



I Need a New Banana

CoMail, Commingle, Co-Palletization (5D Bypass), Drop Ship

Monday, May 4, 2026

Our Session Presenters



**“Hello... yes...
I’d like to order
a better mailing solution.”**

Jamie Freeman
TC Delivers

**“Have you tried
Commingle?”**

Mark Kolb
United Mailing Services

**“I think we need
a new banana.”**

Michelle Zalewski
ALG Worldwide

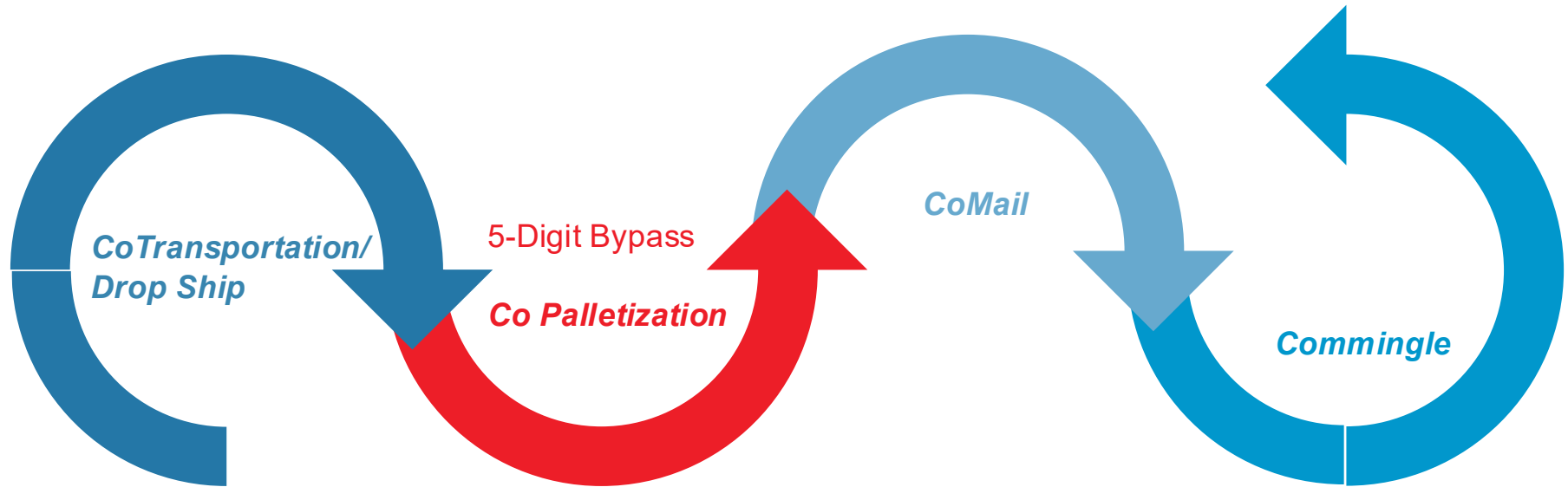
Topics of Discussion

- Supply chain solutions to reduce postage.
- How to drive mail preparation to submit efficient mail to the USPS.
- Capture USPS container discounts to reduce postage while potentially increasing mail volume for the new USPS Growth Incentive

- ❖ CoMailing
- ❖ Commingling
- ❖ Co-Palletization
 - ❖ 5-Digit BYPASS!
- ❖ Co-Transportation (Drop Ship)



Supply Chain Solutions to Reduce Postage – What types of “CO” services are available?





What is CoMail?

CoMailing is traditionally used to describe a “CO” process for Flat size mailings.

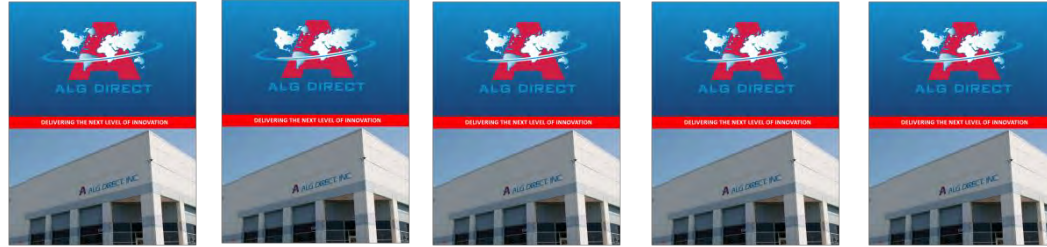
CoMailing is the process of combining and presorting 2 or more titles into a single large mail stream.

The primary results of this process are postage savings via the increase in the level of Carrier Route and automation mail.

CoMail also creates a finer sort for bundles and pallets to allow deeper penetration into the postal stream.

Before CoMail

Mailing # 1



Mailing # 2



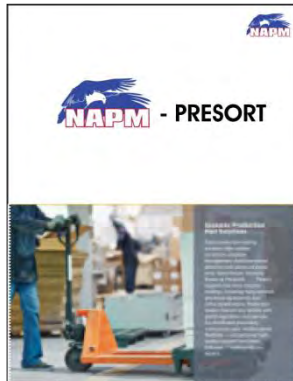
Mailing # 3



CoMailing – Mailings are Merged



CoMail Line



CoMail Pieces -- Presorted Together into same Bundles onto same Containers



CoMail Machine



CoMail Benefits

Nonautomation

Nonautomation presort levels are missing specific address elements that are needed to create and assign the ZIP code, ZIP+4, and delivery point code. While delivery of the mail piece is still likely, they represent the most expensive presort levels on a mail file.

Automation

Automation presort levels contain all the critical address elements, and the target of improvement through Co-mail Solutions. Many of these records are rural routes, P.O. Boxes, and less populated areas.

Carrier Route

Enhanced Carrier Route presort levels are the least expensive because they are part of bundles of at least 10 mail pieces within a postal carrier's route. For High Density and High Density Plus, 125 and 300 pieces are needed to qualify. These levels are achieved at a high percentage through Co-mail and other Postal Optimization Solutions.

High Density

\$0.831 - \$1.22

\$0.732 - \$1.185

\$0.463 - \$0.5010

\$0.313 - \$0.418

CoMail Benefits

Lowers postage costs and improves delivery time



Improved presort = greater postal presentation
Additional postage savings by taking advantage of USPS container discounts
Less handling = quicker USPS processing and faster In- Home delivery

Product arrives in better condition due to less handling



Magazine/catalog bundled for Carrier Route and stacked on pallets
Palletization ensures protection for drop shipped magazines/catalogs

Product arrives to your readers quicker than conventional solo mailings



Deliver in much narrower and more predictable time window

Evolving Trend

Postal rate gaps influence solutioning

Marketing Mail Flats	2021	Jan. '22	July '22	Jan. '23	July '23	Jan. '24	July. '24	July. '25	July. '26	Increase	Trend
3-Dgt to Cart.	\$0.213	\$0.247	\$0.252	\$0.252	\$0.319	\$0.331	\$0.362	\$0.485	\$0.517	\$0.304	142.72%
5-Dgt to Cart.	\$0.106	\$0.106	\$0.116	\$0.131	\$0.142	\$0.154	\$0.185	\$0.269	\$0.279	\$0.173	163.21%
Cart. to HD (125)	\$0.077	\$0.074	\$0.064	\$0.051	\$0.078	\$0.078	\$0.083	\$0.083	\$0.100	\$0.023	29.87%
HD to HD+ (300)	\$0.038	\$0.033	\$0.045	\$0.058	\$0.059	\$0.073	\$0.077	\$0.067	\$0.031	(\$0.007)	-18.42%

Evolving Trend

Containerization Discounts		Pieces	Discount/Pc	Discount
Direct Container	Basic	26,965	(\$0.039)	(\$1,051.64)
	HD	34,044	(\$0.039)	(\$1,327.72)
	HD+	13,279	(\$0.033)	(\$438.21)
	Saturation	444	(\$0.026)	(\$11.54)
SCF Pallet	Auto/Non 3&5	19,076	(\$0.039)	(\$743.96)
	Basic	747,477	(\$0.032)	(\$23,919.26)
	HD	88,298	(\$0.022)	(\$1,942.56)
	HD+	9,510	(\$0.021)	(\$199.71)
	Saturation	873	(\$0.008)	(\$6.98)
Total Container Copies:		939,966		(\$29,641.58)

Container
Discounts apply
to more records

Increase of
\$5,432.35
in container
discounts from
July 2025

Sample CoMail Postage

Marketing Mail Flat
3.2 Ounces (.2lbs)
352,304 Pieces – For Profit

	July 2025	July 2026	Difference	%
Origin Postage:	\$ 266,254.13	\$ 271,023.32	\$ 4,769.19	1.79%
Drop Ship Postage:	\$ 256,374.13	\$ 260,363.32	\$ 3,989.19	1.56%
CoMail Postage:	\$ 190,014.58	\$ 191,152.86	\$ 1,138.28	0.60%
SAVINGS (Drop Ship to CoMail)	\$ 66,359.55	\$ 69,210.46		

CoMail Key Notes for Eligibility

Address and messaging fits into co-mail service provider guidelines.

Inside inkjet is not needed.

Data is presorted by CoMail service provider.

Trim Size range within a CoMail cycle is restricted.

Mailing quantities fit within your providers specs. Typically, quantities between 5,000 pieces and 500,000 pieces.



What is Commingle?

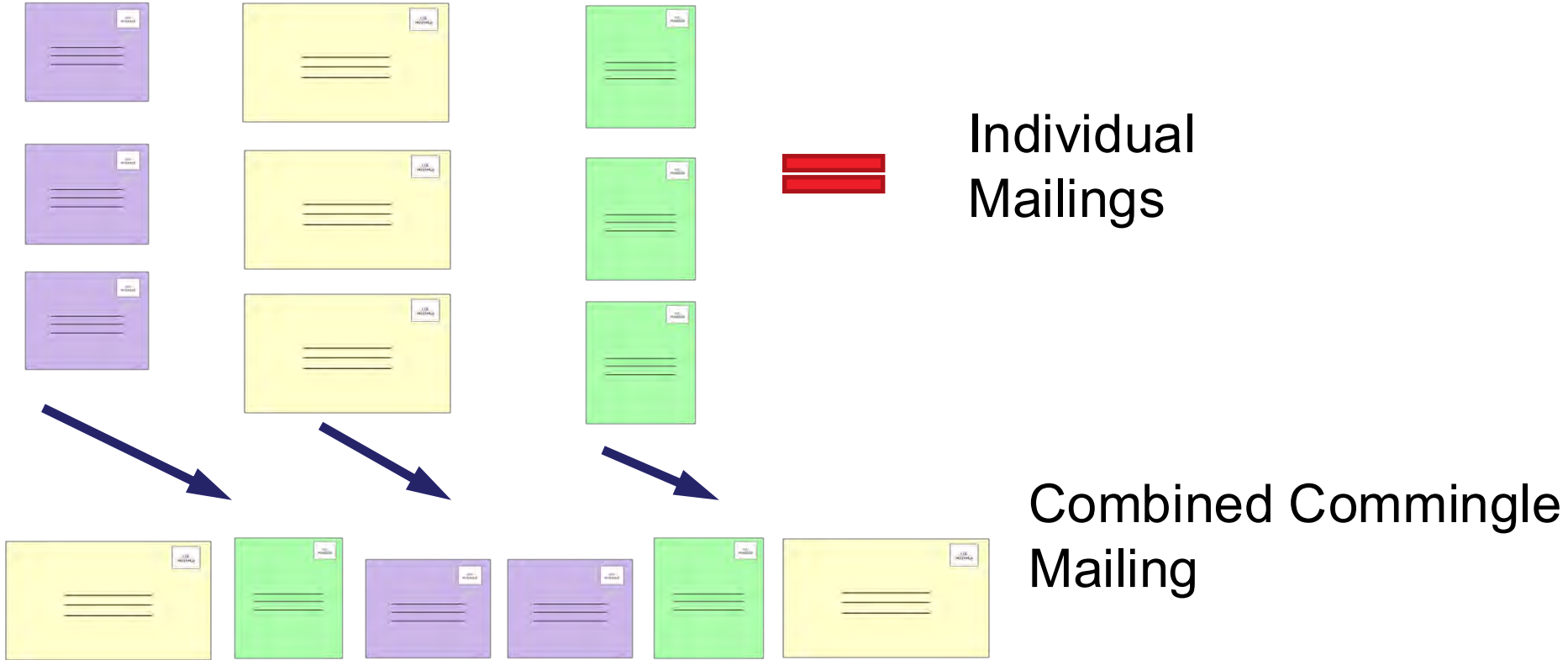
Commingling typically is used when referring to Marketing Mail & First-Class Letter and Flats.

Commingling reduces per piece postage by combining 2 or more mailings into one final presort.

- *Different pieces in the same tray or bundle.*

Flats, Letters, Postcards and Self-Mailers can be commingled if they are machinable.

Commingle



What is the difference?

One Pass Commingle: Mailing input data files are used to determine the optimal presort. Mail pieces are sorted by commingling equipment based on the input data files into final destination trays. Customer is provided a sort plan and produces mail following the zip code splits that the commingler provides.

Two Pass Commingle: Mail pieces are sorted by commingling equipment that creates a mail plan based on reading the address/barcode off the piece. That data is then used by the commingling equipment during a second pass when the mail piece is sorted to final destination trays. Customer does not provide mail pieces sorted by group/zip code like in a One Pass process.

Digital Commingle: Full digital presses allow pieces to be produced in presort sequence.

Benefits of Commingle

Highest level of postage optimization; maximizes 5-digit presort

Most efficient mail for USPS

- Produces more full trays/containers – reducing total number USPS must handle

Enables more drop ship potential

Improved USPS service performance

Provides mailpiece and mailing data

Sortation Discounts

Class/Shape	Base Price	Full-Service	Seamless	5-Digit Sort	Total Discount	New Price
MM Letter	\$.467	\$.005	\$.002	\$.072	\$.079	\$.388
FCM Card	\$.495	\$.005	\$.002	\$.042	\$.049	\$.446
FCM Letter	\$.707	\$.005	\$.002	\$.086	\$.093	\$.614
MM Flat	\$1.260	\$.005	\$.002	\$.477	\$.484	\$.776
FCM Flat	\$1.585	\$.005	\$.002	\$.560	\$.567	\$ 1.018

July 2026 prices

Base Price = Origin MAADC of Class and Type

Side by Side Commingle vs Stand Alone (FCM National Distribution)

Stand Alone Mailing

- 10,000 pieces
- 5-Digit – $1,000 \times .621 = \$621$
- 3-Digit – $7,000 \times .672 = \$4,704$
- MXD – $2,000 \times .707 = \$1,414$
- Total Postage Due = \$6,739

Same Mail Commingled

- 10,000 pieces
- 5-Digit (80%) – $8,000 \times .621 = \$4,968$
- 3-Digit (18%) – $1,800 \times .672 = \$1,209.60$
- MXD (2%) – $200 \times .707 = \$141.40$
- Total Postage Due = \$6,319.00

Additional Postage Savings Due to Commingle - \$420.00

Commingle Services - \$200

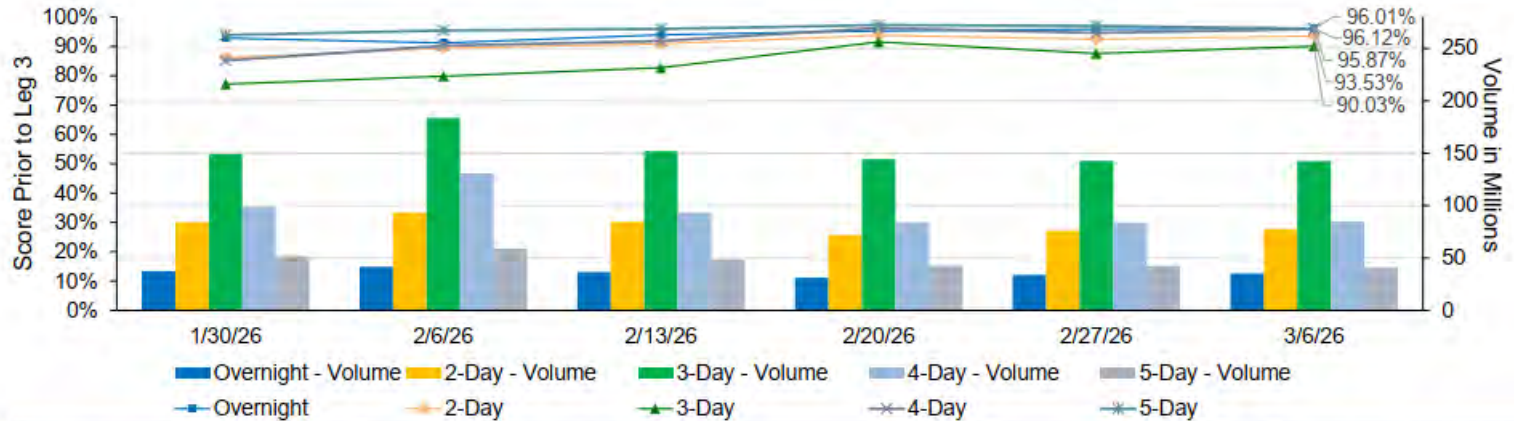
Delta Savings - \$220.00

Service Standard Benefits



First-Class Presort Mail® (Letters) – Score Trend by Service Standard

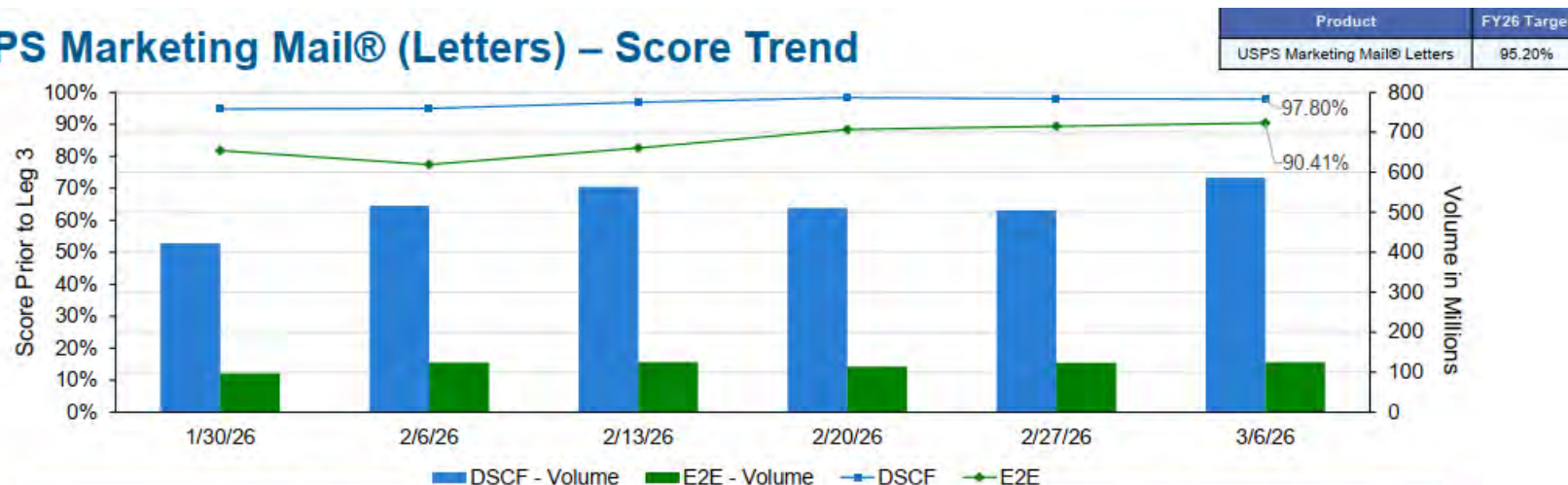
Product	FY26 Target
First-Class Presort Overnight Letters	94.25%
First-Class Presort 2-Day Letters	92.25%
First-Class Presort 3-5 Day Letters	91.00%



FY2026 Q2 thru 3/6	Total Pieces Measured	Leg 2 On-Time	Leg 3 Impact	Overall Score	Average Days to Deliver	SPLY Pieces Measured	Volume Change	SPLY Overall QTD Score	SPLY Change	SPLY Average Days to Deliver
Presort Overnight Letters	331,449,216	94.76%	-3.74%	91.02%	0.8	365,497,820	-9.32%	92.60%	-1.58%	0.8
Presort 2-Day Letters	753,160,960	92.05%	-3.58%	88.47%	1.6	434,776,882	73.23%	89.17%	-0.70%	1.9
Presort 3-Day Letters	1,418,439,659	86.48%	-3.07%	83.41%	2.7	1,601,239,171	-11.42%	79.47%	3.93%	2.9
Presort 4-Day Letters	896,275,287	93.28%	-2.39%	90.89%	3.1	1,080,461,427	-17.05%	84.95%	5.94%	3.6
Presort 5-Day Letters	438,756,121	96.49%	-1.76%	94.73%	3.5	536,161,984	-18.17%	83.27%	11.46%	4.6
Presort Total Letters	3,838,081,243			88.10%	2.5	4,018,137,284	-4.48%	83.69%	4.40%	3.0

Note: FY26 data sourced from Internal SPM. FY26 Q2TD data is through 3/6/2026.

USPS Marketing Mail® (Letters) – Score Trend



FY2026 Q2 thru 3/6	Total Pieces Measured	Leg 2 On-Time	Leg 3 Impact	Overall Score	Average Days to Deliver	SPLY Pieces Measured	Volume Change	SPLY Overall QTD Score	SPLY Change	SPLY Average Days to Deliver
SCF Letters	4,798,249,177	97.25%	-2.25%	95.01%	2.2	4,730,291,650	1.44%	93.67%	1.34%	2.5
E2E Letters	1,040,299,764	86.21%	-1.65%	84.56%	4.5	746,645,733	39.33%	87.63%	-3.07%	4.9
3-Day Letters	3,342,020,547	97.20%	-2.31%	94.89%	2.7	3,248,085,851	2.89%	93.87%	1.02%	3.3
4-Day Letters	1,668,572,808	96.72%	-2.06%	94.66%	4.1	1,583,095,756	5.40%	93.00%	1.65%	3.5
5-Day Letters	355,613,702	83.54%	-1.72%	81.83%	5.3	728,472,098	-51.18%	92.67%	-10.84%	5.5
6-10 Day Letters	451,205,627	85.12%	-1.59%	83.53%	10.3	516,711,057	-12.68%	85.93%	-2.40%	11.3
11+ Day Letters	21,136,257	93.94%	-0.53%	93.41%	2.6	21,724,031	-2.71%	88.06%	5.34%	2.9
Total MKT Letters	5,838,548,941			93.14%	2.6	6,098,088,793	-4.26%	92.81%	0.33%	2.9

Note: FY26 data sourced from Internal SPM, FY26 Q2TD data is through 3/6/2026, FY26 Q2TD CONUS End-to-End service standard ranges 4-7 days versus SPLY 3-10 days

Presort vs Commingle

- Commingle increases postage savings through more 5-digit

4 separate presort mailings

Presort	# Pieces	\$ Postage
MIXED	22,000	\$ 10,274
3-Digit	15,000	\$ 6,525
5-Digit	3,000	\$ 1,185
Total	40,000	\$ 17,984

*Origin Entry

1 combined commingle mailing

Presort	# Pieces	\$ Postage
MIXED	100	\$ 46.70
3-Digit	9,000	\$ 3,726
5-Digit	30,900	\$ 11,556.60
Total	40,000	\$ <u>15,329.30</u>

*SCF Entry for 3-D & 5D. Origin for MIXED

Commingle Postage Sample/Savings

	Current USPS Rates	July 2026 USPS Rates	Difference
Non-Commingle	\$19,673.00	\$21,034.00	\$1,361.00
Commingle	\$17,537.00	\$18,512.00	\$975.00
SAVINGS:	\$2,136.00	\$2,522.00	

Non-Commingle has a larger rate increase than commingle.

The SCF container charges have stayed the same.

SCF drop ship discounts have Increased.

Presort & Commingle Equipment



Similar equipment to what the USPS uses

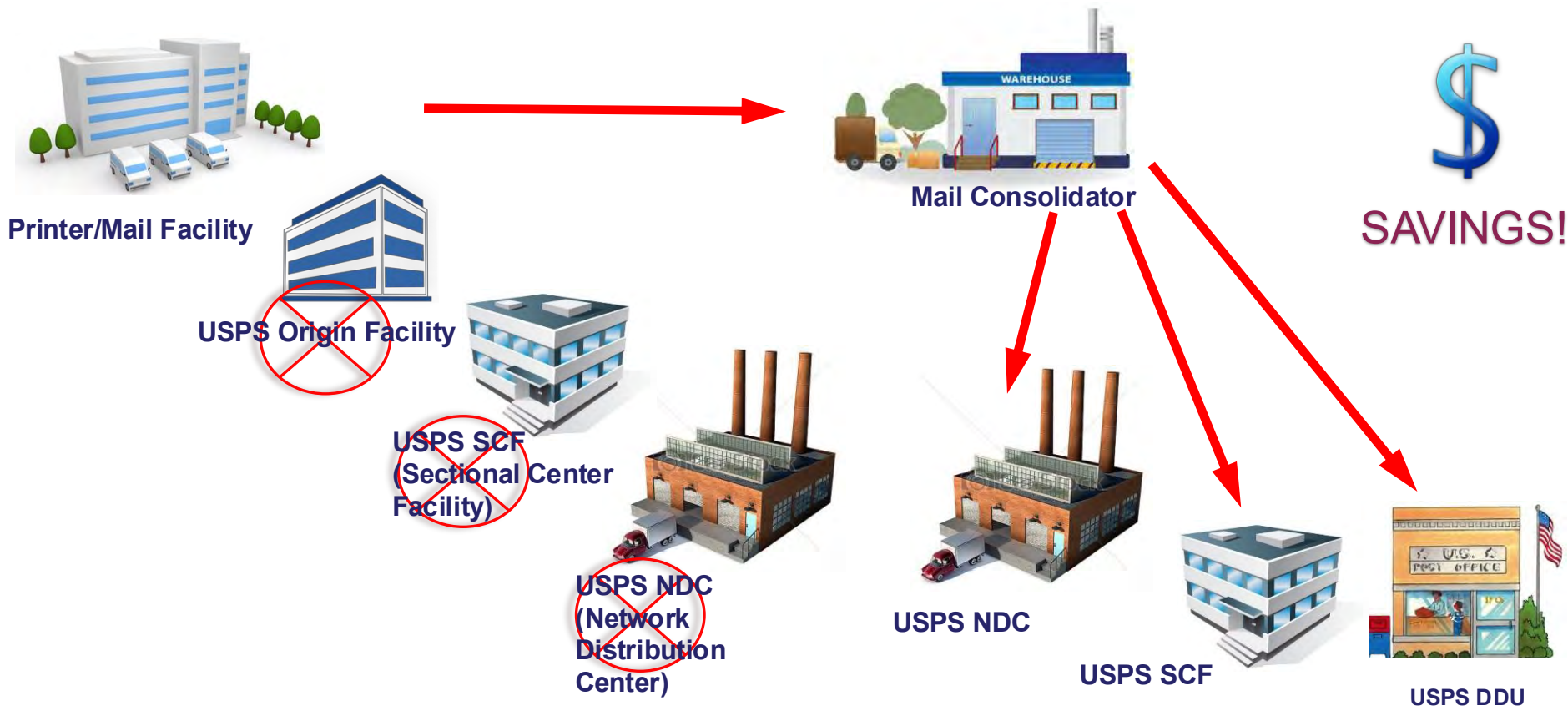


Co-Transportation/Drop Ship

USPS Destination Entry Drop Ship Discounts Available

- Consolidation (**shared cost**) at a Pallet/Order Level
- Verification at Printer or Letter shop
- Allows for enhanced postage savings through DDU/SCF/NDC entry discounts
- Drop Shipping provides a way to target specific in-home dates





USPS Drop Ship Discounts

Marketing Mail

Processing Category	Entry Facility	Current Rate Discount (Per Thousand)	July 2025 Rate Discount (Per Thousand)	Difference
Letters	Origin - SCF	\$ 17.00	\$ 21.00	\$ 4.00
Non CRRT Flats	Origin - SCF	\$ 38.00	\$ 41.00	\$ 3.00
CRRT Flats	Origin - SCF	\$ 38.00	\$ 41.00	\$ 3.00



Drop Ship Discounts: Marketing Mail Letters

137,895 Pieces (@ 1 OZ)

July 25 USPS Rates

July 26 USPS Rates

Freight

MM Letters No DE

\$ 50,952.94

\$ 54,230.79

\$ -

MM Letters Drop Ship SCF

\$ 48,692.96

\$ 51,439.05

\$ 1,761.36

Postage Savings

\$ 2,259.98

\$ 2,791.74

NET SAVINGS WITH FREIGHT

Net Savings:

\$ 498.62

\$ 1,030.38



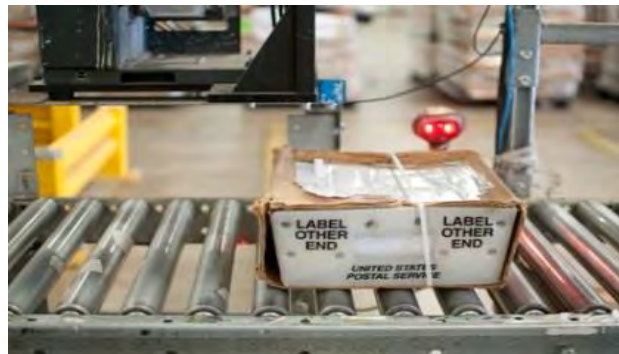
Drop Ship Discounts: Marketing Mail Flats

102,000 Pieces (@ 3 OZ)	July 25 USPS Rates		July 26 USPS Rates		Freight
MM Flats No DE	\$	81,399.02	\$	82,144.80	\$ -
MM Flats SCF	\$	78,112.13	\$	78,598.69	\$2,455.32
Postage Savings	\$	3,286.89	\$	3,546.11	
NET SAVINGS WITH FREIGHT					
Net Savings:	\$	831.57	\$	1,090.79	

What is Co-Palletization?

- Co-Palletization or “CoPal” can be used for Letter Mail and Flat Mail.
- CoPal groups physical trays or bundles of mail which have already been addressed and presorted and puts them onto pallets to increase drop ship discounts.
- This allows mailers to obtain deeper drop ship discounts.

***Co-Palletization does not change the presort qualification or tray make-up.*



Co-Palletization Key Items

Verification still happens at printer/lettershop

- Seamless Acceptance



Where does CoPal fit within the Co's for savings?

- CoPal is a solution for mailings where shared Drop Ship Freight Costs increases the Net Savings.
- Example: Regional Mailing with High 5 Digit but not much weight to an SCF or NDC.

Co-Palletization or 5-Digit Bypass?



CoPal fell off the radar as the USPS reduced the spread between NDC and SCF drop ship discounts.

Now, some are looking at CoPal again to keep mail out of origin.

CoPal Tray, 5-Digit Bypass or Drop Ship?

Choosing the right strategy

1 Drop Ship – Best When You Can Build Pallets

- ✓ Mail qualifies for **5-Digit SCF pallets**
- ✓ You want the **lowest possible postage**
- ✓ No service fee (only freight costs)

Best for:

Mailers who can build enough volume to create full SCF pallets.

CoPal Tray, 5-Digit Bypass or Drop Ship?

Choosing the right strategy

2 5-Digit Bypass – Best for Partial 5-Digit Volume

- ✓ You have **5-Digit trays but not enough to palletize**
- ✓ Lower production fee because you are handling trays.
- ✓ Runs frequently like **commingle pools**

Best for:

Mailers with strong 5-Digit density but **not enough for full pallets.**

CoPal Tray, 5-Digit Bypass or Drop Ship?

Choosing the right strategy

3 CoPal Tray – Entry Discount Without Changing Presort

- ✓ Keeps mail **out of origin entry**
- ✓ Does **not change piece presort level**
- ✓ Not as many CoPal pools available
- ✓ Typically a larger footprint of processing

Best for:

Mailers looking for **moderate entry savings without changing presort strategy.**

Finding the Right Banana Solution



CoMail

Commingle

Copal



Mark Kolb
President

United Mailing Services
mkolb@unitedmailingservices.com
262-783-7868



Jamie Freeman
Vice President
TC Delivers

jamie.freeman@tcdelivers.com
407-855-8262



Michelle Zalewski
Vice President of Postal Affairs
mzalewski@algworldwide.com
(708) 278-5670