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Baltimore Postal Customer Council

Winter 2006 Volume 6.8

From the Chair

By Charley Howard, Committee-Industry Co-Chair



PCC Co-Chair Charley Howard of Harte-Hanks, our resident Postologist, making his presentation; and offering his words of wisdom on the days events below.

This is a special edition of the newsletter because of PCC Day and the special session of Questions and Answers. We want to be sure that all of you are exposed to the questions and their answers from the USPS. In addition, there were a couple of questions that could not be answered during the session and we wanted to be sure the answers were provided in a timely manner.

PCC Day this year was better than those in the past in part because it is taking on more of a communication role in replacing the second National Postal Forum that used to be held each year.

This year your Baltimore PCC participated in PCC Day by having a general membership meeting. We had a special speaker, Jerry D. Lane, Vice President Area Operations – Capital Metro Area, USPS and two special guests; Lewis Johnson, PCC Manager, USPS, and Glen Walker, Vice President

Chief Financial Officer, USPS.

C. Michael Harlow, Postmaster, Baltimore, hosted the question and answer session. We had a really good turn out and were surprised to have in attendance a District Manager of Baltimore from the mid-80's, Jim McDougald.

It was really fun to see everyone and discuss current postal doings.... We are looking forward to seeing even more of you at our Fall General Membership meeting 12/1/2006.

The new proposed rules relative to the new rates proposed in the R'06-1 Omnibus Rate Case are published and you really need to review them and respond to the Federal Register if any of them are too vague or pose a serious problem to you. This is important – rules dictate rates.

Upcoming Training

in the Baltimore District

The Baltimore District conducts customer training sessions on a monthly basis during the year. Training is 2 hours in duration from 1:00pm to 3:00pm on the last Friday of each month. Instruction will be at the main Post office in room #401. Parking will be available on the customer parking lot. Carpooling is encouraged. Please register for the following classes by calling (410) 347-4338 between 9:00 am and 5:00 pm and providing company name, contact person, telephone number and number of attendees.

Customer Training Schedule – 2006

November - Nonprofit Content

December - FCM vs. STD



Events

Baltimore PCC Fall Meeting
December 1, 2006
Martins East

NPF
March 25-28, 2007
Washington DC

Don't Miss It!

Our PCC Fall Meeting & Annual Holiday Party!



Our dedicated Marines guarding the Toys for Tots at last years fall PCC membership meeting

This year our holiday party will be held at Martin's East, which is located at 9000 Pulaski Highway. The day for the big event is December 1, 2006. It's a great time to get together with your peers, learn more about the postal system and share in some great food and fun!

As usual we will hold our annual Toys For Tots campaign and we encourage everyone to bring a new (but unwrapped) gift which we will present to the United States Marines at the conclusion of our meeting. It only takes a moment to stop and pick up a toy but your donation will make a huge difference for many children on Christmas Day.

Of course, it wouldn't be a party without the annual PCC Executive Committee's presentation! Many of you know how much fun it can be to "play our game" but this year we are keeping the information under wraps. So don't forget to mark the date down and think about bringing along a client or co-worker with you too!

Tickets can be purchased in advance, and a mailing with additional details will be sent to PCC members shortly. But, if you can't wait and want to sign up now contact your postal representative or go to www.baltimorepcc.com and one of the committee members can help you.

We look forward to everyone's support. See you there.

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New Look for our Website!

by Jim Barlow, Mail Systems Management Consultants,
Website Committee Chairperson



The Baltimore PCC Website has a NEW look! We have hired a Web Master, Winston Riley at Wonder Dog Programs, to manage our website and to design it to be more responsive to the dynamic Postal environment for the benefit of our members. As you can see, Winston has beautifully designed the NEW Baltimore PCC Website. The Baltimore PCC Website is still www.baltimorepcc.com and features a website banner that ties in our affiliation with the US Postal Service and Baltimore.

The Web Site was established in keeping with the Baltimore PCC's primary purpose, to inform and educate the mailing community. This easy to use tool is designed to provide members with essential Postal information and to keep members abreast of pertinent issues and events. New updating features will enable the BPCCC Website to easily add new events including registration forms, postal news and changes to contacts for the local Postal Service and the BPCCC Executive Board and Committees.

The Baltimore PCC Web Site is a wealth of information and the bar on the left will direct you to the areas of interest. There are key Postal Contacts, Executive Board and Committee Members listings with phone numbers and e-mail addresses. This is for those times when you really need to contact someone about that special Postal issue. There's a history of our own PCC in About Us and an Events Calendar section with all of the exciting activities planned for the year. A side bar on the right has the latest "Upcoming Events" with a link for information and registration forms. If you have missed a newsletter, it's there to print out in the Newsletter section. Resources is an excellent convenient source for information. This is a list of direct links to USPS web sites and major mailing associations. If you're not a member and want to join, go to Membership to get an application and read up on the Baltimore PCC Constitution and Bylaws. If you want the latest Postal news, go to the News section for the latest USPS press releases and Baltimore PCC organization news. The Baltimore PCC Web Site will continue to grow as a reliable source of information for our membership.

The new website is currently under construction. Look for the new Baltimore PCC website (www.baltimorepcc.com) in December, 2006.

Please let us know if you have any suggestions to make our new Website better.

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Q and A



Bill Miner, District Manager

Here are some of the questions posed for our distinguished panel:

REVIEW & HERALD PUBLISHING

Q. What is the background regarding the \$.85 package surcharge for periodicals? Small mailers who aren't able to palletize all of their mail will face additional costs beyond postal increases. What suggestions can be offered to combat this change?

A. The proposal for the 2007 Rate Case includes incentives for preparing and entering Outside-County mail deeper into the system – closer to its destination, and includes a new 85-cent "per container" rate to encourage efficiency. Flats and irregular parcels prepared in bundles, and placed directly onto pallets which can be drop-shipped, is the most efficient method of preparing Periodical mailings, and the proposed prices encourage this activity. If preparing mail on pallets it is not feasible, mailers would be encouraged to use the fewest number of sacks necessary to minimize the per container rate.

BANK OF AMERICA

Q. The first two box numbers in our unique zip range has recently been issued to separate lockbox customers. The zip + 4 are also being used to spray the barcode on our mail that is received in the Post Office without an original zip + 4. The impact is we sort the mail by automation on a two

pass sort program. Mail sprayed by the Post Office for these two zip + 4 numbers is causing major rejects and potential customer impact errors. The internal mail operation must go through the mail, piece by piece to remove the mail that is sorted incorrectly. We have been unable to persuade our lockbox customers to change to another lockbox number. Is there anything the Post Office can do to change to another zip + 4 for unidentifiable mail for our unique zip?

A. You have 21263 as a unique ZIP Code and have assigned box 63000 to your client, which means that the Plus 4 code is being used by them, when generally it is reserved for the default when a customer only uses a 5-digit ZIP Code and the equipment cannot match the box number. The Postal Service can reassign the default with a box number that you aren't using and can reserve for this purpose since you have numerous box numbers.



Jerry Lane, Vice President of Capitol Metro Area Operations

ARBITRON

Q. Why isn't the USPS providing twenty-four cent stamps in coils of 3,000 or 10,000?

A. The Stamp Distribution Network (SDN) authorizes and makes all decisions determining which stamps will be created in coils, as well as the quantity per coil. They have determined that the demand is not



Michael Harlow, Postmaster Baltimore

present for the quantity per coil you are inquiring about.

ALLEGIS GROUP

Q. I need a better understanding of the exceptions to the private express statute. I manage the mail center for Allegis and we pick-up our mail daily from the Hanover Post Office. We sort and deliver to the Allegis Corporate Campus (3 buildings). We are contractors (Ikon) and need to make sure that we are not in violation of the Private Express statutes (DMM 608.5). Can we get a letter from the local Postmaster to ensure that we are not in violation?

A. Awaiting response.

PCC Fall Meeting

ANOTHER REMINDER FOR THE BIG FALL EVENT OF THE YEAR

December 1, 2006 at Martin's East

Don't miss this opportunity to network, share information, get updated on postal matters, help unfortunate children enjoy the Christmas holiday. And oh yes; did we mention great food and drink!

DMM Advisory

United States Postal Service Seeks Comments on Proposed Mailing Standards

In the [September 27 Federal Register](#) USPS provides the proposed mailing standards that support the current pricing proposal. USPS believes the standards are straightforward and consistent with the messages provided in advance. The Federal Register notice is intended to provide customers with the opportunity to comment on and make suggestions regarding the proposed mailing standards. [You have 45 days to make comments.](#)

Our proposed standards are designed to:

- Give customers more choices in terms of shape, sorting, packaging, and using containers to encourage the production of efficient, effective mail.
- Expand worksharing opportunities for mailers.
- Give customers opportunities to pay lower rates than they otherwise would.
- Reduce the number of bundles, sacks, or trays in a mailing through scheme sorting for letters, flats, and parcels, when appropriate.
- Allow mailers to qualify for lower prices by permitting multiple classes of mail to be combined.
- Minimize undeliverable-as-addressed mail by encouraging Coding Accuracy Support System (CASS) certified address matching of all discount letters and flats.

Highlights

Letters

- 3.5-ounce maximum weight for all First-Class Mail letters.
- Fewer presort requirements for First-Class Mail and Standard Mail non-barcode machinable letters.
- Require full trays for most Enhanced Carrier Route (ECR) mail.

Flats

- All flats must be rectangular, flexible, and uniformly thick. Nonrectangular, non-uniform, or rigid pieces pay parcel or Not Flat-Machinable prices.
- Consistent size standards for all flats. For example, Standard Mail ECR flats will have the same maximum size as all other flats.
- Physical standards for automation flats adjusted to meet the current criteria for AFSM 100 pieces, with new standards for flexibility and deflection.

Not Flat-Machinable (NFM) Pieces

- New category for Standard Mail pieces with parcel-like characteristics, including rigid pieces. Today these pieces qualify as automation flats under UFSM 1000 guidelines or because flexibility is currently not required. These pieces are actually handled as parcels, especially at delivery.

Under the new standards, these pieces will be presorted, entered, and processed as parcels.

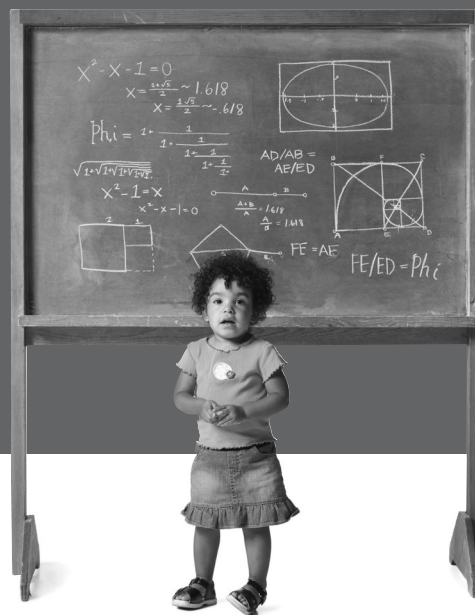
- Qualify for 5-digit rates with minimum five-piece bundles on pallets for easier access to the lowest NFM price.

Parcels

- Minimum 10 pounds qualifies for presort rates.
- Simplify standards by eliminating almost all bundling of parcels.
- Enhanced discounts to encourage drop shipping parcels to destination delivery units (DDUs), with no minimum volume requirement for parcels sorted to the 5-digit level.
- Additional options to combine different classes of parcels in sacks and on pallets to achieve finer levels of presort as long as they are in the same processing category.
- Require barcoding of parcels unless prepared in 5-digit/scheme containers.

USPS welcomes feedback and encourages you to comment on the proposal. Send written comments on or before November 13 to the Manager of Mailing Standards, U.S. Postal Service, 475 L'Enfant Plaza SW Rm 3436, Washington DC 20260-3436.

When a child is unprepared for school, kindergarten seems like rocket science.



All parents want the best for their children. But, as hard as they try, some can't even provide the basics. And without that preparation, two out of three Baltimore children are not ready for kindergarten. You can help by giving to United Way of Central Maryland. Your contribution can make sure parents receive the guidance they require. And kids get the nutrition, care, and early childhood development they need. Give today and they'll be ready for tomorrow.

To learn more or to make a contribution, call 1.800.228.8929 or visit uwcm.org.

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4 State Barcode

The Postal Service has announced that the 4-state barcode that becomes available for certain mail and services on Sept. 1 will be mandatory in January 2009 for letters and flats to qualify for automation discounts. Charles Bravo, senior postal vice president of intelligent mail and address quality, said the decision was made because the 4-state barcode will be used to further so many postal initiatives, such as seamless acceptance and visibility of the mailstream.

Bravo told MTAC members that he realizes there are a lot of issues yet to be resolved. "Does a lot have to happen for this to occur? Yes. But we feel it is best to lay out some plans so people can start thinking it through." But the bottom line from the Postal Service standpoint is that "we will be ready by the end of next year to handle 4-state with all of our systems." The 4-state barcode, USPS's ultimate intelligent mail product, combines the capabilities of POSTNET and Planet Code barcodes into a single barcode, provides 1 billion unique numbers, compared with 1 million for the Planet code and can uniquely identify the sender and the mailpiece. It has the potential for a range of services, including acting as the vehicle for end-to-end visibility of the mailstream. USPS also may eventually use the 4-state barcode for a "better address" type of service.

The idea would be to take the valid address and make it more complete, such as by changing it from a 5-digit to an 11-digit zipcode address. Bravo assured the MTAC group that the system is ready to go Sept. 1 when it will be available for use for OneCode Confirm for all letter mail and OneCode ACS (Address Correction Service) for First Class Mail. Bravo said mailers can use the 4-state barcode just for sorting beginning March 1, 2007.

The cost for using the barcode is the same as existing Confirm pricing for OneCode Confirm. For ACS, beginning Sept. 1, pricing is 21¢ per record, compared with 21¢ per electronic record plus 75¢ per hard copy under existing ACS. But the rate case proposes that for ACS using the 4-state barcode the first two corrections

per record for First Class Mail will be free compared with 6¢ per address without the 4-state. Additional corrections per address are charged 5¢. For Standard Mail the first two corrections per address will be 2¢ if the 4-state is used, compared with 25¢ if it is not. For the third and subsequent corrections the charge will be 15¢.

Testing of the barcode with flat mail began in July with the first flat mail Confirm pilot test beginning this month. While the dimensions of the barcode for letters were announced earlier this year, the Postal Service is still considering whether the barcode will have the same height for flat mail, since the reading technology is different on flats than on letter mail. Bravo said a decision will be made by Dec. 1 on this point. Mailers are concerned about whether some printing equipment will be able to print the barcode on flats without costly retrofitting. Reblin said that the Postal Service is committed to finding a way for mailers to print to specification without have to change all their equipment.

Timetable For 4-State Service

FOR LETTERS:

With OneCode Confirm – all letter mail classes: Sept. 1, 2006

With OneCode ACS – First Class letters only: Sept. 1, 2006

With OneCode ACS – Standard Mail: Fall 2007

All letter mail without services: March 1, 2007
(mailers still need to sign up for a customer ID to use the barcode without services)

FOR FLATS:

With OneCode Confirm – all flat mail classes: Spring 2007

With OneCode ACS – First Class and Periodical flat mail: Spring 2007

With OneCode ACS – Standard Mail: Fall 2007

DMM Advisory Pricing and Classification

Pricing and Classification — keeping you informed about the prices and mailing standards of the United States Postal Service

Pricing Proposal Insights

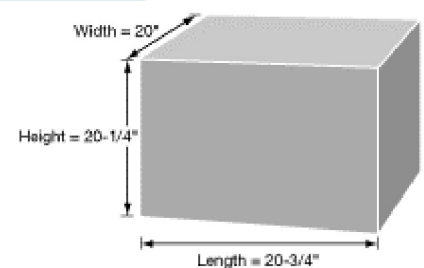
Following is the second article in our series explaining elements of our pricing proposal. This one is about Priority Mail dimensional-weight pricing. We hope these articles help you understand the changes and prepare for our new prices. Look for more "Pricing Proposal Insights" in upcoming DMM Advisory releases.

How to Determine a Priority Mail Dimensional-Weight Price

For rectangular (box-like) items, measure the length, width, and height. The length is always the longest dimension. Round off each individual measurement to the nearest whole inch (20-1/4 inches is considered 20 inches; 20-3/4 inches is 21 inches). Next, multiply the length by the width by the height. The result is the cubic capacity expressed in cubic inches. If the result is 1,728 cubic inches or less, the parcel is less than 1 cubic foot and dimensional-weight pricing does not apply. If the result exceeds 1,728 cubic inches, divide it by 194 (the "dim factor") to determine the dimensional weight. Round up any fraction of a pound to the next whole pound to get the dimensional-weight price for the parcel. If the actual weight of the parcel exceeds the dimensional weight, base the price on the actual weight.

Example:

$21 \times 20 \times 20 = 8,400$
 $8,400 / 194 = 43.29$ pounds
43.29 rounded up is 44 pounds



Proposed Changes

How The Proposed Changes to First-Class Mail May Apply to Your Mail

The USPS has proposed separate First-Class Mail rate categories for the different mail shapes: letters, flats, and parcels. The postcard rate category would also be retained. The following information is provided to better explain how the proposed prices may apply to the mail shapes you currently use, and assist you in making decisions to reconfigure your mailpieces to take advantage of the price structure.

Currently, First-Class Mail prices (over 1-ounce) do not distinguish between letters, flats, and parcels. The single-piece price is 63 cents to mail a 2-ounce letter, a 2-ounce flat, and a 2-ounce parcel. Our proposed prices recognize that each of these mail shapes has different processing costs and, therefore, should have different prices.

The proposal creates an adjustable rate system that provides you opportunities to obtain lower rates as you find ways to reconfigure mailpiece contents into mail shapes that reduce postal processing costs and decrease your material costs. For example, if the contents in a flat-size piece can be folded and placed in a letter-size envelope, you can reduce the postage by as much as 20 cents per piece. If the contents of a parcel can be configured as a flat-size piece, you could save 36 cents. Emphasizing shape allows us to reduce the rate for the additional ounce(s). For letters over one ounce, the new prices are actually lower than today's prices.

Size isn't the only factor to consider — but also the physical characteristics of letter-size and flat-size pieces. Under the proposal, certain letter-size pieces may not be eligible for the proposed prices for letters due to aspect ratio, nonmachinable characteristics, or weight (keep in mind, the weight limit for all letters would be 3.5 ounces). If flat-size pieces are not rectangular in shape, or rigid, they may be subject to parcel rates. Letters and flats that are automation-compatible and bear an appropriate POSTNET barcode would continue to be eligible for automation rates.

Here are the elements that would subject letters to the rates for flats, followed by a breakdown illustrating First-Class Mail card rate, letter-size, and flat-size parameters:

Regardless of weight, a letter-size piece is considered nonmachinable and would be subject to the rates for flats if it has one or more of the following characteristics.

- Weighs more than 3.5 ounces.
- An aspect ratio (length divided by height) of less than 1.3 or more than 2.5.
- Measures more than 4-1/4 inches high, or 6 inches long, and

thickness is less than 0.009 inch.

- Pieces which are rigid or contain odd-shaped contents such as a pen, loose key(s), coins, or tokens that cause the thickness to be uneven (nonuniform).
- Is polybagged, polywrapped, or enclosed in any plastic material.
- Clasps, strings, buttons, or similar closure devices.
- Self-mailer with a folded edge perpendicular to the address and is not folded and secured (e.g., tabbed).
- Booklet with the bound edge (spine) along the top of the piece (length) or along the shorter dimension and is not secured (tabbed).

Any mailpiece that does not fit within the physical criteria for letter-size, or flat-size, is a "parcel," and is therefore subject to parcel prices. Under the proposal, presorted mailings subject to parcel rates that do not bear a (5-digit) UCC/EAN Code 128 barcode would incur a 5 cent surcharge, in addition to the postage. A summary by class of mail and complete current and proposed prices can be found in the May/June 2006 Mailers Companion, and at usps.com/ratecase.

A message from Chief Marketing Officer Anita Bizzotto.

I hope you were able to view the National PCC Day broadcast celebrating "America's Partnership" on September 20. A number of exciting ideas were announced by Postmaster General Jack Potter during the live broadcast. We're rolling out a new monthly electronic newsletter — PCC Insider. Among other interesting features, PCC Insider will inform mailers of the latest information on our products and services. You'll hear about changes in the classification schedule as well as changes in the business. On a quarterly basis, we update the Mailers Technical Advisory Committee (MTAC) on how we're doing financially, how our services are going — and, since everyone can't be in Washington for MTAC meetings, PCC Insider will update you as well. To receive PCC Insider, go to usps.com/pcc, and click "PCC Insider Registration."

We're also combining Mailers Companion and Memo to Mailers into a new (single) bi-monthly publication called MailPro. The inaugural issue will be January/February 2007. The November/December issue of Mailers Companion will be the final issue. MailPro will continue to provide you with the valuable information found today in Mailers Companion and Memo to Mailers. If you're currently receiving one or both publications, your transition to MailPro will be seamless as you will be automatically subscribed.