

A Practical Guide to USPS® Prices

Rates effective 1/4/2010

Ways to apply the new
prices to your advantage.

PRIORITY MAIL®, EXPRESS MAIL® & PACKAGE SERVICES STRATEGIES

Enjoy flat rate pricing, coast to coast

Shapes that fit

Expedite delivery for less

Commercial Pricing

Package Services:
the lower-cost alternative

ENJOY FLAT-RATE PRICING, COAST TO COAST

With even more flat-rate pricing options for Priority Mail®, you can ship parcels up to 70 lb. door-to-door more affordably.

The Opportunity

The USPS Flat Rate Box lets you send up to 70lbs anywhere in the US for as little as \$4.95. The small-sized box is perfect for jewelry, electronics, event tickets or other small items that need expedited shipping.

Smart Mailstream Practices

You can ship your letters or packages in an average of 2-3 days with Priority Mail® Flat Rate Envelopes and Boxes. All you need to do is reformat your parcels, documents and packages so that they work within the Flat Rate Envelope and Box shapes. Best of all, you can order the envelopes and boxes at no cost to you right from the USPS website.



Flat Rate Envelopes

- The dimensions of the envelope are 12.5" X 9.5"
- The contents of the flat rate envelope must be confined within the envelope, using the flap adhesive as the primary means of closure
- The flap must close easily, adhere to the envelope and may be secured with tape if desired
- The design and shape of the envelope may not be altered or enlarged in any way to fit the contents

Flat Rate Boxes

- The inside dimensions for the two regular size boxes are 11" x 8.5" x 5.5" and 13.625" x 11.875" x 3.375". The larger box dimensions are 12" x 12" x 5 1/2". The smaller box dimensions are 8.625" x 5.375" x 1.625".
- The contents of the flat rate box must be neatly contained inside of the box with adhesive packaging tape
- The box must close securely and retain its shape when taped with adhesive
- The shape of the box may not be changed or enlarged to fit its contents



Making it Happen

There are a number of ways you can make flat rate pricing even more advantageous for your business.

Smart Shipping Solutions. With the right system, you can take the guesswork out of selecting carriers and service options. In addition to printing complete shipping labels, these systems compare real-time information from multiple carriers, so you can make informed choices based on delivery objectives, rates, service levels and business rules. It will even alert your customers via e-mail or the Internet that their package has shipped.

Intelligent Mail Finishing. The right mailing system makes it easy to apply the correct postage, without having to go to the post office. Systems equipped with IntelliLink® technology give you the ability to process and track Priority Mail® – right up until delivery confirmation at reduced USPS fees.

PRIORITY, EXPRESS & PACKAGE SERVICES STRATEGIES

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Retail Prices	Jan '09	Jan '10
Envelopes	\$4.95	\$4.90
Small Boxes	\$4.95	\$4.95
Regular Boxes	\$10.35	\$10.70
Larger Boxes	\$13.95	\$14.50
Up to and including 70 lb.		

Enjoy all of the benefits of Priority Mail® for one low price.

- no delivery area surcharge
- no residential surcharge
- no extra charge for Saturday delivery
- no fuel surcharge
- no "wrong address" surcharge
- free electronic Delivery Confirmation™

For more information,
please contact us.

Pitney Bowes provides comprehensive tools that make it easier for businesses of every size to make smart shipping decisions.

- SendSuite™ Shipping Solutions
- Digital Mailing Systems

SHAPES THAT FIT

Balloon rates and dimensional weighting requirements increase the cost of oversized Priority Mail® parcels.

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The Opportunity

The guidelines established in 2007 remain in effect, adding an extra cost to lightweight packages that take up a lot of space.

For Zones 1-4. Oversized packages less than 20 lbs. will be charged the 20-lb. rate. This “balloon” rating only impacts parcels where the length plus girth (the circumference) exceeds 84 inches.

For Zones 5-8. As packages traveling further involve air-transportation, these parcels are subject to dimensional-weight pricing. Dimensional weight (also referred to as “dim” weight) is a transportation industry standard, and is calculated based on the size of the package. This type of pricing will impact Priority Mail® packages larger than one cubic foot – or, in other words, if the length times width times height exceeds 1,728 inches.

Smart Mailstream Practices

This size-based pricing could increase shipping costs dramatically, so it pays to review your current packaging to determine if balloon or dim-weight charges would apply.

- **Reformat packages.** You may be able to revise packaging to avoid these extra charges. In some cases, it may be more economical to split a shipment into two separate packages (to keep the size smaller). In other cases, it may be more economical to combine two oversized items into a single package (to avoid paying the higher charges twice).
- **Consider USPS branded Priority Mail® containers.** These packages all conform to the guidelines, ensuring your mail will not be subject to dim-weight or balloon rating. They are also provided free of charge by the USPS.

Making it Happen

Your shipping department, as well as your package design groups, should all be made aware of the Priority Mail® guidelines. In addition to a good tape measure, shipping tools that can help include:

High-capacity Scale. Electronic scales can calculate precise postage for accurate processing of mail and parcels. Many can provide rates and fees for USPS and UPS, as well as FedEx and DHL. A Differential Weighing Option enables you to stack mail pieces or parcels of differing weights on the scale. As pieces are removed, the proper postage is calculated and postage tape is printed.

Intelligent Mail Finishing. The right mailing system makes it easy to apply the correct postage without having to go to the post office. Systems equipped with IntelliLink® technology also give you the ability to process and track Priority Mail® – right up until delivery confirmation.

Balloon Rate Example

Zones 1-4

When length + girth > 84 inches



Actual weight = 5 lb.

Length (45") plus Girth (15" + 10" + 15" + 10") = 95 inches (which is greater than 84)

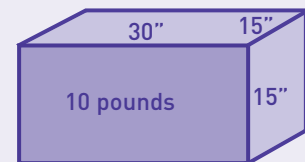
Balloon rate = 20 lb.

Dim-Weight Example

Zones 5-8

When volume exceeds 1 cubic foot

To calculate the dim-weight in terms of pounds, multiply the length by the width by the height, then divide the total by 194. Round that up to the nearest whole number.



Actual weight = 10 lb.

Dim-weight = $(30 \times 15 \times 15) \div 194 = 35$ lb.

Pitney Bowes provides a broad range of shipping solutions, such as:

- Mailing And Shipping Scales
- SendSuite™ Shipping Solutions
- Digital Mailing Systems

For more information,
please contact us.

EXPEDITE DELIVERY FOR LESS

USPS services often provide added value for lower costs than private carriers.

The Opportunity

Zone-based pricing for Priority Mail® and Express Mail® means you will pay less for nearby destinations. Additional discounts are available for Corporate Accounts and those who qualify for volume incentives. Discount options are also available on Priority Mail®, including incentives for customers who use electronic postage or meet other requirements.

Smart Mailstream Practices

Before sending a package or parcel, consider all of your choices.

Priority Mail® Features

- Expedited delivery of packages at an economical rate
- Delivered in 1 to 3 days nationally (often overnight locally)
- Delivered to all U.S. addresses, including P.O. boxes and military addresses
- Saturday and residential delivery are available at no additional charge
- Electronic Delivery Confirmation is available at no additional charge
- Flat-rate pricing available for packages up to and including 70 lbs.
- With Commercial Pricing, you can qualify for reduced rates using your Pitney Bowes mailing system, with greater savings for high-volume shippers (see next page)

Express Mail® Features

- Next-day delivery is guaranteed by noon or 3 p.m. to many destinations or your money back
- Delivered to most U.S. addresses, including P.O. boxes and military addresses
- Available 365 days a year. No extra charge for Saturday delivery, but a \$12.50 premium will apply for Sunday and holiday delivery.
- Insured automatically up to \$100 against loss or damage
- Additional merchandise insurance is available up to \$5,000
- Includes proof of delivery with signature upon request
- With Commercial Pricing, you can qualify for reduced rates using your Pitney Bowes mailing system, with greater savings for high-volume shippers (see next page)

For both types of service, the USPS offers free envelopes and boxes, no fuel surcharges, no residential surcharges, and no “wrong address” surcharge. The USPS also offers Carrier Pick Up service, including a Pick Up on Demand option.

Making it Happen

With today's technology, it's easier than ever to get more value out of expedited shipping.

Built-in Confirmation Services. The right mailing system makes it easy to apply the correct postage, without having to go to the post office. Systems equipped with IntelliLink® technology also give you the ability to enhance your Priority Mail® and First-Class Mail® experience with Delivery Confirmation™, Signature Confirmation™, Certified Mail™, and e-Return Receipt at reduced USPS fees.

Smart Shipping Solutions. With the right system, you can take the guesswork out of selecting carriers and service options. In addition to printing complete shipping labels, these systems compare real-time information from multiple carriers, so you can make informed choices based on delivery objectives, rates, service levels and business rules. It will even alert your customers via e-mail or the Internet that their package has shipped.

PRIORITY, EXPRESS & PACKAGE SERVICES STRATEGIES

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Priority Mail®

1 to 3 day delivery, retail prices start at \$4.90.

Express Mail®

Next day or second-day delivery, retail prices start at \$13.65.

TIP: When the destination is local, consider Priority Mail® instead of Express Mail®, as your package will often be delivered the next day.

NOTE: If you qualify for Commercial Base Pricing or Commercial Plus Pricing, you could save even more. See next page for details.

For more information, please contact us.

Pitney Bowes provides a full line of solutions that can help you handle express shipments with ease.

- SendSuite™ Shipping Solutions
- Ascent™ Multi-Carrier Package Management
- Mailing And Shipping Scales
- Digital Mailing System

COMMERCIAL PRICING

PRIORITY, EXPRESS & PACKAGE SERVICES STRATEGIES

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Enjoy up-front price incentives for qualifying shippers using USPS overnight and 2-3 day expedited services.

The Opportunity

The 2010 price increases on USPS Shipping Services are lower than the changes that occurred in 2009. With even lower average increases in the Commercial Base and Commercial Plus categories, business shippers can save even more off of the retail rates.

	Average Increase		
	Retail	Commercial Base	Commercial Plus
Priority Mail®	3.9%	2.9%	0.9%
Express Mail®	4.5%	4.5%	4.4%

Three new cost-saving opportunities have also been introduced for Priority Mail® Commercial Plus shippers:

- Priority Mail® Cubic Volume-Based Pricing
- Priority Mail® Half-Pound Price
- Priority Mail® Flat-Rate Padded Envelope

Smart Mailstream Practices

As a Pitney Bowes customer, you may already have the means to qualify for commercial pricing.

Commercial Base Pricing. There are no volume requirements. Eligibility is based primarily on how you prepare your shipments. These reduced rates are available for customers who use Click-N-Ship®, PC Postage® products, permit imprints, or digital mailing systems that generate an IBI (Information Based Indicia). If your IBI postage meter does not electronically transmit data to the USPS, you must also generate an approved shipping label that includes a confirmation services barcode with a postal routing code.

Commercial Plus Pricing. Eligibility is based primarily on your shipping volume.

- Priority Mail®: 100,000 pieces in prior year
- Express Mail®: 6,000 pieces in previous four quarters

In lieu of past volume, you could also complete a customer commitment agreement.

Please refer to the Domestic Mail Manual for specific requirements.

Making it Happen

There are a number of ways you can take advantage of the savings available for business shippers.

Smart Shipping Solutions. With the right system, you can take the guesswork out of selecting carriers and service options. In addition to printing complete shipping labels, these systems compare real-time information from multiple carriers, so you can make informed choices based on delivery objectives, rates, service levels and business rules. It will even alert your customers via e-mail or the Internet that their package has shipped.

Digital Mailing Systems. The right mailing system makes it easy to apply the correct postage, without having to go to the post office. Systems that generate IBI (Information Based Indicia) make it easy to qualify for Commercial Base Pricing.

Priority Mail®

	Retail	Commercial Base	Commercial Plus
Regular Flat-Rate Box	\$4.90	\$4.75	\$4.70
Flat-Rate Padded Envelope	n/a	n/a	\$4.95
Small Flat-Rate Box	\$4.95	\$4.85	\$4.80
Regular Flat-Rate Box	\$10.70	\$10.20	\$9.77
Large Flat-Rate Box	\$14.50	\$13.95	\$13.40
0.5 Pound, Zone 1 & 2	n/a	n/a	\$4.22
1.0 Pound, Zone 1 & 2	\$4.90	\$4.80	\$4.75

Rates effective January 4, 2010

Express Mail®

	Retail	Commercial Base	Commercial Plus
Flat-Rate Envelope	\$18.30	\$17.40	\$14.96
0.5 Pound, Zone 1 & 2	\$13.65	\$12.96	\$11.66
1.0 Pound, Zone 1 & 2	\$15.70	\$14.89	\$13.41

Pitney Bowes provides a full line of solutions that can help you save money on express shipments.

- Digital Mailing Systems
- SendSuite™ Shipping Solutions
- Ascent™ Multi-Carrier Package Management

For more information, please contact us.

PACKAGE SERVICES: THE LOWER-COST ALTERNATIVE

For non-personal mail and parcels where speed of delivery is less important, package services provide added savings.

PRIORITY, EXPRESS & PACKAGE SERVICES STRATEGIES

A Practical Guide

The Opportunity

Package Services mail includes Bound Printed Matter (BPM), Library Mail, Media Mail, and Parcel Post®/Parcel Select®. Despite modest increases, these services are significantly less expensive than other delivery methods. Large- and medium-size shippers may be eligible for volume discounts on Parcel Select® service. Plus, mailers can use a postage meter to apply postage.

Smart Mailstream Practices

The USPS package service options may provide you with the most cost-effective delivery.

- **Compared to Higher-Cost Carriers.** These package service options, including Parcel Post, may allow you to save money. You can also add extra services such as Delivery Confirmation™, Return Receipt for Merchandise, Signature Confirmation™ and Collect on Delivery (COD).
- **Compared to Expedited Delivery.** When time is not of the essence, these package service options may make sense, as you can normally expect delivery between two and nine days.
- **Avoid balloon-size ratings.** Parcels that weigh less than 20 lbs. but measure more than 84 inches in combined length and girth are charged the applicable rate for a 20 lb. parcel (see prior strategy, Shapes That Fit.) Any parcel that measures more than 108 inches (but not more than 130 inches) in combined length and girth must pay the higher 'oversized rate' regardless of weight.

Making it Happen

Shipping smarter means having the right tools.

High-capacity Scale. Electronic scales can calculate precise postage for accurate processing of mail and parcels. Many can provide rates and fees for USPS and UPS, as well as FedEx and DHL. A Differential Weighing Option enables you to stack mail pieces or parcels of differing weights on the scale. As pieces are removed, the proper postage is calculated and postage tape is printed.

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Parcel Post
General merchandise
As low as \$4.90 for 1 lb., Zone 1-8

Media Mail
Books, tapes, other media
As low as \$1.99 for 1 lb., Basic

Library Mail
Schools, libraries, museums
As low as \$1.89 for 1 lb., Basic

Bound Printed Matter
Catalogs, books with ads
Rate based on weight, shape and zone

For more information,
please contact us.

Pitney Bowes provides a full line of solutions that make it easier to take advantage of low-cost shipping options.

- SendSuite™ Shipping Solutions
- Ascent™ Multi-Carrier Package Management
- Mailing And Shipping Scales
- Digital Mailing Systems



Information current as of 11/15/09 and is subject to change based on changes in USPS rates and rules and other applicable regulatory changes.

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