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Postal Service Announces Two New Shipping Initiatives *Governors Approve Bigger Flat-Rate Box with First-Time Military Discount, Express Mail Sunday and Holiday Premium*

WASHINGTON, DC — The U.S. Postal Service announced today that its Board of Governors approved two new initiatives to grow its shipping business and revenue. A new, larger Priority Mail Flat-Rate Box enables customers to ship 50 percent more than with the current box. It will be offered at a discount to overseas military addresses, a postal first for the armed forces. The agency also announced a new Sunday and holiday delivery price for Express Mail. Customers can begin using the new boxes March 3, the same day the premium takes effect.

The Postal Service filed notification of these decisions today with the Postal Regulatory Commission. They are the first actions under the new pricing regulations set forth under the Postal Accountability and Enhancement Act of 2006. Notice of the changes will appear in the *Federal Register*.

New Priority Mail Large Flat-Rate Box

The current flat-rate box, which gives customers a single, predetermined rate regardless of the weight or delivery zone, was introduced in November 2004. The new, larger box extends the agency's successful flat-rate offerings, providing more choices for small businesses and consumers.

"We listened to our customers, and we're giving them a new box that lets them ship larger items while still enjoying the benefits of a flat rate," said Postmaster General John Potter. "Flat-rate boxes are very popular and the new, larger version provides even more value."

The new Priority Mail Large Flat-Rate Box (12" x 12" x 5½") can be used for both domestic and international shipments. This extends the flat-rate price and ease-of-use benefits to international shippers. There is also a 5 percent online discount.

There will be a special version of the box for the military, with a \$2 discount, if shipped to an Army Post Office or Fleet Post Office (APO/FPO) address.

All Postal Service Priority and Express Mail packages and envelopes are environmentally friendly, exceeding the highest standards for recyclability.

Priority Mail Large Flat-Rate Box Prices

| | |
|------------------------|---------|
| Domestic Shipping | \$12.95 |
| Military Shipping | |
| ▪ APO/FPO Addresses | \$10.95 |
| International Shipping | |
| ▪ Canada and Mexico | \$29.95 |
| ▪ Other Countries | \$49.95 |

The Postal Service will continue to offer its original Priority Mail Flat-Rate Boxes, which currently retail domestically for \$8.95.

Express Mail Sunday Delivery Price

The Governors also approved a \$12.50 premium for Sunday and holiday Express Mail delivery. The premium, equal to competitor surcharges for Saturday delivery, reflects the unique delivery option the Postal Service provides on Sundays. As an alternative to Sunday, customers can choose Monday delivery at the standard Express Mail price.

“These are the first initiatives that take advantage of the flexibility afforded us by the new pricing regulations under the Postal Act of 2006,” said Potter. “They enable us to compete in the marketplace while continuing to meet the changing needs of our customers.”

More information can be found at usps.com.

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An independent federal agency, the U.S. Postal Service is the only delivery service that visits every address in the nation, 146 million homes and businesses, six days a week. It has 37,000 retail locations and relies on the sale of postage, products and services to pay for operating expenses, not tax dollars. The Postal Service has annual revenues of \$75 billion and delivers nearly half the world's mail.