

2010 Standard Mail Summer Sale Program

What is the 'Summer Sale' Standard Mail Program?

Although there is some growth in the economy, companies are still aggressively looking for ways to trim costs. This is where we can help with our Standard Mail Summer Sale program.

The 'Summer Sale' Program was created to provide an incentive for customers to increase Standard Mail use above the volume they would otherwise have sent. This allows companies to increase communication, acquire new customers and retain existing clients.

Who is Eligible to Participate?

To be eligible to participate in the 2010 event, a company must have mailed 350,000 or more Standard Mail letters and flats between July 1 and Sept. 30, 2009 through Permit Accounts owned by the customer or through permits set up in the customer's name (ghost permits) by a Mail Service Provider. Mail Service Providers (MSPs) are not eligible to participate.*

What is the Incentive?

The sale offers eligible companies a 30% postage rebate on non-parcel Standard Mail letter and flat volumes sent through a company's Permit Account(s) (this includes: permit imprint advance deposit account, precanceled stamp permit or postage meter permit) or by a combination of these methods between July 1 and September 30, 2010 that is above the predetermined volume threshold.

How to Participate

The Postal Service sent an invitation letter to the primary postal service contact of companies eligible for the Summer Sale. The recipient of the letter is instructed to visit the Summer Sale website, www.usps.com/summersale, to apply for participation. After the online application is received by the Postal Service the customer receives a follow-up email containing three attachments.

- Volume and Revenue Threshold Report: The first attachment provides the volume thresholds for the customer's Summer Sale period as well as the June and October threshold volumes. Included with these threshold numbers will be the volume history, by permit, used to make the threshold calculations.
- Certification Letter: The second attachment is a form to be signed by the customer and returned to

the Summer Sale program office certifying that the threshold volumes established for the company are accurate. Failure to provide accurate information or withholding volume information may result in removal from the program.

- Threshold Inquiry Form: The third attachment is a form to be completed only if the customer believes that the volume history used to calculate their company's thresholds is inaccurate or incomplete. In this situation they must detail the problem(s) with the volume history and return to the Summer Sale program office for resolution.

Customers must apply for participation in Summer Sale no later than **May 28, 2010**. The Summer Sale Program office must receive either the customers signed Certification letter or the Threshold Inquiry form no later than **June 30, 2010**.

Mailpieces Sent through a Mail Service Provider Permit

A company's base volumes are derived from mailpieces sent using Permit Account(s) the company holds including volume sent through 'Ghost' Permits (Ghost Permits are those set up exclusively for a company by a Mail Services Provider (MSP). If the company sent any of its mailpieces through a Permit Account(s) held by an MSP that volume was not included in determining their base volume. It is the responsibility of the company to report and validate this volume using Form 3602s and procedures outlined by the Postal Service.

* A Mail Service Provider (MSP) is a company or entity that creates, prepares, processes and presents or inducts mail for other companies into the US Postal network.

Thus, if a company creates, prepares, processes or presents mail to the US Postal Service but does **not** own the content/message in the envelope, or is reimbursed for the postage paid, it is an MSP.

The types of entities that are considered MSPs include, but are not limited to: Presort Bureaus, Letter Shops, Mail Consolidators, List Providers, Printers, Billing Processors, Advertising Mail Services companies, and Fulfillment Houses.

The decision as to which companies meet the definition of a mail service provider, and are therefore ineligible to participate, is at the sole discretion of the Postal Service.

Sample Calculations

The following *example* demonstrates how eligible volumes and rebate amounts for the Summer Sale rebate will be calculated.

Threshold Volume Calculation

1. Summer Sale Threshold Volume (minimum volume customer must mail to qualify for a rebate):

- a) Volume July 1 – Sept 30, 2009 850,000 pieces
- b) 5% of SPLY volume 42,500 pieces
- c) Threshold Volume (SPLY + 5%) 892,500 pieces**

Summer Sale Rebate Volume

2. Summer Sale Volume Eligible for Rebate (only volumes above the Threshold Volume qualify for a rebate):

- d) Threshold Volume 892,500 pieces
- e) 2010 Summer Volume 1,000,000 pieces
- f) Rebate Eligible Volume 107,500 pieces**

Summer Sale Rebate Calculations

3. Average Price Per Piece:

- g) 2010 Summer Postage \$200,000.00
- h) 2010 Summer Volume 1,000,000 pieces
- i) Price per piece \$0.20 per piece**

4. Summer Sale Rebate (initial rebate amount prior to any adjustments):

- j) Rebate Eligible Volume 107,500 pieces
- k) Price per piece x \$0.20
- l) Rebate percentage x 30%
- m) Rebate amount before adjustment \$6,450.00**

Rebate Adjustments

It is important to remember that the intent of the Summer Sale is to provide an incentive for the customer to increase Standard Mail use above the volume they would otherwise have sent. Increasing volume during the Summer Sale period by shifting June volume to July, or October volume to September simply to boost incentive payouts will jeopardize our ability to offer such a program again. For this reason we have established a threshold volume for the months of June 2010 and October 2010 which is the volume the customer sent each of those periods during same period a year ago plus five percent. If actual volume does not meet or exceed these thresholds, the difference will be deducted from the Summer Sale volume that has qualified for a rebate.

Sample Adjustment Calculations to Volumes and Rebate Amounts

5. June and October Volume Thresholds (minimum volume customer must mail in June and October to qualify for full rebate amount):

- n) June 2009 Volume 500,000 pieces
- o) June Threshold (SPLY + 5%) 525,000 pieces**

- p) October 2009 Volume 300,000 pieces
- q) October Threshold (SPLY + 5%) 315,000 pieces**

6. June and October Adjustments (number of pieces that will be deducted from Rebate Eligible Volume):

- r) June Threshold 525,000 pieces
- s) June 2010 Actual Volume 500,000 pieces
- t) June Adjustment - 25,000 pieces**

- u) October Threshold 315,000 pieces
- v) October 2010 Actual Volume 320,000 pieces
- w) October Adjustment 0**

7. Adjusted Rebate Volume (number of pieces that will qualify for a rebate):

- x) Rebate Eligible Volume 107,500 pieces
- y) Adjustments -25,000 pieces
- z) Adjusted Rebate Volume 82,500 pieces**

8. Adjusted Rebate Calculation:

- aa) Adjusted Rebate Volume 82,500 pieces
- bb) Price per piece x \$0.20
- cc) Rebate percentage x 30%
- dd) Summer Sale Rebate \$4,950.00**

Rebate Payments

The Summer Sale rebate (after any June and October adjustments) will be added back into one permit imprint or one Centralized Account Payment System (CAPS) account. The first round of rebates is expected to be credited on or near **December 15, 2010**.

Further Questions?

Any questions should be emailed to summersale@usps.gov.