
Priority Mail Business Media Update

Frequently Asked Questions

Built-In Insurance

1. How is insurance determined for each product?

Priority Mail Express still includes \$100 coverage. Priority Mail 1-day, 2-day and 3-day will include \$50 or \$100 of insurance coverage depending on the payment method, such as whether a customer brought it to a retail counter or if it was paid for online.

2. How do you determine if a customer qualifies for \$50 or \$100 insurance coverage?

The amount of insurance coverage is determined by the postage payment method used. Service type codes and application identifiers from barcodes will be used by the Product Tracking System to determine the amount of coverage a customer is entitled.

3. What does the insurance cover?

Insurance covers a lost, damaged or missing shipment. To file an insurance claim, customers can visit usps.com/ship/file-domestic-claims.htm and register for an account online. Customers must have the item's tracking or label number to start the process.

Customer Impact

4. What is the impact on residential and business customers?

Residential and business customers will receive added value when they ship Priority Mail. **Day-specific delivery** estimates will be provided online and at the counter. Instead of a 2-3 day delivery range, customers will receive scheduled delivery estimates of 1, 2 or 3 days (known as **day-specific delivery**), which will be printed on their retail receipts. This **day-specific delivery** information is provided by matching origin and destination ZIP Codes — from where the package was shipped to where it's going.

5. Who are our Priority Mail customers? Are they individual and/or small business, or eBay shippers, or all of the above?

Our customers are all of the above.

Customer Service

6. Where can customers find out more information about the Priority Mail improvements?

For more information, customers can stop at their local post office, call 1-800-ASK-USPS to speak directly with our customer service team or visit our Priority Mail dedicated website at www.usps.com/makingprioritymailbetter for a list of frequently asked questions and details of the improved features.

Day-Specific Delivery

7. Why can't the customer choose the day desired for delivery?

The scheduled delivery day will be determined by the origin and destination Zip Codes — the location from where you ship your package to where you send it. This is known as **day-specific delivery**. However, if you need overnight delivery to most U.S. addresses, including PO Boxes™, you can use Priority Mail Express, which remains our fastest service available to most locations.

8. Priority Mail is currently a 2-3 day service. What will be different?

With Priority Mail, you'll get an estimated service of 1 day, 2 days, or 3 days based on the origin and destination ZIP Codes.

9. How will I know if my package will be 1, 2, or 3 day delivery?

The delivery day will be determined by on the origin and destination ZIP Codes. This is known as **day-specific delivery**. The scheduled delivery day will be reflected on the payment receipt and in the USPS Tracking™ information.

10. Will all of the new products be guaranteed for delivery?

Only Priority Mail Express has a money-back guarantee.

11. Is delivery for Priority Mail products guaranteed?

No, only Priority Mail Express has a money-back guarantee.

12. Why do you think these changes will help build the overnight delivery business?

Priority Mail is widely recognized by Americans for its value and reliability. Now we can associate the brand with its **day-specific delivery** service, whether it's overnight, a premium product or a guarantee.

Package Design

13. Are new types of boxes and envelopes being introduced?

No new packaging types are being introduced. The packaging supplies are being redesigned.

14. What should offices and customers do with their inventory of “old” supplies?

Post Offices will exhaust all old supplies before switching to new supplies. Customers are also encouraged to exhaust their old supplies before switching to the new supplies.

Pricing

15. How much will each service cost?

Prices did not change.

16. Will the pricing be different based on the scheduled delivery day?

There will be no price difference based on the scheduled delivery day (known as **day-specific delivery**). Current prices (January 27, 2013) will remain in place. Prices for all Postal Service products, including Priority Mail, can be accessed through our website at usps.com.

“Priority: You” Marketing Campaign

17. What market research did you conduct leading to the rebranding of your products?

We conducted qualitative and quantitative research to understand customer perceptions to this change. Overall, the **day-specific delivery** commitment was viewed positively by customers and is a positive step toward USPS' efforts to become even more competitive.

18. Why is the new branding of the Postal Service's overnight product necessary?

Feedback from our customers indicates an interest and desire for the changes we have put in place. This new branding simplifies our product offerings under a single umbrella. By offering a competitive value proposition, we expect to drive continued growth of package volume and revenues.

19. How will you be marketing the new products to the public and businesses?

To support this initiative, we will be launching an integrated multi-channel marketing campaign:

- a. **Direct Mail** advertising campaign to every business and household in America.
- b. **Print** advertising will appear in a broad variety of monthly publications, some of which will include online magazines and program extensions that feature Priority Mail.
- c. **Broadcast** commercials will be featured on network, cable and online television programming, and the campaign will be extended into the digital space through web banners, online ad networks, bloggers and social media. Outreach to the business community will also be extended through the USPS Sales team to help communicate the improvements in Priority Mail and the value it can bring to shippers seeking a competitive shipping solution.

Product-Specific

20. How do the new Priority Mail offerings compare to the competition?

We now provide customers with day-specific delivery information and insurance as our competitors do. These changes help make USPS compete in today's package shipping and services marketplace. Add our already strong Priority Mail product value — no surcharges, free packaging, innovative flat rate boxes — and our offering is extremely competitive.

21. What operational changes did we have to put in place to make these service changes?

There were no specific service standard changes related for this effort.

22. Did we have to seek approval from the Postal Regulatory Commission for these changes?

We have filed two changes with the PRC. First, we changed the name of Express Mail® to Priority Mail Express™. Second, most Priority Mail shipments will now qualify for up to \$50 of free insurance coverage (\$100 for high-volume commercial customers).

23. Why are these changes being made?

Customers want day-specific delivery information. The Priority Mail refresh enhances the value of our expedited products, and builds on the strength of the Priority Mail brand. At the same time, providing **day-specific delivery** information will complement other service enhancements, including real-time tracking and the new Product Tracking System (PTS2).

24. Besides the name change what other changes are associated with the Priority Mail product?

Priority Mail will provide **day-specific delivery** information and include insurance (loss, damage, or missing contents) at no additional cost to the customer. The amount of insurance automatically included may be \$50 or \$100, depending on the postage payment method.

25. What is the difference between Priority Mail Express and Priority Mail 1-Day?

The Priority Mail Express product provides a money-back guaranteed specific scheduled delivery day, and includes \$100 insurance. Priority Mail 1-Day service has no money-back guarantee and includes \$50 insurance when purchased at retail.

26. What other changes are you considering for the Postal Service's package delivery service?

We want to be America's shipper of choice. We will continue to explore opportunities to add value to our shipping products and make them work better for our customers.

Tracking

27. Does the Postal Service have real-time tracking?

The Postal Service expects to see real-time tracking by the end of 2013 using 216,000 scanners across the United States. Building on the Priority Mail brand, real-time tracking and our new Product Tracking System will improve our delivery experience for our customers. Real-time tracking will allow us to leverage our extensive network and provide delivery information with certainty.

28. What types of wireless devices are used in postal facilities?

Our improved USPS Tracking™ includes deployment of high-tech wireless scanners in many delivery vehicles, customers can check on the status of their package as it moves from origin to destination.

29. How does our tracking compare to our competitors?

Real-time tracking is the industry standard. The Postal Service understands this important customer need and will have the capacity to offer real-time tracking by the end of the year. Customers are now given a tracking number on the shipping label and receipt to follow package throughout the delivery. We scan our packages an average of up to 11 times from departure to arrival.