

# Understanding the January 2014 USPS® Price and Service Changes

## Frequently Asked Questions (FAQs)

### Metered Mail First-Class™ Letter Rate - one-cent discount

***Has the new Meter Rate discount for First-Class letters been approved?***

Yes, it has been approved.

***Will online postage users (pbSmartPostage™, etc.) receive the one cent discount from the new Metered Mail price category?***

Yes. The new Metered Mail category includes First-Class single-piece letters with postage affixed by meter, information-based indicia (IBI), permit imprint, or pre-cancelled stamps. Essentially, only pieces bearing non-cancelled stamps or postal validation imprint (PVI) indicia will remain in the stamped mail category. See more at: <http://blogs.pb.com/usps-news/2013/10/02/want-lower-price-stamps-meter-mail/#sthash.fHNIfJzn.dpuf>

***Is there a minimum volume to receive the one-cent discount through the meter, online postage, etc.?***

No, the USPS has placed no volume restrictions on this new Metered Mail First-Class Letter rate category.

***How will First-Class Presort Extra™ rates be calculated with the one-cent meter mail incentive?***

Presort prices are not affected by the one-cent meter mail incentive. Mailers choosing to comingle their mail with other mail to get deeper presort discounts will continue to do so. The one cent reduction off First-Class stamped letter mail only is an incentive for meter customers, online postage, and Permit Mailers who typically don't have the volume to qualify for automation or presort prices. To learn more about savings afforded through 2014 PresortXtra™ services, you can learn more here: <http://blogs.pb.com/usps-news/2014/01/22/business-postage-rate-increase-blues-heres-two-quick-ways-roll-back-postage-prices/>.

***Is the Meter rate reduction of \$.01 just a retail rate? What about First Class presort?***

Yes, the one cent discount is off of the retail stamped single-piece First-Class letters. Presort discounts including automation and non-automation price discounts still apply.

***New First-Class, Meter Mail – was this part of the CPI proposal? Or a separate request?***

This was part of the CPI proposal and has been approved. It was not a separate request.

***Will First-Class Metered Mail rate require an endorsement next to meter imprint (like Commercial Based Pricing?)?***

Yes, the endorsement will read "First-Class Meter".

***How long is the \$.01 cent discount available for meter users? i.e. until the next increase?***

We can never predict what the USPS will propose next year or beyond. We do know that the new Meter Mail Rate has been approved and will be in place throughout 2014.

***Does the one-cent meter rate discount apply to flats?***

Unfortunately, no. The new rate category only applies to First-Class Single Piece Letters.

***What is the Postal Service's motivation for the one-cent discount on metered letter mail?***

The United States Postal Service® decided to exercise more pricing flexibility by establishing a separate metered mail price which is one-cent below the price for the First-Class stamped letter mail. For meter customers, this will mean feeling less 'pain' of the January 2014 proposed rate increase. The USPS is hoping that the newly proposed Meter Mail category will encourage greater usage of metered mail by small businesses and beyond.

***Will the one-cent discounted rate be a new rate on our machines or will the customer need to set it up?***

Meters will be updated with the 2014 rates the same way as in prior years. Nothing special will need to be done or 'set up' to receive the new rate category. Meters will reflect the \$0.48 First Class Metered letter rate.

***Now that the Exigent increase has been approved, what is the price of a one ounce First Class stamped letter?***

The price of a First-Class stamped letter will be \$0.49 cents. Meter customers, however, will be afforded a one-cent discount bringing to the price to \$0.48 cents. You can find more First Class Mail pricing here: <http://blogs.pb.com/usps-news/2013/12/28/new-first-class-mail-2014-pricing/>.

***Will the one-cent discount be available if I take my letter to the retail counter to obtain a Certificate of Mailing?***

Yes, but you will need to affix postage via your meter BEFORE taking it to the retail counter and getting the Certificate of Mailing. If you pay postage at the retail counter, you will pay the full retail rate.

## Exigent Proposal

***Can you explain CPI vs. CPI + Exigent again please?***

The first proposal submitted by the USPS was its annual price adjustment notice associated with changes in the Consumer Price Index (CPI) on market-dominant products. Based on data from the Bureau of Labor Statistics, the Postal Service had inflation-based price adjustment authority of 1.696%. Therefore, the maximum across the board increase the USPS could propose on market dominants products was 1.696%.

In addition to pricing in accordance with the Consumer Price Index, under the exigent or emergency section of the laws governing the pricing of USPS Market Dominant Products, the Postal Service can option to file an exigent or above the CPI cap increase if, it has available pricing authority and if exigent conditions exist.

***How do we know the Exigent will be in place for only two years or less and not become permanent?***

The Postal Regulatory Commission has compelled the Postal Service to plan for the exigent increase to end in less than two years. Unfortunately, we cannot foresee the future. Nevertheless, as a business mailer, you may want to budget for the exigent increase to remain in place. This way, you'll plan for it. If the Exigent increase is pulled in two years, your budget will adjust in a positive way.

## IM<sup>®</sup>pb (Intelligent Mail<sup>®</sup> package barcode)

***Is the \$.20 surcharge in addition to a retail rate?***

The \$0.20 surcharge for IM pb non-compliant commercial parcels is not related to paying a retail rate. This surcharge will be only applied to portions of a commercial parcel mailing that exceeds thresholds. So if the targeted threshold is 98%, and the mailer is at 97%, the mailer will pay \$0.20 per item only on a percentage of the volume reflected in the 1% difference. If a mailer exceeds more than one threshold, they will pay on the biggest miss.

Additionally, the \$0.20 surcharge does not apply to Pitney Bowes meter customers, who have until January 2015 to adopt an IM pb compliant solution like the pbSmartPostage<sup>™</sup> or SendSuite<sup>®</sup> solutions. After 2015, meter customers who have not adopted an IM pb compliant solution for shipping commercial parcels, will pay the full retail rate.

***Is the surcharge applied to all commercial parcels as of January 26th?***

Great question! The Postal Service applies the non-compliant surcharge only to the Competitive Product area (Priority Mail<sup>®</sup>, Priority Mail Express<sup>™</sup>, etc.), beginning January 26, 2014. Market Dominant parcels (i.e. First-Class Mail<sup>®</sup> parcels, etc.) will begin to incur the threshold requirements and surcharge at a later date in 2014, depending on a filing to and subsequent ruling by the Postal Regulatory Commission.

***With this requirement, do mailers still need to affix the legacy Label 400?***

Once a compliant shipping solution is adopted (such as pbSmartPostage™, SendSuite Live™, etc.), mailers will no longer need to apply the Label 400. IMpb labels will be generated and printed from the shipping solution. Until customers using meters to ship adopt a compliant solution, they must continue to affix to the package, the Pitney Bowes supplied Label 400, or one of the new labels forthcoming soon from the Postal Service that are strictly for use by meter mailers. This is in addition to your meter strip evidencing postage. This will continue to afford meter customer, through January 2015, Commercial Base Pricing.

***For Certified with preprinted labels, being processed thru SendSuite Live™ or SendSuite Xpress™ solutions, are these still going to be accepted by USPS?***

Yes, legacy preprinted Certified labels will be accepted during the transition year, up until 2015.

***Is there any benefit to using the IMpb if I already have a meter?***

Please note that postage meters are NOT capable of meeting USPS IMpb requirements. Pitney Bowes offers pbSmartPostage solutions to mailers who mail and ship with their meter. This product, along with a meter, offers a total mailing and shipping IMpb compliant solution. The IM pb barcode contains essential information that the USPS requires to enhance visibility, tracing, processing efficiency, and more. Additionally, with the IMpb, mailers are afforded system visibility, free tracking, and free insurance (where applicable) and commercial based pricing. Meter mailers who ship parcels, Priority Mail® or Priority Mail Express™ will lose some of these benefits, including commercial base pricing, if they do not adopt an IMpb compliant solution by January 2015. The original deadline for meter customers who ship is extended to this date. Therefore, it is important to move to a compliant solution (e.g. pbSmartPostage or SendSuite) as soon as possible.

***We mail only a couple of packages a week. Are we still subject to the IMpb requirements?***

Mailers that take packages or parcels to retail counter a local Post Office and pay retail rates need not worry about the IMpb. If however, a postage meter strip is applied to a package to evidence postage, the package is then considered a 'commercial parcel' and yes, IMpb requirements apply.

For additional information on the benefits of the IM package barcode, please check out <http://www.pb.com/Postal-Information/Intelligent-Mail-Barcode/package-barcode/index.shtml>.

***Are existing Pitney Bowes ERR™ preprinted labels good until 2015?***

If by ERR you mean e-Certified, yes the preprinted e-Certified labels will be accepted during the transition year, up until 2015.

***On Pitney Bowes DM Series™ machines, can we still use E-Delivery Confirmation stickers on Priority Mail pieces, since the USPS did away with Retail Delivery Confirmation sticker?***

No, mailers must use the USPS Tracking Label 400, which replaced the Retail Delivery Confirmation Label.

***Please clarify: the IMpb is NOT required for Priority Mail in January?***

No, that is incorrect. All commercial parcels, including all Priority Mail and Priority Mail Express pieces are required to be in compliance. If mailers pay for postage on commercial parcels with a meter, then an extension to January 2015 will apply.

***Will meter users still receive the Commercial Base Pricing discount rate on Priority Mail just for using a meter as they are today?***

Yes, but only until January 2015. Until customers using meters to ship adopt a compliant solution, they must continue to affix to the package, the Pitney Bowes supplied Label 400, or one of the new 2014 labels forthcoming soon from the Postal Service that are strictly for use by meter mailers. This is in addition to your meter strip evidencing postage. This will continue to afford meter customers, through January 2015, Commercial Base Pricing.

***Where do we get the new shipping labels you referred to in the webinar?***

Once the Postal Service makes the new labels available, you will be notified by Pitney Bowes and/or the Postal Service. All labels should be available, free of charge either from usps.com or pb.com.

## Green Card/Electronic Return Receipt (ERR) pricing

### *What is the savings between the green card Return Receipt and Electronic Return Receipt (ERR)?*

In January 2014, the traditional green card Return Receipt service will cost \$2.70. The electronic version will cost mailers \$1.35. In essence, using the traditional green card will double the price of the service.

### *Has there been any more information around the courts approving the ERR as a substitute for the normal green card? Law firms need documentation and proof sources that the ERR is accepted in the courts.*

No new information became available in 2013. The original insights are:

- (1) the USPS makes no statements regarding the legality of physical or digital communications.
- (2) The Ohio Court system issued rules of civil procedure that acknowledged the legality of electronic data versus hardcopy signatures, which enabled ERR to become widespread in that state.
- (3) Each state and local court jurisdictions have different rules – but for the most part have not specifically taken a stand on this. It is usually decided on a case-by-case basis. Legal precedence will be set over a long period of time – more than the 12 years that this has been available.

The USPS ALWAYS MAINTAINS A HARD COPY - even if ERR is used. The Hard Copy is maintained on a file, and can be accessed "after mailing." So you may use ERR for 100 pieces and only pay for the hard copy on the 1 of 100 when it is needed. There should not be an issue here if a court case requires hardcopy. Please note, however: Return Receipt data requested "after mailing" must be done no later than two years (24 months) after the original mailing date.

## Full-Service IMb™ mandate implementation delay

### *Is the Full-Service IMb™ mandate definitely delayed until at least Jan 2015?*

Please keep in mind that either Basic or Full-Service IMb requirements are necessary for mailers to obtain automation prices for First-Class™ Postcards, First-Class Mail® and Standard Mail® Letters and Flats, Periodicals, and Flats mailed at Bound Printed Matter prices. What is now delayed, at least until the end of 2014 is only the mandate for mailers to adopt Full-Service IMb requirements to obtain automation prices.

### *Is Pitney Bowes going to send out a communication to clients regarding the Full-Service decision?*

Yes, Pitney Bowes has been messaging since the day this was announced. A blog post, available to everyone, is at: <http://blogs.pb.com/usps-news/2013/11/30/breaking-news-full-service-intelligent-mail-barcode-mandate-delayed/>.

Further, for an easy, agile way to stay abreast of postal changes as the news breaks, become an email subscriber to the [USPS Blog](#). This site offers key Postal news and information soon after it has been made public. As a subscriber, the news comes to you; you don't have to go to it. You can read the posts either on your smartphone, tablet, or laptop. Keep in mind that you can opt out of your subscription at any time. Sign up today at <http://blogs.pb.com/usps-news/>. Additional Postal information can be found at <http://www.pb.com/> or at <http://www.pb.com/postal-information/>.

## Other Questions

### ***Where can I find all of the 2014 pricing?***

The Postal Service will issue an updated Notice 123 which is the primary resource for pricing information. This document can be found here: <http://pe.usps.com/>.

Until the 2014 Notice 123 is published, all key 2014 pricing information may be found at <http://www.pb.com/Postal-Information/Postal-Rate-Basics/index.shtml> or on our [USPS Postal News Blog](#).

### ***Will the price for Certified Mail® be different for meter customers?***

No. Certified Mail will be the same. Additionally, there is no price difference between e-Certified and Retail. The January 26, 2014 price for Certified Mail is \$3.30.

### ***Did I hear correctly? The Postal Service is eliminating the Next day by Noon option for Priority Mail Express?***

Yes, you heard correctly. In the Competitive Price Proposal which was approved, the Postal Service eliminated the Noon delivery service for Priority Mail Express but added a 10:30 am delivery option for a \$5.00 fee. Since the webinar was held, the Postal Service reversed its decision and decided to retain the Noon delivery option. As of January 26, 2014 mailers will have three choices: Next Day by 10:30 am where available (for a \$5.00 fee), next day by Noon, where available (no additional charge) or 3:00 pm (next or second day).

### ***Can you direct me to more information on the Intelligent Mail® package barcode and the new Meter Rate?***

Yes, please see our USPS blog. Here are links to specific articles on the topics requested:

<http://blogs.pb.com/usps-news/2013/11/02/getting-ready-intelligent-mail-package-barcode/>

<http://blogs.pb.com/usps-news/2013/10/02/want-lower-price-stamps-meter-mail/>

### ***What is the link to Janet Lockhart's USPS News blog?***

<http://blogs.pb.com/usps-news/>

For additional questions or concerns, please contact [janet.lockhart@pb.com](mailto:janet.lockhart@pb.com)

