NATIONAL VIRTUAL MEETING
OPENING REMARKS

STEVEN MONTEITH
USPS, Chief Customer and Marketing Officer & Executive Vice President
POSTMASTER GENERAL REMARKS
LOUIS DEJOY

OPERATIONS PANEL DISCUSSION
STEVEN MONTEITH (MODERATOR)

ELECTION AND POLITICAL MAIL
DON NICHOLS, USPS
TAMMY PATRICK, DEMOCRACY FUND

PRICE CHANGE
SHARON OWENS

USPS CONNECT
JACQUELINE KRAGE STRAKO

NATIONAL POSTAL FORUM AND CLOSING
LEWIS JOHNSON
MICHAEL MCINTURF

July 28, 2021
Introducing the National AIM Co-Chairs

Kim Waltz
National Industry Co-Chair

Mike McInturf
National Postal Co-Chair
Area Retail & Delivery Operations
Vice Presidents

Retail and Delivery Operations

- 4 Areas
- 50 Districts
A special thanks to the following Industry Co-Chair for past contributions

KURT RUPPEL
Former Industry Co-Chair
Western
POSTMASTER GENERAL REMARKS

Louis DeJoy
USPS, Postmaster General and Chief Executive Officer
Panel Discussion

Engage with our industry partners to continuously improve the consistency, reliability and predictability of our service performance

Facilitator

Steve Monteith
Chief Customer and Marketing Officer & Executive Vice President

Isaac Cronkhite
Chief Logistics and Processing Operations Officer & Executive Vice President

Dr Joshua Colin
Chief Retail & Delivery Officer & Executive Vice President

Scott Bombaugh
Chief Technology Officer & Executive Vice President

Robert Cintron
Vice President, Logistics

Dane Coleman
Vice President, Regional Processing Operations, Eastern
This is what we heard:

- Implementation of Delivering for America continues to move forward
- Peak Season planning is well underway
- Looking forward to our ongoing partnership
Break
10 minutes
ELECTION AND POLITICAL MAIL

Don Nichols
National Lead, Political and Mailing Services
USPS

Tammy Patrick
Senior Advisor, Elections Democracy Fund
Agenda

1. 2020 Political Mail Review
2. 2022 Outlook
2020 Political Mail Review

• Political Sales Performance in FY 2020
  • 33% of Mail Sales Revenue (6% in FY 2014)
  • $2B in Sales Revenue ($157M in FY 2014)
  • 8,770 sales (1,389 in FY 2014)
2020 Political Mail Review

• Pre-Pandemic Performance

POLITICAL & ELECTION MAIL GROWTH

OCTOBER—MARCH 2014 VS 2020

- 35% INCREASE
- 102% INCREASE
- $68M OCT—MARCH 2014
- $92M OCT—MARCH 2016
- $84M OCT—MARCH 2018
- $170M OCT—MARCH 2020

150% INCREASE from 2014-2020
2020 Political Mail Review

- Political Sales Performance in FY 2020
  - 33% of Mail Sales Revenue (6% in FY 2014)
  - $2B in Sales Revenue ($157M in FY 2014)
  - 8,770 sales (1,389 in FY 2014)
2022 Political Mail Outlook

• 2022 Outlook
  • $9B in 2022 (2X 2018)
  • Understanding the Dynamic Political Market
  • Outreach/Marketing Efforts
    • Partnership with AAPC/Campaigns and Elections
    • Thought Leadership
    • Speaking Directly with Influencers & Decision Makers
2020 HINDSIGHT, 2021 VISION
AIM National Meeting
Tammy Patrick
2020: Pandemic Safety, Voting Security, & Politics...
Tens of millions of American Voters have their ballots handed to them by their USPS Postal Carrier, not a pollworker.
Absentee
Vote by mail
Vote at home
*usually interchangeable
Evolutionary Path of Vote by Mail

Excuse Required → No Excuse → Permanent List → VBM Some Elections → VBM All Elections

# → 40-50% → 60-70% → 80-90%
Mail Ballot Usage in 2016 and 2020 Primaries

Data as of 7/6/2020

Data graphed are the percentages of ballots cast by mail in the 2016 and 2020 primaries. Only states with primaries both years included. Data are incomplete and still being gathered.

Graph source: MIT Election Data and Science Lab
States Sending Ballot Applications to All

Sending Ballot Applications
Always send ballots to voters
Allow counties to decide
Sending ballots in 2020 primaries only
Elections*: Fast, Cheap, Accurate

*pick two.
900 workers in Detroit, Started Nov 2
Remaining Questions:
How will voters behave in the “After Times”, will trends hold?
What will we see in 2021? 2022?
Will there be dedicated, ongoing funding of elections?
Looking at what was implemented last year, we can identify areas that can be contemplated on legislative agendas.
2020 COVID Response

HOW?

• Temporary legislative action
• Executive orders
• Administrative decrees
• Education/promotion on existing options

WHAT?

• Ballot applications
  • Application requirements
  • Application channels
  • Perm list
• Prepayment of postage
• When processing is allowed
• Authentication/Sig Verification
• Return options
  • Postmarks etc.
  • Drop box
  • Tracking
• Curing
• Early Voting
**2021 Agendas**

**HOW?**
- Making COVID changes permanent
- Rolling back temporary measures to status quo
- Rolling back pre-existing laws in reaction to false narrative around stolen election & voter fraud
- Federal election bills

**WHAT?**
- Ballot applications
  - Application requirements
  - Application channels
  - Perm list
- Prepayment of postage
- When processing is allowed
- Authentication/Sig Verification
- Return options
  - Postmarks etc.
  - Drop box
  - Tracking
- Curing
- Early Voting
The truth: the 2020 election was the most secure, the most observed, the most transparent, the most audited election – with the highest number of voters in U.S. history. 

ALL IN THE MIDST OF A GLOBAL PANDEMIC!
3,100+ election bills!


Election administration & VBM can be bipartisan still!

The New York Times

**Why Kentucky Just Became the Only Red State to Expand Voting Rights**

Republican lawmakers and the state’s Democratic governor backed a new law that proved the exception to the trend of G.O.P.-led legislatures moving to restrict ballot access.
Table 1. States with Ballot Request Deadlines Less Than Seven Days Before Election Day

<table>
<thead>
<tr>
<th>Number of Days Before Election Day</th>
<th>No Deadline</th>
<th>1 day</th>
<th>2 days</th>
<th>3 days</th>
<th>4 days</th>
<th>5 days</th>
<th>6 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>NH</td>
<td>CT</td>
<td>—</td>
<td>OH</td>
<td>GA</td>
<td>AL</td>
<td>OK</td>
<td></td>
</tr>
<tr>
<td>ND</td>
<td>MA</td>
<td></td>
<td>LA</td>
<td>DE</td>
<td>WV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WA</td>
<td>MN</td>
<td></td>
<td>MI</td>
<td>IL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MT</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>SC</td>
<td>OR</td>
<td></td>
</tr>
<tr>
<td>VT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>WI</td>
<td></td>
</tr>
<tr>
<td>WY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Vote.org.
Definition of watermark (Entry 1 of 2)

1  : a mark indicating the height to which water has risen

2  : a marking in paper resulting from differences in thickness usually produced by pressure of a projecting design in the mold or on a processing roll and visible when the paper is held up to the light
   also : the design of or the metal pattern producing the marking
- Paper & cost consequences
- Watermarks that are part of the paper itself require the production of “dandy-roll” rather than the generic paper that can be used for ANY jurisdiction by the producer
• This limits both the flexibility of the paper stock as well as issues with contingency plans/disaster recovery

• (Statutes contemplating this should take that into consideration along with UOCAVA exceptions)
In thousands of election offices across the country THIS is how those applications are processed and fulfilled.

In some cases those ballot are folded by hand…
• It has been known for years that stray marks and shadows can cause issues.

• Overvotes can result in valid votes being nullified.

• Unintended votes can be cast.
A "YES" vote would allow Senate Bill 1431 (2017) to go into effect, which would gradually increase over several years the percentage of students in kindergarten through twelfth grade eligible to receive an empowerment scholarship account to spend on tuition, textbooks, educational therapies, tutoring, or other qualified forms of instructional assistance at a private or home-based school in an amount equal to 90% of the allotted funding that otherwise would have been allocated to the student’s public school district or charter school (for low-income students, the amount would be equal to 100% of the allotted funding). Make changes to the existing empowerment scholarship program by requiring a policy handbook to be published for program applicants and participants, clarifying parental rights to appeal Department of Education eligibility decisions, and placing scholarship spending information on the Department’s website, and control the growth of the scholarship program by limiting new scholarship accounts each year through 2022 and eventually capping the number of new scholarship accounts at 2021-2022 fiscal year levels.

A "NO" vote will preserve the existing law regarding empowerment scholarship accounts.
• Ballot layout is a known entity!

• The increase in VBM/AB in some states that formerly have not had the volume exposed issues in ballot layouts not taking folds into consideration.
Testing should be certain it is including:

- L&A how official ballots will be folded
- L&A what voters might do: hand folded
5. Paper Examiner 3 - Tactile & Light Examination
   a. Examine the physical ballot.
   b. Note any differences or observations about the thickness or feel of the ballot and if necessary, attach thickness designator.
   c. If Election Day Poll vote, note the presence of a visible fold.
   d. If non-Election Day Poll vote, note the absence of visible fold.
   e. Confirm Fold Designator on file name is correct (Designators)
   f. Note any visible differences in the colors or text on the ballot.
   g. Place Ballot under UV-B and UV-A source and compare to representative specimens.

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There is the assumption that ALL ballots voted on Election Day, in person will be free of folds.

FALSE!

Some in person ballots will be folded such as provisionals—which are folded in half.
There is the assumption that ALL VBM ballots will be HAVE folds.
• FALSE!
• Remade ballots will not.
• UOCAVA ballots will not
• Braille ballots will not
• Large Print ballots will not
<table>
<thead>
<tr>
<th>State</th>
<th>News Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>MN</td>
<td>Minnesota Effort to restore Minnesota felon voting rights continues in courts after legislative move falters.</td>
</tr>
<tr>
<td>MS</td>
<td>Mississippi Canton's municipal swearing-in ceremony postponed. Mississippi Federal court revives lawsuit seeking to overturn Mississippi's Jim Crow-era felony voting ban.</td>
</tr>
<tr>
<td>NH</td>
<td>Occupy New Hampshire Seacoast demonstrates in Portsmouth's Market Square for voting rights.</td>
</tr>
</tbody>
</table>
June 24, 2021

Legislative Updates

**Federal Legislation**: The Senate failed to advance a sweeping voting rights bill Tuesday, stalling the Democratic legislation aimed at countering recent restrictive state measures pursued in Republican-led states. The Senate was unable to move the *For the People Act* to the floor for a debate, in a vote of 50-50, it fell short of the 60 needed to overcome a GOP filibuster. All Democratic Senators voted to begin debate, and the Republicans unanimously voted to block it. The legislation aims to counter regulations that make it difficult to vote — especially for people of color. It includes provisions Democrats say would make it easier for people to vote and register to vote. Those include expanding early voting and allowing for same-day voter registration. In March, it passed the House largely along party lines, with one Democrat and all Republicans voting against it. It never had any Republican support in the Senate — where it needed the support of at least 10 Republicans to overcome a filibuster.

Oregon Senators Ron Wyden (D) and Jeff Merkley (D) have introduced federal legislation to end hours-long lines at polling places that suppress hundreds of thousands of American voters, and to restore our Constitutional rights to vote in free and fair elections. The *People Over Long Lines (POLL) Act* would require state and local governments to end these forms of voter suppression. The bill requires states to file public plans detailing how they will ensure voters can cast ballots with waiting times of less than 30 minutes and require audits by the Election Assistance

Legal Updates

Arkansas: A voting rights lawsuit challenging the legality of a quartet of election changes passed by lawmakers this year must be dismissed because there is no evidence the new laws will harm voters, state lawyers assert in a response to the month-old litigation. Plaintiffs Arkansas United, an immigrant-advocacy group, and The League of Women Voters of Arkansas, a voter-education organization, argue the four laws targeted by the suit must be struck down as illegal, claiming they are really intended to keep poor and minority-group residents away from the ballot box or at least restrict their access to voting. Republican Attorney General Leslie Rutledge filed her response to the suit on behalf of the state, outlining a four-point argument for Griffen to dismiss the lawsuit. Rutledge's first argument is that neither of the plaintiff groups have standing to sue because they can't show they've been harmed by the new laws because the organizations are not persons to whom the challenged laws would apply. Claims that the laws will impede voters are without evidence, the attorney general's dismissal motion states. "Their fears are
Tammy Patrick

tpatrick@democracyfund.org
@aztammyp
PRICE CHANGE

SHARON OWENS
USPS, Vice President, Pricing and Costing
August 2021
Market Dominant Prices

Sharon Owens, Vice President, Pricing and Costing

July 28, 2021
New rules add Density-Based and Retirement-Based Rate Authorities to CPI

- Starts with change in Consumer Price Index – Urban (CPI-U) 1.24%
- Density Authority Accounts for declining volumes 4.5%
- Retirement Authority must be used for payment of liabilities and if not taken each year will not be available for future price changes 1.1%
- Total Authority for First-Class Mail, Marketing Mail, and Special Services 6.8%
- Periodicals and Package Services allowed additional 2% since currently underwater
- Market Dominant price increases are capped at CLASS LEVEL
- Greater Pricing Authority but restricted Pricing Flexibility from Stringent Regulations
Promotions, Incentives, and Permit Fees
### Proposed 2022 Mailing Promotions Calendar

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FIRST-CLASS MAIL®</strong></td>
<td><strong>MARKETING MAIL® AND FIRST-CLASS MAIL</strong></td>
<td><strong>MARKETING MAIL</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Registration</strong></td>
<td><strong>Promotion Period (6 months)</strong></td>
<td><strong>Promotion Period (6 months)</strong></td>
<td><strong>Promotion Period (4 months)</strong></td>
</tr>
<tr>
<td>Feb 15 – Mar 31</td>
<td>March 1 – August 31</td>
<td>August 1 – December 31</td>
<td>September 1 – December 31</td>
</tr>
<tr>
<td><strong>Emerging &amp; Advanced Technology</strong></td>
<td><strong>Personalized Color Transpromo</strong></td>
<td><strong>Informed Delivery</strong></td>
<td><strong>Mobile Shopping</strong></td>
</tr>
<tr>
<td><strong>Registration</strong></td>
<td><strong>Promotion Period (6 months)</strong></td>
<td><strong>Registration</strong></td>
<td><strong>Promotion Period (4 months)</strong></td>
</tr>
<tr>
<td>Jan 15 – Aug 31</td>
<td>March 1 – August 31</td>
<td>June 15 – Dec 31</td>
<td>September 1 – December 31</td>
</tr>
<tr>
<td><strong>Tactile, Sensory &amp; Interactive Engagement</strong></td>
<td><strong>Discount is 2 cents, no tiers</strong></td>
<td><strong>Duration extended by two months. Discount increased to 4%</strong></td>
<td><strong>Duration shortened by a month. Discount unchanged at 2%</strong></td>
</tr>
<tr>
<td><strong>Registration</strong></td>
<td><strong>Promotion Period (6 months)</strong></td>
<td><strong>Promotion Period (5 months)</strong></td>
<td><strong>Promotion Period (3 months)</strong></td>
</tr>
<tr>
<td>Dec 15 – July 31</td>
<td>February 1 – July 31</td>
<td>August 1 – December 31</td>
<td>April 1 – June 30</td>
</tr>
</tbody>
</table>

- Registration closes Mar 31, 2021
- Discount increased from 2% to 3%
- Discount increased from 2% to 4% and First-Class Mail is also eligible
- Duration shortened by a month. Discount unchanged at 2%
Full-Service and Seamless Incentives and Permit Fees

- Full-Service incentives is maintained at the current levels for qualified First-Class Mail and Marketing Mail at $0.003 and Periodicals and Package Services at $0.001 per piece.

- Seamless incentive is available to all eDoc submitters with a Seamless Acceptance CRID and an Enterprise Payment account who register in PostalOne! and is maintained at its current level $0.001 per piece.

- First-Class Mail Presort Permit Fee price increased from $245.00 to $265.00.

- USPS Marketing Mail Bulk Permit Fee increased from $245.00 to $265.00.

- Bound Printed Matter Flats Permit Fee increased from $245.00 to $265.00.

- Permit Imprint Fee increased from $245.00 to $265.00.
Proposed Price Change

First-Class Mail
# First-Class Mail Pricing Rationale

Pricing strategy considers rate relationships across pricing categories and shapes

<table>
<thead>
<tr>
<th>Category</th>
<th>Price Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letters</td>
<td>6.3%</td>
</tr>
<tr>
<td>Cards</td>
<td>13.2%</td>
</tr>
<tr>
<td>Flats</td>
<td>10.3%</td>
</tr>
</tbody>
</table>

### Letters
- Price increase 6.3%
- 58¢ stamp price
- Increase meter mail price by 2 cents to 53¢
- Additional ounce price not changed
- New prices created for Nonauto Machinable and Nonmachinable letters
- Workshared letters price increase 7.2% from 40¢ to 43¢ average revenue per piece

### Cards
- Price increase 13.2%
- Cards prices increased to reflect market value and future Marketing initiatives
  - Single-Piece cards price increase 11.1% from 36¢ to 40¢
  - Presort cards price increase 14.1% increasing average revenue from 27¢ to 31¢

### Flats
- Price increase 10.3%
- Single-Piece Flats price increase 16 cents per piece from $1.00 to $1.16 to improve cost coverage.
- Workshared Flats price increased 10.9% from $0.97 to $1.08 average revenue per piece
## Proposed Nonautomation letters Rates

<table>
<thead>
<tr>
<th>Service Description</th>
<th>Price Current</th>
<th>Price Proposed</th>
<th>Percent Change in Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automation Mixed AADC</td>
<td>$0.450</td>
<td>$0.485</td>
<td>7.8%</td>
</tr>
<tr>
<td>Automation AADC</td>
<td>$0.428</td>
<td>$0.461</td>
<td>7.7%</td>
</tr>
<tr>
<td>Nonauto Presort Letters</td>
<td>$0.460</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonauto Mach Mixed AADC</td>
<td>$0.460</td>
<td>$0.494</td>
<td>7.4%</td>
</tr>
<tr>
<td>Nonauto Mach AADC</td>
<td>$0.460</td>
<td></td>
<td>0.2%</td>
</tr>
<tr>
<td>Nonauto Nonmach Mixed ADC</td>
<td>$0.660</td>
<td>$0.794</td>
<td>20.3%</td>
</tr>
<tr>
<td>Nonauto Nonmach 3-Digit</td>
<td>$0.660</td>
<td>$0.684</td>
<td>3.6%</td>
</tr>
<tr>
<td>Nonauto Nonmach 5-Digit</td>
<td>$0.660</td>
<td>$0.586</td>
<td>-11.2%</td>
</tr>
</tbody>
</table>

Nonmachinable surcharge is removed for nonmachinable letters.
<table>
<thead>
<tr>
<th>Service</th>
<th>Current Price</th>
<th>New Price</th>
<th>$ Difference</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 oz. SP Letters</td>
<td>$0.55</td>
<td>$0.58</td>
<td>$0.03</td>
<td>5.5%</td>
</tr>
<tr>
<td>1 oz. SP Metered</td>
<td>$0.51</td>
<td>$0.53</td>
<td>$0.02</td>
<td>3.9%</td>
</tr>
<tr>
<td>SP Cards</td>
<td>$0.060</td>
<td>$0.36</td>
<td>$0.045</td>
<td>11.1%</td>
</tr>
<tr>
<td>1 oz. Auto Mixed AADC Letters</td>
<td>$0.450</td>
<td>$0.485</td>
<td>$0.035</td>
<td>7.8%</td>
</tr>
<tr>
<td>1 oz. Auto AADC Letters</td>
<td>$0.428</td>
<td>$0.461</td>
<td>$0.033</td>
<td>7.7%</td>
</tr>
<tr>
<td>1 oz. Auto 5-Digit Letters</td>
<td>$0.398</td>
<td>$0.426</td>
<td>$0.028</td>
<td>7.0%</td>
</tr>
<tr>
<td>1 oz. SP Flats</td>
<td>$1.00</td>
<td>$1.16</td>
<td>$0.16</td>
<td>16.0%</td>
</tr>
<tr>
<td>SP Additional Ounce (Letters only)</td>
<td>$0.20</td>
<td>$0.20</td>
<td>$0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>Shared Mail Letters</td>
<td>$0.51</td>
<td>$0.58</td>
<td>$0.07</td>
<td>13.7%</td>
</tr>
</tbody>
</table>
Proposed Price Change
Marketing Mail
### Marketing Mail Pricing Rationale

Pricing strategy considers rate relationships across pricing categories and shapes

<table>
<thead>
<tr>
<th>Pricing Category</th>
<th>Price Increase</th>
<th>Rationale</th>
</tr>
</thead>
</table>
| Letter-shaped    | Price increase 6.5% | - Lower price elasticity  
- Above average increase for High Density Letters 9.6% to reduce incentive for industry to aggregate letters to qualify for lower price  
- Below average increase for High Density Plus and Saturation Letters to align with flats prices  
- Nonprofit 6.0% change lower than Commercial 6.5% increase |
| Flat-shaped      | Price increase 6.4% | - Higher price elasticity  
- Flats, whether sorted to carrier route or not, 8.9% improves cost coverage of underwater products  
- High Density 12.3% reduces incentive for industry to aggregate flats to qualify for lower price  
- Below average increase for High Density Plus and Saturation Flats  
- Nonprofit 12.1% change higher than Commercial 6.8% |
| Parcels          | Price increase 9.4% | - Higher-than-average price increase to reflect market value of parcels and improve cost coverage of the underwater product |

*UNITED STATES POSTAL SERVICE*
Structural Change: Proposed New Discount – Encourage High Density Flats on Direct Pallets

- Direct Pallets – Pallets that can be cross docked directly to the destination Delivery Unit without having to do bundle sorting at the Plant freeing up the capacity for more parcel-shaped pieces.

- Currently there is an incentive for Carrier Route flat-shaped pieces to be on Direct Pallets. Incentive worked in moving Carrier Route flat-shaped piece to Direct Pallets (Increased from ~1% in FY2015 to ~14% in FY2020)

- Proposed discount applies to High Density flat-shaped pieces to be placed on Direct Pallets.
# Marketing Mail

<table>
<thead>
<tr>
<th>Product</th>
<th>Current Price</th>
<th>Proposed Price</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available CAP</td>
<td></td>
<td></td>
<td>6.8%</td>
</tr>
<tr>
<td>Letters</td>
<td>$0.214*</td>
<td>$0.228*</td>
<td>6.6%</td>
</tr>
<tr>
<td>High Density &amp; Saturation Letters</td>
<td>$0.171*</td>
<td>$0.181*</td>
<td>6.0%</td>
</tr>
<tr>
<td><em>High Density Letters</em></td>
<td>$0.188*</td>
<td>$0.206*</td>
<td>9.6%</td>
</tr>
<tr>
<td><em>High Density Plus &amp; Saturation Letters</em></td>
<td>$0.164*</td>
<td>$0.169*</td>
<td>3.3%</td>
</tr>
<tr>
<td>Flats</td>
<td>$0.436*</td>
<td>$0.475*</td>
<td>8.8%</td>
</tr>
<tr>
<td>Carrier Route</td>
<td>$0.269*</td>
<td>$0.293*</td>
<td>8.9%</td>
</tr>
<tr>
<td>High Density &amp; Saturation Flats &amp; Parcels</td>
<td>$0.178*</td>
<td>$0.187*</td>
<td>5.5%</td>
</tr>
<tr>
<td><em>High Density Flats</em></td>
<td>$0.206*</td>
<td>$0.232*</td>
<td>12.1%</td>
</tr>
<tr>
<td><em>High Density Plus, Saturation &amp; EDDM Flats</em></td>
<td>$0.170*</td>
<td>$0.176*</td>
<td>3.4%</td>
</tr>
<tr>
<td>EDDM-Retail</td>
<td>$0.192</td>
<td>$0.202</td>
<td>5.2%</td>
</tr>
<tr>
<td>DAL</td>
<td>5.5¢</td>
<td>6.5¢</td>
<td>18.2%</td>
</tr>
<tr>
<td>DML</td>
<td>6.0¢</td>
<td>7.0¢</td>
<td>16.7%</td>
</tr>
<tr>
<td>Parcels</td>
<td>$1.605*</td>
<td>$1.755*</td>
<td>9.4%</td>
</tr>
<tr>
<td>Nonprofit Ratio</td>
<td></td>
<td></td>
<td>60.15%</td>
</tr>
</tbody>
</table>

* Average revenue per piece
Marketing Mail Automation Commercial Letters Prices

Letters Product get below average price increase

<table>
<thead>
<tr>
<th>Marketing Mail Auto Letters</th>
<th>Current Price</th>
<th>New Price</th>
<th>$ Difference</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-Digit Origin</td>
<td>$0.259</td>
<td>$0.277</td>
<td>$0.018</td>
<td>6.95%</td>
</tr>
<tr>
<td>5-Digit DNDC</td>
<td>$0.239</td>
<td>$0.256</td>
<td>$0.017</td>
<td>7.11%</td>
</tr>
<tr>
<td>5-Digit DSCF</td>
<td>$0.235</td>
<td>$0.250</td>
<td>$0.015</td>
<td>6.38%</td>
</tr>
<tr>
<td>HD DSCF</td>
<td>$0.196</td>
<td>$0.214</td>
<td>$0.018</td>
<td>9.18%</td>
</tr>
<tr>
<td>Saturation Origin</td>
<td>$0.191</td>
<td>$0.197</td>
<td>$0.006</td>
<td>3.14%</td>
</tr>
<tr>
<td>Saturation DNDC</td>
<td>$0.172</td>
<td>$0.176</td>
<td>$0.004</td>
<td>2.33%</td>
</tr>
<tr>
<td>Saturation DSCF</td>
<td>$0.168</td>
<td>$0.172</td>
<td>$0.004</td>
<td>2.38%</td>
</tr>
</tbody>
</table>
# Marketing Mail Piece-Rate Commercial Flats Prices

<table>
<thead>
<tr>
<th>Marketing Mail Auto Flats</th>
<th>Current Price</th>
<th>New Price</th>
<th>$ Difference</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-Digit Origin</td>
<td>$0.450</td>
<td>$0.482</td>
<td>$0.032</td>
<td>7.11%</td>
</tr>
<tr>
<td>5-Digit DSCF</td>
<td>$0.372</td>
<td>$0.403</td>
<td>$0.031</td>
<td>8.33%</td>
</tr>
<tr>
<td>C-R Basic DSCF</td>
<td>$0.274</td>
<td>$0.297</td>
<td>$0.023</td>
<td>8.39%</td>
</tr>
<tr>
<td>Pure C-R DSCF</td>
<td>$0.253</td>
<td>$0.276</td>
<td>$0.023</td>
<td>9.09%</td>
</tr>
<tr>
<td>HD DSCF (125 pieces)</td>
<td>$0.213</td>
<td>$0.243</td>
<td>$0.030</td>
<td>14.08%</td>
</tr>
<tr>
<td>HD DSCF on Direct Pallet</td>
<td>$0.213</td>
<td>$0.233</td>
<td>$0.020</td>
<td>9.39%</td>
</tr>
<tr>
<td>HD+ DSCF (300 pieces)</td>
<td>$0.187</td>
<td>$0.195</td>
<td>$0.008</td>
<td>4.28%</td>
</tr>
<tr>
<td>Saturation DSCF (90%)</td>
<td>$0.179</td>
<td>$0.188</td>
<td>$0.009</td>
<td>5.03%</td>
</tr>
<tr>
<td>Saturation DDU (90%)</td>
<td>$0.163</td>
<td>$0.167</td>
<td>$0.004</td>
<td>2.45%</td>
</tr>
</tbody>
</table>
Proposed Price Change

Periodicals
### Periodicals Pricing Rationale

2% additional cap for non-compensatory class. Pricing strategy designed to increase average revenue.

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Piece/Pound</strong></td>
<td>Price increase 10.1%</td>
</tr>
<tr>
<td></td>
<td>• Piece Prices (13.3%) Most cap is used to increase piece prices to maximize revenue and to meet PRC requirements</td>
</tr>
<tr>
<td></td>
<td>• Pound Prices (-0.8%) All zones now have the same price. Increase in Advertising Pound price for Zones 1-4 and decrease for Zones 5-9</td>
</tr>
<tr>
<td><strong>Pallets Price Increase 2.1%</strong></td>
<td>Tray &amp; Sack Price increase 4.7%</td>
</tr>
<tr>
<td></td>
<td>• Continue increasing container prices to maintain cost coverage</td>
</tr>
<tr>
<td></td>
<td>• Tray prices are lower at DSCF and DDU entry as compared to Sacks</td>
</tr>
<tr>
<td><strong>Bundle</strong></td>
<td>Price increase 2.4%</td>
</tr>
<tr>
<td></td>
<td>• Bundle prices continue to increase in order improve cost coverages</td>
</tr>
</tbody>
</table>
## Periodicals Mail

PRC provides extra 2% for non-compensatory class

<table>
<thead>
<tr>
<th>Product</th>
<th>Current Price</th>
<th>Proposed Price</th>
<th>Percent Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available CAP</td>
<td></td>
<td>$0.27*</td>
<td>8.8%</td>
</tr>
<tr>
<td>Outside County</td>
<td>$0.27*</td>
<td>$0.30*</td>
<td>8.8%</td>
</tr>
<tr>
<td>Inside County</td>
<td>$0.11*</td>
<td>$0.12*</td>
<td>8.3%</td>
</tr>
</tbody>
</table>

* Average revenue per piece
Proposed Price Change

Package Service
Package Services Pricing Rationale

2% additional cap for non-compensatory class. Higher price increase for Media/Library Mail

- BPM Parcels
  - Price increase 6.7%
  - Transfer to Competitive products pending
  - BPM Parcel price increased to cover costs as PRC is not likely to issue its decision before filing this case

- BPM Flats
  - Price increase 7.5%
  - Below-average price increase is expected to provide additional revenue while maintaining healthy cost coverage
  - All zones now have the same price

- Media/Library Mail
  - Price increase 10.9%
  - Above-average increase to improve cost coverage
  - Alaska Bypass price increase 7.0%
# Package Services Mail – FY2020 Revenue $0.8B

PRC provides extra 2% for non-compensatory class

<table>
<thead>
<tr>
<th>Product</th>
<th>Current Price</th>
<th>Proposed Price</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available CAP</td>
<td></td>
<td></td>
<td>8.8%</td>
</tr>
<tr>
<td>Alaska Bypass Service</td>
<td>$26.30*</td>
<td>$28.13*</td>
<td>7.0%</td>
</tr>
<tr>
<td>BPM Flats</td>
<td>$0.76*</td>
<td>$0.82*</td>
<td>7.5%</td>
</tr>
<tr>
<td>BPM Parcels</td>
<td>$1.11*</td>
<td>$1.19*</td>
<td>6.7%</td>
</tr>
<tr>
<td>Total Media / Library Mail</td>
<td>$3.70*</td>
<td>$4.11*</td>
<td>10.9%</td>
</tr>
</tbody>
</table>

* Average revenue per piece
Proposed Price Change

Special Services
### Special Services Pricing Rationale

Pricing strategy considers pricing higher volume services with consideration of competitive alternatives.

<table>
<thead>
<tr>
<th>Certified Mail / Return Receipt / Money Order</th>
<th>Address Management Services</th>
<th>PO Box &amp; Other Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Certified Mail prices increase 4.2%</td>
<td>• Apply larger-than-average increases to better capture the value these services offer to mailers</td>
<td>• PO Box 9.3% price increase to reflect value to PO Box holders</td>
</tr>
<tr>
<td>• Return Receipt price increase 6.6%</td>
<td></td>
<td>• Any remaining cap would be spread across the other Special Services</td>
</tr>
<tr>
<td>• Money Order price increase 11.5% to improve cost coverage</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Resources
Resources

Online
Postal Explorer®—pe.usps.com
• Current and new prices, in Excel and CSV formats, and draft Notice 123 (Pricelist)
• Federal Register notices detailing the price and classification changes
• Domestic Mail Manual & International Mail Manual

DMM® Advisory — on Postal Explorer, also special e-mail updates
Questions?
Our mission

As we implement our Delivering for America plan, USPS continues our mission of binding businesses, communities, and customers across the country with USPS Connect™.
What is **USPS CONNECT™**?

It’s a suite of scalable and customizable solutions that allow your business to become more customer obsessed and foster growth.
Texas BBQ & Grill would like to ship their specialty spices, aprons, and t-shirts to local customers who frequent their food truck in order to grow business.

Texas BBQ & Grill opened a retail shop downtown and business is booming.

Texas BBQ & Grill has franchised and needs to expand its shipping reach even further.

**Local**
- DDU: Beechnut, TX
- Four ZIP Codes
- 13,859 Small/Medium Businesses
- Population of 179,958

**Destinating Plant**
- P&DC: North Houston, TX P&DC
- 481 5-Digit ZIP Codes
- 254 Destinating Delivery Units
- Population of 8,172,680
- 77.28% Within 1 Day

**Destinating NDC**
- NDC: Dallas NDC
- 3,076 5-Digit ZIP Codes
- 10 Destinating Priority Plants
- 10 Service Hubs
- Population of 31,529,436
- 24.84% Within 1 Day
Neighborhood businesses are the lifeline of Main Streets everywhere.

In 2020, neighborhood businesses were forced to change their business model and reinvent the customer experience in order to survive.

As the world shifts into recovery with consumers shopping online more than ever, businesses need to find new, cost-effective ways to compete on shipping speed, price and convenience to meet customer demand for local delivery.

USPS is ready to help neighborhood businesses meet today’s challenges head-on. USPS Connect Local is their solution for same day or next-day delivery.
70% of consumers are supporting local businesses by shopping online only, or a mix of online and in-store.¹

Fast, local delivery

- Expected same-day and next-day shipping²
- Convenience
- Competitive pricing

² Same-day or next-day delivery is expected but not guaranteed. Next-day delivery may be impacted by holidays and availability of Sunday delivery. Additional restrictions apply.
USPS Connect™ Local will offer same-day or next-day delivery to your local customers. The pilot program is available through a confirmed agreement to the program terms.

**How it works**

**Agreement**
- Review requirements and complete the agreement.

**Process**
- Prepare new orders for local delivery at participating Postal facilities serving those customers' ZIP Code™ areas.

**Print/Pay**
- Use the Click-N-Ship® application to easily print, prepay postage, and receive tracking numbers — all in one place.

**Enter packages**
- Bring your prepaid, labeled packages to a designated local postal facility — first thing in the morning for same-day delivery, and 30 minutes before the back dock closes for next-day delivery.

**Confirm**
- Receive confirmation of final delivery.
Phase 1 Local Solution: Dallas and Houston

Dallas

- Number of DDUs – 13
- 5 Digits Served – 47
- Downstream Deliveries – 371,281
- Population Served – 863,820
- Avg. Population Growth factor – 16.81%
- Avg. Median Household Income – $83,588
- Number of Businesses – 120,966

Houston

- Number of DDUs – 14
- 5 Digits Served – 60
- Downstream Deliveries – 649,164
- Population Served – 1,563,927
- Avg. Population Growth factor – 14.52%
- Avg. Median Household Income – $62,678
- Number of Businesses – 170,531
We're ready to serve you

At USPS, we’re continuously innovating to keep pace with customer expectations as they grow and change. So expect even more exciting changes ahead as we implement our Delivering for America plan.
Thank you
Wrap Up
2021 NPF 2.0
MAKING CONNECTIONS
RECONNECTING. REINVENTING. REIMAGINING.

SEPTEMBER 20-22, 2021
A VIRTUAL EXPERIENCE
https://npf.org/
Fall National Postal Forum
September 20 - 22, 2021 (Cost is $149.00)

- NPF Three Days, National PCC Day on Day 3 (September 22, 2021)
- Two General Sessions (headlined by Postmaster General and Chief Customer & Marketing Officer)
- Three Officer-Led Sessions
- Approximately 21 Workshops
- Customer Meetings with Area Vice Presidents
- Registration Opens Mid-August
Please Don’t Forget to Register!
Is this your first **AIM** meeting?

If you would like information for future **AIM** meetings in your Area please send an email with your contact information to:

**Atlantic AIM** - Jamie Milikowski  
AIMNortheastArea@usps.gov

**Central AIM** - Patti Tyc  
AIM@usps.gov

**Southern AIM** - Cathleen Lujan  
SAaim@usps.gov

**WestPac AIM** - Steve Kern  
Steve.f.kern@usps.gov

All Areas - If you would like information for all four areas please send your contact information to  
AIM@usps.gov

Visit us online at PostalPro.usps.com -  
https://postalpro.usps.com/industry-focus-groups
Upcoming AIM Meetings

- **Southern AIM**: August 10, 2021 @ 9:30 a.m.
- **Central AIM**: October 13, 2021 @ 10:00 a.m.
- **WestPac AIM**: Fall 2021
- **Atlantic AIM**: November 2021

**National** - See you at National Postal Forum in Phoenix (2022)