

July 20, 2010

Dear eBay.ca Seller,

Customers have told us they want faster, more reliable shipping options to the United States. They also want better tracking.

Canada Post is responding to this customer demand with **significant improvements** to our *Xpresspost*<sup>™</sup> – USA and *Expedited Parcel*<sup>™</sup> – USA services. These changes take effect August 23, 2010.

Service enhancements include greater delivery speed, improved on-time delivery performance, better tracking and additional features.

For eBay sellers in Canada, these improvements will allow you to better serve your customers and improve your customer feedback, and will enable you to better compete with U.S.-based sellers for urgent items.

And best of all, eBay sellers will continue to enjoy a significant discount off the retail price for both *Xpresspost* – USA and *Expedited Parcel* – USA services.

#### **Xpresspost – USA: Service Improvements**

- The delivery standard — which was 3, 4 and 5 days — **improves to 2 and 3 days\***
- Items will be scanned more often, so both shippers and receivers can track parcels en route more easily, and will receive confirmation when it arrives
- Delivery scan performance will improve, and scans will now show when a parcel has arrived at and cleared customs
- The receiver's name will be captured for every delivery, and senders will be able to view the signatory name online – and request an electronic copy of the receiver's signature – all at no additional charge
- The service will continue to have an on-time delivery guarantee and included liability coverage up to \$100 CAD

#### **Expedited Parcel – USA: Service Improvements**

- The delivery standard — which was 6 to 12 days — **improves to 4 up to 8 days\***
- Items will be scanned more often, so both shippers and receivers can track parcels en route more easily, and will receive confirmation when it arrives
- Delivery scan performance will improve
- Customer inquiries will be automated, which will greatly improve customer claim resolution
- Liability coverage up to \$100 CAD will continue to be included

#### **Price Changes**

Canada Post is improving its U.S.-bound shipping services, and increasing prices accordingly, because changes at the United States Postal Service (USPS) mean that the existing services no longer meet our customers' needs. If we maintained the status quo, Canada Post would have been passing increased costs to its customers with no improvements in service and deteriorating quality.

Instead, Canada Post is upgrading its *Xpresspost* - USA and *Expedited Parcel* - USA services to USPS parcel streams that enhance delivery speed and on-time delivery performance. However, these significant improvements come at an added cost to Canada Post, and we must increase our prices accordingly. Even with these increases, our prices will remain competitive for the most common weights and distances.

- o Ultimately, prices for *Xpresspost* – USA and *Expedited Parcel* – USA services will rise on average 20 per cent.
- o Canada Post will **phase in** the price increase: prices will increase on average less than 12 per cent beginning on August 23, 2010.
- o The full price increase will take effect on January 17, 2011.

As before, **eBay sellers** will continue to enjoy a significant discount off the retail price for both services. eBay sellers save 25% off standard shipping costs when using the *Expedited Parcel* – USA service, and 9% when using the *Xpresspost* – USA service.

#### **Exclusive to eBay sellers: Flat Rate Box**

The Canada Post-eBay Flat Rate Box is a box designed for shipping goods sold on eBay. Goods weighing up to 5 kg (11 pounds) can be shipped using Canada Post's *Expedited Parcel* service at a flat rate.

The delivery standard for the Flat Rate Box will improve to 4 up to 8 days\* to U.S. destinations and delivery scanning will improve. Effective August 23, 2010, the price for shipping the Flat Rate Box to U.S. destinations will increase to \$18.49 CAD. The price will increase again in January 2011, consistent with the overall price increase of 20 per cent (on average) for all *Xpresspost* - USA and *Expedited Parcel* – USA services.

As before, you must be a registered eBay seller to use eBay's Online Shipping tool to create, purchase and print a Canada Post Expedited Parcel – USA Flat Rate Box shipping label.

#### **Other Shipping Options**

Canada Post will still offer price-conscious customers other options for shipping. Light Packet – USA can get an item weighing less than 500 grams to its destination in as little as 4 business days\*. Small Packet™ Air and Surface services continue to offer no-frills shipping specifically for lightweight items up to 1 kg.

As a trusted, reliable provider of the widest available range of shipping options for eBay sellers, Canada Post appreciates your business and looks forward to serving you better with these improvements.

Sincerely,

Rod Hart  
SVP & President, Parcels Division  
Canada Post Corporation

\* Delivery standards are within business days for items sent between major urban centres and are dependent upon origin and destination. All Canada Post services (including without limitation, delivery guarantees) are subject to terms and conditions.

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