

USPS New Regulations Webinar

Wednesday, November 28, 2012 – 1:00PM EST

Webinar Audio:

Toll-Free number: 1-866-548-3459

Conference Code: 720 487 4471

Moderator: John Tenwinkel

VP of Digital & Distribution Services, DG3 North America



John is responsible for the digital output, mailing and fulfillment services operations at DG3. John sits on the operations committee for Dscope (Digital Solutions Cooperative) and is a member of MFSA (Mailing and Fulfillment Services Association). He graduated with distinction from New York University with a master's in Graphic Communications Management & Technology.

Featured Speaker: James Lombard



Jim Lombard, an executive board member for the Postal Customer Council and active member of the Mailers Technical Advisory Committee, has been in the mailing industry for nearly 25 years. His experience includes management of facilities processing over 4 million pieces of mail daily. Jim has been a speaker for many prestigious organizations including MailCom, the National Postal Forum, Direct Marketing Days, Mail Systems Management Association and the US Postal Service, and has been published nationally in Target Marketing, Inside Direct Mail and Mail Magazine.

DG3 Background

- \$140 million global communications firms
- Integrated design to distribution
- **Serving:**
 - Retail and Consumer Brands
 - Investment Companies
 - Pharmaceutical Firms
 - US Public Companies
- **Providing:**
 - Output Solutions
 - Interactive Services
 - Compliance Solutions
 - Managed Services

Agenda

- The State of the United States Postal Service
- Changes in mail piece barcoding
- New standards for self-mailers
- New! Branded Permit Imprint

Presentation will be available at DG3.com. You will receive an email invitation to download the presentation within the next few days.

State of the USPS

*The **good**, the **bad**, and the **ugly**!*

The ugly...

- Losses this year of \$15.9 billion

The good...depending how you look at it!

- There is pending Congressional legislation

The bad...

- Hurricane Sandy's impact

State of the USPS (the ugly)

Postal Service \$15.9 Billion Loss Highlights Urgent Need for Legislative Reform in Congressional Lame Duck Session

November 15, 2012
Release No. 12-131

Senate staves off postal Armageddon with USPS reform bill

Postal bill averts 3,700 post-office closings for at least two years, but fails to address deeper, structural problems in how the postal service manages a vast operation, rivaled only by Wal-Mart in total employment.

By David Grant, Staff writer / April 25, 2012

Lawmakers scramble to finish postal service fix

By Bernie Becker - 11/18/12 06:00 AM ET

Sources:

http://about.usps.com/news/national-releases/2012/pr12_131.htm

<http://www.csmonitor.com/USA/Politics/2012/0425/Senate-staves-off-postal-Armageddon-with-USPS-reform-bill>

<http://thehill.com/blogs/on-the-money/1007-other/268581-lawmakers-scramble-to-deliver-postal-service-fix>

State of the USPS

(the good...for the USPS)

Current legislation

Action	Result
USPS Determine Delivery Frequency	Cost savings
USPS Offer non-postal products / services	Increase in revenue
Streamlined governance model	Less red tape
Labor negotiations	Cost savings
Resolve overfunding	Stability

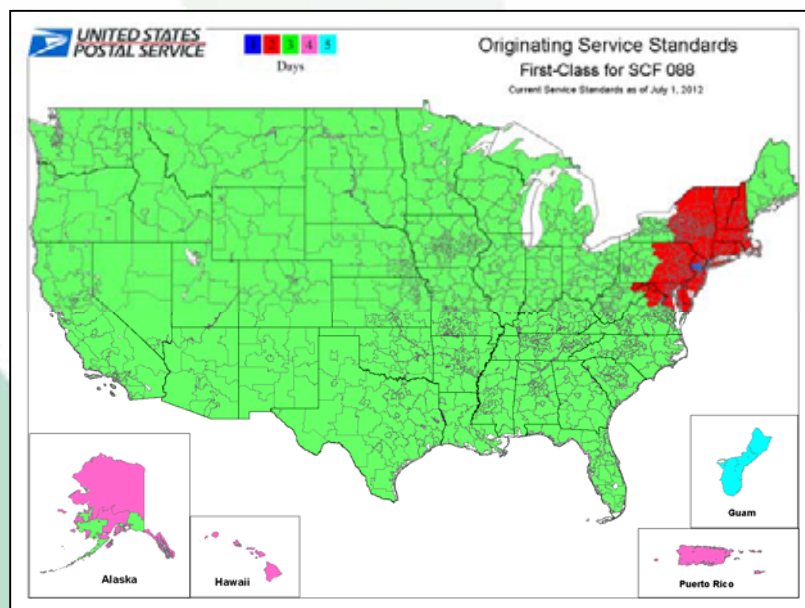
Sources:

http://about.usps.com/news/national-releases/2012/pr12_131.htm

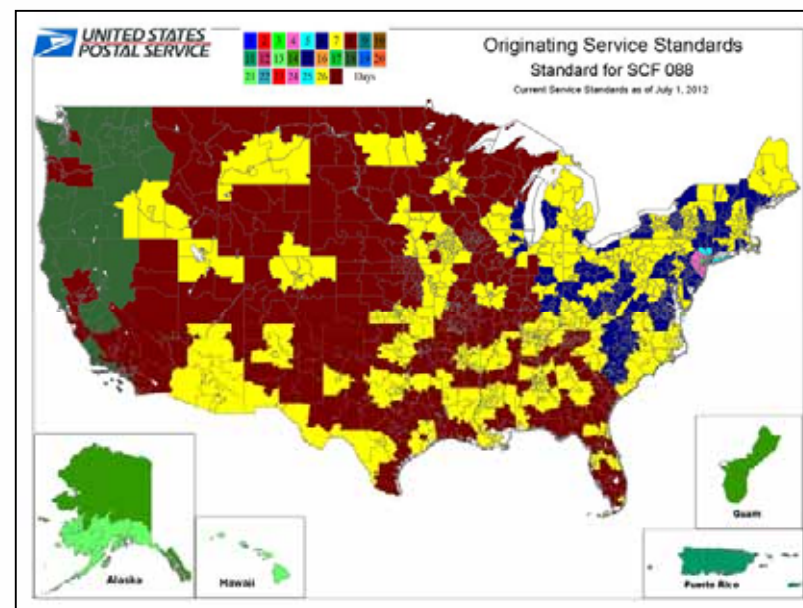
State of the USPS

(the good...sort of?)

Plant Consolidation – First class mail impact



Plant Consolidation – Standard mail impact



Plan ahead!

State of the USPS

(the good...sort of?)

Rate Increase - January 27, 2013

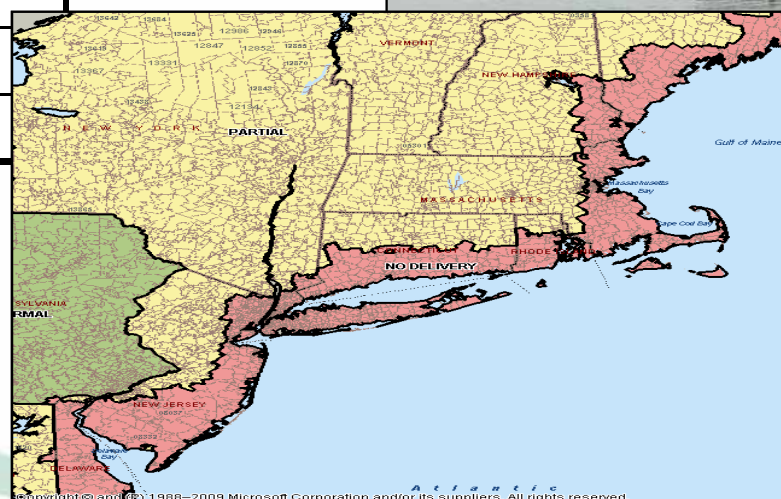
First Class Letter	Current Rate	New Rate	Difference
5 Digit	\$ 0.35	\$ 0.36	\$ 0.01
3 Digit	\$ 0.37	\$ 0.38	\$ 0.01
AADC	\$ 0.37	\$ 0.38	\$ 0.01
Mixed AADC	\$ 0.404	\$ 0.4050	\$ 0.00

Standard Letter	Current Rate	New Rate	Difference
5 Digit	\$ 0.24	\$ 0.25	\$ 0.01
3 Digit	\$ 0.26	\$ 0.27	\$ 0.01
AADC	\$ 0.26	\$ 0.27	\$ 0.00
Mixed AADC	\$ 0.278	\$ 0.282	\$ 0.004
NDC discount	\$ 0.03	\$ 0.03	\$ -
SCF discount	\$ 0.04	\$ 0.04	\$ -

State of the USPS

(the bad...Hurricane Sandy's impact)

Mail Processing Facilities - No Power	
Morgan P&DC	Northwest Boston
DVD	Linthicum
NJ NDC	Trenton P&DC
NJ LDC	Monmouth P&DF
Kilmer P&DC	Trenton P&DC
Mid Hudson	Appalachian
Staten Island P&DC	South Jersey
Mid Island	Queens P&DC
Western Nassau	Stamford
Hartford	Southern CT



State of the USPS

(The REAL good...what you can do)

- Data analysis on lists / list management
 - Identify undeliverable addresses before inkjet printing
 - Different types of list suppression

- Logistics

- SCF drops
- Data analysis for mail entry
- Savings \$\$\$ (freight vs. postage)



Changes in mail piece barcoding

The USPS embraces technology at a consumer level

- Significant improvements in efficiencies
- The change comes at a good time
- It affects **EVERYONE** who presorts their mail

Changes in mail piece barcoding



Mailing Type
First-Class Mail® letters and flats
Standard Mail® letters and flats
Periodicals letters and flats
Bound Printed Matter flats
Reply Mail

The POSTNET™ barcode



The Intelligent Mail® barcode (IMb)



Changes in mail piece barcoding

Mail preparation impact important dates

Date	Action
January 28, 2013	Retirement of POSTNET / PLANET Barcodes
	IMb required on all BRM, QBRM and PRM letters
	Proposed rule to require IMb on all BRM flats and barcoded CRM
	Transition to IMb complete and required for automation discounts
	*Optional for non-automation portion of mailings
January 2014	Basic IMb will be RETIRED and full-service IMb used solely

Changes in mail piece barcoding

IMb Service Options

IMb Classification	Basic IMb	Full-Service IMb
IM barcode on all mailpieces	Required	Required
IM tray barcode on trays/labels	Optional	Required
IM container barcodes*	Optional	Required
Electronic documentation (eDoc)	Optional	Required
"Start-the-clock"	N/A	Available
Automated address correction at no additional charge	N/A	Available



Intelligent Mail barcode



Intelligent Mail tray barcode



Intelligent Mail container barcode*

*Only when containerization is required

Changes in mail piece barcoding

Are you ready for the change?

- Fully compliant to use full-service IMb
 - Upgrade from basic / full service based on your requirement
 - Consult with you on how best to use it with your data
- Mail tracking
 - Offer a web-based solution for you to track your mailing
 - Access to previous IMb mailing data
 - Username / password protected
- Delivery reporting
 - Push daily delivery reports to you
 - Mail alerts in problem delivery areas
 - Plan upcoming mailings based on data from delivery
- IMb reader for smart phones

New standards for self-mailers

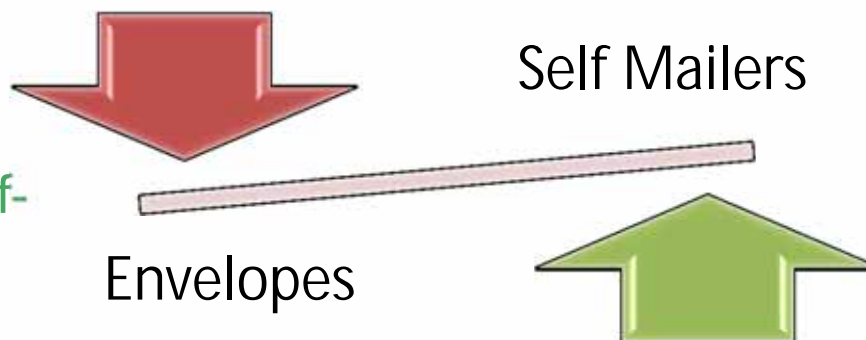
Automated mail processing causing USPS production issues, calling for design changes

- Shift in the “types” of mail pieces show growth in self-mailers
- “Non-traditional” and “non-standard” mail pieces create production bottleneck
- High-volume mail processing is imperative to efficiencies and service level agreements

New standards for self-mailers

The mail “mix” is changing

- Emerging designs in marketplace
- Letter-size booklets and folded self-mailers are now an estimated **20-30%** of total letters (and growing)



Challenging for customers and postal service

- Creativity outpaced Direct Mail Manual (DMM) automation letter standards
 - Standards don't account for emerging elements / designs
 - Acceptance sites unsure how to rule or classify pieces
 - Appeals escalated, process is time-consuming

New standards for self-mailers

Letters automate at a rate of 10 pieces per second!

- Folded self-mailers do not behave like enveloped pieces
- Low paper basis weight with more length
- Lighter paper and “longer” pieces



Lower processing throughput

- Lead edge curling, tears, jams
- Piece damage, poor stack quality, stacker-curl
- Piece could become significantly damaged and even destroyed



New standards for self-mailers

Changes effective January 5, 2013

Affected Area	Current	New
Maximum size of self-mailer	6.125" x 11.5"	6" x 10.5"
Maximum weight of mail piece	3.3 ounces	3 ounces
Paper weight of mail piece	No restriction	Minimum 70lb (Newsprint is 55lb only with quarter fold)
Interior attachments	No restriction	Must be secured to panel or in pocket
Closure methods	Based on piece	(still based on piece) Continuous glue or NON-perforated tabs
Diecut windows / perforations / exterior attachments	Minor restrictions	Details in new Direct Mail Manual from USPS

New standards for self-mailers

Closure method - Glue (adhesive or cohesive)



Continuous Glue Line
 1/8" W to within 1/4"
 of each edge



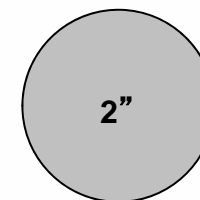
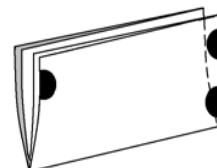
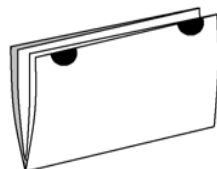
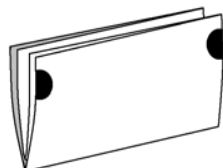
Glue Spots
 3/8" radius
 3- 4 spots based on
 mailpiece design



Elongated Glue Lines
 1/8" W by 1/4" L or
 1/4"W x 1/2"L
 3- 4 lines based on
 mailpiece design

Closure method - Tabs (2 or 3 based on mail piece)

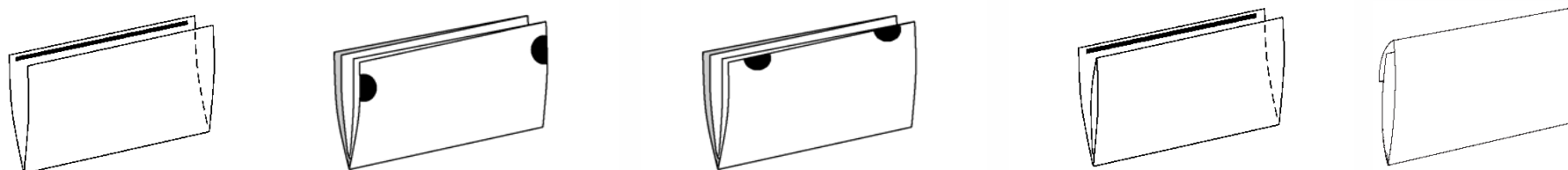
- Placed either at Top or Lead / Trail
- Tab placement - within 1" from edge



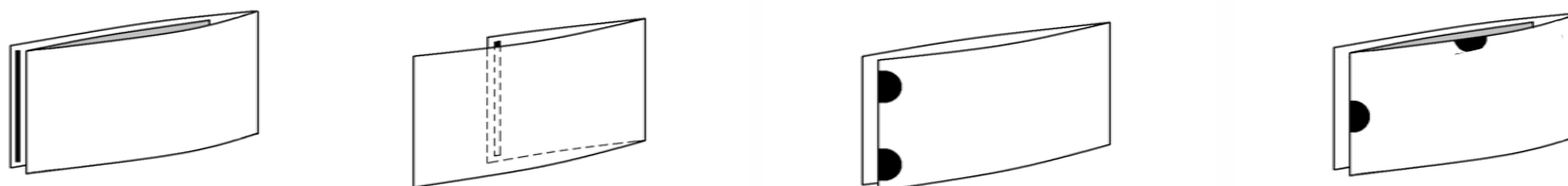
New standards for self-mailers

Fold style/orientation

- **Horizontal** - final fold at bottom
 - Panel folded up to top on non-address side
 - External flap folded down from top on non-address side



- **Vertical** - final fold on lead edge to non-address side

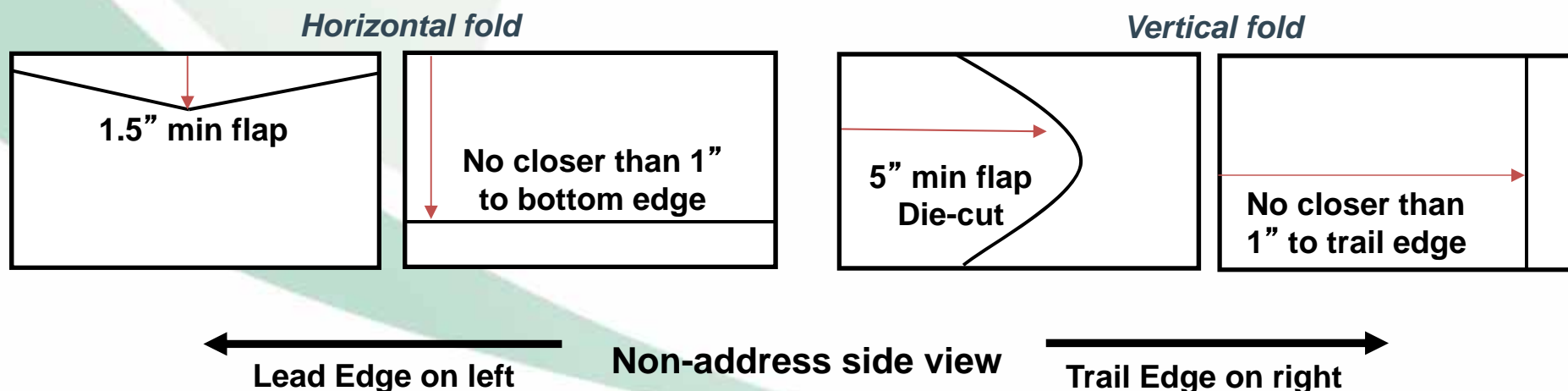


These are only representative illustrations of potential designs.

New standards for self-mailers

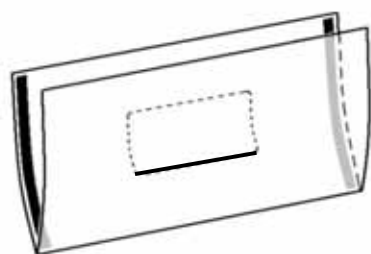
Flap design elements - used for closure of mail piece

- Horizontal folded mail piece, external flap is final fold
- Vertical folded mail piece, external flap must be the final fold
- Die-cut shape external flaps allowed
 - Glue line sealed along the contour of the edge recommended
 - Glue spots or elongated glue lines sufficient to seal flap to panel



New standards for self-mailers

Perforations on non-address side



Pop-Open Panel* - three sides perforated

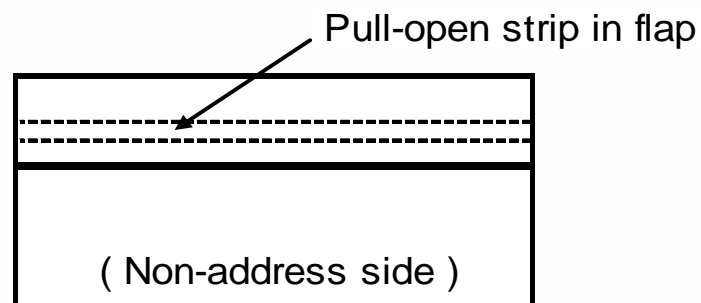
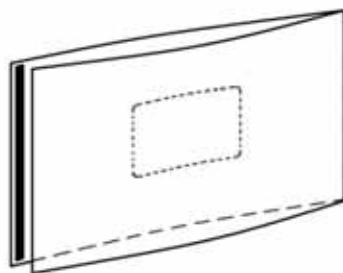
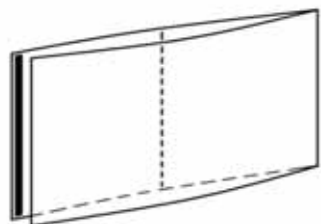
Pull-Open Vertical Strip

Pull-Open Horizontal Strip in Flap

Pop-Out Panel* - full perimeter perforation

*Rectangle, square, circle, oval shape

Size, placement, amount, and cut-to-tie ratio are based on design element used



New standards for self-mailers

Your mail partner should advise you on strategy

- Consult with you on your mail piece design
 - Check to see if your design falls within the correct requirements
 - Advise on alternate designs that will be compliant
- Provide cost analysis impact
 - What is the mailing cost impact?
 - Are there modifications that result in greater savings?



New! Branded Permit Imprint

USPS recognizes importance of branding for customers and creates a new program

- Allows mailers to use the upper top right hand corner of the mail piece for advertisement and branding
- Provides opportunity for commercial mailers to customize the permit indicia with a company logo, picture, product or graphic


New! Branded Permit Imprint

PRESORTED
FIRST CLASS MAIL
U.S. POSTAGE
PAID
Aurora, MO
Permit No. 99



FIRST-CLASS MAIL PRESORTED

US POSTAGE PAID



City, State, Zip Code

Permit No. 1234

PRESORTED
FIRST CLASS MAIL
U.S. POSTAGE
PAID
Aurora, MO
Permit No. 99



FIRST-CLASS MAIL PRESORTED

US POSTAGE PAID



City, State, Zip Code

New! Branded Permit Imprint

Work with your mailer to understand the new guidelines

- Help you create your branded permit
 - Design using your high resolution logo
 - Comply with guidelines given by the USPS

- Liaison between you and the USPS
 - Provide list management for suppression to offset cost
 - How can our data management / logistic services help?
 - Assist you in registering your permit

- For more information go to:
www.usps.com/business/picture-permit.htm

Thanks for attending!

Questions / answer session

- Open chat function
- Type your question in the chat box

For any additional information about this webinar

- Contact your DG3 sales representative
- E-mail info@dg3.com

To download the IMb reader application:

- Search “IMB scan” in the App Store or Android Market