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International Postal Services

WORLDWIDE NEWSFLASH

Canada Post & USPS Rate Increases Scheduled for 2009

November 12, 2008

Canada Post Rates Scheduled to Increase Effective January 12, 2009

Canada Post has announced rate increases to take effect on January 12, 2009. Postage costs for the following services, depending upon the piece weight and product, will have increases in the range of 3 – 8 %:

- **Lettermail:** Canada Post is increasing Lettermail rates from \$0.52 to \$0.54 per piece on January 12, 2009. Canada Post is planning to raise its per piece rate for Standard (S/L) Lettermail by \$0.02 every year for the next 3 years.
- **Incentive Lettermail:** Rates will increase on 1/12/09.
- **Addressed Admail:** Rates will increase on 1/12/09. Addressed Admail will incorporate catalogue mail in 2009. The Addressed Admail Short and Long Machineable rate, which is now based on items up to 50 grams, will be split into two bands: 'up to 30 grams' and '30 to 50 grams'. This is consistent with the current weight bands for Lettermail.
- **Unaddressed Admail:** Rates will increase on 1/12/09.
- **Publications Mail:** Rates for Publications Mail, including newspapers, magazines and newsletters which meet certain specifications, will increase on 1/12/09.
- **Catalog Mail:** Canada Post has decided to eliminate Catalog Mail as of 1/12/09. Items currently sent as Catalog Mail will be transitioned according to their size, weight and content. According to the Canada Post, in most cases, items under 1.36 kg can be sent as Addressed Admail, as they are expanding the specifications of this service to accommodate the broader "catalogue" requirements. For items that do not qualify due to content, other services are available such as Lettermail and Publications Mail.
- **Parcels:** Canada Post only needs to provide 30 days notice of increases to Parcels rates. Parcel services changes effective January 12, 2009 will be made available by the Canada Post sometime in December.

As of next year, Canada Post will only need to provide 30 days notice of increases for all services.

USPS Rates Set to Increase in May, 2009

USPS Non-Competitive Products & Services

According to Dan G. Blair, chairman of the Postal Regulatory Commission (PRC), the average USPS postage increase for each class of mail in May 2009 will be 5%. The actual rate cap, which is regulated for non-competitive products and services, will depend upon the behavior of the monthly CPI (Consumer Price Index) between now and December. The cap is based on an average over two consecutive 12-month periods. The value as of October 21st was 4.4%, and industry experts are anticipating the continuation of an upward trend. USPS officials have said they will end the current fiscal year with a volume decline of 9 billion pieces. As a result, Blair maintains that it is likely the rate change in all classes will be close to the cap.

USPS Competitive Products / International

Brokers Worldwide has not yet received any notification regarding the 2009 increases to the USPS' competitive products, but we will communicate any news as soon as it is made available. USPS' competitive products include Priority Mail, Express Mail, parcel select and parcel return service, in addition to certain international mail offerings, such as IPA, ISAL and GBE.

Regards,
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