

BANTA Mailbox

Banta Publications Group ■ 12 Salt Creek Lane, Suite 350, Hinsdale, IL 60521 ■ August 2004

USPS reversal

In our June issue, we told you about a change in interpretation by the USPS with regards to mailing subsequent issues of Periodicals rate publications together in a polybag. Publishers might do this for special issues, such as buyers guide issues, seasonal issues, etc. In the past, the USPS allowed publishers to polybag these special issues with another issue, e.g. the buyer's guide issue (issue 13) polybags together with the December issue (issue 12). Polybagging these issues together met the USPS criteria that the primary distribution of a Periodicals publication must be completed prior to the subsequent issue.

However, as we explained in the June article, the USPS had recently changed their interpretation of this regulation and was no longer going to

allow this. An article in this regard was published in the May/June issue of *Mailer's Companion*, which is a USPS newsletter.

Recently, the USPS has reversed itself again, and is once again allowing publishers to polybag these issues together. Evidently there was sufficient outcry in the publishing industry that the USPS reconsidered its position on this. This is critical because there are no cost or processing implications to the USPS of this practice, but there are significant cost and marketing implications to publishers as a result of this change.

So, if you have in the past done these types of mailings, or were planning them for the future, you can proceed with those plans knowing that the USPS has gone back to their original position of allowing these mailings.

Hours of service laws challenged

In the July issue, we told you about the effects of the Department of Transportation's (DOT) new laws governing the hours of service for truck drivers.

On Friday July 16, 2004, the US Circuit Court of Appeals in Washington DC threw out the DOT's new hours of service rules, sending the case back to the Federal Motor Carrier Safety Administration for review.

This is the result of a lawsuit filed earlier this year against the new rules by the public interest group Public Citizen. The lawsuit claimed that the new rules failed to consider the impact of the regulations on the health of the drivers. Essentially the hours of service rules increase the allowed drive time per day from 10 hours to 11 hours, but decrease the number of hours the driver can be "on-duty" from 15 hours to 14 hours. The definition of "on-duty" is based on sequential hours, including drive time and other activities, such as meals,

fuel stops, loading and unloading, etc. Essentially this forces drivers to take fewer rest breaks to optimize their time in the sequential 14-hour period. This defeats the purpose of the original legislation, which was to prevent driver fatigue and make the nation's highways safer.

The Federal Motor Carrier Safety Administration has 45 days to review the appeals court decision. During that time, the hours of service rules will remain in effect.

Interestingly, the court said that there were a number of concerns with the regulations, but that the drivers' health issue alone was enough to throw out the rules. This will make it tougher to overturn the court ruling.

Since freight carriers will continue to adhere to the new rules during the review period, and the outcome is unknown, we will continue to see the effects of increased delivery time and increased shipping costs that we explained in the July issue. We will keep you posted on any updates.

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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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Clarification on calculation of ad ratios

In the June issue, there is an article detailing the calculation of advertising percentages for Periodicals rate publications. An area that often causes confusion is that of the blank portions or “white space” on pages of publications.

Essentially, these blank portions or white spaces must be treated the same for both advertising and non-advertising calculations. This can get tricky if you have pages that have margins and pages that do not.

For example, if you are using the square inches method of calculating the advertising percentage, and your publication has a lot of “bleed” ads (ads that take up the entire page to the edge of the paper), then you should base your calculations on the square inches of each entire page, including the margins. This means that you will want to include the margins in your calculation of non-advertising on any editorial pages that you have.

Example:

- 8” x 10” pages
- 1 page consists of a full-page bleed ad
- 1 page consists of full editorial with 1” margins on the top, bottom, left and right of the page
- 1 page consists of two half-page ads, with 1” margins on the top, bottom, left and right of the page

In this example, the editorial page would be calculated as 80 square inches of non-advertising, even though the page has blank margins.

Both ad pages, although one has margins and one does not, would count as 80 square inches of

advertising each.

The reason? The editorial and ad pages all have to be treated the same, regardless of the white space they contain. In other words, if you count the margins in your editorial calculation, you also have to count them in your advertising calculation and vice versa.

It is usually easier to include the margins in the calculation for this very reason, rather than trying to calculate the square inches of only the printed portion of a page. The same is true if you are using the page method of calculation. All pages, regardless of the white space they may or may not contain, are calculated as a page, half-page, quarter-page, etc. for both advertising and editorial because this is much easier than trying to calculate the fractions of a page excluding the margins. In fact, if you calculate the ads using the full page, but exclude the margins when you calculate editorial, your advertising percentage will be artificially high, and you could actually end up paying more postage than necessary, because Periodicals postage is, in part, based on ad content. Conversely, if you count full pages for editorial but not for advertising (less likely due to the prevalence of bleed ads), then the USPS could come knocking on your door asking for more postage for past issues.

The rule of thumb is if you count margins for edit, you also need to count them for ads. If you do not count the margins for edit, then you should also not count them for ads. If you have bleed ads, then it is easier to include the margins for both ad and edit on all pages.

Statement of Ownership reminder

Just a reminder that for Periodicals rate publications it is required to complete and file Form 3526, Statement of Ownership and Circulation each year by October 1. This information must also be published in the closest issue to the filing date for all

General (paid) and Requester authorized Periodicals publications. Details of the requirements for completing and filing this form can be found in the July 2004 issue of Banta Mailbox.

NCOA benefits

Did you know that 17% of the US population moves each year? Did you know that there are over 1 million new postal delivery addresses added each year? Did you know that every week, numerous communities in the US convert rural style addresses to emergency services locatable addresses (street style addresses), or change street names?

How do you keep up with the most accurate mailing address for your customer base with all this change going on? You could try to rely on your clients to notify you when their addresses change, but chances are this is not going to happen. One of the best ways to keep up with these changes is by using the National Change of Address (NCOA) service. This service involves passing your mailing list against the USPS database of people who have moved to obtain the most recent and accurate address. This service also identifies other problems with addresses, such as missing directionals, incorrect house numbers, missing apartment numbers, etc. even for your customers who have not moved. Optionally, you can also pass your list against the LACS (Locatable Address Change System) database to convert rural style addresses to street style addresses for communities that have made this change to accommodate emergency services such as fire and ambulance. You can also pass your mailing list past a Delivery Point Validation (DPV) database, which will confirm whether the address is an actual delivery point. For example, an address may have a house number that falls within the house number range for a given street, but the actual

street address may be an empty lot or a cemetery.

NCOA allows you to obtain these corrections before you mail, as opposed to other services, such as Address Change Service (ACS), which provide the address changes after the fact. This can save you postage by not mailing to undeliverable addresses, and improve the service to your clients by mailing to the correct address the first time rather than incurring delays due to forwarding or by having to re-mail to the correct address.

You also have the option of passing your list against the full-blown NCOA database, which contains the past 36 months of move data from the USPS, or you can utilize a less extensive move database that consists of only the past 13 months of moves. Generally, we recommend the full-blown service if your mailing list has never undergone NCOA processing or if it has been a year or more since the last NCOA processing. If your list has had more recent processing than that, the "light" version of NCOA, which is less expensive, is usually the best route.

If you rent lists for prospecting, it is important to ask for the National Deliverability Index (NDI) for the rental list. This will tell you how recently NCOA processing has been performed on the list and how accurate and up to date it is. You can then negotiate the terms of the rental based on the accuracy of the names.

Banta Distribution Services (BDS) can coordinate NCOA processing for your mailing lists. If you are interested in this service, please contact your BDS client services rep or Sam Mason at smason@banta.com.

Banta PubNet Design

This issue was designed and assembled by Banta PubNet. If you are currently outsourcing the design of your publication, you might want to investigate Banta's design and assembly capabilities. Banta's creative team has the experience it takes to design outstanding publications from scratch, or work with your existing templates. We can also convert your native layout documents to PDF for streamlined computer-to-plate workflow as well as provide custom designed graphics and layouts for your magazine. For more information, contact Wayne Metcalfe at 816-792-6394, or make an e-mail inquiry to wmetcalfe@banta.com.

For additional copies of the Banta Mailbox, log on to www.bds.banta.com or contact Jennifer Fitzpatrick, Marketing Communications Manager at 630-789-5652 or at jfitzpatrick@banta.com

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.

Postal reform update

As we've mentioned in earlier issues, there are two pending pieces of legislation (one in the House and one in the Senate) regarding postal reform. Postal reform is critical for the health of the USPS and to keep postal rates reasonable and delivery consistent. Unfortunately, Congress has recessed for the summer without resolution of the legislation. There is a possibility that the legislation could be taken up again when Congress re-convenes in the fall, but hopes for that are slim. Given the election year and concerns regarding White House support of postal reform, along with the short time period left in the

current session (about one month after the recess), it does not appear likely that postal reform will pass in the current session. If that is the case, it is back to the drawing board for postal reform, which would require filing of new proposals. In the meantime, the USPS is preparing for its next postal rate case, which will be filed either late this year or early in 2005. Without postal reform legislation, it is possible that the postage rate increases could be in the double digits, possibly as high as 15%.

We will keep you posted on the progress of this legislation once Congress re-convenes in September.

Standard mail delivery stats

In our April 2004 issue, we shared with you Standard mail delivery stats based on a report published in *Postal World*. The most recent delivery report was again reported in the July 19, 2004 issue of *Postal World*. The report represents delivery testing during the month of June 2004.

The delivery statistics are based on data from Hauser List Services (www.hauser.net), and reflect an average mailing size of 433,687 pieces. There were 2,122 mailings measured, and 3,935 test recipients. Catalogs comprised 18.7% of the test mailings, letters were 78.2%, and "other" made up the balance of 3.1%.

Delivery showed a slight improvement over the same period in 2003. The test measures the time it takes for delivery to the final recipient from the time the mail is entered at the destination (closest to the final recipient) Bulk Mail Center (BMC) or Processing & Distribution Center [(P & DC-also

known as Sectional Center Facilities (SCF's) or Area Distribution Centers (ADC's)].

The national average delivery time from the BMC to the recipient is 5.1 days. The fastest delivery was reported at the Buffalo NY ASF with a time of 2.5 days, followed by the Kansas City and St Louis BMC's to round out the top three. The slowest delivery occurred at the Albuquerque ASF and the Jacksonville FL BMC, both with a time of 8.8 days, and the San Francisco BMC with 7.8 days.

The national average delivery time from the PD &C to the recipient is 5.8 days. The fastest delivery was reported at the Cleveland OH, Springfield MA, and Buffalo NY facilities, all with 3.8 days. The slowest delivery time reported was at the Santa Ana CA and Orlando FL centers, both with 8.5 days and the Miami FL facility with 8.2 days.

Online Information

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

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