



Mail Forum

Consolidated Mail Operations

Serving Government. Serving Virginians.

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2009 SMS MAIL FORUM

Pitney Bowes Inc.
June 10, 2009

Be Prepared for Annual USPS Rate Changes

The USPS expects that all of the market-dominant classes will experience a price increase equal, on average, to the applicable price cap limitation

As the world's leading provider of mailstream solutions, we understand the critical role mail plays in your operations.

In this presentation, we will inform you of the key changes and show you how to work with the new rules to your advantage.

PITNEY BOWES QUICK GUIDE TO USPS PRICES

New prices for shipping services took effect January 18, 2009. Price changes for other mail classes take effect May 11, 2009.

First-Class Mail®

Shape-based pricing, which was introduced in 2007, is still in effect—which means the shape and format of your mailpiece will have a significant impact on your cost. You can expect modest increases for most types of mail, with no change (or decreases) for each additional ounce.

Select Rates for First-Class Mail®	May '08	May '09
Single-piece Letter – First ounce	\$0.42	\$0.44
Single-piece Flat – First ounce	\$0.83	\$0.88
Single-piece Parcel – First ounce	\$1.17	\$1.22
Each additional ounce	\$0.17	\$0.17
Nonmachinable surcharge	\$0.20	\$0.20
Presorted Letter – First ounce	\$0.394	\$0.414
Presorted Flat – First ounce	\$0.727	\$0.757
Automation Letter – 5-digit – First ounce	\$0.324	\$0.335
Automation Flat – 5-digit – First ounce	\$0.364	\$0.380
Postcards	\$0.27	\$0.28

Standard Mail®

While most rates have increased, you can also earn bigger discounts for BMC and SCF Destination Entry.

Select Rates for Standard Mail®	May '08	May '09
Letter up to 3.3 ounces – AADC [Nonautomation]	\$0.258	\$0.256
Flat up to 3.3 ounces – ADC [Nonautomation]	\$0.483	\$0.509
Letter up to 3.3 ounces – 5-digit [Automation]	\$0.225	\$0.233
Flat up to 3.3 ounces – 5-digit [Automation]	\$0.339	\$0.346
BMC Destination Entry Discount [Piece Rate]	\$0.033	\$0.034
SCF Destination Entry Discount [Piece Rate]	\$0.042	\$0.043

Priority Mail®, Express Mail® and Package Services

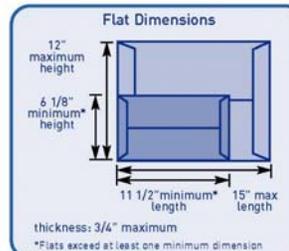
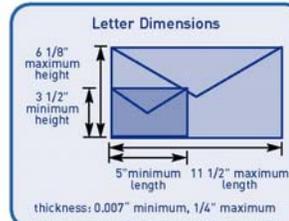
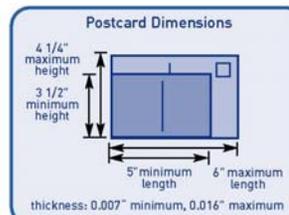
Express Mail® prices are based on weight and zone, with additional savings available for those who qualify for Corporate Accounts or volume incentives. Savings on Priority Mail® will be available for those who use electronic postage or meet other requirements.

Select Rates for Priority Mail® Express Mail® and Package Services	May '08	Jan '09
Priority Mail® - Flat Rate Envelope (Retail)	\$4.80	\$4.95
Priority Mail® - Flat Rate Box (Retail)	\$9.80	\$10.35
Priority Mail® - Oversized Flat Rate Box (Retail)	\$12.95	\$13.95
Express Mail® - Flat Rate Envelope	\$16.50	\$17.50
Parcel Post – 1 lb.	\$3.67	\$4.90
Media Mail – 1 lb. Single-Piece	\$2.23	\$2.38
Library Mail – 1 lb. Single-Piece	\$2.12	\$2.26

Extra Services

Fees for most extra services have increased or stayed the same.

Select Rates for Extra Services	May '08	May '09
Registered Mail™ Base Rate	\$10.00	\$10.60
Certified Mail™	\$2.70	\$2.80
Return Receipt [paper-based]	\$2.20	\$2.30
Electronic Return Receipt	\$1.00	\$1.10
First-Class Address Correction – Manual	\$0.50	\$0.50
First-Class Address Correction – Electronic	\$0.08	\$0.10



For more details, including new rate tables, please visit www.usps.com/prices.



GO THE EXTRA OUNCE

Agencies that already send a high volume of two- and three-ounce letters will continue to save on overall postage expense as the cost for each additional ounce remains unchanged. Therefore,

ADDITIONAL INSERTS

- ❖ You are already spending the money on the extra ounce(s), so load up the envelope!

COMBINE COMMUNICATIONS

- ❖ If planning to send a notification or reminder, save money by combining with another communication

Making It Happen

Intelligent Inserting

- Selective inserting allows you to choose which constituent receives which document

Document Enhancement

- Combining documents requires planning, but is easier than you think with PB Printstream Engineering

Accurate Weights = Lower Postage

- PB Mail Systems lets you process mail without sorting by weight, and PSI can handle heavy weight mail!

FLATS TO FOLDED

With the rates for single-piece flats increasing by five (5) cents, the price difference between flats and letter size mail is even greater. A change to letter size mail saves your Agency \$.44 on every piece of mail.

Therefore,

LETTER SIZE DESIGN

- ❖ Most flat mail can easily be converted to #10 letter size under .25 inch thickness or 6 x 9 size envelopes with only a single-fold!

REPACKAGE PARCELS

- ❖ Parcels are \$.34 higher than flats up to .75 inch thick
- ❖ Remember to be flexible, rectangular, and uniform in thickness

Making It Happen

Precision Folding

- Utilize a heavy-duty folder with an intelligent inserting system for high speed auto feeding into a single-fold 6 x 9 letter

Automatic Rating

- PB Mail Systems with dynamic weighing and postage rating by shape calculates accurate postage, and PSI can handle heavy weight mail!

MAIL THAT IS MACHINE-READY

The USPS does not want to touch your mail. Avoid 'nonmachinable surcharge' assessed to First Class Mail at \$.20 per mail. Therefore,

Avoid weight > 3.5 ounces

Meets the USPS aspect ratio

No flats less than .007 inch thick

No rigid or odd-shaped contents

Eliminate clasp envelopes

Making It Happen

Duplex Printing

- If over 3.5 ounces, consider change to duplex printing, and it saves on paper costs
- PBI can manage your mainframe print streams

Design Consultation

- The USPS and PBI offer consultative services prior to mailpiece generation to avoid surprises

COMMUNICATE WITH POSTCARDS

The USPS charges 36% less for a post card as compared to a letter! Therefore,

AUGMENT MAIL COMMUNICATION

- ❖ Easy to produce and postcards always get read
- ❖ Send as reminder to visit your website rather than request paper document or make a call to the Call Centers

INCREASE MAILING FREQUENCY

- ❖ Use this for follow-up or reminder mailings

USE PERMIT INDICIA

- ❖ Takes up less space than metering the mailpiece

Making It Happen

Postcard Addressing

- A dedicated envelope printer gives professional look versus a label and avoids USPS skew
- PBI can manage your mail list to print automatically and compliant for presort postage processing

Postage Payment

- Your PBI Reserve Account can pay your permit mailings automatically and provide you a detailed report.

RETURN TO SENDER

MAKE THIS A LEGISLATIVE PRIORITY!

Petition the General Assembly to allow your Agency to validate an addressee prior to mailing. The USPS wants it, your return mail processors want it, and the Agency is throwing away money! Therefore,

ARGUE YOUR CASE – IT DOES NOT HAVE TO BE A COST OF DOING BUSINESS; WHAT ARE:

- ❖ Costs of initial mailpiece
- ❖ Postage of original mailpiece
- ❖ Costs to handle return mail
- ❖ Cost of address corrections
- ❖ Cost to recreate mailpiece
- ❖ Postage of subsequent mail
- ❖ Communication delays
- ❖ Revenue receipt delays

Making It Happen

Move Updates

- Ensures the mail reaches the intended recipient
- FastForward complies for address changes up to 13 months
- PBI has a solution for compliance on moves up to the previous four (4) years

Delivery Point Validation

- Verifies the address exists

Finalist

- VITA has this PBI software application for your mainframe address lists

ENJOY FLAT-RATE PRICING

With more flat-rate pricing options for Priority Mail, your Agency can ship parcels up to 70Lbs more affordably than in the past. Therefore,

FLAT RATE ENVELOPES:

- ❖ Envelope dimensions 12.5"x9.5"
- ❖ Contents of flat rate envelope must be confined within the envelope
- ❖ Design and shape of the envelope may not be altered

FLAT RATE BOXES

- ❖ Two sizes for convenience
- ❖ Design and shape of the box may not be altered

Making It Happen

Smart Shipping Solutions

- Take the guesswork out of costs
- Know your costs prior to shipping and avoid miscellaneous charges
- PBI is vendor-neutral, so use a software shipping solution, as in place at State Mail Services, Library of Virginia and others, to determine the most cost effective shipping option
- We can tell you if UPS or USPS is the lowest cost for envelopes and packages

WATCH YOUR WEIGHT

The USPS will charge flat-size prices (or even parcel prices) for letter size mail to align their rates with processing costs. Therefore,
DESIGN LETTER SIZE MAIL

- ❖ Remember not all mail has to be #10

USE YOUR WEIGHT WISELY

- ❖ A lot of info can get into a 3.5 ounce letter, and duplex printing, light-weight paper, smaller inserts lower overall

PRIORITIZE MESSAGE

- ❖ If still over 3.5 ounce letter, and not a legislatively required document, consider removing to lower the expense

Making It Happen

Duplex Printing

- Reduces mailpiece weight and reduces paper costs, and meets Governor Kaine's environmentally friendly initiatives
- PBI can manage your mainframe print streams

Document Enhancement

- PBI can help modify and/or combine print-ready files rather easily to change document size such as legal to letter.

ecowisesm

Be Green & Profitable

On December 11, 2008, Governor Timothy M. Kaine launched his **Renew Virginia** initiative, which will include legislative and executive actions to make Virginia a leader in energy conservation and efficiency and protecting the environment. The Governor met with his economic development team and energy-related business owners at the Greater Richmond Convention Center to discuss strategies for attracting renewable energy companies to the Commonwealth, and unveiled plans to form an interagency task force and create an energy marketing plan to attract green jobs to the Commonwealth.



RENEW VIRGINIA
energy and environment

**Virginia is Blazing a Green Trail
By Governor Timothy M. Kaine
Richmond Times-Dispatch
April 22, 2009**

**Governor Kaine, United Kingdom Forge
New Agreement to Address Climate
Change Issues**

**Governor's
COMMISSION on
CLIMATE CHANGE**



As awareness and concern over global warming becomes an increasingly significant issue around the world, socially responsible organizations are closely examining their environmental responsibilities across the operations.



In the quest to achieve environmental carbon-consciousness, Pitney Bowes can help your Agency:



- ❖ Realize your carbon footprints
- ❖ Leverage applications
- ❖ Improve processes, reduce your CO2 and cut costs
- ❖ Provide the right message, at the right time, in the right location
- ❖ Meet social responsibilities while maintaining compliance with directives



ASSESS
PLAN
CREATE
VALIDATE
BRAND

ecowise™
eco-friendly mailstream optimization

Pitney Bowes ecowiseSM

- ❖ Evaluate and report on the eco-standing of a your Agency mailstream
- ❖ Provide a roadmap to improve your Agency's eco-performance with a quantifiable carbon emission reduction plan
- ❖ Implement the plan with associated products and processes that reduce the defined carbon emission as proposed
- ❖ Validate and provides a certificate to your Agency for a specific eco-performance level
- ❖ Permit your Agency to imprint endorsed program logos and messages on websites, brochures and presentations



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Chris Nichols

DPS Contract Officer