

## Business Mailers May Be Eligible For 20% Discount With New Incentive Program

### New USPS Initiative Will Run From October To December 31

WASHINGTON, DC -- The Postal Service is preparing to enact a First-Class Mail Incentive program that will give mailers a rebate for using market-dominant products. This change affects First-Class Mail presort letter, flat, and card prices.

The First-Class Mail Incentive program will give eligible companies a 20% postage rebate on qualifying presort letter, flat, and card volumes mailed between October 1, 2009 and December 31, 2009.

Qualifying volume is defined as a single company's First-Class Mail volume over and above a pre-determined threshold.

#### *The Aim Of The Program*

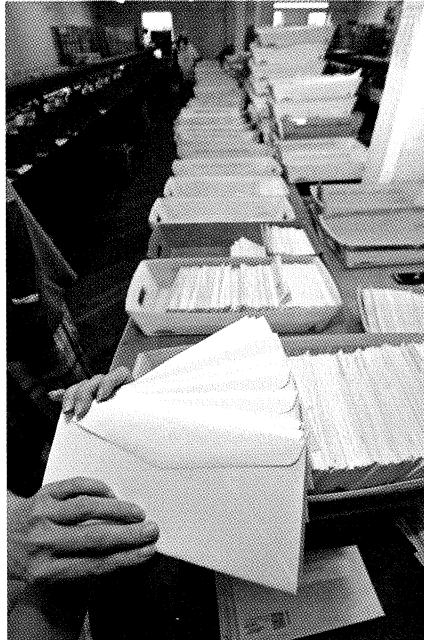
According to the USPS, the First-Class Mail Incentive program is expected to make a positive contribution to institutional costs. In gauging interest from customers, the Postal Service expects a contribution increase of around \$24 million and a revenue increase of \$43 million (net of the 20% rebate).

The Post also anticipates new volume

### Eligibility

▼ To be eligible for the First-Class Mail Incentive program, a company must have mailed 500,000 or more non-parcel First-Class Mail pieces between October 1 and December 31 in both 2007 and 2008, through permit accounts owned by the company or through permits set up on behalf of the company by a Mail Service Provider.

▼ Eligible companies must exceed a company-specific threshold during the period October 1, 2009 through December 31, 2009 to qualify for an incentive rebate. The Postal Service will mail a letter to all eligible customers explaining the program in detail.



**Business mailers may receive a 20% discount on qualifying presort letter, flat and card volumes if mailed between October 1 and December 31 of this year. The Post hopes to boost First-Class presorted volumes.**

of about 103 million pieces, which will generate about \$31 million additional revenue, and \$16 million contribution.

In addition, the USPS also expects about 103 million pieces to "buy up" from Standard Mail, providing an additional \$12 million revenue and \$8 million contribution.

Mailers of First-Class Mail are among those hardest hit by the downturn and electronic diversion. The USPS hopes this short-term incentive to use the mail can help stabilize or grow volume and improve the future profitability of the Postal Service.

To participate in the First-Class Mail Incentive program, a company must have mailed 500,000 or more non-parcel First-Class Mail pieces between October 1 and December 31 in both 2007 and 2008, through permit accounts owned by the company or through permits set up on behalf of the company by a Mail Service Provider.

Eligible companies must exceed a company-specific threshold during the period October 1, 2009 through December 31, 2009 to qualify for an incentive rebate. Incremental volume mailed by an eligible, participating company above the calculated threshold will earn a 20% rebate that will be credited to the company's Permit trust account.

The rebate will be calculated as the average revenue per piece for all eligible mail volume during the program period multiplied by the incremental volume above the threshold during the program period.

The intent of the program is to provide an incentive for customers to increase non-parcel First-Class Mail presorted volume above the volume they would otherwise have sent. Increasing volume during the incentive program period by shifting January 2010 volume to December 2009 or by withholding volume that otherwise would have been mailed in September 2009 does not meet the goal of increasing overall volume.

Therefore, if either September 2009 or January 2010 actual volumes (or both) do not meet or exceed the respective month's threshold (calculated in the same way as the ratio used to establish the threshold during the program period), the shortfall will be deducted from the incentive program's qualifying volume.

Mail Service Providers are not eligible to participate in the incentive program, but they have been asked to encourage their customers who might qualify for the program and to provide the necessary assistance to validate volume data required by the Postal Service for program participation.

The Postal Service will mail a letter to all identified eligible First-Class Mail presort customers explaining the First-Class Mail Incentive program. Mailers wishing to participate in the program, who believe they meet the eligibility standards but were not notified by letter, may request a review of their eligibility by contacting the Postal Service.