

# Overview of Price and Service Changes Effective March 31, 2014



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## March 31, 2014 price changes

Effective March 31, 2014, Canada Post will introduce a new tiered pricing structure for Lettermail and Letter-post services that better reflects the cost of serving various customer segments.

This one-time strategic adjustment to Lettermail pricing was a difficult decision, but it was also a case of necessity. Canada Post has a mandate to fund its operations with revenues from the sales of its products and services, and pricing offers an immediate contribution to the overall plan to save postal services.

In 2015 and beyond, annual adjustments are expected to be similar to what the industry has seen in the past. They will factor in inflation and operating costs.

### Domestic Lettermail™ price changes

The new tiered pricing structure for domestic Lettermail up to 30 g is:

- PERMANENT™ stamps in booklets, coils and panes \$0.85 per item
- Meter or postal indicia \* \$0.75 per item
- Single stamp(s) \$1.00 per item

\* Available to customers with an Agreement. For details on postage meter and/or postal indicia use refer to the Questions and Answers section on pages 2 and 3.

### Incentive Lettermail™ price changes

For commercial mailers, Canada Post will continue to offer discounted rates, known as Incentive Lettermail pricing to customers who meet volume and mail preparation requirements. The new Incentive Lettermail prices for Standard (S/L) Lettermail up to 30 g will be:

- Machineable \$0.70 per item
- Presort \$0.69 per item

### Price changes to other services

The new tiered pricing structure will also apply to Standard USA and International Letter-post.

- Standard (S/L) USA Letter-post (up to 30 g) will increase from \$1.10 to \$1.20 (stamp) and \$1.15 (meter/indicia)
- Standard (S/L) International Letter-post (up to 30 g) will increase from \$1.85 to \$2.50 and \$2.20 (meter/indicia)

**Refer to the March 31, 2014 Price Sheets posted at [canadapost.ca/notice](http://canadapost.ca/notice).**

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## March 31, 2014 service changes (applicable to Incentive Lettermail, Addressed Admail™ and Publications Mail™)

### Alignment of the Machineable Mail Readability Rate Adjustment

In an effort to simplify our products, we will be aligning the readability rate adjustment across our Incentive Lettermail™, Addressed Admail™ and Publications Mail™ services as follows:

If the actual Machineable Mail readability rate, as measured by our automated equipment, is

- 95% or greater for Standard/Short and Long (S/L) and 85% or greater for Oversize (O/S), no price adjustment applies.
- less than 95% for Standard/Short and Long (S/L) and less than 85% for Oversize (O/S), the price adjustment is 5¢ per item applied to the % of the total volume represented by the difference between the target readability rate % and the actual readability rate %.

Example: 1,000 Oversize (O/S) items with actual readability rate of 60% = (85% target readability rate minus 60% actual readability rate) X 1,000 items X 5¢ per item = \$12.50

For additional information refer to updated Table 2 of the *Details on Surcharges and Adjustments* document posted at [canadapost.ca/surcharges](http://canadapost.ca/surcharges).

## Questions and answers pertaining to postage meter and indicia usage

### **The Lettermail Price Sheet includes a footnote indicating that the price for meter/indicia is available for customers with an agreement. What does that mean?**

If you

- a) use your postage meter, or
  - b) you have a customer number (including a VentureOne number) and you use indicia
- you are considered a customer with an agreement and can access Lettermail/Letter-post meter/indicia rates indicated on the Price Sheets available on [canadapost.ca/notice](http://canadapost.ca/notice).

The term “agreement” refers to:

- in the case of postage meter users, the General Terms and Conditions for Postage Meter Users posted at [canadapost.ca/generalterms](http://canadapost.ca/generalterms)
- in the case of postal indicia users, the [Postal Indicia Requirements](#) posted at [canadapost.ca/indicia](http://canadapost.ca/indicia)

### **What do I need in order to use a postal indicia?**

In order to use a postal indicia you need to:

- download the [proper indicia artwork](#)<sup>1</sup>,
- print the indicia on your mail items with your Canada Post [customer number](#)<sup>2</sup> indicated as per the [Postal Indicia Requirements](#)<sup>3</sup> (To obtain a Canada Post customer number click on “SIGN UP” at [canadapost.ca/obc](http://canadapost.ca/obc)),
- prepare your mail [Order using EST](#)<sup>4</sup> (For information on Electronic Shipping Tools (EST) ST go to [canadapost.ca/est](http://canadapost.ca/est).)
- induct the mailing at an [approved deposit location](#)<sup>5</sup>. Items with indicia cannot be placed into street letter boxes.

You must pay for your order via credit card, or on account if you have billing privileges with Canada Post.

<sup>1</sup>) download artwork at [canadapost.ca/indicia](http://canadapost.ca/indicia)

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2) link to "How to get a customer number" <http://www.canadapost.ca/web/business/support/my-account/faqs.page#section-customer-number>

3) view Postal Indicia Requirements at [canadapost.ca/indicia](http://canadapost.ca/indicia)

4) sign up for EST at [canadapost.ca/obc](http://canadapost.ca/obc)

5) find a deposit location at [canadapost.ca/depositlocations](http://canadapost.ca/depositlocations)

### **What is the change for postage meter users and when does it take effect?**

In order to access the new Lettermail and Letter-post pricing effective March 31, all postage meter users will need to follow new Terms and Conditions. The General Terms and Conditions for Postage Meter Users are posted at [canadapost.ca/generalterms](http://canadapost.ca/generalterms).

These Terms and Conditions apply only if customers do not have an existing agreement with Canada Post. For example, if a customer has an existing commercial agreement with Canada Post for Incentive Lettermail, their applicable Incentive Lettermail rates will apply.

### **Do postage meter users need to sign the Terms and Conditions?**

Meter customers will not be required to sign the Terms and Conditions with Canada Post.

Customers who already have agreements with Canada Post are not impacted.

### **What new Lettermail and Letter-post prices are applicable to postage meter or postal indicia users?**

As of March 31, 2014, postage meters must be updated to allow postage meter customers to access the new discounted "Meter" prices. The postage meter/indicia prices are found on the Lettermail and Letter-post Price Sheets at [canadapost.ca/notice](http://canadapost.ca/notice).

Postage meter or postal indicia users with an active Incentive Lettermail agreement and who meet the volume and mail preparation requirements will have access to the further discounted Machineable and Presort prices when they meter their mail items.

### **May I use my postage meter to meter mail from other businesses?**

Postage meter users can only use their postage meter to meter their own mail, or for metering their customers' mail if the Meter User's core business is providing mail preparation and induction services.

That means you can meter other businesses' mail only if you are a mail service provider or letter shop. Refer to section 11 of the Postage Meter Users General Terms and Conditions for more information. The General Terms and Conditions for Postage Meter Users are posted at [canadapost.ca/generalterms](http://canadapost.ca/generalterms).

### **In the event that postage meter users need to discuss their postage meter prices, who should they call?**

Postage meter users are required to ensure that the applicable prices are uploaded to their postage meters in time for any price changes. In the event they have a problem doing so they Postage meter users should contact their meter Supplier if they have any questions about postage meter prices.

### **How can I get a postage meter?**

Any Canada Post-approved meter Supplier can provide a postage meter. To learn about meters, Suppliers and special offers they can provide go to [canadapost.ca/postagemeters](http://canadapost.ca/postagemeters) and click on "How do I get a postage meter?"