

DM NEWS

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What every mailer must know to prepare for the USPS' rate case

WE'VE BEEN discussing the long-awaited rate case for months. It is now time to take action, if you haven't already done so.

Businesses face an average increase of 7.6 percent on postage costs beginning May 14. International mailers may also see an increase, with rates significantly higher for certain destinations. In addition, new processing equipment, automation regulations and shape-based pricing force businesses to rethink the way they mail.

As a workshare partner of the U.S. Postal Service, DHL Global Mail has an in-depth understanding of postal regulations and what occurs at the operating and management levels of the USPS. We have the insight and tools to help you through these changes and guide you in minimizing the impact of the pending rate case. These five actionable strategies will help to prepare your business for the May implementation.



David Marinkovich

REVISE AND RESIZE

The USPS is relying more heavily on AFMS 100 flat sort machines (which have size restrictions) and will also introduce next year high-speed machines that sort and sequence 280,000 flats per day. Mailers stand to benefit from postal efficiencies in the processing, distribution and delivery of flats in the future. However, these machines can only handle mail of uniform thickness and flexibility.

On May 14, non-rectangular, non-uniform or rigid pieces will become part of a new mail category called Not Flat-Machinable. Pieces such as CDs, DVDs and boxed items will be charged parcel or NFM prices, resulting in postal increases (in some cases in excess of 100 percent).

Tremendous gains can be made by repackaging parcels and NFMs to qualify as automation-compliant flats. Businesses should also

consider package size when evaluating products to sell or cartons to purchase, as dimensional charges will now apply to large low-weight Priority mail shipments.

GO DEEPER

Simply stated, the farther the USPS transports your mail, the more you pay. Lower postage rates are available if you deposit flats and parcels closer to their final destination. The USPS is encouraging deeper injection into the postal stream by offering destination delivery unit entry discounts. You do some of the heavy lifting for the USPS and the Postal Service, in turn, passes the savings along to you.

CLEAN YOUR ADDRESSES

The USPS hopes to save \$1.9 billion a year by reducing the volume of undeliverable as addressed mail. This cost is currently hidden to mailers, but the USPS will be toughening regulations. Businesses can avoid paying postage on UAA mail by keeping mailing lists up to date with proper addresses.

GET IN BARCODE MODE

Barcoding for the USPS' high-speed mail processing equipment is another step toward automation-compliance. In the USPS rate case environment, there will be a 5-cent penalty surcharge if there is no barcode for all Parcel Select and Standard mail parcels. Keep in mind that an incorrect barcode, much like a bad address, can cause your mail piece to travel to the wrong destination and you will therefore incur additional postage charges.

The delivery point barcode enables the USPS to identify the precise delivery point of a given mail piece and to sort the mail in delivery sequence. The correct delivery point barcode must be derived from a CASS-Certified delivery-point-code address-matching process.

USE A USPS WORKSHARE PARTNER

The USPS is offering workshare discounts for mailers who presort and bundle mail before it enters the mailstream. workshare partners help you qualify for these discounts and also advise you on other ways to continually adapt to the USPS transformation. ■



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