

January 4, 2010 Shipping Services Price Change Frequently Asked Questions

When are Postal Service shipping prices changing?

January 4, 2010. This includes new prices for our Shipping Services: Express Mail, Priority Mail, Parcel Select (Destination Entry only), Parcel Return Service, Global Express Guaranteed, Express Mail International and Priority Mail International.

Are First-Class Mail prices changing in 2010?

No. On October 15, 2009, Postmaster General John Potter announced that the Postal Service will not seek an increase in prices for First-Class Mail, Standard Mail, Periodicals, Parcel Post and some other services.

Where are the new prices listed?

The January 2010 new prices are available on *Postal Explorer* at: pe.usps.com.

How does the USPS price change compare to the other shipping companies' price changes?

Postal Service shipping prices increase by 3.3 percent, on average. By comparison, competitors have announced price increases of nearly 6 percent. Unlike other shipping companies, the Postal Service does not impose surcharges for fuel, residential delivery, or Saturday delivery.

Why are prices going up?

The costs of doing business—for things like transportation, utilities, and health care benefits—have continued to increase. Many people do not realize that postal operations are not subsidized by tax dollars. We rely on the sale of postal products and services to cover our operating costs.

Are any prices going down?

Yes. For example, the retail price for the Priority Mail Flat Rate Envelope will be reduced from \$4.95 to \$4.90.

Has the Postal Service considered cutting costs rather than raising prices?

During fiscal year 2009, which ended September 30, cost reductions totaled more than \$6 billion, while the organization continued to deliver high quality service. Like many other businesses, the Postal Service cannot fully make up for the increase in its expenses by cutting costs. Many costs are influenced by outside factors such as transportation and economic conditions. However, for each of the past several years, the Postal Service has taken more than a billion dollars in costs out of the system.

What are the new prices for flat-rated products?

Domestic Flat Rate Products	Retail	Commercial Base	Commercial Plus
Express Mail			
Envelope	\$18.30	\$17.40	\$14.96
Priority Mail			
Envelope	\$4.90	\$4.75	\$4.70
Padded Envelope	N/A	N/A	\$4.95
Small box	\$4.95	\$4.85	\$4.80
Medium box	\$10.70	\$10.20	\$9.77
Large box	\$14.50	\$13.95	\$13.40
Large box (APO/FPO)	\$12.50	\$11.95	\$11.40

International Flat Rate Products	Canada/Mexico	All Other Countries
Express Mail (Retail)		
Envelope	\$26.95	\$28.95
Priority Mail (Retail)		
Envelope	\$11.45	\$13.45
Small box	\$11.45	\$13.45
Medium box	\$26.95	\$43.45
Large box	\$33.95	\$55.95

Are there any changes to the Express Mail and International price structures?

No.

Are there any changes to the Priority Mail price structure?

Yes. The Priority Mail one-pound price now will vary by distance shipped (zone).

In addition, there are new Commercial Plus prices including a new half-pound price applying to packages weighing up to 8 ounces, a new flat-rate padded envelope priced at \$4.95, and a new cubic volume-based pricing option.

On average, by how much are Shipping Services prices changing for individual product segments?

Product Segment	Average Price Change
Express Mail	4.5 %
Priority Mail	3.3 %
Parcel Select	4.7 %
Parcel Return Service	3.0 %
Global Express Guaranteed (GXG)	4.1 %
Express Mail International (EMI)	2.9 %
Priority Mail International (PMI)	3.0 %

What is Commercial Base pricing?

Commercial Base pricing is available for qualifying Express Mail and Priority Mail shippers who use the following postage payment methods: Click-N-Ship, approved PC Postage providers, permit system, an approved information based indicia (IBI) metering device. Express Mail shippers also qualify when they use an Express Mail Corporate Account (EMCA)—including Federal Agency Accounts.

Commercial Base pricing is available to Global Express Guaranteed (GXG) shippers who pay postage using IBI postage metering systems, who use Click-N-Ship service, or who are registered end-users of approved PC Postage providers.

Commercial Base pricing is available to Express Mail International (EMI) and Priority Mail International (PMI) shippers who pay postage using IBI postage metering systems and transmit customs forms electronically, who use Click-N-Ship service, or who are registered end-users of approved PC Postage providers. Additional price incentives are available for high volume EMI and PMI shippers.

How much do customers save with Commercial Base pricing?

Product Segment	Commercial Base savings compared to Retail pricing
Express Mail	5.0 %
Priority Mail	5.7 % (on average)
Global Express Guaranteed (GXG)	10.0 %
Express Mail International (EMI)	8.0 %
Priority Mail International (PMI)	5.0 %

What is Commercial Plus pricing?

Commercial Plus pricing applies to large volume shippers who qualify for Commercial Base pricing, and who ship more than 100,000 Priority Mail packages a year, or more than 6,000 Express Mail packages per year, or who have a customer commitment agreement with the Postal Service.

How much do customers save with Commercial Plus pricing?

Compared to retail prices, the savings are:
 Priority Mail – 9.6 percent (on average)
 Express Mail – 14.5 percent

Who qualifies for the new cubic volume-based pricing option?

Priority Mail Commercial Plus shippers who send 250,000 or more packages a year, or who have a customer commitment agreement with the Postal Service.

How exactly does the new Priority Mail Commercial Plus cubic volume-based pricing option work?

The new option consists of five cubic volume price tiers. Packages are priced based on their size (cubic volume) rather than their weight. The smaller the package, the lower the price. Packages can range in size up to half a cubic foot and weigh up to 20 pounds. The traditional option of paying by weight remains available to all shippers.

What are some benefits of the new Priority Mail Commercial Plus cubic volume-based pricing option?

Shippers can save money by using the new option. More generally, the new option encourages smaller and more space-efficient packaging. This saves the Postal Service transportation costs and continues our commitment to eco-friendly practices.

Are there any changes to Parcel Select mailing standards?

Yes. The 50-piece volume minimum has been eliminated for Barcoded Non-Presort packages that are paid using PC Postage.

Are there any Parcel Select prices that don't change?

Yes. There are no price changes for the Barcoded Non-Presort, BMC-Presort and OBMC-Presort categories.

How much longer will the Loyalty and Growth Rebate Incentives be available for Parcel Select?

The Loyalty and Growth Rebate Incentives will be available to qualifying Parcel Select shippers until May 31, 2010.

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