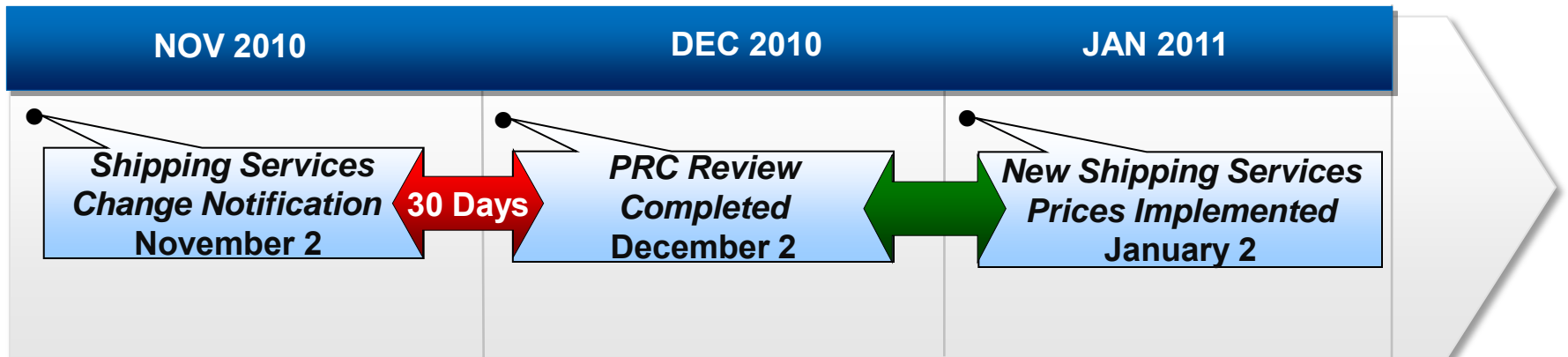




Shipping Services Price Change

**Effective
January 2, 2011**

Price Change Timeline



January 2, 2011 Shipping Services Price Change

Shipping Services Highlights

- **Innovations respond to market demand**
- **3.6% overall average increase**
- **Postal Service remains the best value in shipping**

Shipping Services Innovations

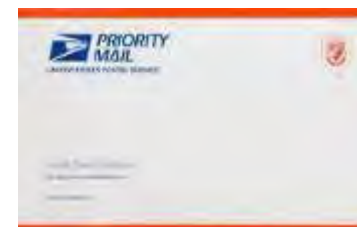
- **New!** Legal Flat Rate Envelope
 - ❑ All Express Mail and Priority Mail price categories
- **New!** Padded Flat Rate Envelope
 - ❑ All Priority Mail price categories
- **New!** Regional Rate Box*
 - ❑ Priority Mail Commercial Base
 - ❑ Priority Mail Commercial Plus
- **New!** Critical Mail*
 - ❑ Priority Mail Commercial Plus



* Domestic Use Only

Domestic Shipping Services

Product	Overall Average Increase
Express Mail	4.6%
Priority Mail	3.5%
Parcel Select	4.4%
Parcel Return Service	3.1%



January 2, 2011 Shipping Services Price Change

Prepared by Pricing Implementation, U.S. Postal Service

December 2010

Express Mail – Retail Prices

Average Retail Increase – 5.0%

- **Starting price (1/2 pound) \$13.25**
- **Flat Rate Envelope (no change) \$18.30**
- **New! Legal Flat Rate Envelope \$18.30**

Express Mail – Commercial Base Prices

- **Commercial base prices**
 - ❑ **No price changes**
 - ❑ **Flat Rate Envelope price – still \$17.40**
 - **New!** Includes Legal Flat Rate Envelope
 - ❑ **Approved payment method required**

E	\$17.40 US POSTAGE EXPRESS MAIL Jan 29 2010 Mailed from ZIP 94301 Express Mail Flat Rate Envelope Commercial Base Pricing 071800533789	 <small>endicia.com</small>
USPS EXPRESS MAIL		
Endicia Amine Khachifé 247 High Street PALO ALTO CA 94301-1041		(800) 321-2640
SHIP TO: Micronte, Inc. 7282 Lyne Bay Drive ROSEVILLE CA 95747-5962		
USPS EXPRESS MAIL		
		
EO 802 167 610 US		
POSTAL USE ONLY		
Date In:	Mo. Day Year	Time In: <input type="checkbox"/> AM <input type="checkbox"/> PM
Day of Delivery:	<input type="checkbox"/> Next <input type="checkbox"/> Second	<input type="checkbox"/> 12 Noon <input type="checkbox"/> 3 PM
<input type="checkbox"/> Return Receipt	<input type="checkbox"/> COD	<input type="checkbox"/> Additional Insurance

Express Mail – Commercial Plus Prices

- **Commercial plus prices**
 - ❑ **New!** Minimum volume threshold lowered to 5,000
 - ❑ On average, prices reduced 5%
 - ❑ Approved payment method required
 - ❑ **New!** IBI meter now qualifies for Commercial Plus price



Priority Mail – Retail Prices

Average Retail Increase – 3.9%

- **All Flat Rate Envelopes** **\$ 4.95**
- **Small Flat Rate Box** **\$ 5.20**
- **Medium Flat Rate Box** **\$10.95**
- **Large Flat Rate Box** **\$14.95**
- **Large Flat Rate Box APO/FPO/DPO** **\$12.95**

Priority Mail – Hold For Pickup Service

- **New!** Available for online and commercial Priority Mail
 - ❑ Excludes Critical Mail
- Hold For Pickup label required
- Intelligent Mail Package Barcode (IMpb) required
- At least one other authorized extra service required

P	Postage Area
USPS PRIORITY MAIL®	
FROM: ABC COMPANY 11111 UNIVERSAL WAY EAST WINDSOR CT 06028	
HOLD FOR PICKUP	
HOLD FOR: (CONTACT REQUIRED - @ PURPOSES ONLY) JOHN DOE 11111 STATELINE LN FAIRFAX VA 22030-1234	
PICKUP LOCATION	
ABC POST OFFICE 3333 MAIN STREET FAIRFAX VA 22030-9998	
ZIP - USPS DELIVERY CONFIRM/HFPU	
	
9211 2912 3456 7812 3456 71	

Priority Mail – Commercial Base Prices

- Average 6.6% lower than Retail prices
- Approved payment method required
- Flat Rate Envelope* **\$4.75**
- Legal and Padded Flat Rate Envelopes **\$4.95**
- Flat Rate Box prices start at: **\$5.00**

*Includes Small FRE, Window FRE, and Gift Card FRE

Priority Mail – Commercial Base Prices

- **New! Regional Rate Box**
- **Affordable shipping for small and dense packages**
- **Price based on box and zone**
 - ❑ **Regional Rate Box A**
 - **15-pound maximum, starts at \$4.97**
 - ❑ **Regional Rate Box B**
 - **20-pound maximum, starts at \$5.81**



Priority Mail – Commercial Base Prices

- **Regional Rate Box**

- ❑ **USPS-produced packaging required**

- Top-loading and side-loading boxes for each box category
 - Boxes must be ordered online at usps.com/shop

- ❑ **Commercial plus mailers also qualify**

- ❑ **Merchandise Return Service (MRS) parcels also qualify**

- Returned at Priority Mail prices

- ❑ **Approved payment methods required**

Priority Mail – Commercial Plus Prices

- **Average 13.6% below Retail prices**
 - ❑ Prices start at \$4.30
- **Account volume thresholds apply**
 - ❑ **New!** Threshold reduced from 100,000 to 75,000
 - Includes combined total volume of letters, flats and/or parcels
 - ❑ **New!** Volume threshold for letters and/or flats – 5,000
 - Excludes Padded Flat Rate Envelope

Priority Mail – Commercial Plus Prices

- **Approved payment methods required**
 - ❑ **New!** IBI meters now qualify for commercial plus prices
- **New! Regional Rate Box also available**
 - ❑ Annual account volume thresholds do not apply
 - ❑ Postage paid at commercial base prices

Priority Mail – Commercial Plus Prices

- **New! Critical Mail**
- **Attractive offering for entertainment, hospitality, tourism, real estate and membership services**
- **Travels in automation mailstream**
 - **Fast, consistent time-in-transit offering**
- **Free USPS-produced packaging required**
 - **Drives “open first” behavior**
 - **Available only by calling: 1-800-610-8734**
- **Optional free electronic Delivery Confirmation**

Priority Mail – Commercial Plus Prices

- **Critical Mail requirements**
 - ❑ **Intelligent Mail Barcode (IMb) required**
 - **Must only match greatest depth of code achievable from address**
 - ❑ **Requires mailpiece sample approval**
 - **Approved by HQ Shipping Services**
 - ❑ **5,000 letters and/or flats annual volume threshold**
 - **Flat Rate Envelopes qualify (padded FRE excluded)**
 - ❑ **Approved postage payment methods**
 - **PC Postage and Permit Imprint**

Priority Mail – Commercial Plus Prices

- **Critical Mail Letters – \$3.50**
 - ❑ Letters must be automation compatible
 - 3-ounce weight limit
 - 1/4 inch maximum thickness
- **Critical Mail Flats – \$4.25**
 - ❑ Flats must be automation compatible
 - 13-ounce weight limit for flats
 - 3/4 inch maximum thickness
- **Customer commitment agreement required**
 - ❑ Contact account manager, or HQ Shipping Services



Priority Mail – Commercial Plus Cubic Prices

- **Price based on cubic measurement and zone**
 - ❑ Five price tiers starting at \$4.30
- **Approved payment method required**
 - ❑ Permit imprint (with requirements) or PC Postage
- **New! Changes to measurement formula**
 - ❑ Round down each measurement to the nearest $\frac{1}{4}$ inch
 - ❑ Dimensions cannot exceed 18 inches in length
- **New! Merchandise Return Service now eligible**

Priority Mail – Commercial Plus Cubic Prices

- **Cubic measurement formula**
 1. Measure the length, width, and height in inches
 2. **New!** Round down each measurement to the nearest $\frac{1}{4}$ inch
Example: $6 \frac{1}{8}$ " x $5 \frac{7}{8}$ " x $6 \frac{3}{8}$ " is rounded down to 6 " x $5 \frac{3}{4}$ " x $6 \frac{1}{4}$ "
 3. Multiply length by width by height and divide by 1728
Example: 6 " x $5 \frac{3}{4}$ " x $6 \frac{1}{4}$ " = 215.6, divided by 1728 = 0.125
 - Piece exceeds 0.10 Tier 1 maximum threshold
 - It is calculated at Tier 2 (0.101 to 0.20)

Parcel Select

Destination Entry	Average Increase
DDU	8.0%
DSCF	0.2%
DNDC	0.6%
Nondestination Entry	Average Increase
ONDC	9.8%
NDC Presort	7.7%
Barcoded Nonpresort	7.6%

Parcel Select

- Hold For Pickup service
 - ❑ **New!** Limited to barcoded, nonpresorted parcels
- **New!** Zoned one-pound price
 - ❑ Previously the same price across all zones

Postage Area
USPS PARCEL SELECT®
FROM: ABC COMPANY 1111 UNIVERSAL WAY EAST WINDSOR CT 06088
HOLD FOR PICKUP
HOLD FOR: (RENTAL/RESIDENT) (IF FURNISHED ONLY) JOHN DOE 1111 STATELINE LN FAIRFAX VA 22030-1234
PICKUP LOCATION
ABC POST OFFICE 3333 MAIN STREET FAIRFAX VA 22030-9999
ZIP - USPS DELIVERY CONFIRM/HFPU
 0238 0012 3456 7812 3456 71

Parcel Return Service

Average Increase by Category	
Return Network Distribution Center (RNDC)	0.9%
Return Delivery Unit (RDU)	8.0%

- **Mailers provide a label to customers for merchandise return**
- **Permit holder pays postage for returns**

New Method For Weight Calculation

- **Determining single-piece weight calculations**
 - **Applicable to:**
 - **Express Mail**
 - **Priority Mail (except Critical Mail)**
 - **Parcel Select**
 - **Parcel Post**
 - **Bound Printed Matter**
 - **Media Mail**
 - **Library Mail**
 - **Round off weight in decimal pounds to two decimal places**
 - **Previously rounded to four decimal places**

International Shipping Services

- **Global Express Guaranteed (GXG)**
- **Express Mail International**
- **Priority Mail International**
- **International Priority Airmail (IPA)**
- **International Surface Air Lift (ISAL)**
- **Direct Sacks of Printed Matter to One Addressee (M-bags)**
- **International Extra Services**



Global Express Guaranteed (GXG)

Average Overall Increase	Commercial Base Price
3.7%	10% lower than Retail

- **New!** Postage payment by permit indicia
 - Requires use of Global Shipping Software
- **IBI meter no longer eligible for commercial base price**

Express Mail International

Average Overall Increase	Commercial Base Price
3.1%	8% lower than Retail

- **Commercial base prices**
 - ❑ Express Mail Corporate Account and IBI postage meter no longer eligible
- **Flat Rate Envelope (including Legal FRE)**
 - ❑ Only Canada has separate price
- **Price groups increase from 10 to 17**
- **International Return Receipt no longer available**

Priority Mail International

Average Overall Increase	Commercial Base Price
3.8%	5% lower than Retail

- **Commercial base prices for selected destinations**
 - ❑ IBI postage meter no longer eligible
- **Multiple sizes for Flat Rate Envelopes and Boxes**
 - ❑ One price for Canada & Mexico, one price for rest of world
- **Price groups increase from 10 to 17**

Other International Mail Changes

Product	Average Overall Increase
Airmail M-Bag	5.8%
International Priority Airmail (IPA) <input type="checkbox"/> No price change for IPA M-Bag	3.3%
International Surface Air Lift (ISAL) <input type="checkbox"/> No price change for ISAL M-Bag	6.4%
International Extra Services <input type="checkbox"/> International Postal Money Orders <input type="checkbox"/> Express Mail International Insurance <input type="checkbox"/> Priority Mail International Insurance	7.9%

Other Competitive Products

- **Competitive P.O. Boxes**
 - ❑ New fee group designation – C1
 - ❑ “Baker’s dozen” pricing
 - Prices to be published in upcoming Postal Bulletin
- **Premium Forwarding Service**
 - ❑ Overall increase: 5%
 - ❑ Application fee – no change
 - ❑ Weekly fee increases to \$14.75



Other Competitive Products

- **Address Enhancement Services**
 - **Price increase ranges from 4.2% to 10%**
 - **Address Element Correction (AEC)**
 - **Address Matching System Application Program Interface (AMS API)**
 - **Topological Integrated Geographic Encoding and Referencing (TIGER/ZIP+4)**

Resources

- **Postal Explorer — pe.usps.com**
 - ❑ **Prices, downloadable price files & Federal Register notices**
 - ❑ **Domestic Mail Manual (DMM) & International Mail Manual (IMM)**
 - ❑ **Link to the *Postal Bulletin***
- **DMM Advisory**
 - ❑ **Subscribe via e-mail: dmmadvisory@usps.com**
- **MailPro**
 - ❑ **View online and subscribe at usps.com/mailpro**



Questions?