

BANTA Mailbox

Banta Publications Group ■ Drake Oak Brook Plaza, 2215 York Road, Suite 400, Oak Brook, IL 60523 ■ April 2005

Co-palletization update

Banta Publications Group will begin offering co-palletization services for Periodicals rate mail starting in May 2005. Co-palletization is a process which combines presorted bundles of multiple magazine titles together on the same pallet. The goal of co-palletization is to reduce the amount of mail in sacks. This is done by combining multiple titles together so as to meet the minimum weight requirements for pallets that could not be met with each title individually. These combined pallets are then drop shipped to Area Distribution Centers (ADC's).

Co-palletization discounts are only available for Periodicals rate mail. The discounts themselves are quite small, and are outweighed by the costs of performing the co-palletization process. The benefit of co-palletization is the increased potential for drop shipping discounts. Mail in sacks is not currently drop shipped because of the logistical challenges of doing so, but by combining this previously sacked mail with other publications and placing the mail on pallets, it allows this mail to be drop shipped. Savings for this program will vary by title, and even from issue to issue and are, generally speaking, not substantial savings. However, there is very little effort required by publishers to participate, and the impact on delivery is at most 1-2 additional days, and delivery service may even improve due to the improved sort level of the pallets vs. the sort level of the sacks.

Banta plans to use our drop ship consolidator to perform the co-palletization service and drop ship the co-palletized mail along with the regular mail. We will be ramping up the service, starting with our Kansas City, MO, plant in May, followed by our Greenfield, OH, plant in June, and then our Long Prairie, MN, facility in July. As we ramp up the service, we will be starting with titles that have the highest estimated savings. These titles have been targeted based on analysis we have done on past mailings, and will initially be limited to titles for which Banta processes the mailing lists.

Once the service is up and running, we will then add titles with lesser savings and open the service to titles with lists processed by outside sources.

Not all titles will realize a savings and these titles will not be part of the co-palletization program.

For those titles that are included in the program, there will be just a few easy steps publishers will need to do for participation:

- Apply for additional entry in Bolingbrook IL.
- Participate in the debit option of Centralized Account Processing (CAPS) postage payment program.
 - If you already use the debit option of CAPS for postage payment, you will just need to link the new additional entry to your CAPS account.
 - If you are using the trust account option of CAPS, you will need to switch to the debit option of CAPS and link the new additional entry.
 - If you are not using CAPS, you will need to apply for the debit option of CAPS and link the new additional entry.

For those titles which do not use Banta Distribution Services for processing their mailing lists, there will be some additional requirements for the processing of the mailing lists. This includes such things as adding geo codes to labels or ink jet files, specific presort parameters, including barcodes on all addresses, and the ability to provide mail.dat files.

The publishers of the target titles for the initial ramp-up of the service will be contacted by your Banta sales rep shortly with more details regarding the program. You will be provided with a welcome kit, which will include detailed information about the program, including savings estimates for your specific magazine titles. It will also include a client checklist, and copies of the additional entry application form and CAPS application form.

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Banta Publications Group Distribution Contacts

As a customer, you are encouraged to direct all of your communications to your plant Account Manager. 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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Distribution Manager

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New Domestic Mail Manual

The USPS is revamping the Domestic Mail Manual (DMM), which is set to be released on March 20, 2005. There will not be any changes in the regulations, but the information will be reorganized, with a new numbering system, rate charts, illustrations, and an expanded index. The new DMM, called DMM 300, will be based on four core concepts:

1. Mailing method (retail or discount)
2. Mailpiece shape (letters and cards, flats, parcels)
3. Class and subclasses (First-class, Periodicals, Standard, Parcel Post, Bound Printed Matter, Media Mail, and Library Mail)
4. Topic (rates and eligibility, postage payment and documentation, mail preparation, entry and deposit)

These core concepts will be presented in three main modules:

1. Retail Mailing Services, Section 100
2. Discount Mailing Services
 - Discount letters and cards, Section 200
 - Discount flats, Section 300
 - Discount parcels, Section 400
3. General Information
 - Additional Services (certified mail, insured mail, business reply mail), Section 500
 - Basic Standards for all mailing services (e.g. addressing), Section 600
 - Special Standards (e.g. nonprofit eligibility, Periodicals, technical specifications), Section 700

The goal of the redesign is to create a more user-friendly DMM that is easier to navigate and find information.

Fax law effective July 1



As we have reported in previous issues, the Federal Communications Commission (FCC) is scheduled to start enforcing the rule which requires commercial faxers to obtain written permission prior to sending faxes. Many publications utilize faxing to obtain or renew subscriptions or requests for free publications. The deadline for enforcing this rule is July 1, 2005.

There is still the possibility that Congress will pass legislation to remove the rule, or at the very least, back up the implementation date. However, the FCC has already pushed back this deadline twice, once from the original August 2003 date to January 1, 2005 and then to July 1, 2005.

Consumers groups have opposed previous legislative efforts to modify this law and will likely do the same to any legislation proposed in 2005.

The FCC rule applies to all commercial faxes, even if there is an existing business relationship with the recipient. This requires companies who use faxes for marketing purposes to gain written permission from the recipients before they can send faxes.

If you are currently using and would like to continue using faxes as part of your promotional and marketing efforts, and you have not started gathering these written authorizations, we encourage you to do so in order to meet the July 1 deadline.

Calculating ad percentage for enclosures

We frequently get questions from publishers of Periodicals rate mail with regards to calculating the advertising percentage when there are enclosures with the magazine.

Any time an enclosure, whether it is bound in, tipped in, or polybagged with the magazine, is subject to an additional, non-Periodicals postage rate, the enclosure should not be included in the advertising calculation.

For example, if you are including a flyer or catalog that is mailing at the ride-along or Standard rates, you would not include the pages of the flyer or catalog in your ad/edit calculation. If you are including repositionable notes on the front or back cover without polybagging, which are subject to the new RPN rate, these would not be included in

the ad/edit calculation.

If, on the other hand, the enclosure is subject to Periodicals rates, such as a polybagged supplement, repositionable note on an inside form, or a bound/tipped in component that meets Periodicals requirements, then these enclosures must be included in the ad/edit calculation. This includes items such as cover wraps, cover tips, preprinted polyfilm, and bellybands (unless they are subject to ride-along or Standard rates)

In summary:

If the additional component qualifies for Periodicals rates: include it in the ad/edit calculation.

If the additional component is subject to ride-along, RPN or Standard rates: do not include it in the ad/edit calculation.

Presort parameters

If your mailing list is not processed by Banta Distribution Services (BDS), it is important that you communicate with your list processor to insure that they are using the correct parameters when processing the mailing lists and creating the mail.dat files.

There are several key elements that need to be included in these parameters to insure that your mailings meet postal regulations and that you are optimizing your postage:

Weight-per-copy: It is critical that an accurate weight-per-copy estimate be provided on each issue. The weight is used to determine the amount of mail that can be placed into bundles, sacks, and pallets, and for Standard rate mail, it also impacts the qualification for presort. In addition, the weight-per-copy can impact qualification for automation discounts. It is important to include all components of a mailpiece when estimating the weight, including any enclosures, cover wraps or cover tips, bellybands, etc.

Thickness-per-copy: It is also critical that an accurate thickness-per-copy estimate be provided on each issue. The thickness is used to determine how many copies may be placed in a bundle. It is important to include all components of a mailpiece when estimating the thickness, including any enclosures, cover wraps or cover tips, bellybands, etc.

Trim size: Trim size does not usually change from issue to issue, but it is important that the list processor use the correct trim size in the presort process because this determines whether the mailing qualifies for flats automation under the AFSM 100 category or the UFSM 1000 category.

Advertising percentage (Periodicals mail only): While this does not affect the presort process, it is important that an accurate estimate be provided so that this information can be included in the mail.dat files. This will allow a more accurate postage estimate, plus it has a heavy influence on whether or not a mailing can qualify for drop shipping. If an advertising percentage for the estimate is not available at the time the list is processed, it is best to use a default amount of 50%, or a default amount that mirrors the average ad% for the title over time. Many list processors use 0% advertising if they do not know the amount, which can drastically impact the accuracy of the postage estimates, and can impact whether or not a mailing qualifies for drop shipping.

If you do not currently have a tool to assist you with calculating an estimated weight or thickness, please contact your plant CSR and ask for the piece weight calculator spreadsheet.

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*, contact Michelle Brasic, Database Coordinator at 630-575-2054 or at mbrasic@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.

Standard mail delivery statistics

PostalWorld has published its most recent mail delivery report for drop shipped Standard mail in the March 14 issue. The study is based on data from Hauser List Services, and incorporates data from catalog mailings, letter size mailings, and self-mailers. Hauser offers mail tracking services using seed names. The study was comprised of 2,712 BMC entered mailings and 1,412 P & DC entered mailings. The delivery dates are based on the number of days for delivery to the final recipient from the time the mail is entered at the postal facility and does not include the transit time for the drop ship mail to get to the postal facilities.

The national average delivery time for mail drop shipped to BMC's was 5.4 days. The Kansas City BMC was on top with delivery time of 3.3 days, followed by the Buffalo ASF with 3.5 days and the St Louis BMC with 3.5 days. At the bottom is the Dallas BMC, with average delivery time of 9.8 days, followed by San Francisco with 8.5 days and Jacksonville, FL, with 7.8 days.

For mail drop shipped to Processing and Distribution Centers (P & DC's, also known as SCF's), the national average was 6 days. At the top

of the delivery chart are Springfield, MA, with 2.5 days, Cleveland, OH, with 2.8 days, and Pittsburgh, PA, with 3.5 days. At the low end of the scale is Miami, FL, with 10.4 days, Detroit, MI, with 9.9 days, and Van Nuys, CA, with 9.8 days.

If you factor in transit time for this drop shipped mail, which generally speaking could range from 1 to 7 days depending on the method of transportation used and the distance, the total delivery time from the time the mail leaves the printer, lettershop or mail house ranges from 3.5 days at the earliest to 17.4 days at the latest. For mail that is not drop shipped, the delivery times can be even longer. Generally speaking, we tell clients that Standard mail delivery can take anywhere from 5 to 21 days, depending on the destination and transportation. Most delivery should occur somewhere in the middle of that range, anywhere from 7 to 14 days.

For more information about Hauser List Services, log on to www.hausernet.com. For more detailed information about the delivery study, log on to www.mypostalworld.com.

Online Information

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

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