

PressLines

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Postal Reform Promises Sweet Relief for Commercial Mailers

After most industry authorities declared the 12-year quest for postal reform dead, the 109th Congress passed H.R. 6407 in the final hours of a lame duck session. Hailed by the commercial mailing community, the Landmark Postal Reform and Accountability Act is a major breakthrough in overhauling antiquated USPS business procedures established in 1970.

Now signed into law by President Bush, the new legislation will help organizations that depend on mailed communications remain viable in the future. It provides a mechanism for controlling pricing that will replace a lengthy rate-setting process with more predictable, manageable “price of inflation with a cap” tied to the Consumer Price Index. After 10 years, the Postal Regulatory Commission (PRC) will be allowed to modify the price cap or adopt an alternative plan if deemed necessary.

But the provisions of the new act also give the USPS one additional opportunity to set rates under the current rate-case structure and procedures. According to PostCom, the association for postal commerce, most knowledgeable observers believe the USPS will file another

postal rate increase request by the end of 2007 for implementation in 2009. Regardless, the inflation-based cap would apply thereafter:

Other highlights of postal reform include:

- **Transfer of military-based pension benefits.** No other federal agency was responsible for funding pension benefits that employees earned during military service. The problem was that funding would have to come from taxpayers, and the administration wanted postal reform to be revenue neutral. Advocates eventually prevailed, freeing up \$27 billion to pre-fund retiree health benefits by shifting the burden to the U.S. Treasury Department.

- **New powers.** The PRC gains the power to subpoena USPS records and ensure the agency is

in compliance with the law and the interests of the mailing public are protected. The new law also adds an Inspector General of the Postal Regulatory Commission, who will monitor the PRC in the use of its expanded powers.

- **Faster product and service rollouts.** The USPS gains more freedom to create new products and services or modify existing ones to better meet customer needs. This allows more opportunity to attract new business and increase revenues by being market-driven.

- **Market-Dominant and Competitive Services.** The Act differentiates between the two, with Market-Dominant being those services over which the USPS holds a statutory monopoly or has sufficient marketplace control to price services with impunity. Competitive Services are those services not covered by the USPS statutory monopoly as well as services for which the USPS is not considered a “dominant” player in the marketplace. Two different

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Postal Reform... *Continued from page 1*

regimes will cover pricing of these service areas, with specific limits governing Market-Dominant price increases and greater flexibility allowed in the Competitive services area.

■ **No more breakeven mandate.** The USPS will be able to operate on a profit-making basis within the overall parameters set by law. Revenues can exceed costs, and it will have the right to retain any excess earnings. Senior postal officials can also earn salaries that exceed current Congressional pay caps. For the first time, postal managers will have a true incentive to improve cost-efficiency and address customer needs.

The Bottom Line

Postage price increases certainly aren't going to go away under postal reform, but rate hikes are now linked to the Consumer Price Index. Mailers are more likely to see smaller annual increases of 4 to 5 percent, similar to FedEx and UPS. If that still sounds expensive, you can take some comfort in knowing that it's a definite improvement over historical postage increases beginning with rate cases filed by the USPS in 1990.

*For answers to specific questions about postal reform, please consult your customer service representative or Ripon Printers' postal expert, Jerry Eiler (jerrye@riponprinters.com). **RIPON***

Planning ahead for postal reform

The Postal rate increase coming May 14 and the rule changes that go with it have created challenging decisions for many mailers. Options that were not so attractive in the past now seem like obvious choices. The changes may require a different way of doing things, and may involve an investment in change.

There is a lot of information to wade through, but if mail is an important part of your business, the effort to understand the changes is worthwhile, if not necessary. If you haven't jumped into this circle yet, don't delay any further. The surprise might be much bigger than you expect.

Three inline tabbers make us ready to deliver your automation letter mail on schedule; list processing is here to help with list optimization; and our inkjet printers are ready to print the new intelligent bar code to further help you efficiently and

effectively maintain lists.

We are here to help, and look forward to the opportunity to help you make your mailings as effective as possible.

Comailing is a hot topic nowadays and we are pulling together relationships to make this available to our mailers. Though this is not a good option for everyone, some flats mailers may be able to save some postage. The program works by merging your mailing with up to 29 other titles. Obviously, there are design restrictions and schedule concerns, but also an opportunity for getting your mail in a drop ship plan. Comail holds most promise for runs of 25 to 75 thousand. If you might be interested, please call to discuss opportunities to participate.

Delivery Point Validation requirements coming in August further highlight the need to do everything possible to ensure the accuracy and deliverability of your

lists. Though we are ready to provide the required validation processing, it is important to develop programs to get good addresses to start with, and develop effective means to update addresses regularly. Once a record is entered with missing or incorrect address parts, it is difficult to correct them. There are plenty of tools to help get names tuned up and weeded out, and the benefits of investing in a key element of your mailing are there to glean.

Don't settle for an "average" list – the average list mails seven percent of its names to the USPS recycling bin. Get your computer and data entry people on board with best list practices, and invest in quality addressing.

Mail is still a great way to get your message to your customers, but the need to make every piece count is greater than ever.

*Jerry Eiler
Finishing Technical Engineer*

You have to 'stop' to be able to 'go'

If you've been following my columns, you know I've been talking about our "Lean Journey" and how it is helping us identify and eliminate waste. One of the benefits I like about Lean is that it forces us to look at how we do things and question whether we need to do all the steps that we do in a typical day.

In the bindery, one of those steps was counting leftovers. When we were done with jobs, we would count up all the remaining parts of the book, set them aside just in case we needed to make more books and then toss them the next day if we had enough books.

Does that make sense to you? We have now decided that unless it was obvious we need to print more parts to bind more books, we would just take the remaining parts to the recycling bin rather than waste the time counting, moving to a storage location and eventually dumping it anyway.



Andy Lyke

I bet we all have received reports that were important at one time but no longer capture our interest. We've stopped several reports that were not needed or used anymore. Great!

When we looked at how we create invoices, we decided there were several steps we could eliminate. Now our billing cycle has gone from over five days to one-and-a-half days. You can bet that helps our cash flow.

Sometimes knowing when to 'Stop' allows us to 'Go' more efficiently!

Speaking of Stopping...

We had an unfortunate event at the beginning of this year when we printed social security numbers on many Wisconsin tax forms. Ouch! Obviously we regret this error, and I'm confident we won't have a breach of confidence like that again.

Regardless, I urge you to monitor what data leaves your building so you don't supply confidential information to your mailing house or printer that is not needed by them to do their job. I'm primarily thinking of credit card and social security numbers, but I know there are other sensitive data that shouldn't ever leave your company. In short, make certain you are not unnecessarily sending confidential data — your customers and employees will appreciate it! **RIPON**

Ripon Printers Get You Into a 'Perfect' Bind!

Ripon Printers expanded its already extensive binding capabilities with the recent addition of a Müller Martini Bolero perfect binder. Müller Martini is the leader in binding technology, and the Bolero is a prime example of the company's ability to design equipment that meets the market's changing requirements with innovative and efficient solutions.

Some of the key advantages of the Bolero include:

■ **Large Product Range.** It is well suited to a wide variety of books, magazines and catalogs. The Bolero can also produce a wide range of product sizes:

- Spine length: 5" to 20"
- Width: 4" to 12-5/8"
- Thickness: up to 3-1/8"
- Thickness without scoring: 5/64"
- Thickness with layflat option: 1-3/16"

■ **Two Gluing Options.**

- One-shot hotmelt
- Polyurethane Reactive (PUR)

PUR provides exceptional strength and quality in extreme temperatures along with a tougher binding for catalogs and books. It offers above standard page pulls, increased layflat quality and additional binding strength for coated and mixed paper stocks.

■ **Fully Automated and Networked.** Production data can be entered via touch screen or networked control unit and the binder is JDF compatible for digital workflow.

*For more information about the Bolero and how its range of capabilities could positively impact your catalog, book or magazine production, please contact your Ripon Printers' sales or customer service representative. **RIPON***

2007 Print Competitions Reap Great Rewards

Once again, the projects we produce everyday were recognized in two print competitions – one statewide, the other throughout North America.

The **Graphics Excellence Awards**, sponsored by the Printing Industries of Wisconsin, is a competition that promotes excellence in print communications and recognizes companies and individuals who



create the best in print media. In this, the seventh year of the competition, 956 pieces from printing and graphic arts firms throughout Wisconsin were entered. Seventeen of our entries were recognized.

We earned a **Badger – Best of Category** in the *newsletters - 1, 2 or 3 colors* category. The quarterly tabloid printed non-heatset for UW-Madison College of Agricultural and Life Sciences was the winner.

Of the 12 awards in the *web press printing* categories, we garnered five – three seconds and two thirds. We also did well in the three *product/service catalog* categories, earning two

seconds and one third.

In the **Web Offset Association Print Awards** contest, we entered nine projects. In competition against 411 entries in 25 eligible categories from throughout North America, we received two firsts, two seconds and one third place award.

In both the *non-heatset printing - 1, 2 or 3 colors on newsprint* and the *heatset printing - 1, 2 or 3 colors on coated paper* categories, we earned a **Best of Category** (1st) and an **Award of Excellence** (2nd). Our **Distinguished Quality** (3rd) award came in the *heatset printing - 4/colors on coated paper* category. **RIPON**

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