

# Standard Mail Summer Sale Program

## What is the 'Summer Sale' Standard Mail Program?

Many of the promotional messages our customers mail during the summer months using Standard Mail are to announce a 'Summer Sale.' This prompted the idea that there has never been a better time to have a Summer Sale on Standard Mail postage for customers like you. These are extraordinarily difficult times and we want to do everything we can to help your business grow with the help of Mail.

The basic 'Summer Sale' idea is to give \*eligible companies a 30% reduction on postage for all non-parcel Standard Mail volume sent through a company's Permit Account(s) between July 1 and September 30 this year (2009) that is above the base volume a company's mailing patterns suggest they would have otherwise sent. While there is no perfect way to determine how much Standard Mail a company would be sending without the Summer Sale incentive a formula was devised to provide a reasonable approximation of what it would be. The following explains how it will work:

First, the non-parcel Standard Mail volume a company sent is derived from all volume sent through its Permit Account(s) between October 1, 2007 and March 31, 2008 to that sent between October 1, 2008 and March 31, 2009. From these numbers the percentage increase or decrease is calculated. The percentage is then applied to the volume the company sent through its Permit Account(s) between July 1, 2008 and September 30, 2008 to establish the company's threshold volume for the Summer Sale period. Any volume sent above the threshold may receive a 30% reduction in postage that will be rebated back to the company's Trust Account after the Summer Sale is over. The following is a numerical example of how these calculations are made:

\*To be eligible for participation in the Standard Mail Summer Sale a customer had to mail one million or more non-parcel Standard Mail pieces between October 1, 2007 and March 31, 2008 through Permit Accounts owned by the customer or through permits set up in the customer's name (ghost permits) by a mail service provider.

1. Base volume (7/1/08 – 9/30/08): 1000
2. Trend:
  - a. Volume 10/1/08 – 3/31/09 = 1800
  - b. Volume 10/1/07 – 3/31/08 = 2000
  - c.  $a/b = (1800/2000) = .9$  or 90%
3. Base x trend = threshold:  $1000 \times .9 = 900$
4. Rebate = (Actual volume – threshold) x (actual postage cost / actual volume x 30%)
  - a. Actual volume for 7/1/09 – 9/30/09:  
 $950 - 900 = 50$
  - b. Actual postage cost / actual volume =  
 $\$204 / 950 = \$0.215$
  - c.  $50 \times \$0.215 \times .3 = \$3.23$

It is important to remember that the intent of the Summer Sale is to provide an incentive for a customer to increase Standard Mail use above the volume they would otherwise have sent. Increasing volume during the Summer Sale period by shifting October volume to September simply to boost incentive payouts will jeopardize the Postal Service's ability to offer such a program again. For this reason a volume threshold was established for the month of October, 2009 using the same formula used to calculate the Summer Sale threshold number. However, in this instance if October 2009 actual does not meet or exceed the October threshold, the difference will be deducted from the volume that qualified for the Summer Sale discount. Building on the numerical example above this is how the October volume could impact a customer's Summer Sale rebate:

5. October Adjustment
  - a. October 2008 volume x trend (in #2 above) = October threshold:  $500 \times .9 = 450$
  - b. If October 2009 (440) < October threshold:  
threshold – actual = adj.:  $450 - 440 = 10$

## Standard Mail Summer Sale Program (continued)

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### 6. Rebate adjustment

- a. Actual volume – summer sale threshold – rebate adjustment:  $950 - 900 - 10 = 40$
- b. New rebate:  $40 \times \$ .215 \times .3 = \$2.58$

A company's base volumes are derived from mail sent using Permit Account(s) the company holds including volume sent through 'Ghost' Permits (Ghost Permits are those set up exclusively for a company by a Mail Services Provider (MSP)). If the company sent any of its mail through a Permit Account(s) held by a MSP that volume was not included in determining their base volume. However, a company may provide documentation from the MSP(s) of volumes sent, enabling qualification for Summer Sale participation.

### How to Participate

The Postal Service's main service contact within Summer Sale eligible companies received a letter inviting participation. The recipient of the letter was instructed to visit a registration website to express their company's interest in participating. As part of the registration process the customer is asked to indicate agreement or disagreement with the threshold volume figures they were provided in the invitation letter.

- If the response is yes then the customer will be e-mailed further information and instructions
- If the response is no then they will be contacted by a representative of the USPS Business Services Network to provide a review of the customer's volume history, by Permit Account, used for making threshold calculations.

If the customer challenges the Postal Service's documentation of the customer's volume history the customer will be required to show evidence of why the Postal Service's data is not accurate.

Customers must register their interest to participate in the Summer Sale no later than August 1. Even though it may not be possible to come to a resolution on disputed threshold volumes before August 1, the customer is still considered to be a Summer Sale participant.

The Summer Sale rebate (after the October adjustment if necessary) will be added back into the customer's Trust Account. Rebate credits are expected to be completed by December 1, 2009.

To request contact from a Postal Service Representative please e-mail your request along with your company name and contact information to: [summersale@usps.gov](mailto:summersale@usps.gov)