

PMA-ILWU Negotiations: The Issues

Contract talks between the Pacific Maritime Association (PMA) and the International Longshore and Warehouse Union (ILWU) resumed Thursday, October 24, 2002 in San Francisco as federal mediators attempt to broker a deal in the waterfront contract dispute. This is the first negotiating session to take place since ports reopened October 9 following a management lockout of labor. Two significant issues are the root cause of the failure to reach an agreement thus far: technology and arbitration.

The technology dispute involves a few hundred clerical jobs paying nearly \$120,000 a year

held by Longshoremen who keep track of cargo movements. The ILWU fears that when management introduces new technologies to speed cargo handling, these jobs will be contracted out to companies using nonunion labor. The PMA is seeking free flow of cargo-related data throughout the transportation system in order to provide data integrity, security and increased productivity, which is similar to the processes that have been in place for years at the U.S. Postal Service, UPS and Federal Express. The Union, in contrast, wants to control the flow of data at several points in the system, trying to

Continued on Page 3

CONFIRM/PLANET Code to Benefit Periodicals

PLANET bar coding has been used for the past several years as a mail tracking service for direct mail pieces including catalogs and letter mail, but as we have known all along the PLANET bar coding technology can be used as a much more powerful tool. Quebecor World Logistics (QWL) can now provide an e-mail marketing service tied to the PLANET bar code scan response of a periodical. The PLANET bar code, a second barcode on the magazine, is scanned when the U.S. Postal Service processes the mail on the flat sorters at SCFs and ADCs. A PLANET code scan indicates the date, time and location of when a specific periodical was processed. The PLANET barcode scan triggers an e-mail so that it arrives very close to actual in-home delivery of the magazine.

So, what are the benefits of using CONFIRM/PLANET code technology for magazine publish-

ers? For one, it can eliminate expire wraps. Keep in mind, there's the cost to print the expire wrap, the cost to ship it (usually not printed where the main magazine is being printed) and higher postage due to a smaller single mail stream with very poor presort. All result in an expensive and sometimes unattractive wrap covering the magazine. By utilizing CONFIRM, publishers may be able to eliminate this expense. The technology exists today to put a PLANET bar code on the mail piece, and then e-mail customers a personalized message regarding the expiration date of the magazine. So, rather than the wrap indicating the last issue, an e-mail could arrive a day or two prior to the receipt of the actual magazine. The e-mail can say whatever the publisher wants it to say and can list an 800 number to renew or even include a Web site link for the customer

Continued on Page 2

INSIDE THIS ISSUE

CCRA Penalty System - Pg. 2

CONFIRM/PLANET Code Cont. - Pg. 2

Diesel Prices - Pg. 4

PMA-ILWU Cont. - Pg. 3, 4

Postal News - Pg. 3

QWL Pricing Platform - Pg. 4



Quebecor World

Logistic Solutions

Transition Period Ends, CCRA Penalty System Now in Force

The Canada Customs and Revenue Agency (CCRA) has a new penalty system, called the Administrative Monetary Penalty System (AMPS). AMPS addresses non-compliance with customs legislative, regulatory and program requirements. Although this process has been in effect for several months now, the CCRA sanctioned a transition period that provided the opportunity to assess the potential impact on customs activities. *This transition period has officially ended and AMPS began being enforced as of October 7, 2002.*

It is important that customers understand their obligations and assess their state of compliance. This means it is necessary to look carefully at all customs-related business systems, processes and procedures. Be sure that all information used for customs clearance into Canada is complete and accurate. The commercial invoice is a form that indicates who, what, when and where a shipment is clearing into Canada. It is also used to determine what tax and duty charges apply. Therefore, accurate information and the correct GST value are important.

If the contents of a shipment are not being "sold", the replacement (cost to produce) must be listed. If the shipment contents are being sold, the sale price must be listed for the commercial value. Customers should relay and/or confirm this value. Inaccurate informa-

tion may result in seizure of the shipment being cleared as well as future shipments being scrutinized for several months (i.e. additional costs, delays, etc.).

A Canadian Customs Invoice (CCI) must be filled out for each National Distributor who is moving newsstand shipments into Canada. This form must be filled out by the facility that is making the final delivery and must be filled out for each and every entry into Canada. The National Distributors supply the value of the copies, which is then used for application of the GST tax.

Quebecor World Logistics continues to comply with customs requirements and can ensure that AMPS will not affect its customers given that they continue to provide accurate information relative to this matter and the necessary value for purposes of determining GST paid.

If you are involved in importing or exporting goods and are unsure whether or not you will be affected, make sure you understand your obligations and then assess your state of compliance. Consult the sample checklist for importers, exporters, and service providers at the following Web address: <http://www.ccra-adrc.gc.ca/customs/general/amps/compliance2002-e.pdf>, or contact Donna Rozehnal at 847-734-5658. ■

CONFIRM/PLANET Code (cont.)

to click and renew online...reducing yet another renewal cost.

Additionally, this service could enhance advertising pages. How many advertisers would like a second, more personalized contact to coincide with an ad page? Again, using PLANET code and an e-mail follow-up, the PLANET code can trigger an e-mail to specific customers and the advertiser would get a second contact. Perhaps the e-mail simply re-emphasizes a message from the ad page, or perhaps it provides additional information not present in the ad page. The PLANET code scan data ensures that the e-mail arrives very close to actual in-home delivery.

So, how does a publisher initiate this process? First, put a PLANET bar code on the mail piece. QWL manages this process. This may, however, require the label or address block to be an additional 1/4" high. The publisher then provides the e-mail addresses of the subscribers to whom they want the message to go. If they don't have e-mail addresses, QWL can also provide this service for an additional fee. The publisher must provide the presorted name and address file, with an additional field that includes the e-mail address. If they want to personalize or change messages within a mailing, they would need to include a flag that defines the exact message to send to this subscriber. ■

For more information, contact Rich Rousseau, Director of Business Development for QWL, at 770-234-6378.



Quebecor World

Logistic Solutions

PMA-ILWU Negotiations (cont.)

take over the following functions: vessel planning, yard planning, rail planning, intra-port drayage, mechanics' work and off-dock equipment depot functions.

As the dispute relates to arbitration, the PMA is proposing that a professional neutral arbitrator replace the current Coast Arbitrator, who after over 50 years is nearing retirement. The Union opposes a professional neutral, and instead is promoting a former ILWU official for the position.

Other issues currently being negotiated include wages, pension, employer 401(k) contribution, holiday pay, vacation time, contract total cost and security. As negotiations continue this week, the progress has yet to be reported as the Federal Mediation and Conciliation Service is maintaining a blackout on news reports from the negotiations.

In the meantime, lower productivity levels at West Coast ports have been reported. The PMA recently stated that it documented these declines and forwarded this

Continued on Page 4

**Questions or Comments?
Contact the Editor
Jennifer Lukasiak
630-438-2317**

Postal News



■ The U.S. Postal Service is planning to announce in February a redesign of its operations. The plan is expected to propose consolidation or elimination of many transportation routes in order to improve efficiencies. The postal operations plan is the result of a study started in April as part of the Transformation Plan that aims to modernize how the agency does business.

■ The USPS recently published in the Federal Register a final rule regarding simplified address format for letter-size and flat-size Standard Mail and periodicals.

■ According to Postal Rate Commissioner Ruth Goldway, the USPS is too focused on volume growth and should pay more attention to standards and quality issues. Goldway said that Potter is focusing on the implementation of cost-control and structural changes when he could be cutting capital expenditures. In citing the recent NSA filing involving Capital One Services Inc., Goldway said the concept will not be the salvation of the USPS.

■ According to USPS Postmaster General Jack Potter, who recently spoke at the DMA conference in San Francisco, the next planned postal rate increase could come later than expected. Potter reportedly said he didn't expect a rate hike until well into 2004, a timetable that could have a rate increase taking effect in July of that year and well into the Postal Service's fiscal year.

■ At the Periodical Publications Association meeting on Thursday, November 21, Ted Russell, Business Development Manager for Periodicals at Quebecor World, will explain how the co-palletization proposal now pending before the Postal Rate Commission, would work and who is likely to benefit from the experiment.

■ It has been reported that the USPS Corpus Christi, TX facility has sustained heavy damage from a tornado. Currently, the processing plant is non-operational. Any mail at the plant will be moved to an undetermined site in Corpus Christi. All incoming transportation is being diverted to Victoria, TX or San Antonio, TX.

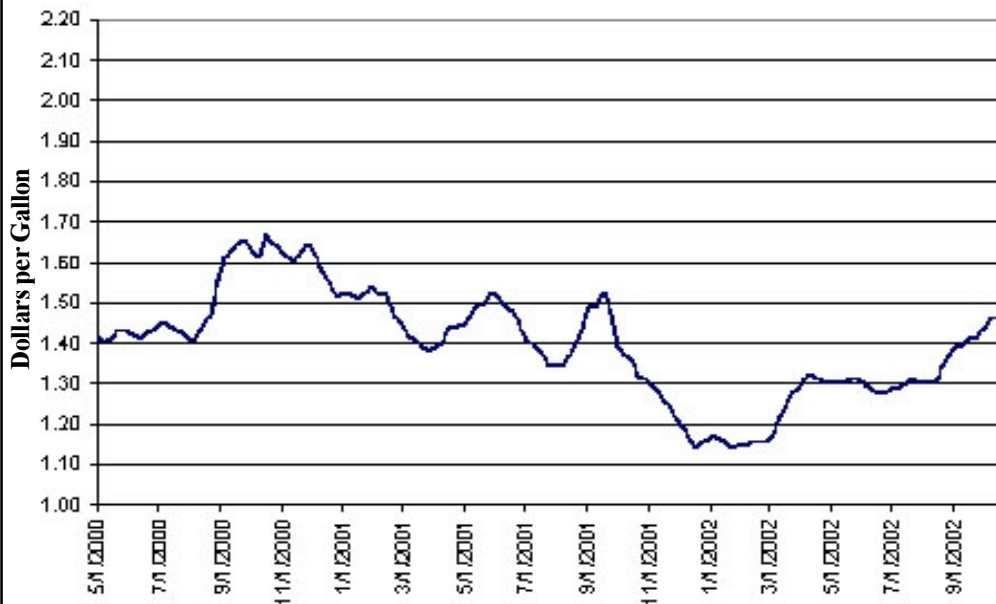
■ William H. Young Jr., who first joined the USPS out of high school, was recently elected president of the 307,000-member National Association of Letter Carriers. Young, the union's Executive Vice President, succeeds Vincent R. Sombrotto, who led the union for 24 years. ■



Quebecor World

Logistic Solutions

Weekly U.S. Retail On-Highway Diesel Prices



Source: Energy Information Administration

National Fuel Averages Rise Again, 10th Increase

The average price of a gallon of diesel fuel rose \$0.08, to \$1.469 a gallon. The increase pushed the cost to its highest point since September 24, 2001. On that date, fuel averaged \$1.473 a gallon. Since the 10-week run began, the nation average price of diesel fuel has risen \$0.165 a gallon, adding nearly \$50.00 to the cost of a 300-gallon fill-up.

PMA-ILWU Negotiations (cont.)

information to the U.S. Department of Justice. According to the PMA, reports show that during the first week after October 9, productivity fell 34% in Oakland, 29% in Tacoma and 9% in Los Angeles/Long Beach. The figures are based on gross container moves per hour - in comparison to historical data correlated to specific terminals and vessels. The PMA attributes the reduced cargo volumes to ILWU workers. In response to these claims, the ILWU said that declines in productivity are due to congestion, safety issues and the need for more labor, attributing this to PMA mismanagement. For more information, contact Jennifer Lukasiak at 630-438-2317. ■

Please be advised that in our continuing effort to improve QWL pricing and rating functions and our overall responsiveness, QWL has updated its administration platform. Please join QWL in welcoming Jonathan Chayes in the newly created position of Administration Manager for QWL. Jonathan and his staff will focus their efforts working with our magazine and catalog platform. Along with welcoming Jonathan in this new role, please congratulate Melissa Wreath who has accepted additional duties as the Retail Pricing Administrator expanding her role as the Rate Administrator. For all pricing and rating inquiries, please contact either

Jonathan at 847-734-5653 or

Melissa at 847-734-5655. ■