

BANTA Mailbox

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

USPS files postal rate case

As expected, the USPS filed for a postal rate increase on April 8, 2005. The filing calls for an increase of 5.4% across the board, with a First-class stamp of 39 cents. The USPS plans to ask for an expedited settlement of the case, with an implementation date in January 2006. While the rate case filing is said to be an across the board increase, that is not necessarily true. For example, Periodicals In-county rates actually see a reduction of about 5.5%. Business Reply fees are up anywhere from 6.67% to 10% depending on the specific fee.

The USPS financials are strong enough to eliminate the need for a rate filing, however, the Congressional requirement to begin payments into the Civil Service Retirement System escrow fund is the cause of the increased rates. Unless there is legislative relief in 2005, the USPS is scheduled to pay \$3.1 billion into this escrow account in September 2006. There are several scenarios that could happen:

- 1) No postal reform legislation is passed by Congress, and the mailing industry agrees to an expedited settlement of the case. This would mean the increased rates would be implemented in early January of 2006.
- 2) No postal reform legislation is passed by Congress, and there is no agreement to an expedited settlement. This would mean the increased rates would likely not be

implemented until March or April of 2006.

3) Postal reform legislation is passed by Congress. If the legislation includes relief from the escrow payment, then the rate filing would be revoked by the USPS and there would not be a postal rate increase at all in 2006.

Regardless of whether or not there is a postal increase in 2006, the USPS will file another rate case in 2006, for implementation in 2007. This rate case will not be an across-the-board increase, and will likely contain substantial changes in the structure of rates. Even if the overall increase is in the 6% to 7% range as predicted, some classes of mail would see smaller increases and others would see larger increases.

In any rate case filing, the rates filed are only proposed rates until a recommendation is issued by the Postal Rate Commission, and then approved by the USPS Board of Governors. This is usually a ten month process unless an expedited settlement is agreed upon.

We will keep you posted as to the progress of the current rate case filing. Included in this issue are rate charts for the various classes of mail that reflect the current and proposed rates. You will note that there is not a rate chart for Periodicals non-profit rates. The rate cells for Periodicals non-profit mail are identical to Periodicals regular rates; the non-profit rate is a 5% reduction of the regular rate non-zoned portion of the postage.

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POSTAL FEES-VARIOUS CLASSES

	CURRENT FEE	NEW FEE
Standard and Package Services Permit Application	\$150.00	\$160.00
Annual bulk mailing fee	\$150.00	\$160.00
Periodical Original Entry	\$475.00	\$500.00
Periodical Additional Entry	\$ 60.00	\$ 65.00
Address Corrections, manual	\$.70	\$.75
Address Corrections, electronic	\$.20	\$.21
Business Reply Mail Regular, Basic	\$150.00 Permit fee per year, \$.60 per piece	\$160.00 Permit fee per year, \$.65 per piece
Business Reply Mail, Regular, High Volume	\$150.00 annual permit fee, \$475.00 annual accounting fee, \$.10 per piece	\$160.00 annual permit fee, \$500.00 annual accounting fee, \$.11 per piece
Qualified Business Reply Mail, low-volume	\$150.00 annual permit fee, \$475.00 annual accounting fee, \$.06 per piece	\$160.00 annual permit fee, \$500.00 annual accounting fee, \$.06 per piece
Qualified Business Reply Mail, high-volume	\$150.00 annual permit fee, \$475.00 annual accounting fee, \$1800.00 quarterly fee, \$.008 per piece	\$160.00 annual permit fee, \$500.00 annual accounting fee, \$1900.00 quarterly fee, \$.008 per piece
Business Reply Mail, Bulk Weight Averaged	\$150.00 annual permit fee, \$475.00 annual accounting fee, \$750.00 monthly maintenance fee, \$.01 per piece	\$160.00 annual permit fee, \$500.00 annual accounting fee, \$790.00 monthly maintenance fee, \$.01 per piece

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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Standard Mail vs. First-class Mail

As we have mentioned in previous issues, the lines between these two classes of mail have become blurred over time with increasing use of computerized personalization of promotional mail. According to postal regulations, any mail with the nature of personal correspondence, such as personal letters, bills, statements of account, invoices, etc. are required to be mailed at First-class rates.

Where the confusion sets in is when promotional mail that in the past has mailed at Standard starts to include more personal information, such as account information. This is particularly concerning to nonprofit Standard mailers, who often use promotional mail to solicit donations for charitable causes.

Effective June 1, 2005, new postal rules go into effect governing Standard mail eligibility with regards to inclusion of personal information. The rules state that the contents of printed matter in Standard mailings must be identical to a piece sent to at least one other addressee. No personal information is allowed in Standard mailings except as follows:

- The mailpiece contains explicit advertising for a product or service for sale or lease or an explicit solicitation for a donation.
- All of the personal information is directly related to the advertisement or solicitation.
- The exclusive reason for inclusion of all personal information is to support the advertising or solicitation in the mailpiece.

Here are some examples of mailpieces that have been ruled as NOT qualifying for Standard rates (would be subject to First-class rates):

- Mailpiece including a "convenience check" made out to a specific individual, with the amount and date spaces left blank.
- Mailpiece showing the recipient's total donations for the year with a notation to keep the notice as a receipt for tax purposes.
- Mailpiece including a summary of credit card purchases with a statement that the account state-

ment may be used for budgetary or tax purposes. Piece includes a rental car ad.

- Mailpiece includes a mortgage payment card with fields for amount due, due date, and person who owes debt.
- Mailpiece serving as a thank you note for a previous donation with no solicitation for additional donations.
- Parcel that contained old handwritten letters.

Here are some examples of mailpieces that were ruled acceptable at Standard rates:

- Credit card solicitation with "Personal-Do Not Throw Away" printed on the outer envelope.
- Subscription renewal notice with subscription expiration date, name, address, and account number of the recipient.
- Advertisement for a firm that renews notary public appointments which contains application form including the recipient's date of birth and expiration date of commission.
- Check purchase incentive/rebate made out to "Pay to John Doe or Bearer."
- Advertisement including check made out to "Pay to the order of retailer" for use as a coupon.
- Solicitation for donation including the donation total asking for recipient to exceed that amount.
- Catalog with keycode and account number printed on the catalog.
- Parcel with the notation "Do Not Open Until Your Birthday."

The new regulations are unfortunately fairly vague, so if you have questions regarding your mailpieces, your best bet is to submit a sample or mock-up to your local Business Mail Entry office for review. Make sure you obtain a written ruling that specifically references the piece reviewed. Alternatively, you can submit your mailpiece for review to the new Pricing and Classification Service Center by contacting Greg Hall at gregory.a.hall@usps.gov. If you mail at non-profit rates, there is additional information from the Alliance of Nonprofit Mailers at <http://www.nonprofitmailers.org/>.

PERIODICALS REGULAR RATES-OUTSIDE COUNTY PROPOSED VS CURRENT RATES

ZONE POUND RATES	CURRENT	PROPOSED	% DIFF
DDU	\$ 0.158	\$ 0.167	5.70%
DSCF	\$ 0.203	\$ 0.214	5.42%
DADC	\$ 0.223	\$ 0.235	5.38%
ZONES 1 & 2	\$ 0.248	\$ 0.261	5.24%
ZONE 3	\$ 0.267	\$ 0.281	5.24%
ZONE 4	\$ 0.315	\$ 0.332	5.40%
ZONE 5	\$ 0.389	\$ 0.410	5.40%
ZONE 6	\$ 0.466	\$ 0.491	5.36%
ZONE 7	\$ 0.559	\$ 0.589	5.37%
ZONE 8	\$ 0.638	\$ 0.672	5.33%
NONADVERTISING	\$ 0.193	\$ 0.203	5.18%

PIECE RATES

BASIC NONAUTO	\$ 0.373	\$ 0.393	5.36%
BASIC AUTO	\$ 0.325	\$ 0.343	5.54%
3 DIGIT NONAUTO	\$ 0.324	\$ 0.341	5.25%
3 DIGIT AUTO	\$ 0.283	\$ 0.298	5.30%
5 DIGIT NONAUTO	\$ 0.256	\$ 0.270	5.47%
5 DIGIT AUTO	\$ 0.226	\$ 0.238	5.31%
CR BASIC	\$ 0.163	\$ 0.172	5.52%
CR HIGH DENSITY	\$ 0.131	\$ 0.138	5.34%
CR SAT	\$ 0.112	\$ 0.118	5.36%

EDITORIAL DISCOUNT	\$ 0.00074	\$ 0.00078	5.41%
DDU DROP SHIP DISCOUNT	\$ 0.018	\$ 0.019	5.56%
SCF DROP SHIP DISCOUNT	\$ 0.008	\$ 0.008	0.00%
ADC DROP SHIP DISCOUNT	\$ 0.002	\$ 0.002	0.00%
DROP SHIP PALLET DISCOUNT	\$ 0.015	\$ 0.016	6.67%
ORIGIN ENTRY PALLET DISCOUNT	\$ 0.005	\$ 0.005	0.00%

DSCF CO-PALL DISCOUNT	\$ 0.010	\$ 0.011	10.00%
DADC CO-PALL DISCOUNT	\$ 0.007	\$ 0.007	0.00%
RIDE ALONG RATE	\$ 0.124	\$ 0.131	5.65%
REPOSITIONABLE NOTES	\$ 0.015	\$ 0.015	0.00%

PERIODICALS REGULAR RATE-INSIDE COUNTY PROPOSED VS CURRENT RATES

ZONE POUND RATES	CURRENT	PROPOSED	% DIFF
DDU	\$ 0.112	\$ 0.106	-5.36%
NONE	\$ 0.146	\$ 0.138	-5.48%

PIECE RATES

BASIC NONAUTO	\$ 0.106	\$ 0.100	-5.66%
BASIC AUTO	\$ 0.077	\$ 0.073	-5.19%
3 DIGIT NONAUTO	\$ 0.097	\$ 0.092	-5.15%
3 DIGIT AUTO	\$ 0.073	\$ 0.069	-5.48%
5 DIGIT NONAUTO	\$ 0.087	\$ 0.082	-5.75%
5 DIGIT AUTO	\$ 0.067	\$ 0.063	-5.97%
CR BASIC	\$ 0.050	\$ 0.047	-6.00%
CR HIGH DENSITY	\$ 0.034	\$ 0.032	-5.88%
CR SAT	\$ 0.028	\$ 0.026	-7.14%

DDU DROP SHIP DISCOUNT	\$ 0.006	\$ 0.006	0.00%
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RIDE ALONG RATE	\$ 0.124	\$ 0.131	5.65%
REPOSITIONABLE NOTES	\$ 0.015	\$ 0.015	0.00%

STANDARD MAIL REGULAR RATES PROPOSED VS CURRENT RATES

LETTER RATES	CURRENT	PROPOSED	% DIFF
<i>For pieces weighing 3.3 ounces or less</i>			
BASIC NONAUTO	\$ 0.268	\$ 0.282	5.22%
3/5 DIGIT NONAUTO	\$ 0.248	\$ 0.261	5.24%
MIXED AADC AUTO	\$ 0.219	\$ 0.231	5.48%
AADC AUTO	\$ 0.212	\$ 0.223	5.19%
3 DIGIT AUTO	\$ 0.203	\$ 0.214	5.42%
5 DIGIT AUTO	\$ 0.190	\$ 0.200	5.26%
CARRIER ROUTE BASIC	\$ 0.194	\$ 0.204	5.15%
CARRIER ROUTE HIGH DENSITY	\$ 0.164	\$ 0.173	5.49%
CARRIER ROUTE SATURATION	\$ 0.152	\$ 0.160	5.26%
CARRIER ROUTE AUTO BASIC	\$ 0.171	\$ 0.180	5.26%
BMC DROP SHIP DISCOUNT	\$ 0.021	\$ 0.022	4.76%
SCF DROP SHIP DISCOUNT	\$ 0.026	\$ 0.027	3.85%
DDU DROP SHIP DISCOUNT (CARRIER ROUTE ONLY)	\$ 0.032	\$ 0.033	3.13%

FLAT RATES

	CURRENT	PROPOSED	% DIFF
<i>For pieces weighing 3.3 ounces or less</i>			
BASIC NONAUTO	\$ 0.344	\$ 0.363	5.52%
3/5 DIGIT NONAUTO	\$ 0.288	\$ 0.304	5.56%
BASIC AUTO	\$ 0.300	\$ 0.316	5.33%
3/5 DIGIT AUTO	\$ 0.261	\$ 0.275	5.36%
CARRIER ROUTE BASIC	\$ 0.194	\$ 0.204	5.15%
CARRIER ROUTE HIGH DENSITY	\$ 0.169	\$ 0.178	5.33%
CARRIER ROUTE SATURATION	\$ 0.160	\$ 0.169	5.63%
BMC DROP SHIP DISCOUNT	\$ 0.021	\$ 0.022	4.76%
SCF DROP SHIP DISCOUNT	\$ 0.026	\$ 0.027	3.85%
DDU DROP SHIP DISCOUNT (CARRIER ROUTE ONLY)	\$ 0.032	\$ 0.033	3.13%

For pieces weighing more than 3.3 ounces

PER PIECE RATES:	CURRENT	PROPOSED	% DIFF
BASIC NONAUTO	\$ 0.198	\$ 0.209	5.56%
3/5 DIGIT NONAUTO	\$ 0.142	\$ 0.150	5.63%
BASIC AUTO	\$ 0.154	\$ 0.162	5.19%
3/5 DIGIT AUTO	\$ 0.115	\$ 0.121	5.22%
CARRIER ROUTE BASIC	\$ 0.068	\$ 0.072	5.88%
CARRIER ROUTE HIGH DENSITY	\$ 0.043	\$ 0.045	4.65%
CARRIER ROUTE SATURATION	\$ 0.034	\$ 0.036	5.88%

PER POUND RATES:

NON CARRIER ROUTE	\$ 0.708	\$ 0.746	5.37%
CARRIER ROUTE	\$ 0.610	\$ 0.643	5.41%
BMC DROP SHIP DISCOUNT	\$ 0.100	\$ 0.105	5.00%
SCF DROP SHIP DISCOUNT	\$ 0.125	\$ 0.132	5.60%
DDU DROP SHIP DISCOUNT (CARRIER ROUTE ONLY)	\$ 0.157	\$ 0.166	5.73%
REPOSITIONABLE NOTES	\$ 0.015	\$ 0.015	0.00%

STANDARD MAIL NONPROFIT RATES PROPOSED VS CURRENT RATES

LETTER RATES

	CURRENT	PROPOSED	% DIFF
<i>For pieces weighing 3.3 ounces or less</i>			
BASIC NONAUTO	\$ 0.165	\$ 0.174	5.45%
3/5 DIGIT NONAUTO	\$ 0.153	\$ 0.161	5.23%
MIXED AADC AUTO	\$ 0.144	\$ 0.152	5.56%
AADC AUTO	\$ 0.136	\$ 0.143	5.15%
3 DIGIT AUTO	\$ 0.129	\$ 0.136	5.26%
5 DIGIT AUTO	\$ 0.114	\$ 0.120	5.26%
CARRIER ROUTE BASIC	\$ 0.126	\$ 0.133	5.56%
CARRIER ROUTE HIGH DENSITY	\$ 0.102	\$ 0.108	5.88%
CARRIER ROUTE SATURATION	\$ 0.095	\$ 0.100	5.26%
CARRIER ROUTE AUTO BASIC	\$ 0.111	\$ 0.117	5.41%
BMC DROP SHIP DISCOUNT	\$ 0.021	\$ 0.022	4.76%
SCF DROP SHIP DISCOUNT	\$ 0.026	\$ 0.027	3.85%
DDU DROP SHIP DISCOUNT (CARRIER ROUTE ONLY)	\$ 0.032	\$ 0.033	3.13%

FLAT RATES

<i>For pieces weighing 3.3 ounces or less</i>			
BASIC NONAUTO	\$ 0.230	\$ 0.242	5.22%
3/5 DIGIT NONAUTO	\$ 0.183	\$ 0.193	5.46%
BASIC AUTO	\$ 0.189	\$ 0.199	5.29%
3/5 DIGIT AUTO	\$ 0.166	\$ 0.175	5.42%
CARRIER ROUTE BASIC	\$ 0.126	\$ 0.133	5.56%
CARRIER ROUTE HIGH DENSITY	\$ 0.110	\$ 0.116	5.45%
CARRIER ROUTE SATURATION	\$ 0.104	\$ 0.110	5.77%
BMC DROP SHIP DISCOUNT	\$ 0.021	\$ 0.022	4.76%
SCF DROP SHIP DISCOUNT	\$ 0.026	\$ 0.027	3.85%
DDU DROP SHIP DISCOUNT (CARRIER ROUTE ONLY)	\$ 0.032	\$ 0.033	3.13%

For pieces weighing more than 3.3 ounces

PER PIECE RATES:	CURRENT	PROPOSED	% DIFF
BASIC NONAUTO	\$ 0.110	\$ 0.116	5.45%
3/5 DIGIT NONAUTO	\$ 0.063	\$ 0.066	4.76%
BASIC AUTO	\$ 0.069	\$ 0.073	5.80%
3/5 DIGIT AUTO	\$ 0.046	\$ 0.048	4.35%
CARRIER ROUTE BASIC	\$ 0.050	\$ 0.053	6.00%
CARRIER ROUTE HIGH DENSITY	\$ 0.034	\$ 0.036	5.88%
CARRIER ROUTE SATURATION	\$ 0.028	\$ 0.030	7.14%

PER POUND RATES:

NON CARRIER ROUTE	\$ 0.584	\$ 0.616	5.48%
CARRIER ROUTE	\$ 0.370	\$ 0.390	5.41%
BMC DROP SHIP DISCOUNT	\$ 0.100	\$ 0.105	5.00%
SCF DROP SHIP DISCOUNT	\$ 0.125	\$ 0.132	5.60%
DDU DROP SHIP DISCOUNT (CARRIER ROUTE ONLY)	\$ 0.157	\$ 0.166	5.73%
REPOSITIONABLE NOTES	\$ 0.015	\$ 0.015	0.00%

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.

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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 Dr., Liberty, MO 64068-3378.

PACKAGE SERVICES-BOUND PRINTED MATTER FLATS

Proposed Vs. Current Rates

PRESORTED	CURRENT		PROPOSED		% DIFF	
	PER LB	PER PC	PER LB	PER PC	PER LB	PER PC
DDU	\$ 0.0300	\$ 0.5320	\$ 0.0320	\$ 0.5610	6.67%	5.45%
DSCF	\$ 0.0600	\$ 0.6030	\$ 0.0630	\$ 0.6360	5.00%	5.47%
DBMC ZONES 1 & 2	\$ 0.0730	\$ 0.8180	\$ 0.0770	\$ 0.8620	5.48%	5.38%
ZONE 1 & 2	\$ 0.0900	\$ 1.0780	\$ 0.0950	\$ 1.1360	5.56%	5.38%
DBMC ZONE 3	\$ 0.1020	\$ 0.8180	\$ 0.1080	\$ 0.8620	5.88%	5.38%
ZONE 3	\$ 0.1120	\$ 1.0780	\$ 0.1180	\$ 1.1360	5.36%	5.38%
DBMC ZONE 4	\$ 0.1390	\$ 0.8180	\$ 0.1470	\$ 0.8620	5.76%	5.38%
ZONE 4	\$ 0.1490	\$ 1.0780	\$ 0.1570	\$ 1.1360	5.37%	5.38%
DBMC ZONE 5	\$ 0.1870	\$ 0.8180	\$ 0.1970	\$ 0.8620	5.35%	5.38%
ZONE 5	\$ 0.1980	\$ 1.0780	\$ 0.2090	\$ 1.1360	5.56%	5.38%
ZONE 6	\$ 0.2480	\$ 1.0780	\$ 0.2610	\$ 1.1360	5.24%	5.38%
ZONE 7	\$ 0.3080	\$ 1.0780	\$ 0.3250	\$ 1.1360	5.52%	5.38%
ZONE 8	\$ 0.4190	\$ 1.0780	\$ 0.4420	\$ 1.1360	5.49%	5.38%
CARRIER ROUTE	PER LB	PER PC	PER LB	PER PC	PER LB	PER PC
DDU	\$ 0.0300	\$ 0.4320	\$ 0.0320	\$ 0.4560	6.67%	5.56%
DSCF	\$ 0.0600	\$ 0.5030	\$ 0.0630	\$ 0.5310	5.00%	5.57%
DBMC ZONES 1 & 2	\$ 0.0730	\$ 0.7180	\$ 0.0770	\$ 0.7570	5.48%	5.43%
ZONE 1 & 2	\$ 0.0900	\$ 0.9780	\$ 0.0950	\$ 1.0310	5.56%	5.42%
DBMC ZONE 3	\$ 0.1020	\$ 0.7180	\$ 0.1080	\$ 0.7570	5.88%	5.43%
ZONE 3	\$ 0.1120	\$ 0.9780	\$ 0.1180	\$ 1.0310	5.36%	5.42%
DBMC ZONE 4	\$ 0.1390	\$ 0.7180	\$ 0.1470	\$ 0.7570	5.76%	5.43%
ZONE 4	\$ 0.1490	\$ 0.9780	\$ 0.1570	\$ 1.0310	5.37%	5.42%
DBMC ZONE 5	\$ 0.1870	\$ 0.7180	\$ 0.1970	\$ 0.7570	5.35%	5.43%
ZONE 5	\$ 0.1980	\$ 0.9780	\$ 0.2090	\$ 1.0310	5.56%	5.42%
ZONE 6	\$ 0.2480	\$ 0.9780	\$ 0.2610	\$ 1.0310	5.24%	5.42%
ZONE 7	\$ 0.3080	\$ 0.9780	\$ 0.3250	\$ 1.0310	5.52%	5.42%
ZONE 8	\$ 0.4190	\$ 0.9780	\$ 0.4420	\$ 1.0310	5.49%	5.42%

Online Information

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

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