

Parcels Price and Services Overview of Changes

Effective January 12, 2015 unless otherwise noted



This overview is a notice of the changes which affect the services you or an authorized user of your Agreement with Canada Post use. **Please share this information with the appropriate representatives within your organization.**

The following are affected by the 2015 price and service changes:

- *Priority*[™]
- Xpresspost[™]
- Xpresspost[™] Certified
- Xpresspost[™] Banking
- Expedited Parcel[™]
- Regular Parcel[™]
- Library Mail
- *Priority*[™] Worldwide
- Xpresspost[™] - USA & International
- Expedited Parcel[™] - USA
- International Air & Surface Parcel
- Small Packet[™]- USA & International
- Tracked Packet[™] - USA & International

Average price increase

Domestic

Prices for Domestic Parcel Services will increase by an overall average of 4.2% for most customers.

USA/International

Prices for USA/International Parcel Services will increase by an overall average of 1.8% for most customers.

Service and surcharge changes

1. Elimination of automation discount

Many years ago, an automation discount was introduced to encourage customers to use the Canada Post Electronic Shipping Tools (EST). Now that most customers use EST, the automation discount (currently 2%) will be discontinued.

2. Changes to dimensional weight factor for specific product types

The factor (divisor) used in the formula to calculate the dimensional weight of a parcel will vary depending on product type, where dimensional weight is calculated as:

○ Length x Width x Height / Dimensional Weight Factor

- For Priority, Xpresspost and all USA/International Parcels, use **5,000** when measuring in centimetres and 139 when using inches.
- For Expedited and Regular Parcels, continue to use **6,000** when measuring in centimetres and 166 when using inches.

This change will align Canada Post with the standard industry practices used to determine the dimensional weight of a package.

3. Introduction of new rate codes

Two new rate codes will be introduced to further breakdown Rate Code 1. The two new rate codes will separate in-city Montreal and in-city Vancouver from in-city Toronto.

Origin-Destination	New Rate Codes
In-city Toronto	1
In-city Montreal	52
In-city Vancouver	53

4. Increase in price for additional Liability Coverage (insurance)

Domestic: The price of additional coverage will increase from \$2.05 to \$2.20 per \$100 declared value.

USA/International: The price of additional coverage will increase from \$2.05 to \$2.20 per \$100 declared value.

Priority Worldwide: The price for additional coverage will remain the same at \$3.50.

5. Automatic billing for parcels not listed on a manifest

To provide customers with optimal flexibility, Canada Post's Electronic Shipping Tools (EST) and Parcel Web Services (PWS) allow you to print shipping labels in advance of completing and submitting a manifest/order document. As a result, there is a possibility Canada Post could end up processing unpaid parcels because the items are not listed on the manifest. Parcels must be included on a manifest in order to be billed by Canada Post. Parcels not listed on a manifest are considered unpaid.

Effective January 12, 2015, automatic billing will replace the current manual process of billing EST and PWS parcels not included on a manifest (also referred to as orphaned PINs). The automated process will be timelier and parcels will be billed as per values declared during label creation instead of being billed at the default rates. In addition to the automatic billing, all parcels not included on a manifest will be subject to a processing surcharge of \$0.95 per item.

Whenever charges will be automatically billed, PWS users will be advised by email and EST users will receive a notice on the main page when they open the application.

6. Amendments to the Customer Guide

Refer to the **Important Updates** page at the front of your *Customer Guide* to identify the changes that have been made throughout the document including the General Terms and Conditions and the *Paying For Your Mailing* sections. Customer Guides are available online at canadapost.ca/customerguides.