

Editor's note: Max Heath is the chair of the National Newspaper Association's postal committee and vice president of acquisitions and circulation for Landmark Community Newspapers. All previous and future Heath columns are available to all NNA members and NNA membership includes advice and information about the latest postal requirements.

How to cut postage costs from higher, more complex Periodicals rates effective July 15

By Max Heath

Higher rates in-county with no rules changes, and higher rates out-of-county with the most complex changes in the history of Periodicals Mail, will take effect July 15. I want to build on the list I shared last month to help NNA members minimize the cost increases.

Implementation was delayed 60 days to allow software vendors time to program the complicated set of outside-county charges based on entry point, destination, and depth of sortation, with separate bundle and container charges. The new bundle/container charges do not apply to in-county mail.

To review, National Newspaper Association testimony helped cut 6-11 percent off the in-county increases. But they still run from 13-23 percent, depending on entry point and sortation. Out-of-county rates will also increase by double-digit percentages but with lower pound rates for both ad and non-advertising pounds yielding savings opportunities.

Here are some tactics to trim the increase and avoid even higher rates:

Use PAVE-certified software under the Postal Service's Presort Accuracy Validation and Evaluation program. It ensures the capacity to properly presort your mail and calculate postage correctly. While I may sound like a broken record on this, mailing has gotten way beyond the days when a newspaper could manually compute proper sortation and postage. Encourage your vendor to apply for PAVE certification. For a list of approved vendors, see <http://ribbs.usps.gov>, click on Vendor Information in the left toolbar, then scroll down to PAVE Products List.

Barcode address labels, even though discounts for doing so have been reduced. But if you are not already doing so, the cost increase can be mitigated. The 9-digit postnet barcode provides discounts for 5-digit, 3-digit and ADC pieces. Discounts are available both inside and outside the county for pieces not carrier-route sorted.

Address hygiene is more critical than ever, as USPS moves to Delivery Point Validation August 1, meaning that the exact primary delivery address (but not secondary addresses, like APT or STE) must match an exact delivery address in the national ZIP+4 database. Use the ZIP Code Lookup at <http://zip4.usps.com/zip4>. It confirms a deliverable address match, and then the

clickable "Mailing Industry Information" box will give you essential address information for your database and also confirm DPV (Y or N). Moving more pieces to carrier-route or automation rates will hold down costs and help ensure deliverability. Most PAVE vendors provide CASS and DPV address matching options.

Firm bundles should be created any time you have two or more pieces going to the same delivery address. A Firm bundle is charged a single piece rate of 16.9 cents outside the county. (There are no changes in-county). My March column before the rate changes addressed this. A Firm bundle usually goes within a presorted bundle (but never on top, always within or at the end, to prevent misdirecting the rest of the bundle).

DDU entries should be increased outside the county, where feasible, in unsacked bundles, using Exceptional Dispatch rules. NNA got rules changes allowing unsacked bundles to be dropped at delivery post offices under Exceptional Dispatch (letter approval by your entry postmaster) to qualify for DDU-entry rates, and helped beat application of the container charge to unsacked bundles, absurd as it was.

DDU entry also lowers in-county costs, and ensures timely delivery. DDU entry in or out gives you the opportunity to retain and grow precious subscribers with same-day delivery. For the first time non-advertising matter gets discounts based for destination entry. Unsacked bundles to DDUs can be 40 pounds, compared to 20 pounds when sacked, so that can reduce bundle charges if set up properly in software.

Use flats tubs to the greatest degree allowed outside DDUs. But minimize the number of tubs by maximizing the number of copies per tub to reduce container charges, which USPS stuck Periodicals with despite objections of NNA and the PRC. Nevertheless, NNA is working with USPS to expand their use to improve delivery. Three options USPS allows now are for MADC, Origin MADC, or OMX (for First-Class truck trips) and any ADC of 24 copies or more. Some plants and post offices allow "permissive" use of trays for SCF, 3-digit, and 5-digit mail within their service area.

Create separate editions of your Periodicals mailing, one for in-county and trade area with inserts, and another for papers further away, without inserts, reducing weight and ad percentage on the non-inserted edition.

Print on narrower web and lighter paper. It is one way to hold down costs both for postage and printing. Automation rates apply only to pieces with maximum length of 15 inches (down from 15-3/4), so a 30-inch web is widest to maintain machinability discounts. Height is 12 inches maximum, thickness .75 inch, and weight 20 oz.

Palletize mail outside the county, dropping at DDUs or SCFs where possible. NNA got a rules change allowing 100-pound pallet minimums or less at DDUs and SCFs. While pallet software is only available in more expensive software

programs, more vendors, including those marketing to newspapers, are likely to make it available later this year to fulfill demand under the new rates.

Use "rolling stock" like APCs (All-Purpose Containers) provided by USPS for bundles without sacks. The large wire cages on wheels are charged at pallet rates due to lower handling costs.

Co-mail multiple newspapers in one combined mailing. Inexpensive software solutions to do this, especially ones PAVE-certified under the new rules, are difficult to find. But if your printer provides such an option, you should take advantage of it. You gain additional depth of presort at most rate levels, cutting costs for all titles.

Sell electronic subscriptions to out-of-area subscribers, especially snowbirds and those who have moved away. Between the poor delivery of working mail by the USPS, and the complex new charges by the PRC, newspapers are being forced to abandon mail to serve distant customers. While in-county mail is still a comparatively good deal, distant subscriptions don't work any more. Also distant subscribers have the most (legitimate) complaints. Minimizing that mail saves the circulation manager time in complaint handling. © Max Heath 2007

Max Heath, NNA postal chair, is vice president postal/acquisitions of Landmark Community Newspapers Inc. in Shelbyville, KY. E-mail Max_Heath@lcni.com.