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U.S. Postal Service Announces Shipping Prices for 2011 *New Flat-Rate Shipping Innovations Debut in January*

WASHINGTON — The simpler way to ship – with Priority Mail Flat Rate Boxes from the U.S. Postal Service – is set to extend its popularity with consumers and shippers in the new year when new prices take effect. Prices for Priority Mail, Express Mail and other Shipping Services will change Jan. 2, 2011.

A flurry of new flat-rate product innovations will be ushered in with the new year. Priority Mail Flat Rate innovations include a legal-size flat-rate envelope and a padded flat-rate envelope. The Priority Mail Legal Flat Rate Envelope (15" x 9.5") and Priority Mail Padded Flat Rate Envelope (12.5" x 9.5") are both priced at \$4.95. All six types of Priority Mail Flat Rate envelopes will be priced the same as the regular Priority Mail Envelope (12.5" x 9.5") at \$4.95, including the Gift Card Flat Rate Envelope, Window Flat Rate Envelope, and Small Flat Rate Envelope.

Pricing for the Express Mail Flat Rate Envelope will remain unchanged at \$18.30. A new Express Mail Legal Flat Rate Envelope (15" x 9.5") makes its debut, and is priced the same as the Express Mail Flat Rate Envelope.

In addition to an overall price change of 3.5 percent for Priority Mail, new prices for Express Mail, Global Express Guaranteed, Express Mail International, Priority Mail International, Parcel Select and Parcel Return Service will be effective Jan. 2. The overall price change for all Shipping Services products is 3.6 percent.

"The Postal Service continues to offer the best combination of value and shipping solutions in the market," said Paul Vogel, president, Mailing and Shipping Services. "These new products will provide simple solutions to a dynamic marketplace."

Currently available for Express Mail only, the popular Hold For Pickup service option will be extended to Priority Mail and First-Class Mail commercial parcels in the new year. Available at no extra charge for customers using shipping labels from Click-N-Ship or other USPS-approved vendor, packages with the Hold For Pickup endorsement are shipped directly to a Post Office, instead of being left at a recipient's address. Packages are then held at the Post Office until picked up anytime during office hours, at a time convenient for the recipient.

Pricing for 50,000 Post Office Boxes in 49 retail Post Offices will change to reflect a new pricing schedule based on their presence in areas where significant competition exists. Post Office Boxes at these Post Offices have been classified as competitive products, allowing the Postal Service to test consumer interest in enhancements to current service and help shape future offerings.

For shippers mailing regionally, an economical new Priority Mail Regional Rate Box featuring USPS-supplied packaging will be available in two sizes for Commercial Base and Commercial Plus customers. The Priority Mail Regional Rate Box offers zone-based pricing with the "If it Fits it Ships" concept and flat rates up to a maximum of 15 pounds for the cubic-size box measurement of .21 cubic feet (about the size of a large framed photo) and a maximum of 20 pounds for the cubic-size measurement of .41 cubic feet (about the size of a toaster). Volume thresholds for Commercial Plus customers have also been reduced.

Critical Mail is another innovative product offering for January available to Commercial Plus customers. Offering fast, consistent time-in-transit service for sensitive documents such as event tickets, identification

cards and high-value direct mail, Critical Mail provides customers with tracking and free Delivery Confirmation. Critical Mail is a category of Priority Mail with First-Class Mail service standards. Additional extra services such as insurance and signature confirmation are also available. Critical Mail requires using USPS-supplied envelopes at a mailing cost of \$3.50 for letters and \$4.25 for larger, flat-size pieces.

Customers choosing online shipping solutions from the Postal Service will continue to save compared to retail prices. A complete listing of 2011 prices is available online under the <http://www.usps.com/prices> link. The new prices and product innovations are pending Postal Regulatory Commission review.

Pricing adjustments to competitive products are made each January. A plan outlining a balanced approach for the long-term viability of the Postal Service introduced on March 2 includes proposals to deliver mail five days a week rather than six, restructure prefunding requirements for future retiree health benefits, create a more flexible workforce, expand convenient customer access to products and services and drive inefficiencies out of the mail system.

The Postal Service receives no tax dollars for operating expenses, and relies on the sale of postage, products and services to fund its operations.

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A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation, 150 million residences, businesses and Post Office Boxes. The Postal Service receives no direct support from taxpayers. With 36,000 retail locations and the most frequently visited website in the federal government, the Postal Service relies on the sale of postage, products and services to pay for operating expenses. Named the Most Trusted Government Agency five consecutive years and the sixth Most Trusted Business in the nation by the Ponemon Institute, the Postal Service has annual revenue of more than \$68 billion and delivers nearly half the world's mail. If it were a private sector company, the U.S. Postal Service would rank 28th in the 2009 Fortune 500.