



AMERICAN CATALOG
MAILERS ASSOCIATION

Your Catalog Advocate!

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April 17, 2013

Industry Alert:

**Postal & Tax One-Two Punch
Could Cripple the Catalog Industry**

ACMA Battling Goliaths in D.C., But Needs to Mobilize More Companies

Dear Catalog Industry Executive:

This may be the first correspondence you're receiving from American Catalog Mailers Association (ACMA). It should not be the last, and if you're unfamiliar with us, you can read about what ACMA is at the bottom of this email. In a nutshell however, the future of your catalog business is in serious jeopardy – and that's no joke. Please read on to learn why...

Postage Increases for Catalogs

In case you didn't hear about it, the catalog industry was dealt some severe setbacks in Washington last week. At a House subcommittee hearing on the US Postal Service, following a suggestion by Valpak and others, many congressmen suggested the solution to USPS financial problems was a dramatic postage increase for "underwater" products. This translates to a potential 20% increase or more to catalog Standard Flats postal rates. It sets the stage for above-average increases in catalog Carrier Route, assuming reported flats processing costs continue to rise at four times the rate of inflation as they have over the past five years. At our upcoming [National Catalog Forum](#) in Washington, we will be talking to the USPS's Postmaster General, COO and others about how we can contain and reverse flats cost growth.

Catalogs to Become Tax Collectors

A remote marketer sales tax, which would directly impact catalog and internet marketers, has moved closer to reality as big box retailers have continued pressing Congress to overturn the Quill precedent. This will force all catalogers to collect sales taxes from their customers in nearly 10,000 taxing jurisdictions, plus remit and be subject to separate audits in 46 different states. Beyond the administrative nightmare and customer confusion it represents, it may leave companies like yours open to additional taxes should states then define this as creating nexus.

Extraordinary Cost Increases for Catalogs

I can tell you unequivocally that the impact of either of these potential disasters will take 5% or more off your EBITDA for the remaining life of your company - period. Unless proper action is taken quickly to defend our industry, the impact of both will change the face of cataloging, virtually wiping it out as a channel for marketers in all but the most extreme situations.

ACMA is the only thing standing in the way of this dual calamity. Yet despite proving that catalogers can manage their "external" cost inputs, only 90 catalog companies currently are involved in our work. That is just 1% of the industry!

David vs. Goliath

Despite an impressive list of [achievements](#) and generating an ROI that is off the charts on member dues investment since our founding in 2007, ACMA finds itself outgunned and undermanned in virtually every fight it enters. Smaller industry segments dwarf catalogers with a higher level of participation. With so many crushing developments in Washington, it is critical that ACMA gain greater industry support. We need new resources and new members in every state and Congressional district that can leverage constituent pressure on lawmakers.

Be Heard

May 8th and 9th, senior catalog executives and their suppliers will gather in Washington at the 6th Annual National Catalog Forum to hear the latest on these twin crises. You owe it to your company to dispatch a high level executive to participate. Unlike other industry conferences, ACMA Forum sessions are designed to be Town Hall style interactive events ([click here](#) for the full agenda). No sitting on your hands taking notes; all attendees are encouraged to speak up and be heard.

In addition to the top-level USPS officers mentioned earlier, the speakers include Congressional representatives and other key players from inside the Beltway, all of whom are also there to hear what's on your mind. Your attendance is also a great way to see ACMA in action and to find out how your company can prepare for, or avoid, fundamental changes to your business model and perhaps influence them in your favor.

Registration is filling quickly. Don't miss out on this great opportunity. Hopefully, you are already following developments and understand both what is at stake and your responsibility to help impact the outcome. Catalogs can avoid calamity, but only if we participate aggressively in the public policy discussion. Be a part of positive change for your industry. [Click here](#) to register.

Sincerely,



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