

BANTA Mailbox

Banta Publications Group ■ 12 Salt Creek Lane, Suite 350, Hinsdale, IL 60521 ■ January 2003

Postal Reform

Bush appoints Presidential Commission on postal reform

President George W. Bush has appointed a nine-member commission to examine the state of the USPS and recommend changes. The commission has until July 31, 2003 to perform their study and issue a report to the president. The commission has been given broad authority to examine and recommend all possibilities as long as there is not a substantial burden on either ratepayers or taxpayers to fund the reforms.

This is the first time in 30 years that there has been an independent study of the USPS by a group with no ties to the mailing industry. The last such study was the Kappel commission study of the old Post Office Department. That study resulted in the 1970 Postal Reorganization Act, which is the law under which the USPS currently operates.

Proponents of postal reform have long argued that the current law desperately needs updating as technologies and the marketplace have changed dramatically since the 1970 law was enacted. Previous efforts at postal reform over the last several years, such as Congressman John McHugh's (R-NY) three separate efforts, have not come to fruition.

Co-chairing the commission is Harry J. Pearce, chairman of the Hughes Corp. (a division of General Motors) board of directors and James A. Johnson, vice chairman of Perseus LLC merchant bank and former chairman and CEO of Fannie Mae. Executive Director of the commission is Dennis Shea from the government relations firm of Black, Kelly, Scruggs and Healey and previously a staffer for former Senate Majority Leader Bob Dole. The other members of the commission include:

- Dionel Aviles, president, Aviles Engineering Corp.
- Don Cogman, chairman, CC Investments
- Carolyn Gallagher, former president/CEO, Texwood Furniture
- Richard Levin, president, Yale University
- Norman Seabrook, president, NYC Correction Officer's Benevolent Association
- Robert Walker, chairman/CEO, Wexler Group
- Joseph Wright, president/CEO, PanAmSat

PMG Jack Potter is in favor of postal reform and does not view the formation of the commission as a conflict with existing postal reform efforts or the current legislative move to modify USPS payment to the Civil Service Retirement System in order to delay a postal rate increase until 2006.

Most mailer organizations also approve the formation of the commission. Virtually the only negative response comes from the American Postal Workers Union, who views the commission as an effort by the Republican Party and large mailers to dismantle the postal service.

We will keep you posted as reports are released regarding the progress of the study.

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Banta Publications Group Distribution Contacts

As a customer, you are encouraged to direct all of your communications to your plant Customer Service Representative. However, there may be occasions when you may need to contact someone in the distribution areas directly. To facilitate this, the following is a list of contacts:

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Draft Issued

USPS issues draft of flat mail design guidelines

The USPS has issued a draft of flat mail design guidelines. These guidelines are currently being reviewed by an industry/postal workgroup to make recommendations for any possible changes. The purpose of the guidelines is to provide a “checklist” of industry best practices to insure the most efficient processing of flat mail through the USPS with the least amount of cost and damage.

Some of the guidelines are as follows:

- Mailpieces should be greater than .004” thick and less than .5” thick
- Mailpieces should be of uniform thickness
- Avoid paper sleeves (kraft wrap or belly-bands)
- Saddle stitched pieces should have a minimum of 3 staples unless they are digest size or less than 2 oz. in weight

- Thicker pieces should use 5/8” staples rather than 1/2” staples

- Avoid high gloss cover stock

- Cover basis weight should be between 50 lb. and 80 lb. stock

- Basis weight of the cover should be heavier than the basis weight of the text pages

- Mailpieces with gatefold covers should be tabbed shut

- Polybagged pieces should have seams on the non-addressed side

This is not a complete list of the material in the guidelines draft. Currently, the items are recommended and not mandatory, but some mailers fear that the current guidelines will become requirements in the future. We will keep you posted as this initiative progresses.

USPS Proposals

Changes to Bound Printed Matter proposed

The USPS has proposed some changes to the mail preparation and weight requirements for Bound Printed Matter (BPM, e.g. heavy publications, directories, catalogs weighing one pound or more that do not qualify for Periodicals rates). The proposals call for optional combination of automation and

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non-automation pieces in packages and mandatory combination of automation and non-automation pieces in sacks. The proposal also calls for an increase in the minimum weight for BPM pieces entered at the Destination Delivery Unit (DDU) level. For these pieces, the minimum weight would be increased to 20 ounces from the current 16 ounces.

The reason for the proposed change is that with the new AFSM 100 flats processing equipment capabilities, there is no longer a need to segregate the automation and non-automation mail. The weight minimum change is designed to funnel the heavier weight pieces to the DDU facilities rather than the

SCF or ADC facilities where the AFSM 100's are located. The AFSM 100 has a limit of 20 ounces for maximum weight.

If the proposals are approved, the expected effective date would be June 1, 2003.

We will update you as these proposals are finalized.

Banta Saves You Money

Mailing list analysis often finds postal and distribution savings

One of the services Banta offers is analysis of your mailing list to determine the most cost-effective method of distributing your mailed copies. This service is free of charge for prospective and existing Banta customers. In the majority of cases, we are able to find postage savings for our customers.

The analysis takes about a week to perform and involves receiving your mailing list files and a copy of the mailing statements and print order that correspond with the files. We then run a presort test to optimize postal presort discounts and create a mail.dat file. The mail.dat file is used to analyze potential savings by drop shipping mail to additional entry points. We also review any international copies and offer a comparison of rates using the USPS surface rates, air rates, and the Banta International Mail rates (through our business partner World Distribution Services).

A recent analysis for a prospective customer is a very typical example of the results that we see. This publisher has two Periodicals rates titles. Our analysis showed that we could save them anywhere from \$750 to \$1,000 per issue on one title and \$550

to \$850 per issue on the other title. These figures represent savings over their current mailing costs. In this case, our analysis showed that our presort process was able to gain additional discounts for automation, carrier route sorting, and firm bundling. The analysis also showed savings by drop shipping the mail to additional entry points. Unfortunately, their current printer is not assisting them to take advantage of these available discounts, so they are paying far more in postage than necessary.

We understand that distribution costs comprise a substantial portion of your budget and our goal is to minimize those costs as much as possible. If your list is already being processed by Banta Distribution Services (BDS), you are already enjoying the maximum discounts available. If your list is not currently processed by BDS, chances are that we can save you some money.

To arrange for a test of your mailing list, please contact your Banta sales rep, customer service rep, or plant distribution manager. Or you may contact Monica Lundquist at mlundquist@banta.com.

Online Information

More information on Banta Corporation is available through the company's World Wide Web site at www.banta.com

USPS Discontinues Electronic Funds Transfers

In our last issue, we reported that the USPS is consolidating its accounting functions and as a result will no longer offer electronic funds transfer as a method for paying postage. The exception to this is the PostalOne! program and the CAPS program. PostalOne! is an initiative designed to automate transactions with the USPS and eliminate hard copy statements and documentation. Banta Publications Group is in the process of applying for and being authorized as a PostalOne! mailer. In the interim, we strongly encourage our customers to apply for the CAPS program if you are not already

participating. CAPS not only allows for electronic funds transfer, but it offers an even easier method with the debit account option. CAPS also allows you to manage all your postal payments through a single account, regardless of how many different mailing locations you deal with. You can access information regarding your account, including transaction history, on-line. For more information about participating in CAPS, log on to the USPS web site at www.usps.com, click on Info, then on RIBBS, then on CAPS.

BANTA Mailbox is a monthly publication produced by the BANTA Publications Group. Any comments or questions are welcome. Please contact Monica Lundquist of the BANTA Publications Group by phone at 816-792-6370, by e-mail at mlundquist@banta.com, or write to BANTA Publications Group, Mailing & Distribution Services, 3401 Heartland Drive, Liberty, MO 64068-3378.

Save Money with ACS

Address Change Service can save time and money

How many address corrections do you receive from the USPS on your mailings? Did you know that you can save \$.50 per correction if you use the Address Change Service (ACS) program? You can also save time because the corrections will be returned to you electronically rather than on hard copy. This allows you a more automated method of incorporating the changes into your database.

There are a number of steps in the start-up process for ACS. The first step is applying for the program, which you can do online at www.usps.com. Click on Info, then on RIBBS, then on Address Change Service. The application form asks you to indicate your preference on the frequency of the returns as well as the specific electronic method of the returns.

Once you have filed the application, the USPS will send you a letter containing your ACS participant code. This code uniquely identifies your mailing. The USPS will ask you to incorporate the participant code, along with properly formatted keyline information, into your address label. Banta Distribution Services (BDS) can create these sample labels for you if we are processing your mailing list. You will then submit a sample of 25 labels plus copies of your magazine or catalog to the USPS. Once the USPS approves the sample labels, you will be authorized to begin the ACS program and you have the flexibility to indicate when you would like to begin using the program.

ACS can be a big money saver if you receive a significant number of address corrections from the USPS. Another service you may want to consider if you receive a lot of correc-

tions is National Change of Address (NCOA). This process involves passing your mailing list against a USPS database of people who have moved. This process occurs *before* you mail, thereby reducing the number of address corrections you receive after the mailing. BDS can also coordinate this service for you if we are processing your mailing list. For more details about NCOA, you may contact John Buck at jbuck@banta.com.

UPU Approves Testing of International Address Standard

One of the most frustrating parts of dealing with international mail has been the lack of standards for address formats. International addresses are often lengthy and contain more information than can be accommodated in standard size address blocks. In addition, address formats vary widely from country to country.

The Universal Postal Union (UPU) Standards Board recently approved testing of an international standard address format. The standard format has been developed by the address management group of the UPU's Direct Mail Advisory Board. Essentially the standard involves use of templates, which show the order in which specific address elements are to appear, and which elements are mandatory vs. optional. The testing involves developing these templates for the 12 participating countries and then finalizing the templates and methods for communicating the standards. The testing is a culmination of a three-year project.