

Changes at the USPS

how to adapt your mailing strategies

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Agenda

- Changes to USPS Mailing Services
- Strategies to Mitigate Price Increases
- Pitney Bowes Mail Services
- Resources
- Q&A

Changes to USPS Mailing Services



Percent Price Change by Class

Class	Percent Change
• First-Class Mail [®]	2.133%
• Standard Mail [®]	2.124%
• Periodicals	2.133%
• Extra Services	-0.663%*

* With the exception of Delivery Confirmation[™] and Confirm[®], most Extra Services prices increase about 2.1 %

Percent Change ~ First-Class Mail[®]

First-Class Mail[®] ~ overall	2.133%
• Single-piece letters and cards	2.468%
• Presort letters and cards	1.580%
• Flats	1.605%

First-Class Mail® ~ *no changes to...*

- Single-piece (retail) letters and flats additional ounce rate – remains 20¢
- Non-machinable surcharge for letters – remains 20¢
- Parcels additional ounce – remains 17¢
- Commercial flats additional ounce – remains 17¢

First-Class Mail[®] ~ *highlights*

Retail (full rate) Prices

- Letters (1 oz.) ~ 1¢ increase to 45¢
- Postcards ~ 3¢ increase to 32¢
- Letters to Canada or Mexico (1 oz.) ~ 5¢ increase to 85¢; other international destinations ~ 7¢ increase to \$1.05
- Flats ~ 2¢ increase to 90¢
- Parcels ~ 24¢ increase from \$1.71 to \$1.95; (10.8% increase)

First-Class Mail®

Commercial Postcards	Weight	Current	Jan 22, 2012	% Increase
Presorted (nonautomation)	n/a	0.26	\$.280	8%
Automation Mixed AADC	n/a	0.235	\$.255	9%
Automation AADC	n/a	0.223	\$.244	9%
Automation 3 Digit	n/a	0.222	\$.243	9%
Automation 5 Digit	n/a	0.208	\$.229	10%
Presorted / Machinable Letters	Weight	Current	Jan 22, 2012	% Increase
	1 Ounce	\$0.414	\$0.424	2%
	2 Ounce	\$0.539	\$0.424	-21%
	3 Ounce	\$0.664*	\$0.674	2%
Max. wt. machinable letters 3.3 oz.	3.3 ounce	0.789*	\$0.799	1%

* 3 oz. or 3.3 oz price is paid in traditional fashion, i.e., first-ounce price plus 12.5¢ for additional ounce increments.

First-Class Mail®

Single-piece, Presorted and Automation flat prices

Maximum Weight (ounces)	Single-Piece (\$)	Presorted (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
1	0.90	0.762	0.400	0.574	0.630	0.730
2	1.10	0.932	0.570	0.744	0.800	0.900
3	1.30	1.102	0.740	0.914	0.970	1.070
4	1.50	1.272	0.910	1.084	1.140	1.240
5	1.70	1.442	1.080	1.254	1.310	1.410
6	1.90	1.612	1.250	1.424	1.480	1.580
7	2.10	1.782	1.420	1.594	1.650	1.750
8	2.30	1.952	1.590	1.764	1.820	1.920
9	2.50	2.122	1.760	1.934	1.990	2.090
10	2.70	2.292	1.930	2.104	2.160	2.260
11	2.90	2.462	2.100	2.274	2.330	2.430
12	3.10	2.632	2.270	2.444	2.500	2.600
13	3.30	2.802	2.440	2.614	2.670	2.770

Percent Change ~ Standard Mail®

Standard Mail® ~ overall	2.124%
• Letters	1.867
• Flats	2.209
• Parcels	2.864
• High Density / Saturation Letters	2.298
• High Density / Saturation Flats and Parcels	2.878
• Carrier Route	2.425

Extra Service ~ highlights

	Current	Jan 22, 2012
Certified Mail™	\$2.85	\$2.95
Certificate of Mail		
Individual article	\$1.15	\$1.15
Three or more pieces (3877)	\$0.42	\$0.44
Registered Mail™		
Declared Value \$0.00	\$10.75	\$10.95
\$0.01 - \$100	\$11.50	\$11.75
Return Receipt		
Original (green card)	\$2.30	\$2.35
Electronic	\$1.15	\$1.15
After mailing	\$4.70	\$4.75
Restricted Delivery	\$4.50	\$4.55
Signature Confirmation™		
• Electronic	\$2.05	\$2.10
• Retail	\$2.45	\$2.55

Confirm[®] Replaced with IMb[™] Tracing!

- No fee!
- For automation-compatible letters and flats
- Requires use of Intelligent Mail[®] barcode and Mailer Identifier registered via BCG
- Provides electronic data collected from barcode scans through automated processing



**Strategies to
Mitigate Postage Increase
While Maximizing the
Value of Your Mail**

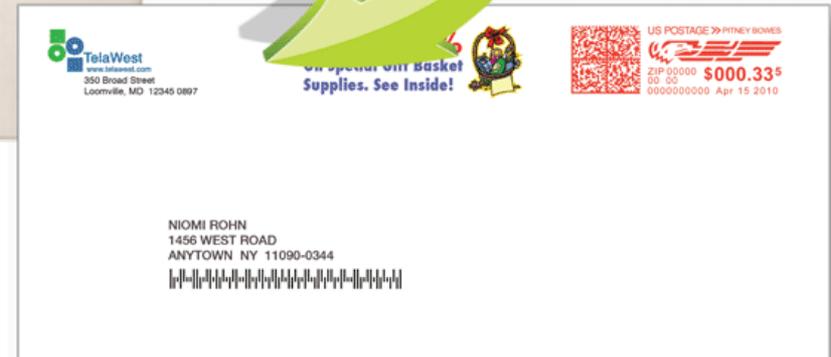
Redesign Envelopes to Cards

Benefits

- No “openability” issue
- Cards can serve as coupons
- Lower material costs
- First-Class Mail® postcard postage is lower than Standard Mail® letter prices
- Leverage QR Code to lead recipients to your web site!



Redesign Flats to Letters



Save ~ 40%

First-Class Mail® 2-ounce single-piece price

Potential Savings ~ Flats to Letters

1,000 1 oz. flats converted to letters saves up to \$326

1,000 2 oz. flats converted to letters saves up to \$496

1,000 3 oz. flats converted to letters saves up to \$416

Automation FCM Letters					SAVINGS 5-digit to Mixed	Automation FCM Flats				
Weight Not Over (ounces)	5-Digit	3-Digit	AADC	Mixed AADC		5-Digit	3-Digit	ADC	Mixed ADC	
1	0.350	0.374	0.374	0.404	\$.05 to .326	0.400	0.574	0.630	0.730	
2	0.350	0.374	0.374	0.404	\$.22 to .496	0.570	0.774	0.800	0.900	
3	0.600	0.624	0.624	0.654	\$.14 to .416	0.740	0.914	0.970	1.070	
3.5 / 4	0.725	0.749	0.749	0.779	\$.185 to .461	0.910	1.084	1.140	1.240	
Additional Ounce			0.125		\$0.045	Additional Ounce			0.170	

Redesign Parcels to Flats



Save 30%

Remember, flats must be rectangular, uniform in thickness and flexible; commercial flats must also meet deflection criteria

Pricing and regulations subject to change.

First-Class Mail® 2-ounce single-piece price

Select the Right Class of Mail

For nonpersonal mailpieces, consider Standard Mail[®]

- Postage lower than First-Class Mail[®]
 - Nonprofit prices ~ 40% less than regular Standard Mail[®]
- Destination Entry Discounts
- Postage “same” for like-shape pieces ≤ 3.3 oz.

For heavier nonpersonal parcels, consider Package Services

- Postage lower than Priority Mail[®]
- Media Mail[®], Library Mail, Bound Printed Matter and Parcel Post[®]

Objective ~ Delivery Information

Certified Mail™

	Current	Jan 22, 2012
1 oz. FCM letter	\$0.44	\$0.45
Certified Mail™	<u>\$2.85</u>	<u>\$2.95</u>
Total	\$3.29	\$3.40

Delivery Confirmation™

	Current	Jan 22, 2012
1-3 oz. FCM parcel	\$1.71	\$1.95
Retail DelCon	\$0.80	\$0.85
Parcel*	<u>\$0.50</u>	<u>\$0.50</u>
Total	\$3.01	\$3.30

or

1-3 oz. FCM parcel	\$1.71	\$1.95
Electronic DelCon	\$0.19	\$0.00
Parcel*	<u>\$0.50</u>	<u>\$0.50</u>
Total	\$2.40	\$2.45

*reflects estimated cost of parcel box

Objective ~ Delivery Info w/ Signature

Certified Mail™ Return Receipt

	Current	Jan 22, 2012
1 oz. FCM letter	\$0.44	\$0.45
Return Receipt	\$2.30	\$2.35
Certified Mail™	<u>\$2.85</u>	<u>\$2.95</u>
Total	\$5.59	\$5.75

or

1 oz. FCM letter	\$0.44	\$0.45
e-Return Receipt	\$1.15	\$1.15
Certified Mail™	<u>\$2.85</u>	<u>\$2.95</u>
Total	\$4.44	\$4.55

Signature Confirmation™

	Current	Jan 22, 2012
1-3 oz. FCM parcel	\$1.71	\$1.95
Retail SigCon	\$2.45	\$2.55
Parcel*	<u>\$0.50</u>	<u>\$0.50</u>
Total	\$4.66	\$5.00

or

1-3 oz. FCM parcel	\$1.71	\$1.95
Electronic SigCon	\$2.05	\$2.10
Parcel*	<u>\$0.50</u>	<u>\$0.50</u>
Total	\$4.26	\$4.55

*reflects estimated cost of parcel box

Pitney Bowes Mail Services



Pitney Bowes Mail Services

Nationwide Network

- Expansive network of 35 presort locations throughout the country
- Mail Exchange program enables most efficient processing of mail by leveraging all facilities

Postal Knowledge

- Close relationship with the USPS to keep you informed about upcoming changes.
- Help you remain compliant with rules, regulations and codes.

USPS Processing Network/PB Locations



Pitney Bowes Mail Services My Account - greater visibility into your mailstream

- A comprehensive overview of account information including the ability to track volumes, invoicing, and mail processing/distribution.

PitneyBowes | Mail Services

Warning: Your browser does not have all the required ActiveX controls. [Click here](#) for more information.

Welcome webdemo! Requirements Help

Center: Los Angeles(LAX)
 Rancho Dominguez, CA
 Customer #: 99996
 Name: PB Presort Services - San Diego
 Account Type: Default Customer Tier

My Account provides a view into the services that Pitney Bowes Presort Services provides to you, our customer. Information and analysis reports are provided that allow you to see into your mailstreams.

My Account

Account Information

Delivery Analysis

Mailing Analysis

General Information

My Data

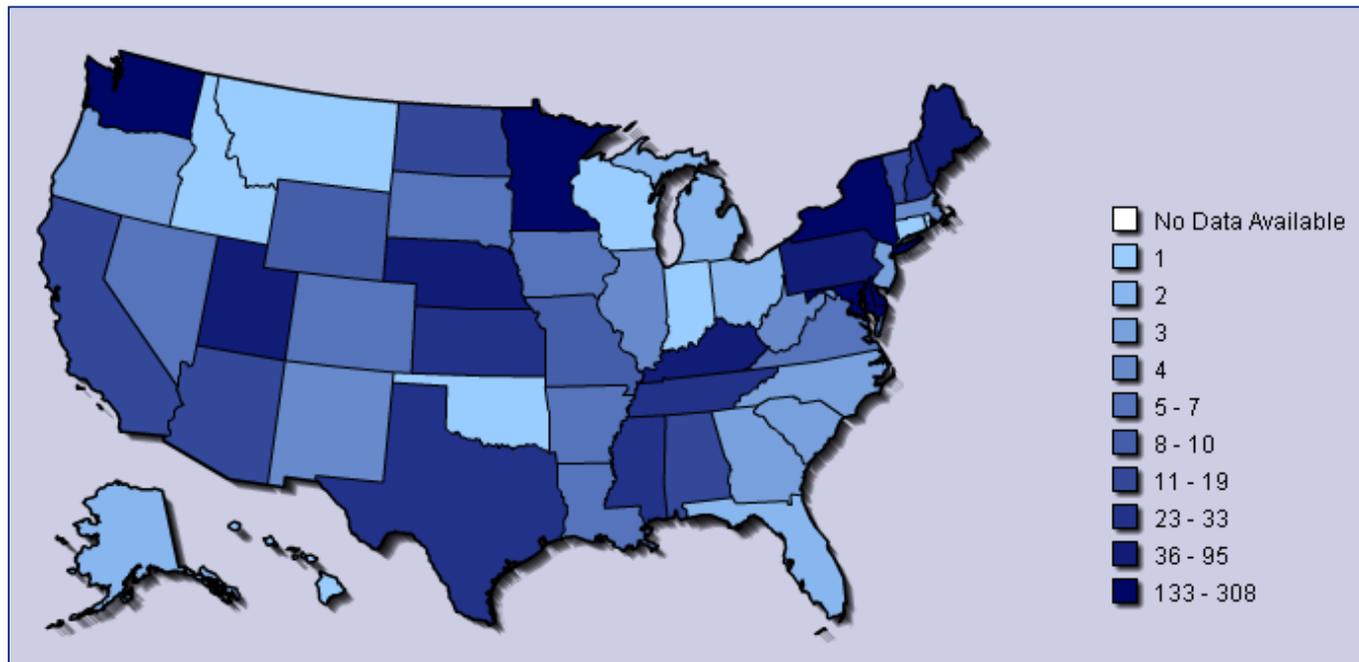
Presort Locations

Most Recent Mailstream Activity						
Center	Job #	Description	Specification	Postage Rate	Job Date	Volume
LAX	2794	1st Class Automated Letters		0.3650	09/09/2011	1,39
LAX	2795	1st Class Automated Letters		0.3680	09/09/2011	14,45
LAX	2796	1st Class Automated Letters		0.3900	09/09/2011	24,60
LAX	2797	1st Class Automated Letters		0.4140	09/09/2011	15,19
LAX	2798	1st Class Automated Letters		0.0000	09/09/2011	8,90
LAX	2799	1st Class Automated Letters		0.0000	09/09/2011	19
LAX	4113	Flats		0.0000	10/07/2011	20
LAX	4130	1st Class Automated Letters		0.0000	10/06/2011	2,20
LAX	4135	1st Class Automated Ltrs / FFWD		0.0000	10/07/2011	6,91
LAX	4136	1st Class Automated Ltrs / FFWD		0.0000	10/07/2011	1,78
LAX	4137	1st Class Automated Ltrs / FFWD		0.0000	10/07/2011	4,11
LAX	4138	1st Class Automated Ltrs / FFWD		0.0000	10/07/2011	1,89
LAX	4145	1st Class Automated Letters		0.0000	09/08/2011	3
LAX	4155	1st Class Automated Letters		0.2600	07/15/2011	35
LAX	4157	1st Class Automated Letters		0.0000	10/07/2011	1,26
LAX	4165	Flats		0.0000	10/07/2011	32

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IntelliVIEW™

- Provides more transparency for compliance monitoring, tracking and delivery validation, along with risk mitigation
 - Track volumes geographically and/or by ZIP Code or mailpiece.



Resources

Pitney Bowes

<http://www.pb.com/Postal-Information/index.shtml>

Pitney Bowes | Postal Information

Search

Home Postal Rate Basics Ways to Save **Postal News**

USPS PROPOSES SEVERAL CHANGES

From infrastructure to commercial classifications

[» Learn More](#)

Ways to Save:

- High-Volume Mail**
When you mail millions of pieces, pennies add up fast
- Business Mail**
Every letter and parcel presents an opportunity for businesses of all sizes
- Marketing Mail**
What marketers, writers and designers need to know
- Outsourced Mail**
Relying on a specialist can be highly rewarding

PB Postal Information

The screenshot shows the Pitney Bowes website's 'Postal Information' section. The top navigation bar includes the Pitney Bowes logo, the text 'Postal Information', and a search box. Below this is a secondary navigation bar with links for 'Home', 'Postal Rate Basics', 'Ways to Save', and 'Postal News'. The main content area features a 'Postal News' sidebar on the left and a central list of news items. The first item, 'USPS proposed January 22 price change', is circled in red. To the right of the news list are social sharing options and two sidebars: 'Contact' and 'Related Articles'.

Pitney Bowes | Postal Information

Home Postal Rate Basics Ways to Save **Postal News**

Postal News

POSTAL NEWS

- **USPS proposed January 22 price change**
- Recap of Postal Service Revenue
- Holiday Shipping Dates for Overseas Military Mail
- USPS proposes infrastructure changes
- Perspective on the future of Postal Services
- Change in classification for commercial First-Class Mail® parcels
- Reply Rides Free to include second whole ounce

Share this

Contact
For Product Info & Pricing
 Contact us

Related Articles
> CASS™ Cycle N
> Shipping Light Weight Packages
> Domestic Standards

Summary

- Match current postage pricing to Jan 22, 2012
 - Identify that with largest increase
 - Consider solution(s) to mitigate
- Redesign mailpieces
- Implement solutions for deliverable, discounted mail
- Consider changing class of mail and/or Extra Service
- Leverage solutions for electronic Extra Service options
- Consult your Mail Services Account Representative for more information or with any questions you may have

Q & A

