



Breathing Room In Your Budget

This article is designed to be a high level resource guide on different ways to save money around mail. With all of the programs offered by the USPS®, it can be daunting to know if you are capturing all of the savings available. This guide will give you a simple way to know what options exist and where you can go to get more information. We are going to focus on the most applicable domestic savings options that should be easy to implement in your organization. For many of you this may be a review, but hopefully the structure will make it easy to find savings that can help reduce costs for the future.

Authors Note: The USPS® has proposed a small increase for April 2015 that at the time this article was written had not yet been approved and was not included in the rates below.

Letters and Flats

Barcoding your Mailings – (Up to 80% Savings!)

Postage savings is the main reason most companies barcode their mailings (See the chart below). As the mail piece get larger or the customer completes work share steps, the savings can increase dramatically. Also, since 2012, the second ounce is free with all First-Class Mail® – Automation and Presorted. This can allow mailers to add extra marketing information at no additional postage costs!

Mailers who are sending similar, non-personalized pieces, can get bigger discounts using **Standard Mail®**. This is designed for a newsletter or a solicitation where every piece is the same and the customer can live with a slightly slower delivery. This compares to items like invoices, statements and checks have to go First-Class Mail® because every piece is slightly different or has personal information. Check out the [Standard Mail® Eligibility](#) test provided by the USPS to see what class your mailing qualifies.

Mail Piece Examples	Single Piece Rates			Automation Mail with Barcodes		
	First-Class Mail® Retail Single Piece	First-Class Mail® Metered Single Piece	Typical Presort Service - First- Class Mail®	First-Class Mail® - Automation	Standard Mail® - Automation	Standard Mail® Non Profit- Automation
1 Ounce #10 Envelope	\$0.49	\$0.48	\$0.460	\$.381-.435	\$.261-.301	\$.143-.183
2 Ounce Newsletter (6X9)	\$0.70	\$0.69	\$0.460	\$.381-.435	\$.261-.301	\$.143-.183
8 Ounce Flat (9X12)	\$2.45	\$2.45	\$2.271	\$1.907-\$2.238	\$.617-.784	\$.437-.604
Post Card	\$0.34	\$0.34	\$0.293	\$.251-.278	n/a	n/a

Pros to barcoding: *It saves you postage, cleans addresses prior to sending, keeps track of customer moves, and processes mailings with automatic sorting and forms creation, not to mention faster delivery.*

Cons to Barcoding – *Software and hardware costs, there are many steps to barcoding that require resources, taking mail to the USPS, and keeping software up to date.*

Additional Ways to Reduce Costs with Barcoding:

- **Density** – The more pieces you have going to a specific area, the better the rates.





- **Destination Entry Discounts** – For Standard Mail®, you can get deeper discounts (Up to \$.044 per piece for Letters (Under 3.3 OZ) and up to \$.216 for flats (Over 3.3 Oz)) by delivering it to the Destination Delivery Unit (DDU), Destination Sectional Center (DSCF) or Destination Network Distribution Center (DNDC). This is great for mailers with a local mail list. Services are also available that can transport mail throughout the country to help you qualify.
- **Intelligent Mail Barcodes** – For mailers using this barcode, there is an additional \$.001 (Standard Mail®) and \$.003 (First-Class Mail®) discount that can be applied. The USPS had tried to mandate this barcode last year but it is still an option. This barcode offers a lot of value on top of the rate discounts (Tracking of mail, free move updates, better reporting) that should be explored.
- **Presort Services** – Many companies want the benefits of automation and barcodes but cannot cost effectively manage it inside their operation. These providers have one or several sorters that are similar to what the USPS uses in their facilities. Presort providers work on a savings split arrangement with the customer and USPS.

Here are the minimum requirements to barcode your mailings:

- **Pieces** – At least 500 pieces for First-Class Mail® or 200 pieces for Standard Mail®.
- **Software** – Need software that meets all USPS certifications.
- **Permits** – Need to have at least one permit from the USPS.
- **Preparation** – All mailings must have barcodes on each piece, be sorted, placed in trays with tray tags, have reports attached and brought to the USPS for processing.

Folding your Flats

If you are sending out light weight items in flat sized envelopes (9X12 or 10X13) you may be able to save by folding them in half into 6X9 envelopes or in thirds into #10's. The savings is significant in four ways.

1. The postage savings is huge because you are changing from a Flat to a Letter category.
2. The envelope costs are much less expensive.
3. The envelopes are lighter.
4. If you barcode your mail or use a presort service, the second ounce is free!

	Flat Envelope	Letter Envelope - Example 6X9 or #10			
Sheets	First Class Mail® Flat - Large Envelope	First Class Mail® Letter - 6X9 Envelope (Metered)	Typical Presort Service - First-Class Mail® Letter	First-Class Mail® - Automati on Letter	Savings
1-2	\$0.98	\$0.48	\$0.46	\$.381-.435	51-56%
3-4	\$1.19	\$0.48	\$0.46	\$.381-.435	60-63%
6-10	\$1.40	\$0.66	\$0.46	\$.381-.435	53-69%

Weight Assumptions - Paper = .16 Ounces, Flat = .6 Ounces, 6X9 Envelope = .3 Ounces





Parcels and Expedited Mail

Commercial Base™ and Commercial Plus™ – (Up to 62% Savings!)

There are additional discounts of up to 62% off the retail rates, for mailers who submit their pieces through PC Postage, Click-N-Ship (USPS.com), or an electronic manifest with a permit imprint. These rates are available for Priority Mail®, Priority Mail® Express Mail®, and First-Class Mail® Package Service. It is important to note that up until January 24, 2015 you could get the Commercial Base rates through a postage meter but now the USPS is now requiring that these items are submitted electronically through one of the methods above so they can maintain full package level detail on every item.

Weight	Retail	Commercial Base	Commercial Plus
Priority Mail®	Rates based on Zone	Rates based on Zone	Rates based on Zone
1LB	\$5.75-8.35	\$5.05-7.81	\$4.95-6.98
5LB	\$8.95-25.20	\$6.78-22.64	\$5.35-21.96
10LB	\$12.15-43.40	\$8.28-39.54	\$5.60-38.07
Priority Mail® Express			
1LB	\$17.95-44.65	\$15.13-36.60	\$11.94-27.30
5LB	\$24.00-70.20	\$16.65-48.64	\$15.07-47.98
10LB	\$36.15-103.50	\$20.26-77.16	\$19.59-75.98

There are two different rate tiers and the savings are based on the package weight and zone:

Commercial Base™ - 6-55% discount for single piece rates that you can get for all of your packages.

Commercial Plus™ - This is an additional 1-52% discount (over Commercial Base™ Rates) if the specific volumes below are met.

- **Express Mail®** – 5,000 pieces in the previous four quarters and have a customer commitment agreement with the USPS.
- **Priority Mail®** – 5,000 at one time or 50,000 total pieces in the previous calendar year, and who have a customer commitment agreement with USPS.
- **First-Class Mail® Package Services** – There is a Plus service but the rates can be higher than the Base rates. It is typically designed for mailers who want to send parcels at First-Class rates for 13-15.999 Ounce items which would otherwise need to be sent Priority Mail®.

Note: To reach the Commercial Plus™ volumes, it can be for your combined usage across multiple locations.

Additional Savings – Commercial Plus has a rate for .5 lbs. for Priority Mail® starting at \$4.58 compared to Retail and Base pricing which starts at 1 LB at \$5.75 and \$5.05.





Electronic Confirmation Services – Up to 100% Savings!

The USPS has different levels of tracking available with prices based on service levels. The three that we will discuss are Return Receipt used for Certified Mail, Delivery and Signature Confirmation. Inside each of these categories they have a Retail and Electronic rates.

- The **retail fee** can be purchased at your local Post Office™ or you can get supplies that can be used in your office through a postage meter.
- The **electronic fee** is for mailers who purchase postage online (for example, using Click-N-Ship®) or are capable of sending and receiving electronic files of their shipments. Postage Meter vendors will typically offer this function as an optional item at an additional fee. PC Postage providers can also provide this service.

The savings for Electronic Confirmation can be significant as you will see below. A Certified Mail™ with Electronic Return Receipt will cost \$4.65 instead of \$6.00 (\$1.35 Savings!). Also, every Priority Mail® and First-Class® Package Service can have Electronic Delivery Confirmation for Free!

Special Services	Retail	Electronic
Certified Mail™	\$3.30	
Return Receipt	\$2.70	\$1.35
USPS Tracking		
Package Services parcels	\$1.05	\$0.00
Package Services	\$1.05	\$0.23
Priority Mail®	\$0.00	\$0.00
Signature Confirmation	\$2.90	\$2.35

Additional Savings Ideas

Here are some additional strategies for you to consider helping lower postage and shipping costs.

Compare USPS Rates to the Private Carriers – USPS may be able to provide faster delivery (To specific zones) at lower costs for light weight items (Less than 10 LB's) and should be shopped regardless of your discount. Here are the main reasons why:

1. The USPS has amazing rates on light weight packages less than 13 ounces (\$2.32-4.12 vs. most private carriers that start over \$5.00).
2. No one can typically come close to these rates, which is why the main E-Tailors will typically send these items through the Post Office. This is especially true now that USPS Tracking can be added for free! When comparing Ground and Three Day service to USPS Priority Mail®, many areas will get faster delivery.
3. Packaging is Free for Priority Mail® with special rates for flat rate boxes.





Consider Media Mail®, Library Rate® and Bound Printed Matter® for printed material and DVDs. If you can live with the 3-8 day expected delivery time, these services may be a huge win. You can ship 1 lbs. starting at around \$2 and 10 lbs. s starting at 3.54! You need to pay special attention to the type of material you are sending (as s well as where it is going with Library Rate) to make sure it qualifies.

The goal of this article was to give you either some direction or review of the different savings available. Hopefully with this overview, you can find strategies to lower your mailing and shipping costs.

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