



Shipping Smarter

May 20, 2010

While the economy seems to be slowly improving, businesses and organizations of all sizes continue to look for ways to streamline their processes, mitigate shipping expenditures and better manage their funds... *all while meeting their mailstream objectives and the needs of their customers.*

USPS® Priority Mail® combined with Extra Services such as Delivery Confirmation™ and Signature Confirmation™ often serve as a cost-effective alternative to other express and ground carriers. Benefits of this winning combination include savings with Commercial Base and Commercial Plus Pricing, flat-rate packaging, pick-up services, tracking and delivery information, free forwarding or return of mailpieces that are undeliverable as addressed, and no assessorial charges!

Commercial Pricing

Priority Mail® includes 3 price categories; Retail, Commercial Base (CBP) and Commercial Plus (includes Commercial Plus Cubic) pricing. Commercial Base prices average 5.7 percent lower than retail prices, and Commercial Plus prices average 9.6 percent lower than retail prices. Mailers must use a qualifying postage payment method for Commercial prices. For Commercial Plus and Commercial Plus Cubic pricing, mailers must also meet specific volume requirements or have a customer agreement with the USPS.

Pitney Bowes customers using DM Series mail finishing solutions can enjoy Commercial Base savings as these Information-Based Indicia (IBI) postage meters are USPS-approved, print the IBI with the appropriate price marking, e.g., "Commercial Base Price," "Commercial Base Pricing," or "ComBasPrice", and electronically transmit transactional data to the USPS.

Flat-Rate Packaging

When using your meter, you may fund the costs of the shipping through your preferred Pitney Bowes payment method. If you use Purchase Power®, you pay later—after receiving a bill—and receive rewards points on your expenditures. If you use the Reserve Account, you keep money in your FDIC insured account and earn interest in the form of postage credits. You can view, track and administer your shipping and postage expenses online at PB.com in Total Postage Management under MyAccount.

Using Priority Mail flat-rate packaging simplifies shipping because it removes concerns regarding miscalculation of postage due to size, weight or destination. As the USPS says, "If it

fits (up to 70 lbs in weight), it ships... for one low price—anywhere in the United States.” And while the delivery date is not guaranteed, performance indicators for Priority Mail service are excellent and reflect reliable 2-day to 3-day delivery nationwide.

Priority Mail flat-rate packaging is versatile! Order these and other shipping supplies at www.usps.com.



- Flat-Rate envelope measures 9 1/2" x 12 1/2", and the CBP is \$4.75
- Small Flat-Rate Box measures 8 5/8" x 5 3/8" x 1 5/8", and the CBP \$4.85
- Regular/Medium Flat-Rate Boxes measure 11" x 8 1/2" x 5 1/2", or 13 5/8" x 11 7/8" x 3 3/8", and the CBP is \$10.20
- Large Flat-Rate Box measures 12" x 12" x 5 1/2", and the CBP is \$13.95 for domestic addresses and \$11.95 to APO/FPO/DPO destinations

Pickup Services

Carrier Pickup is free, regardless of the number of packages you're sending. Pickup occurs on the scheduled day when your regular mail is delivered.

However, if you need to schedule pickup for a specific time, use Pickup On Demand[®] service. Pickup On Demand is available at a low fee of \$15.30, regardless of the number of packages. For same-day requests, pickups are usually made within 2 hours, but requests can also be scheduled up to 6 days in advance.

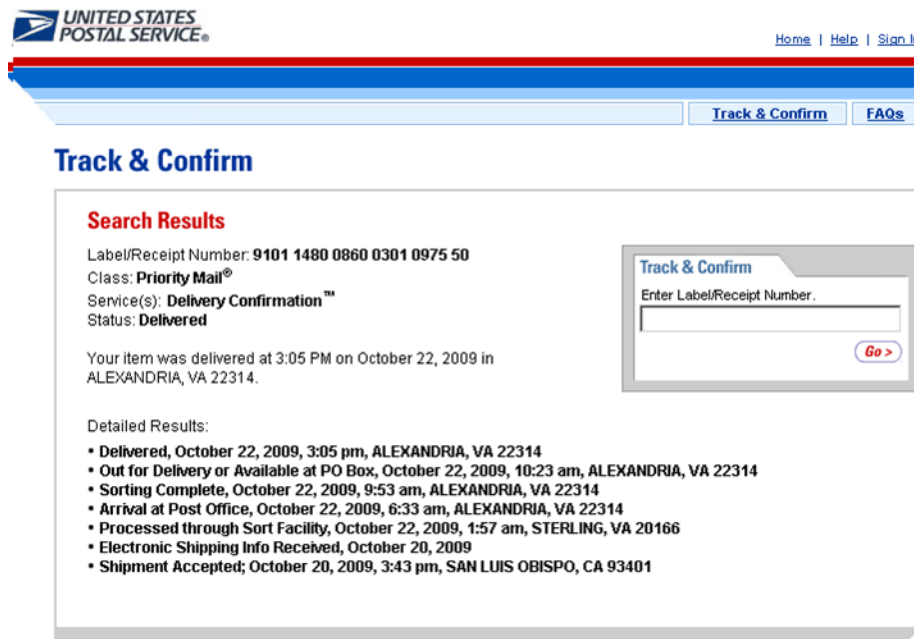
Scanning – Tracking – Delivery Information

In the past, shippers may have been reluctant to use USPS shipping services for their packages due to little or unreliable tracking data. No more. The USPS has made recent technology investments that help move and track packages, thereby enhancing delivery speed while improving visibility of package tracking. Technology includes:

- APPS (Automated Package Processing System) is a new-generation parcel and mail bundle sorting machine. It can process thousands more packages daily – up to 9,500 pieces per hour, replacing the labor-intensive Small Parcel and Bundle Sorter.
- Intelligent Mail[®] barcodes (IMb) allow for the capacity to track and efficiently process packages and conform to parcel market standards.

- The Shipment Confirmation Acceptance Notice (SCAN) provides an Acceptance scan and shows when packages enter the USPS mail stream.
- In 2008, the USPS invested more than \$1 billion in hand-held scanners.
- In late 2009, the Postal Service™ added several more scanning events to give much greater visibility of packages in the mailstream. On average, pieces are now tracked more than six times between origin and destination!

Therefore, when Priority Mail is combined with Delivery or Signature Confirmation services, shippers receive scan data reflecting acceptance, routing and delivery. See the image below for an example of new scans:



Data is available on usps.com as illustrated above. Also, when packages are processed via DM Series, mail finishing solution scan data can be easily retrieved on My Account at pb.com. When packages are processed via the Pitney Bowes SendSuite™ outbound shipping solution, scan data is readily available via performance reports.

In addition to easy access to scan data, DM Series mail finishing solutions and SendSuite enhance the efficiency of package processing. Shipping costs are reduced not only through USPS Priority Mail Commercial pricing as noted above but also by using electronic Delivery and Signature Confirmation. Electronic Delivery Confirmation for Priority Mail packages is free (versus 70¢ for retail) and electronic Signature Confirmation is 40¢ less (\$1.95) than retail (\$2.35).

Forwarding or Return

Unlike carriers that may charge a fee for the forwarding or return of packages, the USPS does not. Rather, if no change-of-address order is on file, the Postal Service returns the Priority Mail package at no charge and includes reason for non-delivery. If a change-of-address order is on

file and the recipient has moved within the last 12 months, the piece is forwarded at no additional charge. In months 13 through 18 of a recipient's move date, the package is returned with the new address attached; again, no charge. After month 18 of a recipient's move date, the package is returned with a reason for non-delivery at no charge.

Pitney Bowes Shipping Payment Options

As mentioned earlier, when using your meter, you may fund the costs of shipping through your Purchase Power[®] pay later account with rewards or your interest-bearing Reserve Account. You consolidate all of your postage and shipping spend in one account by streamlining your funding processes and giving you one consolidated view into the expenditures. If you are not using the meter to pay for the shipping costs, you can apply for the Pitney Bowes Shipping VISA card. This credit card can be used to pay for shipping services at the Post Office[™] and online. It is an enhancement to your Purchase Power account, consolidating these shipping costs on the same statement. With the card, you also earn double Purchase Power rewards points on all of your shipping expenditures.

No Assessorial Fees

As a reminder, the USPS does not charge for residential deliveries or Saturday deliveries. Nor does the Postal Service add fuel surcharges, address error charges or delivery area surcharges.

In conclusion, shippers can mitigate costs and improve processes as they partner with both the United States Postal Service[®] and Pitney Bowes. Enhanced tracking capabilities put the USPS on par with the rest of the shipping industry and remove a significant barrier to entry for many large shippers and mailers. Pitney Bowes DM Series mail finishing solutions and SendSuite outbound shipping solutions enable shippers to reduce expenditures through smart rate shopping, commercial pricing and electronic Confirmation Services. Pitney Bowes postage payment options provide unique solutions to better utilize and manage funds.

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