

# BANTA Mailbox

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

## Statement of Ownership Reminder

**O**ctober 1 was the deadline for publishers of Periodicals rate publications to file USPS Form 3526, Statement of Ownership Management and Circulation. This is a form that is required by the USPS to be completed annually for all Periodicals rate publications. This statement must be completed and filed by October 1 each year. This form is NOT required to be filed for publications that mail at Standard or Package Services rates, or for publications that are Periodicals Pending.

The Statement of Ownership form asks for information about the ownership of the magazine, but it also requires information regarding the circulation of the magazine. The form asks for detailed information regarding the number of copies produced and how they are distributed. This information is required both for a single issue (closest to the date of filing) and the averages for the year. The USPS uses this information to calculate the percentage of paid/requested copies. As you know, Periodicals publications must maintain a paid/requested ratio of at least 50% plus one copy. If the data on the form indicates a paid/requested percentage of between 50% and 60%, this can trigger a postal audit.

The information to complete the Statement of Ownership circulation information may be found on mailing statements, print orders, distribution instructions and invoices, etc. We usually recommend that our clients keep track of this information on an issue-by-issue basis so that the information is readily available at the time the form must be filed. If you have not done this, you will need to gather these documents containing the pertinent information for completion of the form.

In addition to filing the form, the information from the Statement of Ownership must be published in the magazine for titles authorized under the General or Requester categories. It should be published in the issue subsequent to filing the form. For example, if the title is a monthly frequency, the information should be published in the first issue after October 1. If the title is weekly or less, but more than monthly, the information should be published in an issue no later than October 31. For weeklies or more frequent, the information should be published by October 10.

There are no requirements for the format, size, or location of this information in the publication, as long as it is legible. Some publishers elect to replicate the form itself for publication, while others provide the information in text format.

Failure to file the Statement of Ownership can result in revocation of your Periodicals mailing privileges. Failure to file the forms on a timely basis can also hold up subsequent issue mailings, as can failure to publish the information in the magazine. However if you have missed the October 1 deadline, don't panic. You still need to complete and file the form as soon as possible, but you need to notify your local post office in writing that you have missed the deadline and when you anticipate filing the form. The form itself is available on the USPS web site at [www.usps.com](http://www.usps.com).

If you need assistance with completion of the form, contact your local Business Mail Entry (BME) office Periodicals mailing specialist. You can locate the BME nearest you by logging on to <http://ribbs.usps.gov/index.html>, then click on Business Mail Entry beneath USPS Locators & Lookups.

To assist you in planning for completion of next year's form, Banta also has available an Excel workbook that helps you keep track of the information during the course of the year so that when it comes time to generate the statement of ownership, all the circulation information will be calculated and averaged and automatically input into the form. For a copy of the workbook, contact your plant distribution manager or client services representative.

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## Mailbox Goes All-Digital!

**S**tarting in January 2006 The Banta Mailbox will be all-digital. The new electronic-only format will contain the same useful information as always, but now conveniently delivered right to your computer.

The new electronic format offers helpful links so you can access even more information about topics that affect you. The electronic version also enables a faster delivery of pertinent information.

*Watch for details on how to sign up for the new electronic version of The Banta Mailbox in the upcoming November issue.*

# FICS barcode stickers

## 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:

### Entire Publications Group

*Director, Mailing & Distribution Services*  
 Monica Lundquist  
 816-792-6370 Phone  
 816-792-3112 Fax  
 mlundquist@banta.com

*List Services Manager*  
 John Buck  
 816-792-6349 Phone  
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 jbuck@banta.com

### Long Prairie, MN plant

*Distribution Manager*  
 Al Lemke  
 320-732-7946 Phone  
 320-732-7976 Fax  
 alemke@banta.com

*Distribution Supervisor*  
 Jane Zirbes  
 320-732-7969 Phone  
 320-732-7976 Fax  
 jzirbes@banta.com

### Liberty, MO plant

*Distribution Manager*  
 Dirk White  
 816-792-6325 Phone  
 816-792-2031 Fax  
 dwhite@banta.com

*Mailing Coordinator*  
 Bobbie Hill  
 816-792-5300 ext 6376  
 Phone  
 816-792-2031 Fax  
 bhill@banta.com

*Shipping Manager*  
 Steve Bieri  
 816-792-6363 Phone  
 816-792-6480 Fax  
 sbieri@banta.com

### Greenfield, OH plant

*Distribution Manager*  
 Don Anglin  
 937-981-6367 Phone  
 937-981-5032 Fax  
 danglin@banta.com

As we told you in the June issue, there are secondary barcode stickers that are being applied to some mailpieces by the USPS. Those stickers are called Flats Identification Code Sort (FICS) tags. The stickers are printed with a 4-state barcode, which contains information regarding the date and time of processing, the postal facility and piece of equipment on which the mail was processed. The stickers do NOT contain the ZIP+4 data. The tags measure 4.375" long and .5" high and are applied with releasable adhesive.

The USPS applies and uses these tags to identify mail without postnet barcodes or mail with deficient barcodes. The tags are applied when the mail is processed on the AFSM 100 flat sorting equipment. When the AFSM 100 scanners cannot detect or read a barcode, the FICS system applies the ID tag and stores the address coding results from either the Optical Character Readers (OCR's) or the Remote Encoding Center (REC). In subsequent passes, the FICS reads the ID tags and sorts the mail using the stored ZIP code information. The intent is to reduce multiple keying of the same images at the REC's and to support the future initiative of converting from the current postnet barcode to the new format 4-state barcode (see example below).

4-state barcode:



Postnet barcode:



While the FICS tag's primary purpose is to facilitate processing of non-barcode pieces or those with

unreadable barcodes, we continue to see pieces coming through the mailstream that have been tagged which have perfectly legible barcodes on them. The USPS explains that in these cases, either there is a system problem, such as camera issues, poor photo eye alignment, equipment jams, etc. or the FICS system has been set up in a "label all" mode. This mode is usually run during equipment installation and testing. The USPS indicates that all equipment was to have been installed by June 30, 2005, so it would seem that this testing mode should be complete by now.

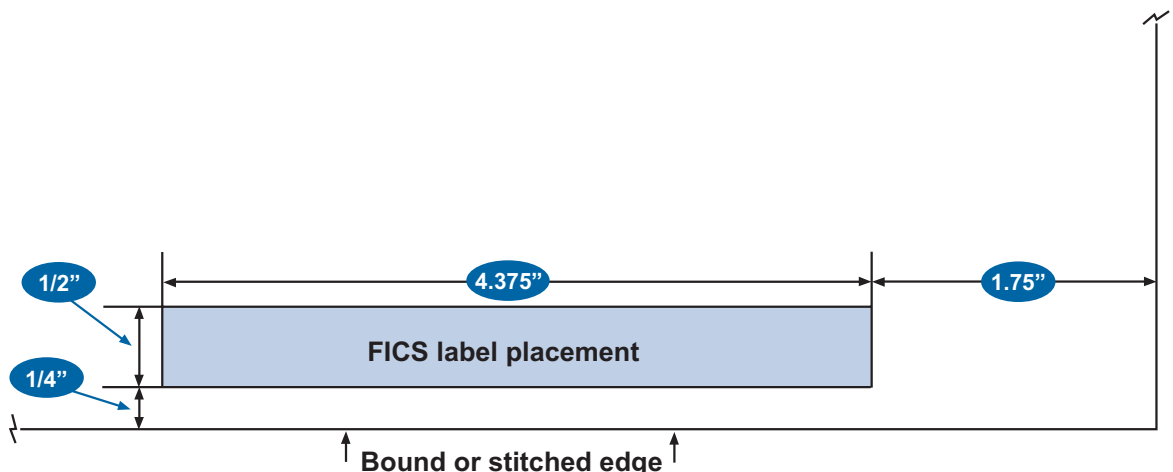
The diagram below shows the area on the mailpiece where these FICS tags are being applied.

While the majority of mailpieces will not be tagged with these stickers, we thought it would be beneficial for you to be aware of the placement location of the tags in case you wish to incorporate this information into your cover designs to alleviate any possible tags covering advertising or editorial matter.

We are working with the USPS to identify postal facilities where these tags may be applied in error. If you receive mailpieces that have been tagged with these stickers and there is a readable barcode in the address area, please send the mailpiece to:

*Monica Lundquist  
 Banta Publications Group  
 3401 Heartland Drive  
 Liberty MO 64068  
 mlundquist@banta.com*

It is most helpful to have the actual mailpiece, but if it is not possible to send the actual piece, the next best thing is to scan the cover with the tag and send the resulting .pdf file via e-mail.



# Postal reform delayed

On July 26, the House of Representatives passed H.R. 22, the Postal Accountability and Enhancement Act by a vote of 410 to 20. This is a landmark step, since it is the first of many proposed postal reform legislation packages over the last decade that has made it this far. However, the Senate version of the bill has yet to be passed, and due to recent events this has been pushed lower on the priority list.

Some of the key elements of the Act:

- Releases the escrow fund, which could potentially delay, reduce, or eliminate the proposed postage increase of 5.4% slated for early 2006.
- Relieves the USPS of the funding for retirement benefits for veterans working for the USPS under the old Civil Service Retirement System. In all other government agencies employing veterans, this funding comes from the Treasury.
- The majority of the funds that would have gone into the escrow fund have been designated to pre-fund the USPS liability for retirees' healthcare.

The Senate version of the bill, S. 662, is slightly different. If the bill passes the Senate, these differences would then be worked out in conference committee before the final legislation is passed to the White House for approval. Unfortunately, the White House has indicated that they oppose several components of both versions of the legislation, so a veto possibility exists. However, based on the majority approval of the House version, an over-ride of any veto might be possible.

In addition, Congress has been dealt some unexpected tasks recently and as a result, postal reform legislation has taken a bit of a back seat. Congressional hearings to approve not just one, but two Supreme Court justices, are now required with the retirement of Justice O'Connor and the death of Chief Justice Rehnquist. Additional hearings regarding the handling of the Hurricane Katrina disaster add another element of complexity to an already busy congressional schedule.

Still, most in the mailing industry are confident that postal legislation will be passed this year, although perhaps not as early as hoped and perhaps not in the format desired. At any rate, even if postal reform legislation is passed, it will not eliminate the need for the rate increase in 2006 as was once hoped. As consumers, we all feel the pinch when filling up our cars at the gas station. For the USPS, every time the price of a gallon of gas goes up by a penny, it costs the USPS \$8 million. Add to that the initial USPS damage estimates of over \$100 million caused by Hurricane Katrina and it becomes clear that nothing can now prevent a rate increase in 2006.

At this point, publishers should plan for a 5.4% postage increase for all domestic classes of mail, with the increase effective in mid-January. See the related article in this issue regarding international mail postage increases.

We will keep you posted as the legislation progresses.

## Hurricane hazards

We are all well aware of the devastation incurred by Hurricane Katrina, which pounded the gulf coast at the end of August. Our thoughts and prayers continue to go out to the victims of this natural disaster. As the area undergoes the recovery process, mailers are faced with decisions regarding handling of the mailings to the affected areas.

The USPS has done a fantastic job of getting vital mail to those in the affected areas, and also with the management of the non-urgent mail for these areas. The USPS communicated with mailers early on as to which ZIP codes would be affected. At one point, the USPS issued a suspension order for non-urgent mail for some areas in order to limit the volume of mail going into the hardest hit areas. The USPS issues daily updates as to the status of mail to the affected ZIP codes, sometimes multiple updates daily. All this has been accomplished even while the USPS sustained over \$100 million in damages to its facilities, vehicles, processing equipment and retail in the area.

As the number of ZIP codes affected by the mail suspension order kept diminishing as recovery efforts

continued, along came Hurricane Rita. While the destruction caused by Rita is not as extensive as that caused by Katrina, some ZIP codes in Louisiana and Texas have been affected by Rita.

Early on in the Katrina aftermath, Banta List Services (BLS) notified clients of the affects on their mail. We implemented a program to suppress the affected ZIPs from mailing lists processed by BLS, which included reporting of the suppression counts and a list file of the suppressed records. This has helped our clients not only to respond to the needs of the hurricane victims, but to better manage their mailing costs, document the suppressed records for auditing purposes and to provide a means in the future of fulfilling subscriptions, either by back issue mailings, credits, or subscription extensions.

If you have any questions regarding this process, please contact your BLS service representative. For daily updates of the mailing status for the impacted areas, log on to <http://ribbs.usps.gov/index.html>, then click on the link under Impacted Areas.

### Banta Creative Services

This issue was designed and assembled by Banta Creative Services. 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 Pamela DeWitt at 816-792-6337, or e-mail [pdewitt@banta.com](mailto:pdewitt@banta.com).

For additional copies of the Banta Mailbox, contact Michelle Brasic, Database Coordinator at 630-575-2054 or at [mbrasic@banta.com](mailto: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](mailto:mlundquist@banta.com), or write to Banta Publications Group, Mailing & Distribution Services, 3401 Heartland Dr., Liberty, MO 64068-3378.

## Year-end crunch

**A**s you are probably aware, the USPS is planning to implement a postage increase in early 2006, most likely in January. This increase is slated to be 5.4% across all mail classes. It is very typical for the end of the year, and December especially, to be a busy mailing season. Add the impending postage increase and the demand for end-of-year mailing schedules will increase dramatically.

While Banta always strives to be as flexible as possible with schedules when our clients are late, this can be a real challenge when the schedules are full and the demand is high, and that will definitely be the case at the end of this year. We know your mail dates are important, and will try to be as accommodating as possible. We'd like to take this

opportunity to remind you that timely receipt of your files will be even more critical as we approach the end of the year. For materials that are supplied late, we will make every attempt to make your mail date, but for obvious reasons we will need to give priority to clients with on-time materials.

If you have plans for additional mailings, increased quantities, revised schedules, etc. toward the end of the year, please inform your Banta sales and client services representatives as soon as possible. Any plans or processes that you can put in place now to insure timely delivery of materials to us at the end of the year will help alleviate schedule pressure and possible disappointments.

## International postage hikes

**A**s we mentioned in an earlier issue, postage rates for international mail mailed through the USPS is expected to increase at the same time as the rates for domestic mail are scheduled to increase. As of press time, it appears that the postage rate increase will occur in mid-January 2006. In our earlier article we noted that while there was no definitive information available as to the exact amount of the international increase, we suggested budgeting for a 6% increase.

Unfortunately, the USPS has proposed increases far larger than this for Periodicals rate publications mailing through the USPS. The rate increases for Letter Post mail, which is used for Standard rate publications and catalogs, will average around 6% as predicted. However, the increase for Publishers Periodicals rates will increase by a whopping 28.4%!

In the last international rate structure change, the USPS sent a clear signal to mailers that they are not interested in handling surface service mailings. This signal was sent by structuring the Letterpost air rates to be more economical in most cases than Letterpost economy rates (surface service).

The USPS is sending this same signal again with this proposal to increase Publishers Periodicals rates by over 28%. Most publishers, faced with this type of increase, will either reduce or eliminate subscription marketing to international addresses or they will pursue alternate methods of mailing outside the USPS.

Banta has a number of alternate international mailing solutions available. For more information, please contact your sales or client services representative.

### Online Information

More information on Banta Corporation is available through the company's Web site at [www.banta.com](http://www.banta.com)

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