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# INTER OFFICE MEMO

**TO:** Jim Williams **AT:** Purchasing **DATE** 03--8-73  
**FROM:** Frazier Sinclair **AT:** Mail Dept.  
**SUBJECT:** Summary of Southern Postal Conference

No postage increase is expected this year.

Postmaster General, E.T. Klassen, has proposed several mail classification changes. These include incentive discounts and rate reduction of ( $\frac{1}{2}$ ¢) per piece for volume mailers who presort their own letters to a five digit zip code sort.

To take advantage of the proposed ( $\frac{1}{2}$ ¢) discount our Programming Department would have to zip code sequence all of our large volume mailings to a five digit sort. The Mail Operation would then have to keep all mail zip code sequenced and find the breaking points, presorting to zip codes and states, tying or banding, sacking or tray separation delivery to a Post Office or Section Center, with postage payment by permit imprint or meter bearing an endorsement prescribed by the Postal Service.

Our outgoing mail that could be presorted is about 7,078,248 pieces per year. This could save us \$35,391.24 in postage per year. In order to presort in the Mail Operation it would require additional personnel and equipment. I would estimate approximately four (4) to six (6) employees with sorting tables and a couple of wrapping machines. However, due to the rapid growth of our outgoing mail, additional space might also be required.

Based on the salaries of the additional personnel required to presort and the cost of the extra equipment and space allocation involved, our savings would be very little by presorting.

A proposed change in the Business Reply mail rate from two cents (2¢) per piece to five cents (5¢) per piece in addition to the first class postage would cost us an additional estimated \$6,000 per year.

A surcharge is proposed for non-standard mail. This proposal would not become effective until two years after approval and in no event, sooner than July 1976. However, the Postal Service plans to implement new minimum dimensional criteria for business reply mail in approximately two years.

Specifically, the four major elements of the Postal Service plan to institute surcharges and implement revised minimum dimensional criteria\* are:

- (1) All first class mail and airmail weighing one ounce or less would be subject to a surcharge of five cents (5¢) per piece; all single piece third-class matter weighing two ounces or less would be subject to a surcharge of four cents (4¢) per piece if either:
  - (a) It is more than .25 inch thick, or
  - (b) it is .25 inch thick or less and it exceeds either 6 1/8 inches in height or 11½ inches in length or it does not fall within a height to length (aspect) ratio between 1 to 1.3 and 1 to 2.5.
- (2) All matter less than .007 inch thick would be non-mailable (present minimum is .006 inch).
- (3) All matter .25 inch thick or less must be rectangular in shape to be mailable.
- (4) All matter .25 inch thick or less must meet minimum height (3½ inches) and length (5 inches) standards to be mailable. Present minimums are three (3) inches in height and 4¼ inches in length.

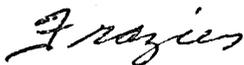
\* Neither the surcharges nor the minimum dimensional criteria are applicable to keys and identification devices.

As you know, we maintain six (6) postal accounts for our outgoing mail, they range from a high of \$40,800.00 to a low of \$8,200.00.

Some thought has been given by the Postal Service of billing large mailers for their outgoing mail. When this new billing system is approved we would not have to tie up large sums of money in these accounts.

All the afore mentioned proposals are subject to approval by the new Independent Postal Rate Commission.

Sincerely,



Frazier

JFS/mc