

Direct Insight

Courtesy of Transcontinental Direct

Express

More action on postal issues

The USPS has asked the Postal Rate Commission (PRC) to decrease the flat piece rate by \$0.03, while increasing the letter piece rate \$0.007. Final comments from the industry are due May 11. A PRC ruling is expected within several weeks, and any changes will likely coincide with the July 15 periodicals rate increase.

Final Intelligent Mail barcode specs are still being hotly debated with the USPS. Flat mailers have a serious problem with the current minimum barcode height of 0.134". The cost to the industry of retrofitting existing equipment has been estimated to be as high as \$100 million. IDEAlliance is taking the lead, scheduling meetings with the PMG and COO Pat Donahoe, since USPS engineering does not seem willing to move on height. PostCom has also written a resolution supporting members' positions. An industry flat symposium is scheduled for May 17, in Washington, DC, when these issues will be discussed.

A new USPS Mailers' Technical Advisory Committee (MTAC) workgroup is working feverishly to assist in development of delivery standards and measurement plans for all classes of mail, which must be in place by December 2007 and June 2008 respectively. The workgroup's report to the Postal Service is due by this September. The Standard Mail group, in which Transcontinental Direct participates, is expected to propose delivery windows similar to the entry guidelines used by the USPS for years. Those guidelines, based on sortation and entry point, are two to four days for SCF mail; four to six days for BMC mail; and three to ten days for local entry. The group will also note to the Postal Service that mail delivered before these time lines is just as unacceptable as mail delivered after them. It is unclear what sanctions may be imposed on the USPS if it fails to meet these timetables.

The Do Not Mail (Mail Moves America) coalition is currently developing a standard communication paper. Although each state bill is unique unto itself, the intent is to have complete, consistent basis information. Discussions remain at the state level, since national exposure is not desired. It also appears the USPS is going to take an aggressive stance on address hygiene. Our intelligence indicates they may be exploring the idea of creating a "do not mail" pander file and requiring its use for mailing. The importance of cleaning up your address lists, and address hygiene cannot be overstated. Indeed self-policing may be our best strategy to avoid further USPS oversight.

Sales tax on postage remains uncertain. Although New Jersey has enacted a law, it is not yet levying a tax. However Nebraska taxes all postage. The industry group, headed by Leo Raymond, Director of Postal Affairs, Mailing & Fulfillment Service Association (MFSA), is hoping to have a meeting with the SSTA governing board in June to preclude this from occurring at the federal level. The USPS appears to be willing to help in this regard.

The initial round of postal reform rules are expected to be published in mid-June for comment. The PRC wanted rules finalized by the end of October, but it appears they are not likely to be completed until the end of November at the earliest.