford the volume buys of Valassis. These regional companies may turn from direct mail in favor of more cost efficient marketing strategies, which would reduce USPS volume.

4. USPS needs to increase its revenue base. The proposed discount does not guarantee additional revenues to USPS. Direct mail is the most costly of all direct marketing products. Even though these rebates would be extended to Valassis only, Valassis is such a dominant player that its prices will set a ceiling on prices that the whole industry can charge.

For the reasons cited above, Latin---Pak and sister companies asks the Postal Regulatory Commission to reject the proposed NSA, Docket No. MC2012---14

Sincerely,

A handwritten signature in black ink, appearing to read 'Vince Andalaro'.

Vince Andalaro
President/CEO
Latin---Pak