

Pricing Strategy January 2013

To listen to a [recording](#) of this presentation, please visit:

<https://usps.webex.com/usps/lsr.php?AT=pb&SP=EC&rID=16100152&rKey=9f8ada3803d44f77>

October 24, 2012

- **Mailing Services pricing strategies focused on maximizing contribution through:**
 - **The targeted application of the price cap**
 - **Prices subject to the price cap of 2.57%**
 - **Simplifying the price design where possible**

- **Shipping Services pricing strategies focused on driving business and profitability, continuing to position the USPS as the best value in shipping.**

Mailing Services

- **Based on Consumer Price Index**
- **PRC formula - a moving average of CPI data**
- **Current calculation of cap is 2.570%**

Mailing Services

- **First-Class Mail**
 - **First-Class Mail International**
- **Standard Mail**
- **Periodicals**
- **Package Services**
- **Extra Services**

First-Class Mail

- **2.570% overall increase**
- **45-cent stamp price increases to \$0.46**

Product	% Change
Single-piece Letters & Cards	2.3
Flats	2.7
Parcels	5.0
Presort Letters & Cards	2.6
First-Class Mail International (Includes letters, cards, and flats)	7.9



First-Class Mail Single-Piece

- **Letters**
 - Stamp increase by 1 cent to \$0.46
 - Additional ounce stays at \$0.20
- **Postcards**
 - Postcard stamps increase by 1 cent to \$0.33
- **Flats**
 - One-ounce price increases by 2 cents to \$0.92
- **Parcels (retail)**
 - Increase on average 5.0 percent

First-Class Mail Presort

- Letters
 - Most 1-ounce prices increase in a per piece range of 0.1 cent to 1.0 cent
 - Letters up to 2 ounces charged the 1-ounce price
 - **New!** Uniform price for residual single-piece letters up to 2 ounces

First-Class Mail International

- **New!** Global Forever Stamp
 - Single price to any country in the world \$1.10



(Draft stamp design subject to change)

Standard Mail

- **2.570% overall increase**

Product	% Change
Letters	2.7
Flats	2.6
Carrier Route Letters, Flats, and Parcels	3.1
High Density / Saturation Letters	2.2
High Density / Saturation Flats and Parcels	2.3
Parcels	3.1

Standard Mail

- EDDM – Retail 16¢
- Detached Address Labels (DALs)
 - Price increases to 3.1 cents from 3.0 cents
- **New!** High Density Plus price tier
 - Carrier Route pricing between High Density and Saturation
- **New!** Simple Samples



NEW! Promotional Calendar

- **Mobile Coupon/Click-to-Call (Mar-Apr 2013)**
- **Earned Value Reply Mail (Apr-Jun 2013)**
- **Emerging Technology (Aug-Sept 2013)**
- **Picture Permit (Aug-Sept 2013)**
- **Product Samples (Aug-Sept 2013)**
- **Mobile Buy-it-Now (Nov-Dec 2013)**

Periodicals

- **2.560 % overall increase**

Product	% Change
Outside County	2.5%
Inside County	2.9%

Package Services

- 2.569% overall increase
- **New!** Single Piece Parcel Post transferred to competitive
- **New!** Prices established for Alaska Bypass mail

Product	% Change
Media Mail/Library Mail	
Media Mail	3.5%
Library Mail	3.2%
Bound Printed Matter	
Flats	0.0%
Parcels	3.4%

Extra Services

- 2.850% overall increase
- **New!** Delivery Confirmation fees for retail Priority Mail and Parcel Post = \$0.00

Product	% Change
PO Boxes	6.0
Certified Mail	5.1
Return Receipt	7.5
Registered Mail	3.1
Insurance	4.9
Delivery Confirmation	-27.1
All Other	5.7

Shipping Services

Shipping Services

- **Domestic Products**
 - **Express Mail**
 - **Priority Mail**
 - **Parcel Select**
 - **Parcel Return Service**
 - **First-Class Package Service**
 - **Standard Post (formerly Parcel Post)**
 - **Competitive Extra Services**
- **International Products**

Highlights

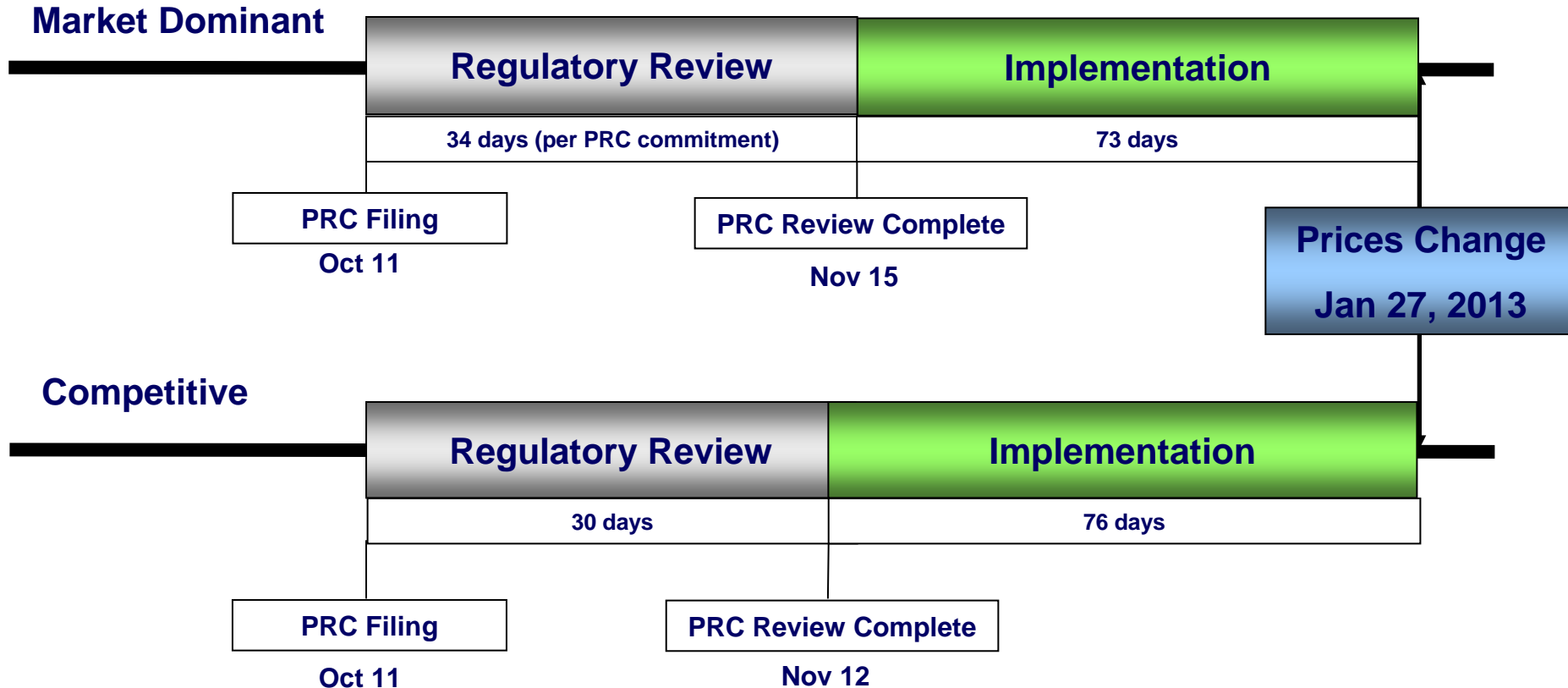
- **Drive business and profitability**
- **Meet customer needs and increase business**
- **Requirement to meet 100% cost coverage**
- **U.S. Postal Service still the best value in shipping**

Innovations

- **New!** Express Mail Padded Flat Rate Envelope
- **New!** Free USPS Tracking/Delivery Confirmation for Priority Mail
- **New!** Standard Post (formerly Parcel Post) transferred from Mailing Services
- **New!** PRS Full Network
- **First-Class Mail International** packages transferred from Mailing Services
- **New!** Faster delivery of Flat Rate Supplies

Promotional Calendar (Global)

- **Pre-Paid Flat Rate Box (Jan-Feb 2013)**
- **EMI Summer Sale (June-Aug 2013)**
- **Asian Tigers (June-July 2013)**
- **Summer Super Saver on eBay (July 2013)**
- **GXG to Latin America (July-Aug 2013)**



- **Postal Explorer — pe.usps.com**
 - **Prices / downloadable price files / Federal Register notices / link to the *Postal Bulletin***
 - **Domestic Mail Manual (DMM) / International Mail Manual (IMM)**
- **P&C Weekly (for employees)**
 - **Subscribe via e-mail: pandcweekly@usps.com**
- **DMM Advisory (for customers)**
 - **Subscribe via e-mail: dmmadvisory@usps.com**
- **MailPro**
 - **View online and subscribe at about.usps.com/mailpro/**



Questions?

Additional Questions (not answered on the webinar)

Q: Is the price increase on Certified the same for e-Certified?

A: Certified Mail has only one price, \$3.10. The prices for electronic and hard copy return receipt are different, \$1.25 and \$2.55 respectively.

Q: In the information provided regarding the Earned Value Reply Mail Promotion, it says that an IMb with an MID is required. However, if a mailer is participating in Origin IMb Tracing, a MID is not a part of the IMb by specification. Can a mailer participate while using Origin IMb Tracing?

A: The way the supporting and tracking systems are set up, we will need to have a MID for a participating mailer to properly count their mailpieces. We are currently working on a solution for Origin IMb Tracing customers. They will need to register a MID and their ZIP+4s so that we can accurately count their BRM and CRM pieces.

Q: Are the Returns/ACS rates also changing?

A: Yes, ACS prices increased 9.54%.

Q: Will Standard Post be available for all currently available payment options (retail, permit, PC Postage, Click N Ship)?-

A: Standard Post is designed as a "retail" product with payment by stamps or meter and is deposited at the retail counter or picked up by Package Pickup.

Q: What is/are the average increase for International Priority Airmail and International Air Surface (IPA/ISAL)-?

A: The IPA increase is 1.9% and the ISAL increase is 4.4%.