

New Hours of Service Rule to Impact QWL Operations

The U.S. Department of Transportation's (DOT) Federal Motor Carrier Safety Administration (FMCSA) plans to enforce a new Hours of Service (HOS) rule beginning January 4, 2004.

According to the new regulations, a driver's "on duty" hours will now include any time he/she spends waiting to load and unload shipments whereas prior to these changes, the time spent waiting to load and unload was not necessarily considered "on duty." As a result, driver "free time" will be eliminated and carriers will be charging for downtime in addition to freight charges.

These new regulations are expected to contribute to a reduction in truck capacity (availability) in all markets. Drivers will demand higher wages and carriers will, in turn, increase driver pay to help reduce the already staggering driver turnover rate within the trucking industry. The new regulations are expected to jeopardize an already severely depleted driver pool and carrier fleet growth will slow down tremendously.

Specifically, QWL anticipates the following impact on our operations:

- Same-day pick-up and delivery will be greatly limited.
- Carriers will be reluctant to accept

multi-stop loads.

- Linehaul mileage charges on multiple stops will increase incrementally.
- Detention charges will increase dramatically.
- All accessorial charges will increase dramatically (i.e. detention, stop, driver handling, etc.).
- Decreased driver availability will result in delays in loading, which will jeopardize delivery time integrity.
- Drivers will no longer have logging flexibility due to "off-duty" regulations, which means they will now be legally obligated to utilize Quebecor World, vendor and customer facilities to meet rest requirements.
- Earliest possible production projections will become of utmost importance with regard to securing capacity and mitigating increases in transportation costs. QWL suggests that file transfers be planned accordingly to facilitate earlier projections.

As QWL remains committed to keeping its customers informed of all issues impacting the transportation services we provide, customers should expect a formal letter sent on QWL's behalf providing a more detailed description of this matter and notifying you specifically of increased costs going forward. ■

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USPS Moving Forward with MERLIN Accuracy Checks

The United States Postal Service recently announced its plans to move forward with the first phase of checking address accuracy using MERLIN (Mailing Evaluation Readability Lookup Instrument). Beginning *January 17, 2004*, your mail may be subject to an address accuracy verification that includes checking the ZIP+4 (flats) or ZIP+4+2 (letters), which is assigned by software that performs CASS (Coding Accuracy Support System) coding of your mailing list.

Initially, QWL believed this would not be problematic since the MERLIN system would only be checking for '0000', '9999', duplicating, incrementing or decrementing + 4 codes. After all, the Postal Service's intent is to stop mail fraud and prevent mailers from claiming automation discounts incorrectly. Unfortunately, it has taken on a high degree of importance since the presence of even one address with a '0000' or an invalid '9999' in the + 4 field will forfeit the automation discount for the entire mailing.

QWL would like to encourage you to contact your CASS provider to review their practices and ensure compliance. Quebecor World cannot be held responsible for lists that are CASS-certified by outside suppliers. Following is a detailed description of the

errors and associated consequences:

ZIP + 0000 Addresses that have been coded (ZIP+4 or ZIP+4+2) with all zeros (0s) will be considered padded. Any piece(s) found with this incorrect CASS assignment will be considered a MERLIN failure. Should a MERLIN failure be found in the test sampling, the entire mailing will be considered non-automation and additional postage must be paid prior to mail acceptance or release from the mailer's location.

ZIP + 9999 Addresses that have been coded (ZIP+4 or ZIP+4+2) with incorrectly assigned nines (9s) will be considered padded. If MERLIN checks an address with such coding and does not find it in the Address Management System (AMS) database, MERLIN will consider this a failure. Again, the entire mailing will be considered non-automation and additional postage must be paid prior to mail acceptance or release from the mailers location.

Duplicating, Incrementing or decrementing Addresses that have been coded (ZIP+4 or ZIP+4+2) incorrectly and increment or decrement, will be considered padded. If MERLIN finds this coding within an address and does not find it in the AMS database, MERLIN

will consider this a failure. When more than one percent of this failure type occurs within the MERLIN sample, the entire mailing will be considered non-automation and additional postage must be paid.

Secondary Check

The USPS will train and require mail acceptance personnel, who would be performing the MERLIN testing, to make a secondary check of the physical mail pieces that are found to have any of the failure attributes noted above. Following is a general description of this check:

When address accuracy failures of this nature are found, MERLIN will provide a report detailing each piece ID with this attribute. Depending on the amount of failures from the test, the USPS will select pieces (at random) that have the noted failure. Acceptance personnel will be required to key the address of these pieces into the MERLIN manual address look-up feature. If the results of this look-up are not consistent with the original look-up findings, the clerks will be required to override the error. The USPS will NOT perform the secondary look-up on all pieces, but rather personnel will extract a sample number of pieces to check.

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Canada Post Changes Effective January 12, 2004

Publications

Canada Post has posted new regulations for the mailing of magazines into Canada. Among them is a requirement that a Canadian return address be inserted into postal ID statements. Also, the ID statements must include the Canadian Post Publications Mail Agreement number, and it must be identified using that language. Please go to the following Web address to access the new placement requirements (information is located on page 12).

http://www.canadapost.ca/business/rates/2004/pdf/pubmail_custguide-e.pdf

All Services/Postage

It is very important these additional changes are requirements are understood going forward to avoid delays and/or additional charges. Access changes, postage increases and volume requirements for all services levels at the following Web address.

<http://www.canadapost.ca/business/rates/2004/coming-e.asp>

Fuel Update

■ The average retail price of diesel fuel in the United States rose 1.8 cents per gallon to \$1.504, the highest price since April 28, 2003.

■ The OPEC oil cartel raised its forecast for world oil demand next year. World demand is projected to average 79.61 million barrels a day next year, 50,000 barrels more than expected a month ago.

■ The price of crude oil is reportedly hovering near \$30 a barrel due to concerns that civil unrest in oil-producing countries, including Iraq and Nigeria, could disrupt future shipments of crude.

New Canada Wood Packaging Import Requirements

Effective January 2004, the Canadian Food Inspection Agency (CFIA) will implement a new policy for wood packaging materials produced in all areas other than the United States (ISPM No. 15).

Beginning next year, the logo or mark officially endorsed by the National Plant Protection Organization (NPPO) of the country, from which the wood packaging material originates, must be permanently affixed to each unit of wood. Some of North America's trading partners will not be ready to

implement ISPM No. 15 on January 2, 2004, nor will the NPPO members have legislation in place regarding the enforcement of ISPM No. 15. Canada, the U.S. and Mexico will coordinate the phase-in of the International Standard. During Part 1 of the phase-in, CFIA will issue notices for materials not in compliance with ISPM No. 15.

CFIA will maintain its container inspection program targeting wood packaging. If material is found to contain regulated pests during this phase-in period, the appropriate

phytosanitary procedures will be implemented. New regulations will be phased in between January 2 and June 1, 2004. Canada customs may require written proof of compliance so it is strongly encouraged that you get a compliance certificate from your wood supplier to avoid delays/added costs.

For additional information, contact Susan Richardson at Affiliated Customs Brokers at 416-675-1211, visit the CFIA Web site at www.inspection.gc.ca/english/directory/offbure.shtml or call 800-442-2342. ■



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MERLIN Accuracy Checks Cont.

Appeals - Final Decision

If disagreement in findings persists after secondary checks are made, the USPS has devised an appeal process for customers to follow. This process will involve payment of any additional postage, until an appeals decision is made. This process can be generally described as follows:

Pieces that are found to have a failure in this phase of address accuracy will be provided to the customer to send via express mail to the Memphis Customer Support Center. After reviewing the address information on the pieces and within the database, a final decision will be made on the matter. If the appeal is reversed, a refund of additional postage will be provided to the customer.

Cass Coding Assistance

For customers who utilize Quebecor World Mail List Technologies (QWMLT), please be assured that all coding practices have been reviewed and all output has been confirmed as compliant with the USPS requirements. Should you need assistance in CASS coding of lists, please feel free to contact Joel Weber, Vice President of Sales, QWMLT at 630-438-2281. ■

Postal Briefs

- The Postal Service recently announced it exceeded its financial plan for Fiscal Year 2003 by \$300 million, despite declining mail volume and growing deliveries reflecting operational efficiencies employed during the year. The Postal Service finished the year with a total net income of \$3.9 billion when the recently enacted change to retirement funding is incorporated. Based on the audited financial results, the Postal Service had an unprecedented fourth straight year of productivity gains. Productivity was twice that anticipated by the financial plan.
- The Mailing Industry Task Force, a cross-industry group formed in spring 2001 per the request of postmaster general John E. Potter, is restructuring its working groups to better support its main objectives of bolstering mail industry growth and effectiveness. The three new committees are Intelligent Mail/Address Quality, Pricing/Payment and New Products/Services.
- President Bush has called on Congress to enact comprehensive postal reform legislation and has outlined principles for Congress to consider in developing such a bill. The President made the announcement during a meeting with members of the Presidential Commission on the U.S. Postal Service, Treasury Secretary John W. Snow and Postmaster General John E. Potter to discuss the Commission's recommendations on postal reform, which were submitted to the president this summer.
- The Universal Postal Union recently announced it is working with leading postal services to promote an electronic postmark that would facilitate electronic transactions and guarantee their security. Called the Electronic PostMark, the service applies a time-and-date seal to an electronic document, validates digital signatures and stores and archives all data needed to support a potential court challenge. Currently used by postal services in Belgium, Canada, France, Italy, Portugal and the United States, the Electronic PostMark is the digital equivalent of the indicia that appear on every stamped envelope today and has legally binding implications in matters of mail tampering. ■

Questions or Comments?
Contact Us ...
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