USPS Mail Growth Incentives

Mailers' Technical Advisory Committee

October 18, 2023



Agenda

- 1. Overview
- 2. Eligibility Criteria
- 3. Registration Process & Screenshots
- 4. Credit Process Measurement & Application
- 5. Reporting Overview
- 6. Additional Resources
- 7. Appendix FAQs

The Marketing Mail and First-Class Mail Incentives provide value for both mailers and the USPS.

Baseline Period: October 2022-September 2023 (FY2023)

Registration Period: November 2023 – June 2024

Incentive Performance Period: January 2024 – December 2024

Postage Credits for Mail Volume Growth

30%Credit

- Mailers will receive a postage credit for qualifying volume in excess 1M pieces and FY23 baseline volume – whichever is higher
- Earned postage credits will be issued quarterly after June, September, and December 2024

Value of Mail Growth Incentives









Find more information on the promotion process, eligibility, and requirements on Postal Pro!



USPS is implementing two new mail incentives to grow volume. Both First-Class Mail and Marketing Mail Growth Incentives will provide eligible mailers postage credit on mail volume growth.

ELIGIBILITY CRITERIA



All **Mail Owners with a baseline volume in FY23** can register for the incentives.



Yes! But the MSP themselves must be a Mail Owner.

What If My Business Has Multiple Business Units?

If there is a legitimate business reason for sending mailings from multiple units, they **can each be considered a separate mail owner** (supporting data will be required).

Is there a Minimum Volume Required to Receive Credits?

Mailers must have a minimum volume of 1 million pieces and grow mail volume above their baseline during the incentive period (Jan-Dec 2024).



What Products are Eligible for the First-Class Mail Growth Incentive?

- First-Class Mail Presort Letters
- First-Class Mail Presort Cards
- First-Class Mail Presort Flats



What Products are Eligible for the Marketing Mail Growth Incentive*?

- Marketing Mail Letters and HD/Saturation Letters
- Marketing Mail Flats and HD/Saturation Flats
- Marketing Mail Carrier Route
- Marketing Mail Parcels and Saturation Parcels



How do Mail Owners Register for the Mail Growth Incentives?



Register in the Mailing Promotions Portal

- Use Business Customer Gateway (BCG) credentials to access the Mailing Promotions Portal (MPP)
- Select the incentive you want to register for

System(s) Used:

MPP

Enter Alternative Contact Information

 Enter alternate contact info for automated registration in Program Reg

System(s) Used:

• MPP

Submit Authorization

- Customer acknowledges they have authority to enroll all of their company CRIDs in the incentive and agree to the terms and conditions
- A service request (SR) is created and emailed to the customer

System(s) Used:

MPP



View Baseline

 Customer can view SR and FY23 baseline volume in a dashboard

System(s) Used:

MPP



Agree or Disagree to Baseline

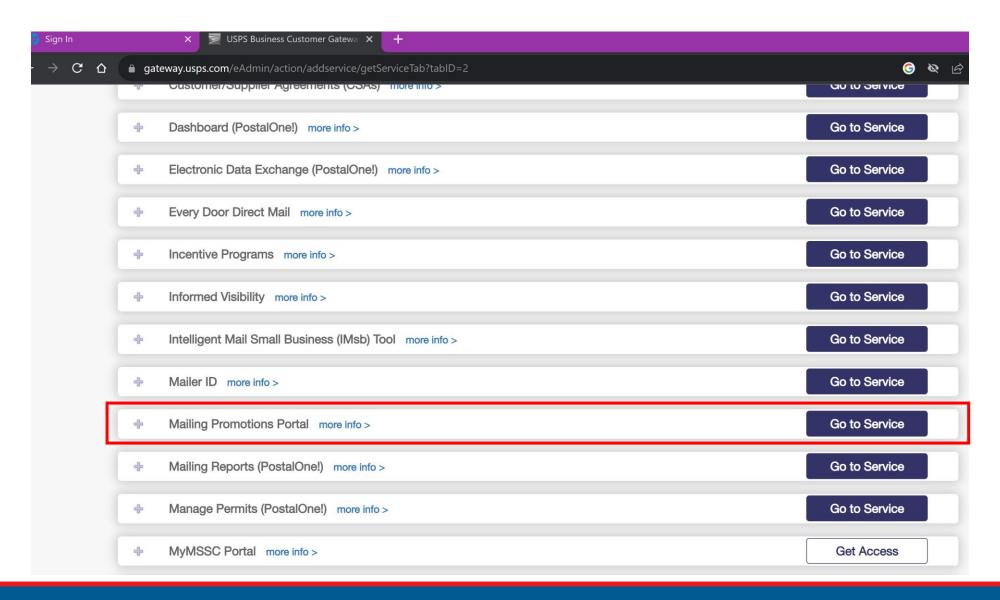
- USPS and mail owner must agree on baseline volume
- If mail owner disagrees with baseline, they initiate dispute in MPP with detailed info (list of CRIDs and volumes)
- Once baseline is agreed upon, information (CRIDs, baseline, etc.) is automatically sent to Program Reg

System(s) Used:

- MPP
- Program Reg (automatic enrollment)

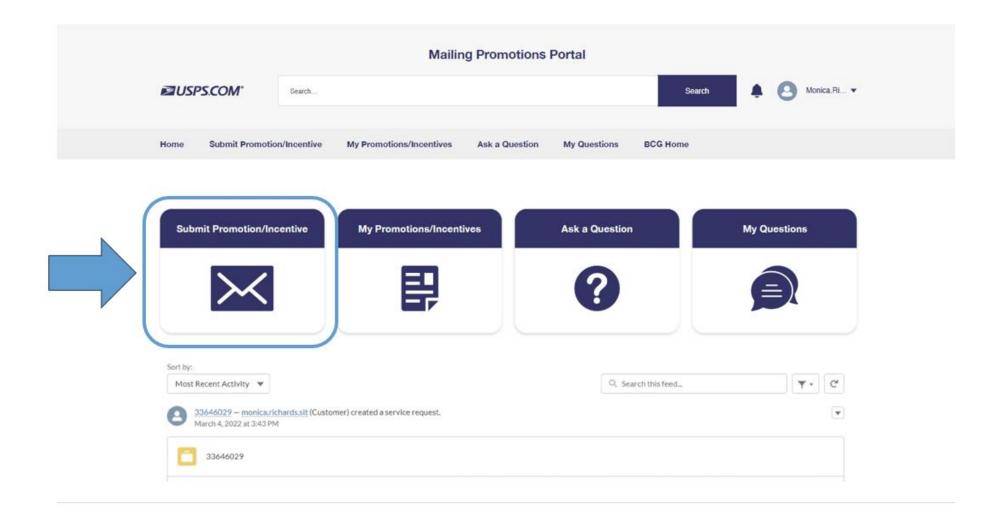


Navigate to Mailing Promotion Portal in BCG



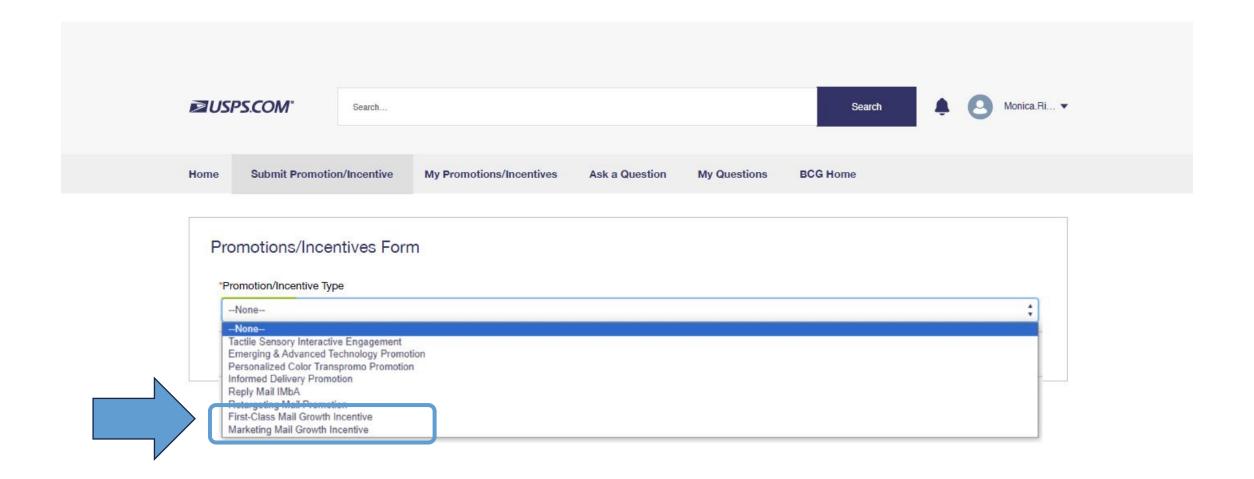


Customer Clicks "Submit Promotion/Incentive" From Mailing Promotions Portal Landing Page



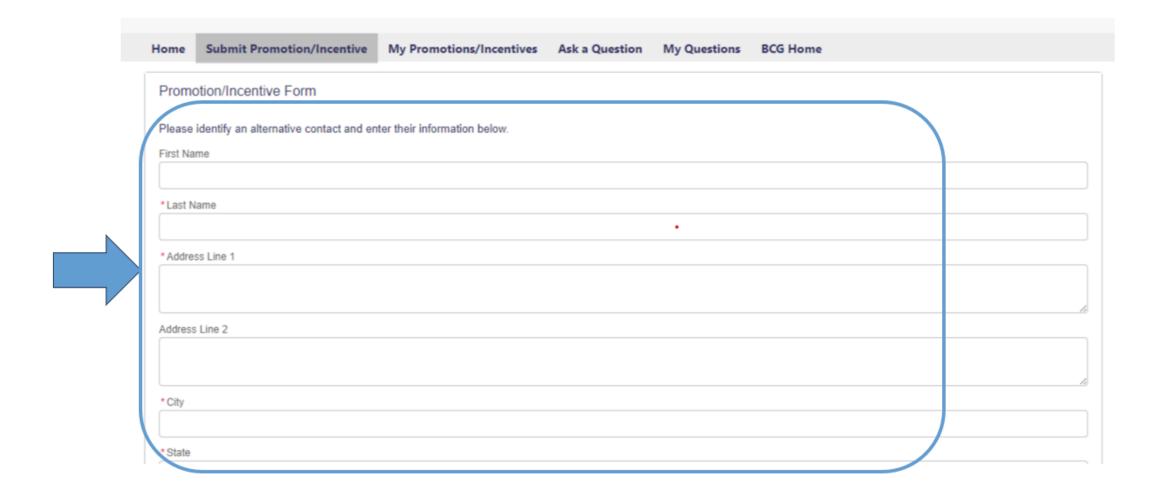


Customer Chooses First-Class or Marketing Mail Growth Incentive





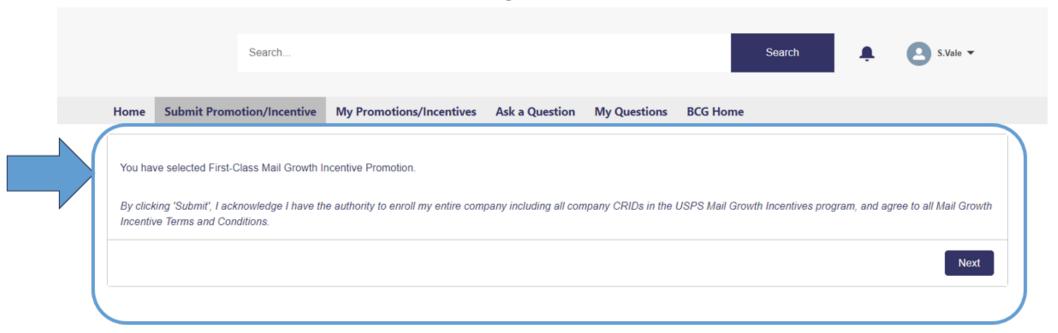
Customer Enters Alternate Contact Information, Required for Automated Registration in Program Reg



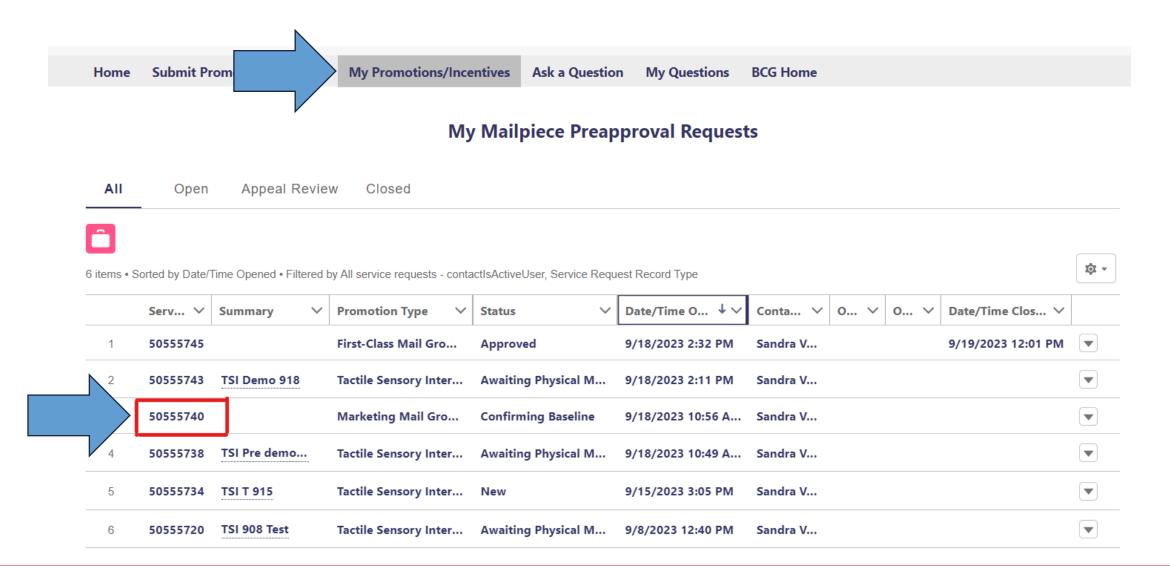


Customer Submits Incentive Service Request

Mailing Promotions Portal

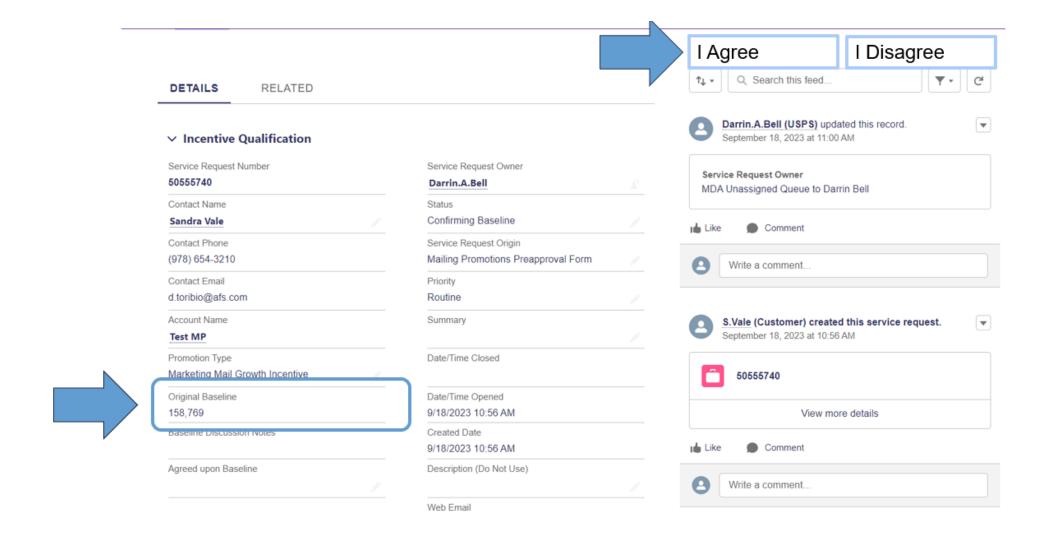


Customer Opens Incentive Service Request in My Promotions/Incentives



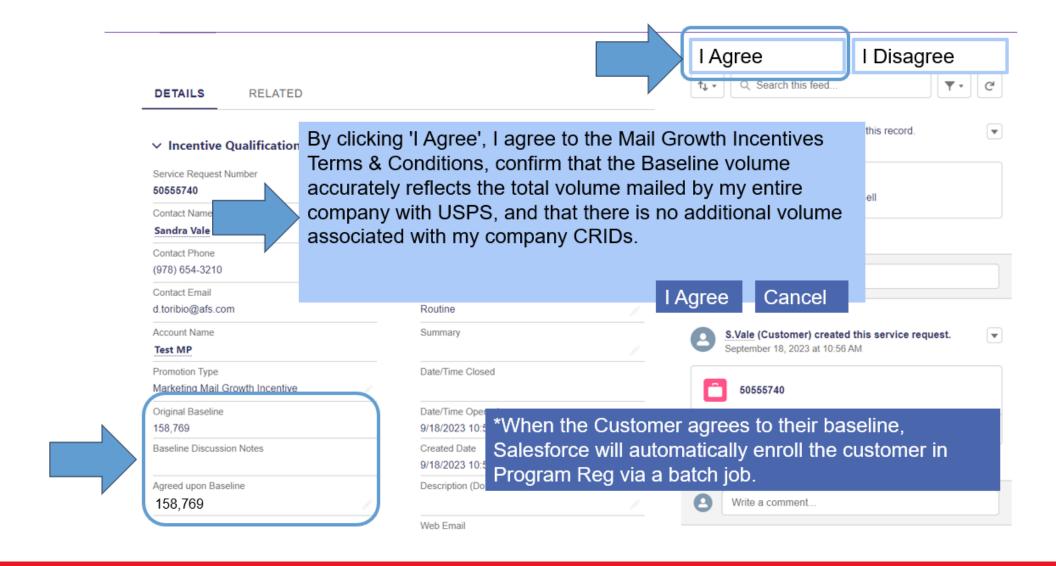


Customer Selects I Agree, or I Disagree for Baseline



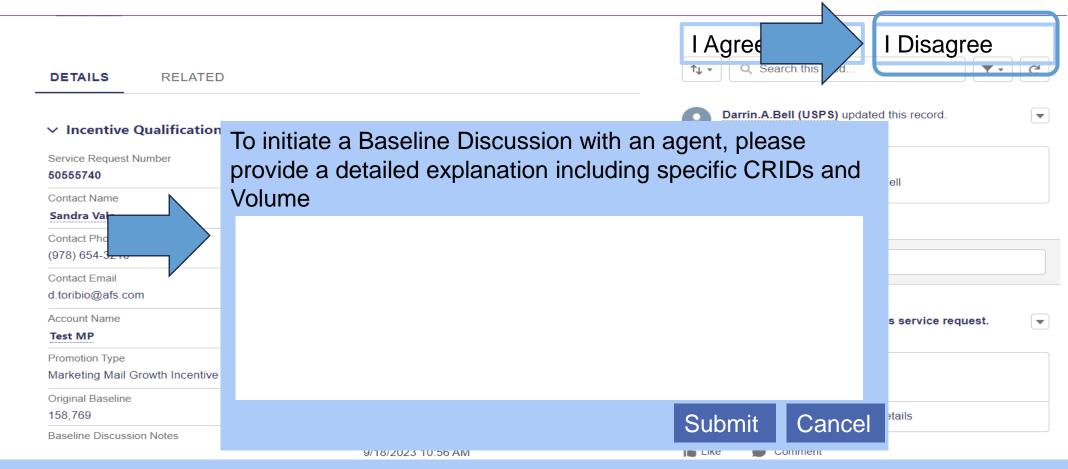


Customer Agrees to Baseline*



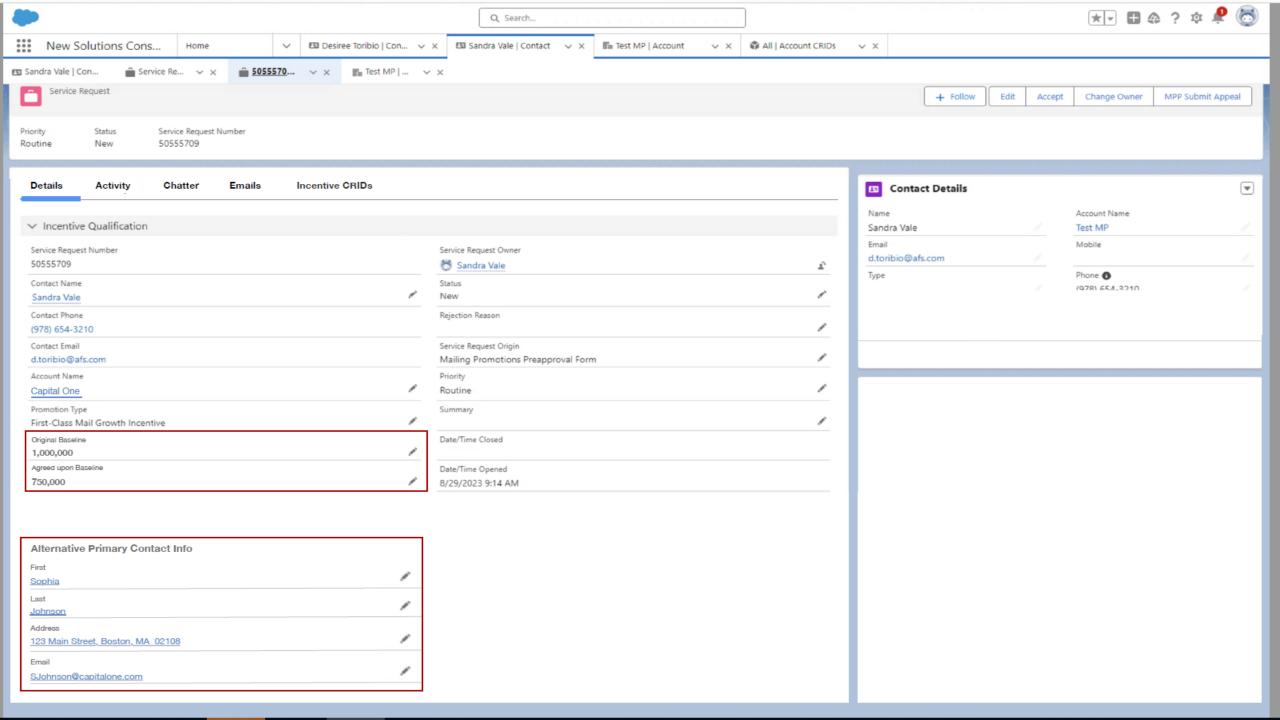


Customer Disagrees with the Baseline and Provides a Reason



Tier 1 assistance will work with mailers to come to agreement on a baseline volume. Escalation to Tier 2 assistance might be necessary if the issue needs additional research before a baseline can be confirmed by both parties.



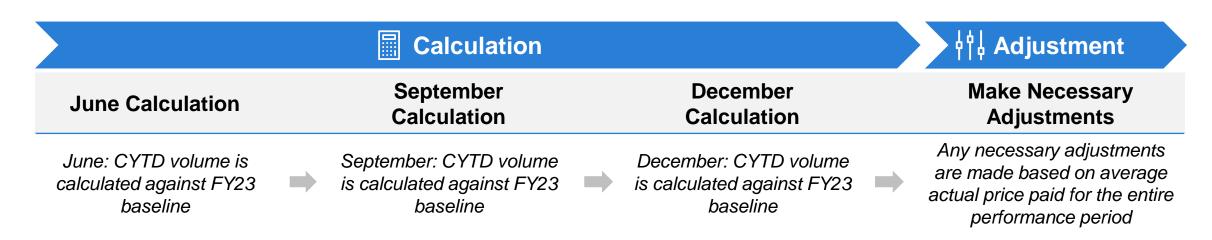


How will USPS Measure Performance for the Mail Growth Incentives?



Mailer volumes will be computed based on registered CRIDs. Each quarter, starting after CY 2024 Q2 – June, volumes will be pulled from PostalOne! using the Customer Data Mart. CYTD volumes will be compared to <u>total</u> baseline to calculate credits.

Credit Measurement Process



How will USPS Calculate, Adjust, and Issue Postage Credits for the Mail Growth Incentives?

Credit Determination Process

Volume is compared to CY to-date volumes after Q2, Q3, and end-of-year against full year baselines.

Credits are based on the average actual price paid per piece – <u>after all other incentives</u>, <u>promotions</u>, <u>and discounts</u> - for qualifying mail for the <u>full incentive period</u>.

FAQs

- Cannot combine FCM and MM volumes
- There is no limit on credits earned
- Credits issued to a as selected in Program Reg (Permit determination in development)
- Credits only eligible for future use on the qualifying products from the incentive in which they were earned
- Credits expire at the end of CY25

Scenario 1 Scenario 2 Scenario 3 In this scenario, we will In this scenario, we will In this scenario, we will examine the case of a examine the case of a examine the case of a customer whose customer whose customer whose baseline is under 1 average actual price average actual price million paid per piece paid per piece decreases and the increases and the credit is adjusted credit is adjusted downward at the end upward at the end of of the incentive period the incentive period -December December

If a Mail Owner disagrees with the credit calculation, they must initiate

dispute process with detailed supporting information. Agreement must be reached before credits will be issued.



How will USPS Calculate, Adjust, and Issue Postage Credits for the Mail Growth Incentives?

Scenario 1

Baseline Under 1M

- Baseline = 700,000
- June:
 - YTD Volume = 900,000
 - Q2 Eligible Credit Volume = 0 (Did not exceed 1M minimum volume requirement)
 - YTD Actual Price Paid per piece = \$0.45
 - Q2 Credit Issued = \$0
- September:
 - YTD Volume = 1,000,000
 - Q3 Eligible Credit Volume = 0 (**Did not** exceed 1M minimum volume requirement)
 - YTD Actual Price Paid per piece = \$0.40
 - Q3 Credit Issued = \$0

- December (full incentive period):
 - YTD Volume = 1,200,000
 - Eligible Credit Volume = 200,000
 - YTD Actual Price Paid per piece = \$0.50
 - Postage Credit = 30%
 - Full Incentive Period Credit = \$30,000
 - Actual Credit Issued = \$30,000

How will USPS Calculate, Adjust, and Issue Postage Credits for the Mail Growth Incentives?

Scenario 2

Avg Actual Price Decreases

- Baseline = 2,000,000
- June:
 - YTD Volume = 2,300,000
 - Q2 Eligible Credit Volume = 300,000
 - YTD Actual Price Paid per piece = \$0.50
 - Postage Credit = 30%
 - Q2 Credit Issued = \$45,000
- September:
 - YTD Volume = 2,400,000
 - Q3 Eligible Credit Volume = 100,000 (already received credits for 300K)
 - YTD Actual Price Paid per piece = \$0.40
 - Postage Credit = 30%
 - Q3 Credit Issued = \$12,000

- December (full period):
 - YTD Volume = 2,800,000
 - Q4 Eligible Credit Volume = 400,000 (already received credits for 400K)
 - YTD Actual Price Paid per piece = \$0.45
 - Postage Credit = 30%
 - Q4 (Oct Dec) Incentive Period Credit = \$54,000

Credit must be adjusted because it is based on average actual price paid for the full incentive period

- YTD Volume = 2,800,000
- Eligible Credit Volume = 800,000
- YTD Actual Price Paid per piece = \$0.45
- Postage Credit = 30%
- Full Incentive Period Credit Earned = \$108,000
- Final Actual Q4 Credit Issued = \$51,000 (\$45,000 + \$12,000 + \$51,000 = \$108,000)

How will USPS Calculate, Adjust, and Issue Postage Credits for the Mail Growth Incentives?

Scenario 3

Avg Actual Price Increases

- Baseline = 2,000,000
- June:
 - YTD Volume = 2,300,000
 - Q2 Eligible Credit Volume = 300,000
 - YTD Actual Price Paid per piece = \$0.45
 - Postage Credit = 30%
 - Q2 Credit Issued = \$40,500
- September:
 - YTD Volume = 2,400,000
 - Q3 Eligible Credit Volume = 100,000 (already received credits for 300K)
 - YTD Actual Price Paid per piece = \$0.40
 - Postage Credit = 30%
 - Q3 Credit Issued = \$12,000

- December (full period):
 - YTD Volume = 2,800,000
 - Q4 Eligible Credit Volume = 400,000 (already received credits for 400K)
 - YTD Actual Price Paid per piece = \$0.50
 - Postage Credit = 30%
 - Q4 (Oct Dec) Incentive Period Credit = \$60,000

Credit must be adjusted because it is based on average actual price paid for the full incentive period

- YTD Volume = 2,800,000
- Eligible Credit Volume = 800,000
- YTD Actual Price Paid per piece = \$0.50
- Postage Credit = 30%
- Full Incentive Period Credit Earned = \$120,000
- Final Actual Q4 Credit Issued = \$67,500 (\$40,500 + \$12,000 + \$67,500 = \$120,000)

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How and When Can Postage Credits be Used for the Mail Growth Incentives?

How To Apply Credits

Mail Growth Incentive postage credits can only be used on the eligible mail products for the incentive in which they are earned

- First-Class Mail Growth Incentive postage credits issued can only be used on future First-Class Mail mailings
- Marketing Mail Growth Incentive postage credits issued can only be used on future Marketing Mail mailings

When To Apply Credits

Mail Growth Incentive postage credits can be applied to mailing statements immediately after they are agreed-to and issued to a permit

 Postage credits will be issued after calendar year 2024 Q2, Q3, and Q4

Mail Growth Incentive postage credits expire after December 31, 2025



What Reports will be Provided for the Mail Growth Incentives?



CURRENT

Currently, enrollees can see reports in Program Reg

Program Reg will show reports similar to the Earned Value Promotion



We are adding a customer dashboard view

The customer dashboard will complement current reporting for incentives and promotions

*Dashboard development is in-progress

Where Can I Find Additional Information About the Mail Growth Incentives?





First-Class Mail and Marketing Mail Growth Incentives

First-Class Mail and Marketing Mail Growth Incentives - FAQs

Updated October 17, 2023

On September 27, 2023, the Postal Regulatory Commission (PRC) approved the Postal Service request to make Mail Classification Schedule (MCS) changes to establish two distinct Mail growth incentives — a First Class Mail Growth Incentive and a Marketing Mail Growth Incentive. The incentives will run concurrently from Jan. 1, 2024 through Dec. 31, 2024. The following are some frequently asked questions and answers on these incentives.

General

1. What are these incentives called?

First-Class Mail Growth Incentive and Marketing Mail Growth Incentive. These are two distinct incentives which will run concurrently and cannot be combined.

2. What are the First-Class Mail and Marketing Mail Growth Incentives?

The First-Class Mail and Marketing Mail Growth Incentives are being offered to Mail Owners to incent them to grow mail volume in Calendar Year 2024 (CY 2024). The Postal Service will be issuing postage credits to Mail Owners who grow qualifying First-Class Mail or Marketing Mail volumes in CY 2024 compared to volume in Fiscal Year 2023 (FY 2023) and meets all other requirements for these incentives.



Appendix



Appendix of FAQs (1/3)

Question	Answer
When discussing Fiscal Year is USPS referring to its Fiscal Year or the Mail Owner's Fiscal Year?	USPS's Fiscal Year (October 1 – September 30).
Can I participate in both the First-Class Mail and Marketing Mail growth incentives?	Yes. Registration for each mail class will occur separately, and the corresponding postage credits will be calculated separately, but any Mail Owner who expects to grow volume and have at least one million pieces in CY 2024 will be eligible for the postage credits if they register for these incentives.
What If a Mail Owner Does Not Have FY23 Volume?	Potential registrants must be a Mail Owner with a distinct and discernible FY 2023 baseline volume able to be established.
What If My Previous Volume Is With Another CRID?	Mailers with no FY 2023 baseline who want to register should be prepared to provide any additional information requested by USPS. This may include proof of mailer volume submitted under another mailer's CRID.
What If I Do Not Agree with My Baseline Volume?	There will be a process for mailers to provide evidence to justify what they believe their baseline volume should be.



Appendix of FAQs (2/3)

Question	Answer
Can mailings claiming promotional pricing (Personalized Color Transpromo; Tactile, Sensory and Interactive; Emerging and Advanced Technology; Reply Mail IMbA; Informed Delivery; Retargeting) in 2024 still participate in the Mail Growth incentives? If so, where do the incentive calculations occur in the order of precedence?	Yes. First-Class Mail and Marketing Mail Growth Incentive postage credit calculations will be based on the average actual price paid per piece for included volume over the entire incentive period. Therefore, Mail Growth Incentive postage credits will be the final calculation after all other incentive and promotional discounts.
Will EDDM mailings qualify for these incentives?	The Marketing Mail Growth Incentive will apply to EDDM BMEU mail but will not apply to EDDM-Retail.



Appendix of FAQs (3/3)

Question	Answer
How much of a postage credit will be issued if I grow my mail volume?	The Postal Service will issue a 30% postage credit based on the incremental volume in CY 2024 (vs. the higher of (a) baseline FY 2023 volume and (b) one million pieces) times the average actual price paid per mail piece for qualifying mail for the entire incentive period. There are three conditions that exist for a Mail Owner to receive these postage credits. The Mail Owner must mail at least one million mail pieces in CY 2024 in the mail class relevant to the incentive in question (First-Class Mail or Marketing Mail). The Mail Owner's CY 2024 volume must exceed their volume in FY 2023. The mailer must meet registration requirements for these incentives, which include accepting a baseline volume for each incentive. At the end of the incentive period, postage credits issued will be adjusted to ensure total postage credits issued are based upon final average price paid per piece for the entire incentive period.
Can I combine my CY 2024 First-Class Mail volumes with my Marketing Mail volumes to reach the million pieces necessary to receive postage credits?	No. The growth incentives for First-Class Mail and Marketing Mail are two different incentives and neither volumes nor postage credits can be combined.

