# The Difference Between First-Class and Marketing Mail







- Independently owned and 2<sup>nd</sup> generation operated, direct marketing company
- Founded in 1949 and located in the heart of the Museum District of Houston, Texas
- In addition to traditional mail processing and manufacturing, we encompass offset, digital, and promotional printing, fulfillment, and list compilation.
- We are the largest compiler of consumer bankruptcy data in the nation.



The primary differences between First Class and Marketing Mail are:

- Price
- Speed of delivery
- Content
- Mail Forwarding







## **First Class Mail**

First Class Mail has four (4) categories:

- 1. Postcards
- 2. Letters
- 3. Flats
- 4. Parcels (that weigh 13 ounces or less)

Each of these categories have size, shape and weight standards, and each have different postage prices.

The published delivery standard for FCM (today) is 1 - 3 days.



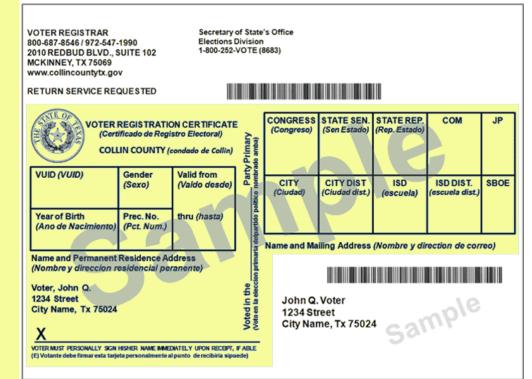
### **First Class Postcards**

### Must be:

- Rectangular
- At least 3-1/2" high x 5"long 0.007"thick
- <u>No more</u> than 4-1/4" high x 6" long 0.016" thick

### RATES

POSTCARDS	CURRENT	AUGUST 29, 2021
5-D BARCODED	.269/ EA	.306/ EA
AADC	.279/ EA	.318/ EA
MIXED AADC	.285/ EA	.326/ EA
SINGLE PIECE	.360/ EA	.400/ EA



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## **First Class Letters**

Must be:

- Rectangular
- At least 3.5" high x 5.0" long x .007" thick
- No more than 6.125" high x 11.5" long x .25" thick
- Aspect Ratio (length divided by height)
  - Minimum 1.3
  - Maximum 2.5

	LETTERS	CURRENT	AUGUST 29, 2021	
	5-D BARCODED	.398/ EA	.426/ EA	
RATES:	AADC	.4287/ EA	.461/ EA	
	MIXED AADC	.450/ EA	.494/ EA	
	FC POSTAGE STAMP	.550/ EA	.580/ EA	

## **First Class Flats**



### Must be:

- Have one dimension that is greater than 6-1/8 inches high 11-½ inches long OR ¼ inch thick.
- Be no more than 12 inches high x 15 inches long x <sup>3</sup>/<sub>4</sub> inch thick.

FLATS	CURRENT	AUGUST 29, 2021
5-D BARCODED	.450/ EA	.555/ EA
AADC	.663/ EA	.783/ EA
MIXED AADC	.726/ EA	.891/EA

OR

If a mailpiece is not a postcard, Letter, or a flat, it's a parcel.

### **First Class Parcel Dimensions**

- At least 3 inches high x 6 inches long x 1/4 inch thick.
- Except for USPS Retail Ground and Parcel Select, no mailpiece may measure more than 108 inches in length and girth combined. Length is the measurement of the longest dimension and girth is the distance around the thickest part (perpendicular to the length).
- Must weigh 13 ounces or less

   Parcels over 13 oz are considered First Class Package
   Service which are not considered
   Market Dominant Products.



## RATES

COMMERCIAL	Weight Not				Zon	es			
	Over (ounces)	1&2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9
CURRENT\ NO CHANGE	1	3.01	3.03	3.06	3.12	3.22	3.35	3.49	3.49

RETAIL	Weight Not				Zon	es			
	Over (ounces)	1&2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9
CURRENT\ NO CHANGE	1	4.00	4.10	4.15	4.20	4.25	4.30	4.45	4.45

## What (exactly) are Market-Dominant and Competitive Products?

The Postal Accountability and Enhancement Act of 2006 (PAEA) divided postal products into two categories, Market-Dominant and Competitive Products. The act established rate-setting policies and procedures for both products.

Competitive products are services that are offered by the USPS and the private sector. The Postal Service has more flexibility in pricing those products. Competitive products must cover their costs, they are not subsidized by market dominant products, and they make an appropriate contribution to institutional costs.



## Market-Dominant Products are services that only the USPS offers.

The market-dominant category includes First-Class Mail; Marketing Mail; Periodicals; and some Extra Services, such as Certified Mail.

Under the law, the USPS must seek approval from the Postal Regulatory Commission (PRC) to change prices for market-dominant products, and The Postal Accountability and Enhancement Act (PAEA) capped price increases for mailing services at the Consumer Price Index (CPI), or rate of inflation.

In November of 2020, the PRC approved rules to modify the system for regulating rates and classes for Market Dominant products which allow additional increases beyond the CPI for:

- 4.5% for density drops because of less mail per delivery address
- 1.062% for prefunding retirement
- 2% for non-compensatory services (products losing money)

It's important to note the August 2021 rate increase only impacts "Market Dominant" products. The USPS DID NOT include First-Class package services.

(	CURRENT	Au	gust 2021
100%			5D 10%
90%			
80%	57%		4D 21%
70%	3 day		
60%	Delivery		
50%			3D 35%
40%			
30%	120/		
20%	43% 2 day Delivery		20.250/
10%			2D 35%
0%			

# First Class Delivery Standards



All mailable matter can be mailed First-Class. Some things MUST be mailed First-Class Mail (or Priority Mail), including:

- Bills, statements of account or invoices, credit cards
- Personal correspondence, personalized business correspondence



## **Mail Forwarding**

There are three mail forwarding options:

### **Temporary Change of Address**

A temporary Change of Address Order (COA) provides for "piece-by piece" forwarding of primarily First-Class Mail® service and Periodicals for a specified period of time, but generally does not provide the forwarding of USPS Marketing Mail® or Package Services Mail.

### **Permanent Change of Address**

A permanent Change of Address (COA) order provides for "piece-by-piece" forwarding of primarily First-Class Mail® service for 12 months and Periodicals for 60 days, but generally does not provide the forwarding of USPS Marketing Mail® service or Package Services Mail. The customer's new address is provided to business mailers upon request through mailer endorsements on a mailpiece.

### **Premium Forward Service**

PFS-Residential® Service provides a single weekly shipment of all mail for a residence via Priority Mail® service for a fee. The service can be extended for up to a year. PFS-Residential is temporary and is offered as an additional option to the free temporary or permanent Change of Address (COA) option.



# **Marketing Mail**

Marketing Mail has three (3) categories:

- 1. Letters
- 2. Flats
- 3. Parcels

Each of these categories have the same size and shape standards as FCM and have different postage prices. Marketing Mail offers special discounts for nonprofit organizations. Those businesses must be recognized and authorized by the USPS to qualify.

Unlike First-Class Mail, there isn't a postcard price. Marketing Mail postcards are mailed as letters or flats depending on size.

The published delivery standard for Marketing Mail (today) is 3 – 18 days.



Marketing Mail Prices are dependent on saturation levels and the location in which the mail is dropped. The larger number of pieces going to a specific area will net greater discounts (the same as First-Class Mail) and is calculated using a presort program.

Marketing Mail also offers discounts if the mail is entered closer to its destination. Mail can be taken to three places and receive a destination entry discount:

## Network Distribution Center (NDC)

A Network Distribution Center (NDC) is a highly automated mail processing plant that distributes Marketing Mail and package services. Currently the USPS has 22 Network Distribution Centers (NDC).

NETWO	<b>RK DISTRI</b>	BU	TION CEN	ITERS
CITY	STATE		aty	STATE
Bell Gardens	CA		Eagan	MN
Richmond	CA		Hazelwood	MO
Denver	8		Greensbord	NC
Jacksonville	FL.		Jersey City	NJ
Atlanta	GA		Cincinnati	ОН
Des Moines	IA		Philadelphi	PA
Forest Park			Warrendale	PA
Kansas Öty	KS		Memphis	TN
Springfield	MA		Dallas	TX
Capitol Heights	MD		Federal Wa	WA
Detroit	MI		San Juan S	PR

The 3<sup>rd</sup> distribution center within the USPS Marketing Mail network is called a Destination Delivery Unit (DDU). The DDU is the final stop in the U.S. Postal Service network that Marketing Mail takes prior to delivery. Often referred to as the Last Mile, mail arriving at a DDU are sorted to carrier routes and sent out for delivery.

## Sectional Center Facility (SCF)

A sectional center facility (SCF) is a processing and distribution center that serves a designated geographical area defined by one or more three-digit ZIP Code prefixes. A sectional center facility routes mail between local post offices and to and from the NDCs.

### MARKETING MAIL LETTER RATES

		CUI	RRENT		AUGUST 29, 2021			
Entry Point			Automation			Automation		
	CRW SS			Mixed	CRW SS			Mixed
		5-Digit	AADC	AADC		5-Digit	AADC	AADC
None	0.191	0.259	0.285	0.304	0.197	0.277	0.309	0.330
NDC	0.172	0.239	0.265	0.284	0.176	0.256	0.288	0.309
SCF	0.168	0.235	0.261	-	0.172	0.250	0.282	-

### MARKETING MAIL NONPROFIT LETTER RATES

		CUI	RRENT		AUGUST 29, 2021				
Entry Doint			Automation				Automation		
Entry Point	CRW SS			Mixed	CRW SS			Mixed	
		5-Digit	AADC	AADC		5-Digit	AADC	AADC	
None	0.111	0.138	0.164	0.183	0.117	0.146	0.178	0.199	
NDC	0.092	0.118	0.144	0.163	0.096	0.125	0.157	0.178	
SCF	0.088	0.114	0.140	-	0.092	0.119	0.151	-	

### MARKETING MAIL FLATS RATE

		CUI	RRENT		AUGUST 29, 2021			
Entry Point			Automation			Automation		
	CRW SS			Mixed	<b>CRW SS</b>			Mixed
		5-Digit	AADC	AADC		5-Digit	AADC	AADC
None	0.224	0.450	0.663	0.726	0.234	0.482	0.729	0.798
NDC	0.186	0.381	0.594	0.657	0.195	0.413	0.660	0.729
SCF	0.179	0.372	0.585	-	0.188	0.403	0.650	-
DDU	0.163	-	-	-	0.167	-	-	-

#### MARKETING MAIL NONPROFIT FLATS RATE

		CUI	RRENT		AUGUST 29, 2021				
Entry Point			Automation			Automation			
	CRW SS			Mixed	<b>CRW SS</b>			Mixed	
		5-Digit	AADC	AADC		5-Digit	AADC	AADC	
None	0.136	0.256	0.469	0.532	0.146	0.278	0.525	0.594	
NDC	0.098	0.187	0.400	0.463	0.107	0.209	0.456	0.525	
SCF	0.091	0.178	0.391	-	0.100	0.199	0.446	-	
DDU	0.075	-	-	-	0.079	-	-	-	

### **ADDITIONAL SERVICES**

Standard Shipping Insurance Shipping Insurance USPS Tracking Certified Mail Return Receipt Signature Confirmation Valuable & Fragile Items Registered Mail Signature Services Restricted Delivery Delivery- Adult Signature Required Adult Signature Restricted Delivery



https://pe.usps.com/text/dmm300/Notice123.htm?\_gl=1\*6450vv\*\_gcl\_aw\*R0NMLjE2MjEwMjkwMTguQ2p3S0NBand2X2IFQmhBU 0Vpd0FSb2VtdkM0cFN0enpfZzdBZFRHLU1xUEJrZ05jeDEwSXRmbUxVdmNUT0EyQmx5d3ZjN0RtNEt5S3F4b0M1cjBRQXZEX0J3RQ..\*\_ gcl\_dc\*R0NMLjE2MjEwMjkwMTguQ2p3S0NBand2X2IFQmhBU0Vpd0FSb2VtdkM0cFN0enpfZzdBZFRHLU1xUEJrZ05jeDEwSXRmbUxV dmNUT0EyQmx5d3ZjN0RtNEt5S3F4b0M1cjBRQXZEX0J3RQ..#\_c191

### Work Arounds the New Delivery Standards

The USPS is focused on creating reliable and predictable delivery and is basically redesigning their transportation network.

Challenges:

- Decreased mail volume
- Increased package delivery
- Transportation disruptions
- Staffing

Submitting Mail to its final-destination will be key for expeditious delivery

- Comingle
- NDC/SCF Destination Drops



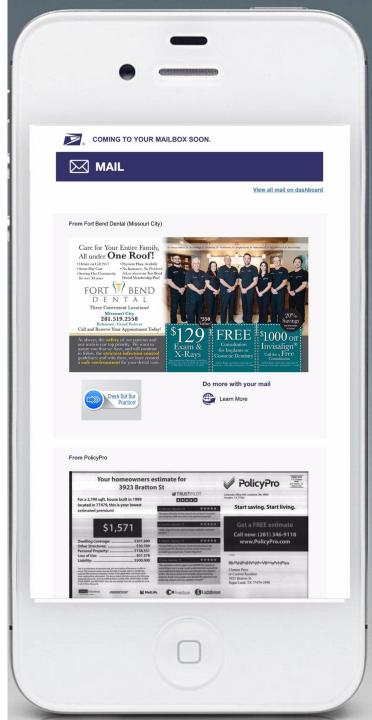
## DIGITALLY CONNECT YOUR MAIL TO THE CONSUMER

Informed Delivery is a free notification feature that gives residential consumers the ability to digitally preview their letter-sized mail and manage their packages scheduled to arrive soon on a computer, tablet, or mobile device.

More than 39 million customers have enrolled since it was launched in 2017

Informed Delivery has a 60% open rate

You can create an interactive ID campaign. The recipient will see a color scanned image of the marketing piece (known as a Ride-Along Image), and can be clickable to supplemental content.



### **IN REVIEW**

### **FIRST-CLASS MAIL**

- Minimum Weight: None
- Maximum Weight: 13 oz
   Over 13 oz FCM becomes Priority Mail
- Minimum Quantity to Mail at Commercial Rates: 500 pcs

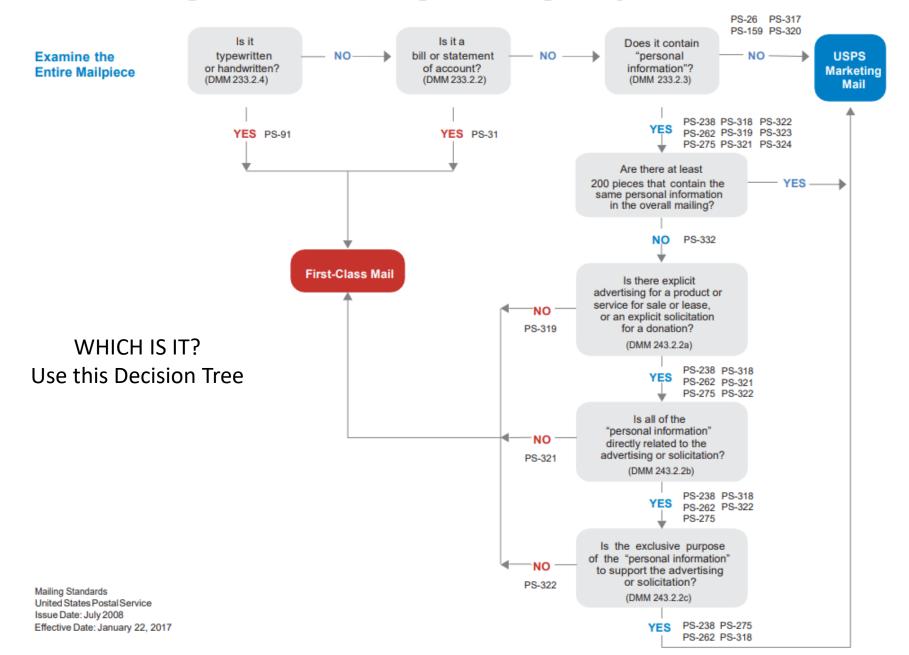
### **MARKETING MAIL**

- Minimum Weight: None
- Maximum Weight: Less than 16 oz
- Minimum Quantity: 200pcs or 50lbs

First-Class Mail letter-size pieces that are square, rigid or meet at least one of the nonmachinable characteristics are subject to a nonmachinable surcharge.

Flat-size pieces that are rigid, nonrectangular, or have uneven thickness will pay parcel prices

## **Determining USPS Marketing Mail Eligibility**



USPS Marketing Mail is mail matter not required to be mailed as First-Class Mail or Periodicals. Lower nonprofit prices are available for USPS Marketing Mail but require specific authorization.

### Mailers use USPS Marketing Mail to send:

- Printed matter, flyers, circulars, advertising.
- Newsletters, bulletins, and catalogs.
- Small parcels.

All USPS Marketing Mail prices are bulk prices, and each mailing must meet a minimum quantity of 200 pieces or 50 pounds of mail. There is no single-piece USPS Marketing Mail postage. In USPS Marketing Mail, there are prices for letters, flats/large envelopes, parcels, Marketing parcels and Parcel Select Lightweight parcels.

Extra services can be used with USPS Marketing Mail: electronic USPS Tracking, bulk insurance, and return receipt for merchandise. USPS Marketing Mail is not forwarded or returned unless you request it with an ancillary service endorsement. Forwarding and return services may result in additional fees or postage.

