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On November 3rd, the U.S. Postal Service® announced that prices will change January 2nd, 2011 for the following postal shipping services:

- Express Mail[®]
- Priority Mail®
- Parcel Select®
- Global Express Guaranteed®
- Express Mail International®
- Priority Mail International™

Prices for postal mailing services, including First-Class Mail®, will not change in January. The price of a First-Class Mail stamp will remain at \$0.44, but a price change for the mailing services might occur later in 2011.

Prior to January 2nd, 2011 your DYMO Endicia® software will update to a new version that includes the new U.S. Postal Service prices. Please allow this update to be performed when you are prompted. If you have allowed the update, the software will use the old prices before January 2nd and will automatically switch to the new prices for all pieces dated January 2nd or later.

The U.S. Postal Service continues to be an excellent value for shipping and - unlike private carriers - the Postal Service still does not impose surcharges for fuel, residential delivery, or Saturday delivery. The U.S. Postal Service will continue to offer a commercial base discount for users of PC Postage® services such as DYMO Endicia, making it even more advantageous to print your postage online.

Coinciding with the USPS price change are a significant number of structural changes including:

- A lower volume threshold required to qualify for Commercial Plus™ pricing for Express Mail® and Priority Mail®.
- An expanded selection of USPS-provided Priority Mail Envelopes eligible for Flat Rate Envelope pricing.
- The introduction of new regional Flat Rate Priority Mail boxes.
- The introduction of Critical Mail™ shipping option for Priority Mail Commercial Plus customers.
- The introduction of Priority Mail Hold for Pickup.
- A change in the parcel weight rounding calculation for Express Mail, Priority Mail, and Package Services.

USPS Pricing Change Overview

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- The Postal Service will continue to offer different pricing platforms:
 - Retail Pricing: The standard counter price for postage at the Post Office™.
 - Commercial Base Pricing: Discounted postage on certain classes of mail, available to anyone who uses a PC Postage provider, such as Endicia.
 - Commercial Plus Pricing: A heavily discounted price for large volume mailers and shippers.
 - Priority Mail Commercial Plus Cubic Pricing: For customers who ship more than 250,000
 Priority Mail pieces per year and are shipping items in smaller boxes.
- Commercial Base pricing will be, on average, 6.6% less than retail for Priority Mail and 5% less than retail for Express Mail. Online savings for international shipping will be 10% less than retail for Global Express Guaranteed, 8% less for Express Mail International and 5% less for Priority Mail International.
- Commercial Plus pricing will be, on average, 13.6% less than retail for Priority Mail.
- Retail pricing will increase by 3.6%, on average.

Shipping Changes

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Structural Changes

- Exciting news from the Postal Service is that the thresholds for Commercial Plus customers will be significantly reduced:
 - The Express Mail volume threshold will change from 6,000 to 5,000 pieces annually.
 - o The Priority Mail volume threshold will change from 100,000 to 75,000 pieces annually.
 - The Priority Mail Flat Rate Envelope threshold is 5,000 pieces annually. The 5,000 piece count does not include the padded envelope.
- Hold for Pickup is now available for Priority Mail® and First Class™ mail (parcels only). For Express Mail® Hold for Pickup, customers can be notified via SMS (text) or email notification.
- The introduction of Priority Mail Regional Flat Rate boxes. See below for more information.
- The USPS is also introducing two types of adult signature forms. Customers can purchase Adult Signature Required Service, where an age appropriate signer must sign for the package. Customers can also purchase Adult Signature Restricted Delivery, where the package must be

- signed by the addressee. These services are available for Express Mail®, Priority Mail® and Parcel Select ®.
- Beginning on January 2nd, the qualifications for Commercial Plus Cubic Pricing are changing slightly. To calculate the cubic tier of your package:
 - o Rolls and tubes will no longer be eligible for cubic pricing.
 - o The maximum dimension-length, width, or height- may not exceed 18".
 - o Each dimension will be rounded down to the nearest ¼ inch.
 - Multiply the length by the width by the height and divide by 1728. Here is an example of how to calculate the dimensions of a package that qualifies for Cubic Plus Pricing: The package measures 6.18" x 6.23" x 6.07". The rounded down dimensional measurements: 6" x 6" x 6" = 216 divided by 1728 = .125. This piece exceeds .10 (Tier 1 threshold). It will be calculated at the next tier price, Tier 2 .101 to .20.
- Parcel weight will now be calculated to two decimal places. In 2011, the third decimal is rounded and the fourth decimal is ignored. The new calculation applies to Express Mail®, Priority Mail®, and Package Services. As an example, in 2010 a package that weighed 2.0010 pounds was calculated at a priced weight of 3 lbs. In 2011, the priced weight will be 2 lbs. A package that weighs 2.01 pounds is still priced at the weight of 3 lbs.

Priority Mail Pricing

Some exciting changes and new products will be available under the Priority Mail umbrella:

- The Padded Flat Rate Envelope will now be available to Commercial Base customers. The size of the envelope is 12 ½ inches by 9 ½ inches and can be ordered through usps.com or by calling 800-275-8777. The cost of the Padded Flat Rate Envelope is \$4.95.
- All domestic USPS-produced Priority Mail envelopes smaller than 12.5" x 9.5" will be priced at \$4.75, the same as the regular Priority Mail Flat Rate Envelopes. Along these same lines, the Priority Mail Flat Rate Envelope options are expanded to include Gift Card Flat Rate Envelopes, Window Flat Rate Envelopes, and Small Flat Rate Envelopes.
- A new Flat Rate Envelope in legal size will be available for Priority Mail Commercial Base and Commercial Plus customers. The size of the envelope will be 15 inches by 9 ½ inches, and it will be priced at \$4.95.
- The Priority Mail volume threshold to qualify for Commercial Plus pricing will be reduced from 100,000 to 75,000 pieces annually.
- The Priority Mail Flat Rate envelope (except the Padded Flat Rate Envelope) volume threshold for Commercial Plus Pricing will be reduced from 100,000 to 5,000 pieces annually.
- The one pound rate is also moving to a zone-based pricing structure.

Critical Mail

The introduction of Critical Mail™

- Critical Mail is a new service for customers who qualify for Priority Mail Commercial Plus Pricing.
 To have access to Critical Mail, customers must meet the 5,000 piece annual volume threshold or have a Commercial Plus Agreement.
- Critical Mail is ideal for important documents, such as event tickets, and offers tracking for letters and flats at substantially lower prices than published private carrier rates for 2nd day air.

- USPS packaging is required and will be available at no additional charge as automationcompatible letters and flats. There will be separate prices and weight limits for each processing category:
 - o Critical Mail letters weight limit up to 3 ounces
 - o Critical Mail flats weight limit greater than 3 ounces and up to 13 ounces.
- Delivery Confirmation comes at no additional charge with Critical Mail, which is delivered at the same speed as First-Class Mail.
- Customers can purchase Signature Confirmation™ at Priority Mail® prices.
- Adult Signature and Adult Signature Restricted services can also be purchased for your Critical Mail.
- Customers who take advantage of Critical Mail must use USPS packaging. Critical mail envelopes are available from usps.com/shop or by calling 800-275-8777.

Weight/Type	Retail	Retail	Comm	Comm	Save	Comm	Comm	Save
	10	11	Base 10	Base 11	from	Plus 10	Plus 11	from
					Retail			Retail
0.5*						\$4.43	\$4.58	
1	\$5.14	\$5.37	\$5.04	\$5.18	\$0.19	\$4.98	\$5.10	\$0.27
2	\$6.88	\$7.25	\$6.39	\$6.66	\$0.59	\$6.10	\$6.23	\$1.02
3	\$8.48	\$8.82	\$7.77	\$8.01	\$0.81	\$7.53	\$7.68	\$1.14
4	\$9.34	\$10.79	\$9.35	\$9.64	\$1.15	\$8.98	\$9.16	\$1.63
5	\$11.97	\$12.45	\$10.79	\$11.13	\$1.32	\$10.33	\$10.53	\$1.92
10	\$19.07	\$19.84	\$17.45	\$18.03	\$1.81	\$16.81	\$17.14	\$2.70
FR E	\$4.90	\$4.95	\$4.75	\$4.75	\$0.20	\$4.70	\$4.70	\$0.25
FR PE*		\$4.95		\$4.95	\$0.00	\$4.95	\$4.90	\$0.05
Small Flat Rate	\$4.95	\$5.20	\$4.85	\$5.00	\$0.20	\$4.80	\$4.95	\$0.25
Вох								
Medium Flat	\$10.70	\$10.95	\$10.20	\$10.50	\$0.45	\$9.77	\$9.97	\$0.98
Rate Box								
Large Flat Rate	\$14.50	\$14.95	\$13.95	\$14.20	\$0.75	\$13.40	\$13.67	\$1.28
Вох								
APO/FPO	\$12.50	\$12.95	\$11.95	\$12.20	\$0.75	\$11.40	\$11.67	\$1.28

Weight/Type	Max Thickness	Max Weight	Flat Rate
Letter	1/4"	3 oz.	\$3.50
Flat	3/4"	13 oz.	\$4.25

Regional Rate Boxes

The introduction of Priority Mail Regional Rate Boxes

- Priority Mail Regional Rate Boxes offer attractive rates for local shipments of small, but heavy items.
- This new product will be available for Commercial Base and Commercial Plus customers. This product will not be available for retail customers. The boxes will be zone priced with two sizes: Regional Flat Rate Box A has a 15 pound weight limit and Regional Rate Box B has a 20 pound weight limit. If the box exceeds the maximum weight for the box (either 15 lbs. or 20 lbs.), customers will be charged the Priority Mail price, based on weight and zone.
- Priority Mail Regional Rate Boxes are essentially zone priced and not based on weight (weight limits apply).
- Customers who take advantage of the Regional Rate must use USPS packaging. The Regional Rate Boxes are available from usps.com/shop or by calling 800-275-8777.
- There are two different shaped boxes, side loading and top loading for each of the two weighted categories. A total of four new boxes will be available.
 - Dimensions for Regional Rate Box A are as follows:
 Side Loading 13 1/16" x 11 1/16" x 2 ½"
 Top Loading 10 1/8" x 7 1/8" x 5"
 - Dimensions for Regional Rate Box B are as follows:
 Side Loading 16 1/4" x 14 1/2" x 3"
 Top Loading 12 1/4" x 10 1/2" x 5 1/2"

	Zone 1 & 2			Zone 5	Zone 6	Zone 7	Zone 8
Α	\$4.97	\$5.08	\$5.58	\$7.15	\$7.83	\$8.36	\$9.37
В	\$5.81	\$6.88	\$8.06	\$10.51	\$12.29	\$13.12	\$14.62

Express Mail Pricing

Some exciting changes and new products will be available under the Express Mail umbrella:

- Express Mail Hold for Pickup has added automatic options for email and text notifications to both the sender and recipient of the package.
- A new Legal Flat Rate Envelope, priced at \$17.40, will be available for Express Mail Retail, Commercial Base and Commercial Plus customers. The size of the envelope will be 15" x 9½". This new envelope will not be available at retail Post Office locations but it can be ordered online at www.usps.com/shop.

0.5*	\$18.54	\$19.98	\$17.60	\$17.60	\$2.38	\$15.84	\$15.05	\$4.93
1	\$22.56	\$24.29	\$21.41	\$21.41	\$2.88	\$19.27	\$18.30	\$5.99
2	\$24.57	\$26.46	\$23.33	\$23.33	\$3.13	\$20.99	\$19.94	\$6.52
3	\$27.63	\$29.82	\$26.23	\$26.23	\$3.59	\$23.61	\$22.42	\$7.40
4	\$30.80	\$33.26	\$29.24	\$29.24	\$4.02	\$26.32	\$25.00	\$8.26
5	\$33.79	\$36.53	\$32.08	\$32.08	\$4.45	\$28.86	\$27.42	\$9.11
10	\$50.21	\$54.24	\$47.68	\$47.68	\$6.56	\$42.91	\$40.76	\$13.48
Flat Rate	\$18.30	\$18.30	\$17.40	\$17.40	\$0.90	\$14.96	\$12.72	\$5.58
Envelope								

Parcel Select

The 1-pound price for Parcel Select parcels is priced according to weight and the applicable zone. Previously, the price for all Parcel Select 1-pound parcels was the same across all zones.

Weight Not Over (pounds)	Parcel Zone Average (2011 Price)	Parcel Select Zone Average 2010
3	\$8.06	\$7.51
5	\$10.09	\$9.38
10	\$13.29	\$12.48

International Pricing

Some significant changes are being made to International price groups:

• The number of price groups is expanding from 10 to 17. 9 of the 17 price groups will be assigned a specific country. Previously, only Canada and Mexico were assigned a specific price group. The seven new specific International country price groups are:

Country	Price Group		
Great Britain & Northern Ireland	11		
Japan	12		
France	13		
China	14		
Brazil	15		
Germany	16		
Netherlands	17		

Express Mail International

The commercial base price for customers using PC Postage vendors like DYMO Endicia will remain 8% below the retail price. As always, Express Mail International will provide high-speed service to over 190 countries with a money-back, date-certain delivery guarantee to select locations.

- For the Express Mail International Flat Rate Envelopes, the Postal Service is combining Mexico with the "all other countries" price tier. When sending to Canada (price group 1), the Commercial Base cost is \$24.79 and when sending to all other countries (including Mexico), the Commercial Base cost is \$27.55.
- The Postal Service is introducing a new Legal-size Flat Rate Envelope for Express Mail International users. The envelope will measure 15" x 9 ½". When sending to Canada (price group 1), the cost is \$24.79 and when sending to all other countries, the Commercial Base cost is \$27.55. The Postal Service is discontinuing return receipt service with Express Mail International service.

Weight/Type	Retail 10	Retail 11	CB 10	CB 11	Save from Retail
0.5*	\$26.00	\$29.77	\$23.92	\$27.39	\$2.38
1	\$30.23	\$34.74	\$27.81	\$31.96	\$2.78
2	\$34.39	\$39.44	\$31.64	\$36.28	\$3.16
3	\$38.55	\$44.15	\$35.46	\$40.61	\$3.54
4	\$42.70	\$48.85	\$39.29	\$44.95	\$3.90
5	\$46.89	\$53.58	\$43.14	\$49.30	\$4.28
10	\$69.16	\$77.46	\$63.67	\$71.27	\$6.19
Flat Rate Envelope	\$28.55	\$29.77	\$26.27	\$27.39	\$2.38

Priority Mail International

The commercial base price for customers using PC Postage vendors like DYMO Endicia will remain 5% below the retail rate. As always, Priority Mail International offers economical prices for reliable delivery usually within 6 to 10 business days to many major locations.

Weight/Type	Retail 10	Retail 11	CB 10	CB 11	Save from Retail
1	\$24.80	\$27.01	\$23.56	\$25.67	\$1.34
2	\$28.63	\$30.72	\$27.20	\$29.19	\$1.53
3	\$32.46	\$34.43	\$30.84	\$32.71	\$1.72
4	\$36.29	\$38.14	\$34.48	\$36.24	\$1.90
5	\$40.12	\$41.85	\$38.11	\$39.76	\$2.09
10	\$58.77	\$59.57	\$55.83	\$56.59	\$2.98
Flat Rate Envelope	\$13.05	\$13.71	\$12.40	\$13.03	\$0.68
Small Flat Rate Box	\$13.05	\$13.71	\$12.40	\$13.03	\$0.68
Medium Flat Rate Box	\$40.15	\$43.44	\$38.14	\$41.27	\$2.17
Large Flat Rate Box	\$51.55	\$55.79	\$48.97	\$53.01	\$2.78

The USPS is introducing several new variations of Priority Mail Flat Rate Envelopes and they are expanding the items eligible for the Priority Mail Small Flat Rate Box price.

- A new legal-size Priority Mail International Flat Rate Envelope is being introduced. The new larger envelope, which measures 15" x 9 ½" enables customers to pay a flat rate to ship legal-size documents without folding them. The Priority Mail Legal Flat Rate Envelope will be priced the same as the Priority Mail Flat Rate Envelope. When sending to price groups 1 and 2, the Commercial Base cost is \$11.35 and when sending to all other price groups, the Commercial Base cost is \$13.25. USPS Insurance is not available for this new envelope, but you can insure the envelope with DYMO Endicia Parcel insurance and 3rd party insurance.
- A new Padded Flat Rate Envelope, measuring 12½" x 9½", is being introduced. This envelope will allow customers to ship lightweight merchandise at a flat rate and will be priced the same as the Priority Mail Flat Rate Envelope. When sending to price groups 1 and 2, the Commercial Base cost is \$11.35 and when sending to all other price groups, the Commercial Base cost is \$13.25. Insurance is not available for this new envelope.

Global Express Guaranteed

The retail price for Global Express Guaranteed will increase by an average of 3.7%.

Other DYMO Endicia Changes:

Corresponding with the U.S. Postal Service Price Change, there will be a few changes from DYMO Endicia:

- The U.S. Postal Service requires all PC Postage providers to include a retail distribution code (RDC) on certain labels. The number is a human readable notation for basic mailflow separation and the number corresponds to a specific sorting container. These containers are then sent to the appropriate processing facility. The additional number will improve efficiency and service performance. You will see this four-digit number located near the upper right-hand side of the address for many of our labels.
- DYMO Endicia will no longer actively support Internet Explorer 6. If you use IE 6 to view your
 account online, you may see some errors on your webpage. It is recommended that you
 upgrade to the latest edition of Internet Explorer.
- Beginning January 2nd, DYMO Endicia will support Mac OS 10 version 10.4 and higher. If you use
 a lower version of Mac operating software to print your postage or access your account online,
 you may see some errors. It is recommended that you upgrade to the latest operating system
 from Apple.