



Graphic Arts Association

1210 Northbrook Drive, Suite 250, Trevoose, PA 19053

Phone 215-396-2300
Fax: 215-396-9890
email: gaa@gaa1900.com

March 25, 2008

Mr. Scott Peterson
Streamlined Sales Tax Governing Board
4205 Hillsboro Pike
Hobbs Building, Suite 305
Nashville, TN 37215-3339

Dear Mr. Peterson:

The Graphic Arts Association represents printers in Pennsylvania, Southern New Jersey and Delaware. I attended the February 2007 direct mail work group meeting in Chicago and appreciate SLAC's commitment to resolving these issues. I have twice met with New Jersey officials to discuss direct mail issues, and the state has been very responsive to industry needs in enacting clarifying legislation in 2008 with regard to mail processing services. I regret that I am unable to support RP0716A01, AM07034A01, RP07017 and AM07033 as noticed but remain optimistic that progress will continue as the work group reaches a consensus.

I support the BAC Roadmap but do not support moving business correspondence out of Section 313: it adds complexity while at the same time removing purchaser options and seller safe harbors. New Jersey printers have claimed the direct mail delivery charge exclusion for business correspondence and have accepted the direct mail form for business correspondence. We have educated our members about the direct mail sourcing provisions and view the proposed rule as a step backwards. The business correspondence issue was not discussed much in the Chicago meeting and has distracted from efforts to obtain the guidance originally sought by our industry. However, I understand that many parties are involved in this process and hope the discussion of simplifying business correspondence will continue with participation by all stakeholders until consensus can be reached. I support efforts to simplify sourcing for business correspondence and firmly believe that such measures should be implemented within Section 313.A.

I support a compromise between AM07035 and AM07033 and hope that the postage tax as a delivery charge on bulk printed materials can be resolved prospectively at the Reston meeting. I plan to drive in for the SLAC meeting on March 31st and will attend the April 2nd meeting by teleconference and hope to have an opportunity to comment on any compromise which may be proposed.

These issues are very complex and inter-related and I readily admit that I don't understand all the tax and legal aspects of the issues. I do understand the operational aspects which are important to my members and encourage SLAC, BAC and the Governing Board to spend a few more months to reach a

consensus that will work for printers of all sizes. I have confidence that Melanie Hill understands the tax, legal and operational aspects of these issues and appreciate the time which you have allowed her to bring these matters to the table. My personal thanks go to Kristi Magill, Judy Niccum and Ellen Thompson for their efforts which I hope will continue.

Sincerely,

A handwritten signature in cursive script that reads "Margaret Baumhauer". The ink is black and the signature is fluid and legible.

Margaret Baumhauer
President

Cc: Ms. Lisbeth Lyons, Printing Industries of America