

MERLIN Flats Update – Postage and Adjustment Phase for Barcode Readability Tests on Hold

The moratorium on the postage adjustment phase for MERLIN barcode readability tests remains in effect. At this time, no restart date has been established. Once the date is set, a 60-day grace period will begin.

The newly formed joint USPS/Industry Mail Preparation Quality Work group held its first meeting on February 20, 2002.

Anita Pursley, V.P. of Postal Affairs, represents Quebecor World on this workgroup. As a result of the meeting, a list of 20 recommendations was compiled. The Postal Service has already begun acting on these recommendations and hopes to make significant strides within the next month or so.

Additionally, a meeting was held March 18, 2002 of a smaller USPS Industry workgroup that discussed specific technical issues. Both Pursley and Walter Hensel, Sr. V.P. of Magazine/Catalog Group Manufacturing participated in this meeting. On April 4, 2002, another meeting of the Mail Preparation Quality Workgroup will take place to review the workgroup's recommendations and solidify an action plan.

Once an action plan has been finalized, the USPS will communicate it to Postal

personnel and to mailers. Be sure to watch for updates in future editions of *Logistics Solutions*.

Through its active involvement in MERLIN testing, QWL strives to achieve 100% readability every time.

Quebecor World Logistics Remains a Key Player in Solving MERLIN Issues

To date, Quebecor World has MERLIN machines in nine plant locations. Active testing is going

on in Augusta, Corinth, Olive Branch and Dallas, while the other locations are in the initial stages.

QWL Postal Affairs has played a significant role in bringing national attention to the shortcomings of MERLIN. Insufficient training of USPS personnel, lack of sufficient training tools and standard operating procedures are just a few of the issues that must be resolved. Although the Postal Service stands behind the reliability and repeatability of the machine, there are many problems that have been identified. In late January, QWL Postal Affairs discovered that the machine was incorrectly set at a five-degree tolerance for bar tilt (the standard for letters) rather than ten degrees. Currently, "barcode

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Lexington Wins Contract with Troll Communications

The QWL Lexington Distribution Division reached agreement on a one-year distribution contract with Troll Communications. Lexington will be receiving, packing, manifesting and utilizing QWL's extensive freight delivery network for Troll. Troll is a current print and bind customer of Quebecor World. This contract represents a major opportunity to provide QWL distribution, fulfillment and transportation services to Troll and is expected to generate \$300k in new revenue for Quebecor World. Work is scheduled to begin in late March. ■

For additional information, please contact:
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Postal Rate Commission Recommends Rates as Proposed

On Friday, March 25th, the Postal Rate Commission announced their recommended decision in the R-2001-1 rate case settlement. The bottom line is that they recommended the rates that were proposed in the settlement with no changes. In this process, participants were given the opportunity to consider the proposed R2001-1 rate case settlement. The American Postal Workers Union (AFL-CIO) was the only party that submitted evidence in opposition. Hearings were

held, briefs were filed and the Commission determined that the proposed settlement was consistent with the policies of the Postal Reorganization Act and therefore in the public interest. The recommended settlement rate increases, by class of mail, are as follows:

First-Class Letters	7.7%
First-Class Cards	9.7%
Priority Mail	13.5%
Express Mail	9.4%
Periodicals	10.0%
Standard Mail	7.1%
Package Services	5.0%
Special Services	11.4%

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Canada Post Increases Postage for Publications and Addressed Admail

Canada Post will implement a postage increase for Addressed Admail on April 1, 2002. Addressed Admail postage is usually increased each April. Publications postage will increase on April 15, 2002, however, the increase schedule will change from April to January beginning on January 1, 2003. The postage increase schedule for Canada Post publications is as follows:

- April 15, 2002
- January 1, 2003
- January 1, 2004

Quebecor World can offer options to help our customers minimize costs, including list presort for postage discounts. Please contact Kim Greene at 810-220-8855 for more information regarding the postage increase or for assistance with international and Canadian distribution solutions. ■



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MERLIN Flats Update - Cont.

not found” and “decoded, no image” are two repeated errors that result when feeding books with perfectly good barcodes. To date, camera ignition and operator setup errors are causes that have been identified.

Recently, QWL Postal Affairs and Mag/Cat Manufacturing met with USPS Southeast Area senior managers to establish a targeted plan of action relative to resolving issues that prevent MERLIN from being used as an effective diagnostics tool. Additionally, test parameters were established to determine the impact of certain mailpiece characteristics (page count, substrates, UV coating, etc) and print engine characteristics. Over the next few months, Quebecor World hopes to gain the experience and knowledge necessary to achieve the desired results – 100% readability every time.■

**Additional questions regarding MERLIN should be directed to:
Anita Pursley 770-634-2374
John Kuhlig 618-662-4961**

QWE San Antonio Achieves Success Across the Border



Moving freight to Mexico is a very competitive market from which few companies actually profit. QW Express (QWE) provides a great deal of strength in this area, which made the move of Quebecor World product via trans-border trucks such a successful project.

QWE recently coordinated shipping over 70 truckloads of TelMex phone books from the Quebecor World plant in Loveland, CO to Quebecor World in Guadalajara and Mexico City. Due to QWE’s experience south of the border and bilingual staff, they were able to seamlessly move the freight, consequently saving both time and costs. QWE’s alliances with industry leaders on both sides of the border allowed for the negotiation of extremely competitive rates. Because

the QWE San Antonio office is strategically located so close to the border, QWE representatives were able to meet with the customs broker who was going to handle the crossing and confirm where and how the trucks were to be handled at the border. The coordination of the Mexican trucks at the border and the trailers in customs went off without a hitch. Once the loads crossed the border it was less than 1-day transit to the final destinations. Facing customs delays at the border, most trucks take five to six days to move freight from anywhere in the US to Mexico City. QWE’s shipments from Loveland averaged 4 days in transit.■

To contact a QWE representative for a no-cost initial analysis of your transportation needs, call 877-536-5523.

Congratulations to Anita Pursley, QWL’s Vice President of Postal Affairs, for receiving the Norman W. Scharpf Award at the IDEAlliance Addressing and Distribution Conference that took place in Clearwater, FL. The award recognizes Pursley’s ability to make a difference in the mailing industry through her broad involvement in crucial issues.



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Postal Rate Commission Recommends Rates - Cont.

The Commission's recommended decision is now in the hands of the Postal Service Board of Governors. It is anticipated that the Governors, at their April 8-9 meeting, will approve these rates and will likely announce an implementation date of **June 30, 2002.**

As the Postal Rate Commission made their announcement on Friday, industry officials were already predicting that the current rates wouldn't last much beyond a year. Officials are saying another increase is likely to be filed as early as October, noting that the settlement rates do not include the expense of combating anthrax or the mail lost to the recession — and those costs are considerable. Postal officials told Congress earlier this month that even with the increase, the agency is projected to lose more than \$2 billion this year. Quebecor World Logistics Postal Affairs group continues to work closely with industry and postal officials to develop cost efficiencies in order to prevent businesses that rely on the postal system from being drastically impacted by the increasing rates.

Mail List Technologies Reduces Costs for AMEX

American Express Small Business Services Group (SBS) currently mails approximately 250 million AMEX Gold card solicitations to businesses each year. Jim Vournakis, V.P. of Sales for QW Direct, landed the first closed-faced 5.2 million-name project for QW at the Oakwood, GA facility. MLT ran the processing and QWL moved the freight. Due to the flexibility and depth that QWL provides, MLT was able to presort and save AMEX \$17,356.10 on postage paid (from what they normally pay when their traditional lettershop runs the presort). AMEX was very impressed by the entire QW process from manufacturing to processing to delivery. Additional business-to-business closed-faced opportunities are expected in the near future. ■

**For additional information, please contact:
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770-234-6375**

QWL Upgrades Pricing Platform

Currently, QWL is working on a project that creates a database to house and capture historical information for the pricing group. This will tie directly into the systems available and enhance the invoicing process as well as offer on-the-spot capabilities to update customer-level information without impacting invoicing operations. These enhancements will bring pricing and billing to a more technologically sound environment while minimizing the chance of errors by streamlining the current process and reducing much of the manual intervention throughout the pricing to invoicing

process. QWL is committed to maintaining consistency throughout these processes in order to offer customers the best possible rates. ■

**Questions/Comments?
Contact the Editor
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