



MTAC Focus Group Package Services

2013 Price Change

Gary Reblin
Vice President, Domestic Products

Karen F. Key
Manager, Shipping Products

Dan Barrett
Manager, New Business Opportunities

November 28, 2012



2013 Price Change Overview – Gary Reblin, VP, Domestic Products

Specialty Shipping – Gary Reblin

- Express Mail
- Critical Mail
- Parcel Select Lightweight
- First-Class Package Service
- **New!** Simple Samples

Shipping Products – Karen Key, Manager, Shipping Products

- Priority Mail
- Parcel Select
- **New!** Standard Post (formerly Parcel Post)
- Package Services
- Extra Services / Value Added Services
- Package Intercept
- Visibility Improvement

Returns – Dan Barrett

- Parcel Select Non-Presort
- PRS - **New!** PRS Full Network

Domestic Shipping Services

Product	Overall Average Increase
Express Mail	5.8%
Priority Mail	6.3%
Parcel Select	9.0%
Parcel Return Service	4.8%
First-Class Package Service	3.0%
Parcel Post	21.0%



Express Mail – Retail Prices

Average Retail Increase – 6.5%

- **1/2 pound price** **\$14.10**
- **Flat Rate Envelope** **\$19.95**
- **Flat Rate Box** **\$39.95 (unchanged)**





Express Mail – Commercial Base Prices

- Prices increase on average 2.0%
- Flat Rate Envelope price – \$18.11
- Flat Rate Box – \$39.95 (unchanged)

Express Mail – Commercial Plus Prices

- Prices increase on average 1.0%
- Flat Rate Envelope price – \$12.85
- Flat Rate Box – \$39.95 (unchanged)



Critical Mail – Commercial Plus Prices

- **Critical Mail Letter – \$3.50 (unchanged)**
- **Critical Mail Flat – \$4.50**
- **New!** “Signature Upon Delivery” option for Critical Mail letters and Critical Mail flats
 - **Critical Mail Letter w/ Sig – \$4.60**
 - **Critical Mail Flat w/ Sig – \$5.35**



Parcel Select

- **Parcel Select Lightweight**
 - **Weigh less than one pound**
 - **Used for fulfillment**
 - **Prices are ounce-based and vary by presort and destination entry**
 - **Machinable and irregular pricing options**
 - **Price increases 9.8%**



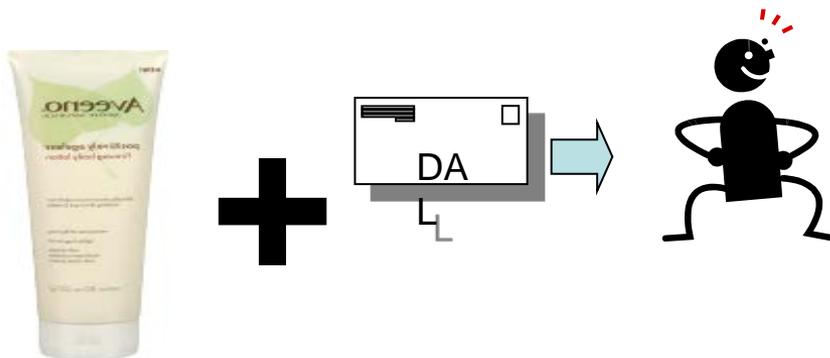
First-Class Package Service

- **Formerly First-Class Mail commercial parcels**
 - Majority of volume in the 1- to 5-ounce weight range
- **Overall average increase is 3.0%**
- **Commercial Base and Commercial Plus pricing**
- **Free tracking with Intelligent Mail package barcode (IMpb)**

Simple Samples

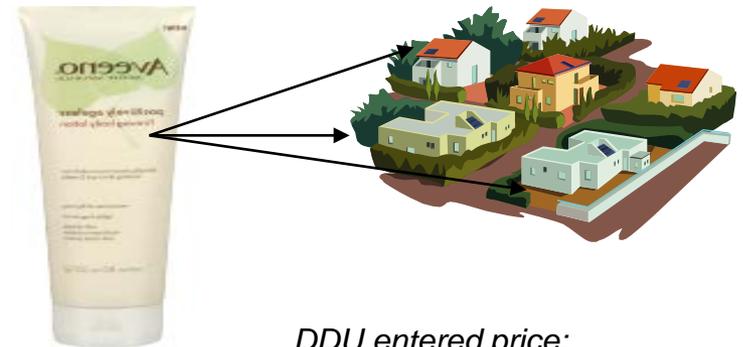
Two ways to reach customers...

- Sample to **Targeted** Households:
 - Sample sent to targeted customers
 - A Detached Marketing Label (which provides customer address) is required but there is no additional cost.



DDU entered price:
Small Sample: 36 cents*
Large Sample: 40 cents*

- Sample to **Every** Household:
 - Every Door Direct Mail concept
 - Simplified address must be on the piece
 - No DAL required (optional for a minimal fee)



DDU entered price:
Small Sample: 26 cents*
Large Sample: 30 cents*



Samples Summary:

- Flat rate pricing per sample
 - Small: 4" x 6" x 1½"
 - Large: Greater than 4" x 6" x 1½" with maximum size 9" x 12" x 2"
 - Flat rate price differs if going to every household or targeted
 - No more per piece and per pound pricing
- Handling fees will apply if mail is dropped off at destinations other than the DDU
- No minimum quantities required per route
- No box or outer packaging required for samples (saves CPGs costs and need to reconfigure samples)
- Volume discounts offered
 - 1 cent off for every additional 200K pieces per mailing



Shipping Products

2013 Price Change

Karen F. Key
Manager, Shipping Products



Priority Mail – Retail Prices

Average Retail Increase – 9.0%

- **Free USPS Tracking**
- Flat Rate Boxes
 - Small Flat Rate Box \$ 5.80
 - Medium Flat Rate Box \$12.35
 - Large Flat Rate Box \$16.85
 - Large Flat Rate Box APO/FPO \$14.85

Domestic - Priority Mail

Product	Overall Average Increase
Priority Mail	6.3%





Priority Mail – Commercial Base Prices

- Average 11.3% lower than Retail prices
- Online or other authorized payment method required
- Flat Rate Envelope* \$5.05
- Legal Flat Rate Envelope \$5.25
- Padded Flat Rate Envelope \$5.70
- Flat Rate Box prices start at: \$5.15

* Includes Regular Flat Rate Envelope, Small Flat Rate Envelope, Window Flat Rate Envelope and Gift Card Flat Rate Envelope.

Priority Mail – Commercial Base Prices

■ Regional Rate Box

- Approved payment methods required
- Price based on box and zone



Regional Rate Box	Maximum Weight	Prices starts at
Regional Rate Box A	15 lb	\$5.32
Regional Rate Box B	20 lb	\$6.16
Regional Rate Box C	25 lb	\$15.11

- Additional \$0.75 fee when deposited at Retail
- Commercial Plus mailers also qualify



Priority Mail – Commercial Plus Prices

- Average 16.2% below Retail prices
 - Prices start at \$4.58
- Account volume thresholds apply
- Approved payment methods required
- Regional Rate Box also available
 - Annual account volume thresholds do not apply
 - Postage paid at Commercial Base prices



Priority Mail – Commercial Plus Cubic Prices

- Price based on cubic measurement and zone
 - Five price tiers starting at \$4.58
- Approved payment method required
 - Permit imprint (with requirements) or PC Postage
- Cubic soft pack

Domestic – Parcel Select

Product	Overall Average Increase
Parcel Select	9.0%





Domestic – Parcel Select

Overall Average Increase	
9.0%	
Destination Entry	Average Increase
▪ DDU	8.0%
▪ DSCF	4.9%
▪ DNDC	4.8%
Regional Ground	discontinued
Parcel Select Nonpresort	4.2%
Entered at ONDC	5.7%
NDC Presort	4.3%
Parcel Select Lightweight	9.8%



Domestic – Standard Post

Product	Overall Average Increase
Standard Post	21.0%



Standard Post

- **New!** Single Piece Parcel Post transferred to competitive
- **New Name!** “Standard Post”
- Delivery Confirmation no longer an option
- **New!** “USPS Tracking” included in Retail price for “Standard Post”
- Remove from Postage Statement
- **New!** Prices established for Alaska Bypass mail



Package Services

- 2.569% overall increase

Product	% Change
Media Mail/Library Mail	
Media Mail®	3.5%
Library Mail	3.2%
Bound Printed Matter	
Parcels	3.4%



Extra Services – Market Dominant

- 2.850% overall increase
- **New!** USPS Tracking fees for retail Priority Mail and Standard Post = \$0.00

Product	% Change
Certified Mail®	5.1
Return Receipt	7.5
Registered Mail™	3.1
Insurance	4.9
COD	9.2



Certificate of Bulk Mailing

- New payment option - Permit Imprint if pieces paid by Permit Imprint
- Updated Postage Statement
- Updated *Postal One!* Application
- Updated PS Form 3606

Number of Identical Weight Pieces		Class of Mail	Postage for Each Mailpiece Paid <input type="checkbox"/> Verified	Number of Pieces to the Pound	Total Number of Pounds	Total Postage Paid for Mailpieces	Fee Paid
Mailed For				Mailed By			

Postmaster's Certification

It is hereby certified that the number of mailpieces presented and the associated postage and fee were verified. This certificate does not provide evidence that a piece was mailed to a particular address.

(Postmaster or Designee)

PS Form 3606, August 2012, (Page 1 of 1)



Proof of Delivery

Service	Change
Return Receipt after Mailing (PS Form 3811-A)	– Eliminated “Fax” option
Electronic Return Receipt at the Time of Mailing	– Eliminated sending electronic records by “Fax” and “Mail”
Bulk Proof of Delivery	– Eliminated “CD-ROM” option



Extra Services - Competitive Offerings

- Adult Signature Service
 - Basic service increases to \$4.95
 - Person-specific service increases to \$5.15
- **New Name!** Package Pickup
- Pickup on Demand
 - Daily fee increased to \$20.00
 - **New!** Weekly Pickup Fee establish for NSA Only



Online Claims

- Currently available Insurance and Express Mail
- Updating online application for:
 - Collect on Delivery (COD) – \$1K
 - Registered Mail - \$25K
- Monitor claims status online and receive e-mail / notifications
- Automated reporting of claims information for COD / Registered Mail
- Updates to PS Form 1000 - *Domestic or International Claims*

Package Intercept

- NSA pricing activated for Program Registration and *Postal One!*
- Top 5 Industries currently using the service:

1	Retail
2	Pharmaceutical
3	Transportation
4	Telecommunication
5	Consulting

Visibility Improvement

- **New!** Free USPS Tracking for Priority Mail and Standard Post



PVI Label



Label 400



Label 152

- Retiring Delivery Confirmation label



Priority Mail and Standard Post

If this Extra Service is purchased...	This number will be used for tracking purposes	
Certified Mail (barcoded)	Certified Mail PS Form 3800 barcode #	
COD (barcoded)	COD PS Form 3816 barcode #	
Insured (barcoded)	Insured PS Form 3813 <u>or</u> 3813-P barcode #	
Registered Mail (barcoded)	Registered Mail Label 200 barcode #	
Return Receipt for Merchandise (barcoded)	Return Receipt for Merchandise barcode # PS Form 3804	
Signature Confirmation (barcoded)	Signature Confirmation barcode # PS Form 153	

The following will use either the retail-generated label or Label 400:

		Retail Offices	Manual Offices
Special Handling	USPS Tracking barcode #		
<u>NO EXTRA SERVICE PURCHASED</u> <i>Tracking is included in product</i>	USPS Tracking barcode #	Retail-generated pink-top label with USPS Tracking #	Label 400 with USPS Tracking #



Resources

■ Online

- Postal Explorer® — pe.usps.com
 - Current and new prices (available soon)
 - Including downloadable price files (available soon)
 - *Federal Register* notices
 - *Domestic Mail Manual & International Mail Manual*
- DMM® Advisory — e-mail updates for customers
 - Subscribe: dmmadvisory@usps.com
- P&C Weekly — e-mail updates for employees
 - Subscribe: pandcweekly@usps.com
- MailPro — magazine
 - Subscribe and view online: about.usps.com/mailpro/



Questions



Returns

2013 Price Change

Dan Barrett

Manager, New Business Opportunities



Parcel Return Service

Overall Average Increase	
4.8%	
Average Increase by Category	
Return Network Distribution Center (RNDC)	1.0%
Return Sectional Center Facility (RSCF)	<1.0%
Return Delivery Unit (RDU)	8.5%
New! PRS-Full Network option	

Pricing Changes for Returns

❑ Scan Based Payment (SBP) Ground Returns

➤ Parcel Select Non-Presort rates

❑ PRS First Mile prices will increase:

- NDC increases by 1%
- RSCF increases <1%
- RDU increases by 8.5%



Pricing Changes for Returns

❑ Scan Based Payment (SBP) Ground Returns

➤ Parcel Select Non-Presort rates

❑ PRS First Mile prices will increase:

➤ NDC increases by 1%

➤ RSCF increases <1%

➤ RDU increases by 8.5%

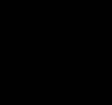




New!

Parcel Return Service (PRS) Full Network

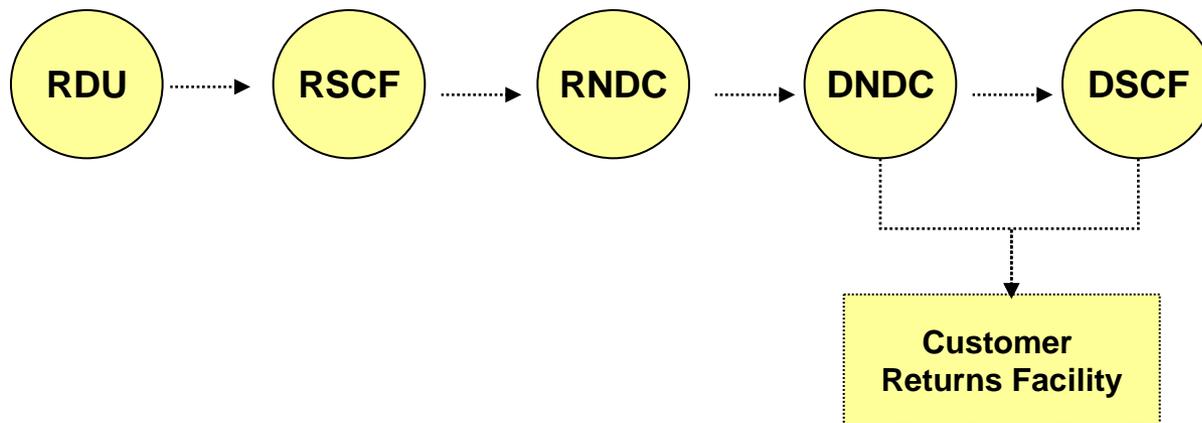
- Full-network Returns offering from USPS™ for high volume shippers (50,000/year)
- Must participate in Scan Based Payment and use CAPS
- Must pay PRS permit and account maintenance fees

 UNITED STATES POSTAL SERVICE.	
	NO POSTAGE NECESSARY IF MAILED IN THE UNITED STATES
GROUND RETURN SERVICE®	
USPS HQ ATTN: RETURNS 475 L'ENFANT PLAZA SW WASHINGTON, DC 20260-5419	
USPS HQ ATTENTION: RETURNS 475 L'ENFANT PLAZA SW WASHINGTON, DC 20260-5419	
USPS TRACKING #	
	
9202 4900 0065 8976 0000 50	

Pricing Changes for Returns

We have been able to reduce price by eliminating or reducing significant operational cost components.

New Product Operational Flow



- ❑ Scan Based Payment – **reduces postage due costs**
- ❑ Consolidated delivery - **direct from processing facility to reduce delivery and transportation costs/pc.**
- ❑ Streamlined acceptance – **no financial transaction at window**



Changes - January 2013

Parcel Return Service – Full Network

January 2013

Weight (Pounds)	Zones <u>1 & 2</u>	<u>Zone 3</u>	<u>Zone 4</u>	<u>Zone 5</u>	<u>Zone 6</u>	<u>Zone 7</u>	<u>Zone 8</u>
1	4.69	4.96	5.04	5.24	5.46	5.53	5.62
2	4.96	5.26	5.66	5.76	6.06	6.17	6.36
3	5.03	5.46	5.92	6.09	6.39	6.55	6.98
4	5.14	5.61	6.19	6.45	6.68	6.95	7.44
5	5.28	5.68	6.43	6.69	6.92	7.22	7.81
6	5.41	5.83	6.52	6.84	7.02	7.42	7.98
7	5.65	5.99	6.64	7.00	7.22	7.60	8.22
8	5.86	6.13	6.80	7.12	7.42	7.92	8.66
9	5.96	6.28	6.90	7.26	7.56	8.31	9.17
10	8.18	8.39	9.37	9.96	10.51	11.86	13.08



Changes - January 2013

PRS Full Network % to Parcel Post

<u>Weight</u> (Pounds)	<u>Zones</u> 1 & 2	<u>Zone 3</u>	<u>Zone 4</u>	<u>Zone 5</u>	<u>Zone 6</u>	<u>Zone 7</u>	<u>Zone 8</u>
1	(10%)	(6%)	(6%)	(4%)	(2%)	(1%)	(1%)
2	(6%)	(7%)	(8%)	(23%)	(22%)	(24%)	(28%)
3	(13%)	(16%)	(20%)	(29%)	(32%)	(34%)	(37%)
4	(17%)	(23%)	(24%)	(32%)	(36%)	(37%)	(38%)
5	(28%)	(33%)	(30%)	(35%)	(38%)	(39%)	(39%)
6	(32%)	(37%)	(36%)	(39%)	(40%)	(40%)	(41%)
7	(33%)	(40%)	(38%)	(42%)	(43%)	(43%)	(44%)
8	(33%)	(42%)	(38%)	(43%)	(44%)	(44%)	(44%)
9	(34%)	(42%)	(40%)	(43%)	(45%)	(44%)	(44%)
10	(12%)	(25%)	(21%)	(24%)	(27%)	(24%)	(24%)



Questions