

2015  
ANNUAL  
REPORT

# Geared Up for Success



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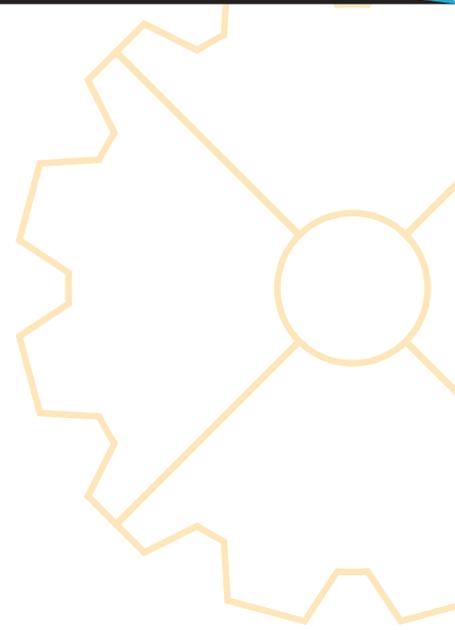
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# Chairman's Report



Ken Bernstein

**I WANT TO** begin my report to you by thanking all of you for supporting this association and our initiatives for 2015. We had a very successful year and we have more actions that are on tap for 2016. I have focused on four major objectives this year:

1. Improve the information value of EMA through a revised series of reports and a new website.
2. Continue the Government Relations Program that we have developed to do what we can to achieve a financially viable and more efficient Postal Service and look for opportunities to slow the impact of e-commerce on our business.
3. Continue our efforts to hold well attended meetings that have information take home value for everyone.
4. Continue to build and strengthen our membership in accordance with the requirements of our strategic long range plan.

I believe if you look back on what was done and you consult the pages that follow in this annual report, you will see that is exactly what we have done. We built a new website to be launched in 2016. In fact, if you go to [www.envelope.org](http://www.envelope.org), you can experience the new website first hand. We have eliminated a few reports that no longer had value for our members and replaced them with new and more timely analyses.

The primary focus of our Government Relations initiative has been on continuing to work on postal transformation, then to focusing on Federal programs that truly achieve

no savings to the Federal Government by the elimination of paper. What most do not realize is that in many cases, it is more expensive to eliminate paper rather than to optimize the communication with a mix of paper and electronics. In addition, over 30 percent of America and about the same percentage globally has no regular Internet access so many segments of the world's population, especially in North America are underserved by the government when it goes electronic. We need to ensure that future government policies mandate citizen choice and not just one form of communication.

Both our Spring Meeting in San Diego and our Fall Meeting in New Orleans were well attended and we sold out our room block. The venues were well worth the trip and the content was outstanding based on your evaluations. We intend to keep this up in 2016.

We continue to broaden and diversify our membership and we met our recruitment goals in 2015.

Thank you again for your support this year and I look forward to greeting many of you at future meetings.

Sincerely,

Ken Bernstein, EMA Chairman

***I want to begin my report to you by thanking all of you for supporting this association and our initiatives for 2015.***

# President's Report

**I CAN REMEMBER** a time just four years ago when many in this association wondered if the envelope manufacturing industry had a future. Yet, in a very short time we have come a very long way and most of us are still here that were in the industry in 2012. We have a great deal to celebrate for 2015.

- The Postal Service is producing operating income again and has been successful in getting its costs under control.
- The mail volume decrease that were concerning during the recession has slowed to the point where mail volume is relatively stable at 150 billion pieces of mail per year. While there are still declines in single piece First-Class mail that are concerning, there is double digit growth in packaging, some of which is in soft sided containers, which can be made on envelope folding equipment.
- The Congress of the United States is hearing the call of the industry loud and clear. Legislative measures are being considered to fix the structural problems of the USPS that will continue to slow the decline in mail volume. EMA has strengthened its relationship with the regulatory agency that oversees the USPS and regularly meets with key leaders of the USPS.
- Many of the concerning aspects of the Postal Accountability and Enforcement Act, including the healthcare accrual, will expire in 2016 so Congress will have to act to deal with healthcare costs over a 40-year time period instead of 10 years.
- The industry's operating capacity rate has been reduced and that has been beneficial for all of us. While capacity is an on-going problem it is better managed and understood.



Maynard H. Benjamin

*The Congress of the United States is hearing the call of the industry loud and clear. Legislative measures are being considered to fix the structural problems of the USPS that will continue to slow the decline in mail volume.*

- EMA now has more members involved than ever before; we have updated our programs and have better information resources than we had four years ago.

Over 100 years ago, this association was founded by some very wise men and women. They were family businesses and their entire future was in their companies. That still exists for the most part today and it is the reason that EMA stays focused on delivering high value to the members that we serve. Thank you for your support in 2015 and for your commitment to the future of our industry.

Sincerely,

A handwritten signature in black ink that reads "Maynard H. Benjamin". The signature is written in a cursive style.

Maynard H. Benjamin, CAE, FASAE  
President & CEO

# Management and Technical Committee



Robert M. Tees

## ADJUSTER TRAINING

The Management and Technical Committee met several times in 2015 to discuss the development of a new adjuster training program. This past summer, the Committee sent out the current Adjuster's Skills Matrix that was developed many years ago, for member comments. Since few

responses were received, the committee took a different approach. While the skills matrix gave us the foundation for what an adjuster needed to know, it was short on the details as to progression.

W+D and PCMC have been developing new training videos that are dynamic, interactive and portable with the focus on today's learner. Lon Robinson of Tension, Eric Dingman of Mac Paper Converters and I met with W+D and PCMC in Kansas City late January to review the formatting and concepts of the videos. They both decided on like formats that emphasized the concept of Tell/ Show/ Do/ Verify/ Confirm/ Test.

The EMA team will review the videos and add links to assist adjuster training including links to publications and guides developed by our raw material suppliers.

## EMERGING LEADERS

Initially, the Emerging Leaders and the Adjuster Training program were discussed with the idea that there were some common links between the two. It was decided that Emerging Leaders and Adjuster Training needed to be two separate programs. The Emerging Leaders program will be for the professional development of the young leaders, who are invested in the future management of their companies. The Adjuster Training program will continue its focus on developing the skills necessary to run the machinery as efficiently and effectively as possible.

## SAFETY

The Guide for Compliance and Reporting Safety Issues is now for sale at the EMA Online Store for \$50. The Guide is extremely large, so it is being distributed on a flash drive.

## VISITS

The Management and Technical Committee sponsored two educational visits in 2015, one by the Inserting Task Force to Bell and Howell and the other, which was open to all members, to Glatfelter Paper. Both visits were informative and successful. In 2016 the Management and Technical Committee plans to organize a trip to a window film manufacturer.

I would like to thank all the members who have contributed to the M&T programs over this past year and look forward to a very successful year ahead.

Sincerely,

A handwritten signature in black ink that reads "Robert M. Tees".

Robert M. Tees, Chairman

# Public Policy Committee



William S. Berkley

**FOR THE LAST** five years and especially this past year, our efforts on Capitol Hill and with the various regulatory agencies have been important to securing a healthy future for all of us.

For most of 2015, Congress went into the election mode earlier than normal and that slowed a number of initiatives that we were working on to a crawl. But even with the lack of bipartisanship, we were able to accomplish some significant actions. Here are the key items:

- We worked with our colleagues to preserve mail delivery on Saturday. This was assured through a budget resolution and written into law in December. While it is not the permanent change that we are seeking, it is a step in the right direction.
- We have worked to grow "vote by mail" and you will see a number of initiatives on the ballots of states in November that seek to authorize "vote by mail" in the future.

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## Public Policy

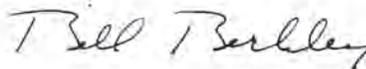
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- We have worked with our industry colleagues, the Democratic staff of the Senate, the labor organizations and the Postal Service to develop and move forward a bill to transform the Postal Service in the future. The iPost Bill changes many current obligations of the Postal Service into longer term obligations, it provides a flexible healthcare solution for postal employees, it allows the entry into new markets and products, as long as they are related to existing postal products and services and it deals with the complexity of the current rate making process.
- We have worked through our Consumers for Paper Options coalition to push back on a proposed regulation by the SEC that would have required consumers to opt in for paper-based mutual fund documents. The regulation adds a great deal of costs to the current regulatory process. While this effort is still ongoing, we have provided research and advocacy to ensure that the impact on the consumer is well known to policy makers and we have encouraged consumers to write to the SEC providing their views on this proposed regulation. Over 80 percent of the views expressed were against going electronic.
- We have worked with the Treasury Department to preserve savings bonds in paper-based form.
- We have worked with the Internal Revenue Service to examine shortfalls in the current methods of providing tax refunds via debit cards.
- We have provided input to the Postmaster General of the United States and the Officers of the Postal Service, the Postal Regulatory Commission and the Inspector General of the Postal Service on industry insights and trends.
- Representatives of the EMA Public Policy Committee have spoken at numerous stakeholder meetings throughout the year to keep industry associates briefed on our issues and research.

I also want to thank all the EMA members who have met and/or communicated with elected officials. It has made a meaningful difference on important issues.

The Public Policy Committee remains EMA's eyes and ears on Capitol Hill, with the Regulatory Agencies and other Public Policy Forums.

Sincerely,



William S. Berkley, Chairman

## Postal Affairs Committee



Lon S. Robinson, III

### POSTAL AFFAIRS HAS

two member volunteers that attend a quarterly Mailers' Technical Advisory Commission (MTAC) meeting that is sponsored by the Postal Service. At these meetings we review regulatory proposals, new postal product announcements, and other issues that deal with the structure of the mail and the future of the Postal Service. MTAC meetings are not meetings on legislative matters; those are discussed in other forums. We are present to ensure that the interests of the industry are known and because of our 50 year history with MTAC (EMA was a founder) we are well known and our views are registered.

After each MTAC meeting the Postal Affairs Committee leadership and EMA get together and report what we have learned in the *Postal Partner News* which is available to every EMA Certified Postal Partner. It is through this document that we keep our membership updated on the latest regulatory developments at the Postal Service and provide references for additional information. We also send out *Postal Alerts* and sent out six of these during 2015 to keep you informed.

# Membership & Marketing Committee



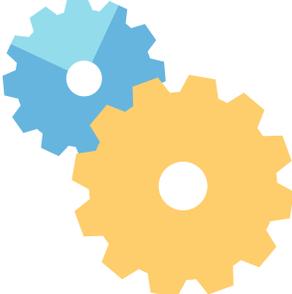
Scott D. Evans

**DURING THE 2015 MemberPower** Campaign, the Membership & Marketing Committee met its goal of gaining six new members. In addition, we were able to gain two new members leading into the 2016 campaign.

Retention was a major focus again in 2015 and the committee was very busy reaching out to members in an effort to ensure that they optimize their membership. We were able to maintain a 95% retention rate and participation is at its highest level in recent years. Project **INSPIRE!** continues to be on the move and we hope to inspire even more members to be active in some way in the association in 2016.

Along with retention, recruitment was also at the forefront of our goals. We started working on an international recruitment campaign, through GEA, that will get underway following the Spring Meeting and you can help in this area. Share your membership experience with your clients and encourage them to join EMA/GEA. The member who recruits the most new members will be presented with the **MemberPower** award at the 2016 Fall Meeting. We congratulate Hunter Wilson, our latest **MemberPower** winner who will enjoy a free registration to the 2016 Spring Meeting. Each lead you send us will get you closer to being the next award winner. The membership committee is committed to doing all it can to keep EMA/GEA strong and we know we can do it with your help.

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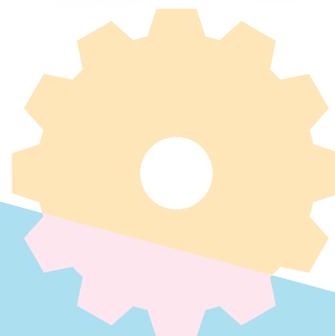


Our Postal Partner program gives individual member companies a means to have employees study for and be tested on generalized postal knowledge that will help them better understand the complexities of mailing envelopes in today's more complicated postal environment. It focuses on issues of mail structure, the printing of the envelope, the readability of raw materials and the various resources that we have with the Postal Service. It is an excellent way to keep your employees informed on postal matters. For more information on becoming a Certified Postal Partner, contact Jackie Jordan at [jejordan@envelope.org](mailto:jejordan@envelope.org).

The Postal Affairs Committee also consists of a mix of industry volunteers and staff that ensure that the envelope is always a part of the mail and that our members are always kept updated on regulatory issues related to the Postal Service. If you would like to join, contact the EMA staff at [jejordan@envelope.org](mailto:jejordan@envelope.org).

Sincerely,

Lon S. Robinson, III, Chairman



## Membership & Marketing

CONTINUED FROM PAGE 5



*Jackie's Corner* was introduced the fourth quarter of 2015 to provide a forum for the next generation of leaders to have a voice and a means to share and learn from each other. We have several members lined up to

share innovative things they are doing each day to enhance their businesses and we would like to hear from you.

Finally, we continue to promote our "Buy EMA" program, which is simply to implore our members to support those who support their association. If your qualified vendors are not members, encourage them to join. Share your experience with EMA/GEA and we will be happy to provide you will materials to pass along.

For more information on our committees, working groups, task forces, or any of our programs, please contact Jackie Jordan at [jejordan@envelope.org](mailto:jejordan@envelope.org). We need you! Together, we can influence the future of our industry!

Sincerely,

  
Scott D. Evans, Chairman

## Meetings & Content Committee



Eldon D. Pond III

**EMA'S THEME FOR 2015** was: *Agility – the Foundation of our Future*. Our goal was to provide you with the tools needed to remain agile (moving and responding quickly) as you move into the future. The Meetings and Content committee came up with a team of great speakers that covered an array of topics for both the Spring and Fall meetings.

From the president of the European Envelope Manufacturers Association (FEPE), Thomas Schwarz to the Inspector General of the United States Postal Service, David Williams and the new manager of Customer Engagement and Outreach for the USPS, Judy de Torok, each of these speakers had great insight into being a more agile converter and competitor in today's challenging marketplace.

We also heard from Carl Joachim, a professor from California Polytechnic Institute, who discussed digital printing for both envelopes and packaging. We received an update on Capitol Hill from one of our most experienced government affairs representatives and we heard the latest on Mail Verification strategy from our MTAC team.

Our Closing Keynote Speaker was Robert Danzig former CEO of Hearst Newspapers. Mr. Danzig's presentation was very inspiring and one of the best closing keynote speakers we've had in a very long time. Mr. Danzig talked about common qualities in those who live and perform in the cream of the crop.

For the Fall meeting, we continued our theme and were fortunate to host the new Postmaster General Megan Brennan, who spoke to us about the objectives for her administration and some of the new trends, directions and programs to promote and sustain the mail. Kiahn Krippendorff, the bestselling author of *Outthink the Competition*, was selected to be our closing keynote speaker.

Other General Sessions included a Foundation Forum that featured our latest Jobs and Mail Study and a briefing on the paper check-off campaign.

We had a very productive year and we will continue to provide content rich sessions during our Spring and Fall Meetings. We will also work on providing more educational opportunities online. If you would like to become a member of the committee, please contact Kim Moses at [kmoses@envelope.org](mailto:kmoses@envelope.org).

Sincerely,



Eldon D. Pond III, Chairman

# The EMA Foundation for Paper-Based Communications

**I HAVE COMPLETED** my second and final year as the chairman of the EMA Foundation for Paper-Based Communication Board of Trustees. I thank everyone on the Board of Trustees and the committee members for all of their diligent efforts.



The following is a brief summary of our achievements for this past year:

- I am proud to report that the *2015 EMA Mailing Industry Jobs Study* has been completed, which measures the number of mailing industry jobs and associated sales revenue. The completion of this study was timely since postal reform legislation is again being discussed on Capitol Hill. This information is critical for meetings on Capitol Hill when we discuss the impact that the mailing industry has on our local, state and national economy. Some other uses of the study include:
  - This study will be reviewed in USPS's Annual Report at the Postmaster General's request.
  - The Senate Committee on Homeland Security and Government Affairs requested and received this study as part of the official record of the deliberations on postal reform. The impact of the mailing industry jobs and revenue was stated by Senator Carper in his opening remarks.
  - This study was presented to the Postal Regulatory Commission (PRC).  
For a copy of the *2015 EMA Mailing Industry Jobs Study* presentation, please contact Dave Acerra at [dcacerra@envelope.org](mailto:dcacerra@envelope.org).
- Two Sides continues to make progress on the removal of misleading claims about paper. The total number of companies that have removed their false claims, or have committed to, is 32. Seven more companies have made partial changes.
- Consumers for Paper Options (CPO) has been mounting a vigorous campaigning in 2015 to reverse SEC Rule 30, which is a proposal by the Securities

and Exchange Commission (SEC) to eliminate paper as the default medium for the delivery of investor information on mutual funds. The comment period has ended on the regulation and there were 838 comments, with over 91 percent opposed to the proposed rule. Around 9 percent of the responses, mostly from the securities industry, were for the rule.

- CPO has also been very engaged in the National Taxpayer Advocate Report. This report is critical of the IRS's most recent actions to eliminate paper and Congress may hold hearings on this matter. Representative Dan Benishek (R-MI) has finished a bill to resolve some of these issues. A group of co-sponsors is now needed so this bill can potentially get attached to a funding bill or another measure.
- A new Global Envelope Alliance project for the development of a promotional newsletter between the industry and the 40 key posts was presented at the Fall Board of Trustee's Meeting. This newsletter would cover key trends in envelopes, mail and related technology that would support the use of envelopes across the globe. The objective of this initiative is to convince postmasters to spend a large share of their marketing budgets on promoting direct mail.
- The New Century campaign is only \$700,000 away from reaching our goal of \$2,000,000. It is crucial to the long term success of the Foundation to have funds for future studies.

As we move into 2016, we can see we have made significant progress on our strategic objectives and that our studies and analyses are continuing to be used by the industry and government. I am confident that our new chairman, Hunter Wilson, will do a terrific job of continuing to lead this work.

Thank you again for your continued support of the Foundation.

Sincerely,

A handwritten signature in cursive script that reads "Cheryl Chapman". The ink is dark and the signature is written over a light background.

Cheryl Chapman, Chairman



# Global Envelope Alliance



Brooks H. Bower

## GLOBAL ENVELOPE ALLIANCE

(GEA) exists to preserve the value and volume of the envelope and mail worldwide. No one association could take on this role, which is why we do this as an alliance of associations and individual companies in 38 nations and we focus on the 40 plus key Posts that account for the bulk of all mail around the globe. To accomplish our mission, it is essential that we work closely with postal

regulatory bodies and also associations of Posts. Here are a few things that we accomplished in 2015:

- We completed the process for approval of a new reverse envelope for global commerce. By ensuring the envelope was approved for us through the Universal Postal Union's Postal Operations Council and by the European Standards Association, the reverse envelope is a reality today. An envelope that can be used by any Post. The envelope is simple with the seal flap side of the envelope used to display the required postal indicia's and a window is included for address information, leaving the front face for use in graphics and for technology that creates an interface between the envelope and the intelligent phone.
- We have held a very successful Global Envelope Congress hosted by the European Envelope Manufacturers Association (FEPE) in Seville, Spain. You will find many of the presentations on our website at [www.globalenvelopealliance.org](http://www.globalenvelopealliance.org). These Congresses, held every other year, give us an opportunity to understand how our industry is doing globally and how the Posts are transforming. The next Congress will be in 2017 in the United States.
- We have been actively involved in discussions on the future of the Universal Postal Union (UPU) and a number of related entities of the UPU. As the largest stakeholder outside of the Posts, we have a strong and clear voice on the future of mail and the future of our products.

*I want to thank all of you for your support of GEA. We have truly created an important global dialog on the future of mail ...*

- We produced the 10th edition of our Global Envelope Study which covers changes in the mailing industry, technology and the Posts. Our study has now become a document which is read globally by the leadership of many Posts.
- We have begun a multi-year project, which has been co-funded by the EMA Foundation to create a management letter to Chiefs of Posts and their staff. We are going to be working closely with the International Postal Corporation in Brussels, Belgium on this project to reinforce the power of mail with these Posts and share some of the technology of the envelope and the capabilities of our industry with them. You will hear more about this in next year's report.

I want to thank all of you for your support of GEA. We have truly created an important global dialog on the future of mail and an important discussion among all of our members on actions we should take to better promote mail and to understand the trends impacting all of us.

Sincerely,

Brooks H. Bower, Chairman

# Finance Committee



Derek Waterhouse

**EMA HAD A** good year in 2015. We also saw great turnout at both the Spring and Fall Meetings but a net from those meetings were slightly below our expectations as we have been

investing more funds in our meeting programs. We did see changes to our investment portfolio as a result of the turmoil in the securities market. The losses we reported were non cash losses in the portfolio.

EMA has continued to reduce overhead and administrative cost as we move forward with the transformation of the association called for by the Strategic Long Range Plan. We are looking forward to a stronger 2016 and realizing much of our transformation efforts. The association will relocate in 2016 to a more cost effective space in Alexandria, which will materially help our operating results. We are strongly committed toward long-term financial sustainability and the leadership has been involved every step of the way.

Sincerely yours,

Derek Waterhouse, Chairman

	EMA	FOUNDATION	ELIMINATIONS	TOTAL
<b>Unrestricted activities</b>				
<b>Revenue</b>				
Member dues	\$698,009			\$698,009
Contributions		\$34,583		\$34,583
Meetings	\$354,662			\$354,662
Interest and dividend income	\$34,385	\$264,496		\$298,880
Associate dues	\$231,765			\$231,765
Affiliate dues	\$91,000			\$91,000
Training and Certificates	\$7,807			\$7,807
Other programs	\$0			\$0
Management fee and related	\$110,000		(\$100,000)	\$0
Net assets released from restriction – satisfaction of program restriction	\$28,506	\$81,632		\$110,138
<b>Total Revenues</b>	<b>\$1,556,133</b>	<b>\$380,711</b>	<b>(\$110,000)</b>	<b>\$1,826,844</b>
<b>Expense</b>				
Administration	\$983,169			\$983,169
Foundation activities		\$303,802	(\$110,000)	\$193,802
Meetings	\$338,187			\$338,187
Association programs	\$172,663			\$172,663
Communications	\$44,026			\$44,026
Association research	\$2,731			\$2,731
<b>Total Expenses</b>	<b>\$1,540,777</b>	<b>\$303,802</b>	<b>(\$110,000)</b>	<b>\$1,734,578</b>
Change in unrestricted net assets before net gain on investments	\$15,356	\$76,910		\$92,266
Net gain on investments	(\$49,371)	(\$574,456)		(\$623,827)
Change in unrestricted net assets	(\$34,015)	(\$497,546)		(\$531,561)
<b>Temporarily restricted activities</b>				
Contributions	\$10	\$196,699		\$196,709
Interest and Dividends	\$0	\$1,080		\$1,080
Net assets released from restriction	(\$28,506)	(\$81,632)		(\$110,138)
Change in restricted net assets	(\$28,496)	\$116,146		\$87,650
Change in net assets	(\$62,511)	(\$381,400)		(\$443,910)
Net assets, January 1, 2015	\$1,167,683	\$6,365,926		\$7,533,609
Net assets, December 31, 2015	\$1,105,172	\$5,984,526		\$7,089,699

Witness the  
City of the Violet Crown.  
Purtiest thang you ever did see.



## Only in Texas.

Join us this October for the EMA 2016 Fall Meeting  
The Westin Austin Downtown  
Austin, Texas ~ October 26-29, 2016

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