



## POSTAL NEWS

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### Postal Service Launches Major Upgrades to Priority Mail

*Improved Priority Mail® includes free insurance, free tracking and day-specific delivery*

**WASHINGTON** — Capitalizing on strong growth in its shipping business, the United States Postal Service has launched major changes to its Priority Mail line-up, with improved features including free insurance, improved USPS Tracking™ and day-specific delivery which are expected to generate more than a half a billion dollars in new revenue over the next year.

“This major upgrade of our Priority Mail products is one of the most dramatic new offerings from the Postal Service that meets the strong marketplace demand for core shipping features at affordable pricing,” said Patrick R. Donahoe, Postmaster General and Chief Executive Officer. “We believe this Priority Mail line-up positions the Postal Service very competitively in the shipping marketplace and gives small businesses and other frequent shippers a continued and compelling reason to do business with the Postal Service.”

Priority Mail will now provide scheduled delivery – 1-day, 2-day or 3-day based on the origin and destination of the package.<sup>1</sup> The Postal Service also will provide improved USPS Tracking™ for all Priority Mail products. Tracking and scheduled delivery information will be prominently and conveniently located on customer’s retail receipts and is also available online using Track and Confirm.

Free insurance is another new and important Priority Mail feature<sup>2</sup> designed to close competitive gaps in the shipping market place and meet the growing needs of small businesses and other frequent shippers. 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 it was paid for online.

“Our revamped Priority Mail product line should be a game changer in the shipping marketplace,” said Nagisa Manabe, Chief Marketing and Sales Officer. “We’re meeting the rising expectations of customers with important new features that include new packaging, free insurance, date specific delivery and free tracking.”

Newly redesigned Priority Mail boxes and envelopes are available in Post Offices and online at [usps.com](http://usps.com) with many Priority Mail Flat Rate sizes and pricing. Express Mail services will continue as Priority Mail



<sup>1</sup>Service commitment based on acceptance location and time. Some restrictions apply

<sup>2</sup>Exclusions may apply; domestic service only.

Express, providing next day service with a money-back guarantee and up to \$100 of free insurance.

The Postal Service has seen strong growth in its package business, which grew more than 14 percent over the last two years. This e-commerce-fueled growth trend is projected to continue for the next decade. Online consumers are expected to increase their spending by 62 percent by 2016 and U.S. E-commerce retail sales are expected to grow by 41 percent to \$370 billion annually by 2017.<sup>3</sup>

“With e-commerce driving major changes in shipping habits, and consumers becoming more reliant on delivery services, the Postal Service can play an increasingly vital role as a driver of growth opportunities for America’s businesses,” said Manabe. “We expect our Priority Mail product will continue to be very popular.”

“Our customers see strong value in the national delivery platform we provide, and we anticipate continued package growth as small businesses take advantage of our new Priority Mail offerings.” stated Donahoe.



Other competitive advantages of Priority Mail products will continue to be the following:

- No hidden charges — no fuel or residential surcharges.
- Free supplies — free boxes and envelopes delivered at no charge.
- Free package pickup — regardless of the number of packages.
- Multiple packaging options — full family of variable and Flat Rate packaging with a variety of package sizes and pricing.



The Postal Service plans to educate business and residential customers about its new Priority Mail products through an integrated marketing campaign that will extend through the holiday season.

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: 152 million residences, businesses and Post Office Boxes. The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations. With more than 31,000 retail locations and the most frequently visited website in the federal government, usps.com, the Postal Service has annual revenue of more than \$65 billion and delivers nearly 40 percent of the world's mail. If it were a private-sector company, the U.S. Postal Service would rank 42nd in the 2012 Fortune 500. The Postal Service has been named the Most Trusted Government Agency for seven years and the fourth Most Trusted Business in the nation by the Ponemon Institute.

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<sup>3</sup>Source: Forrester Inc.