



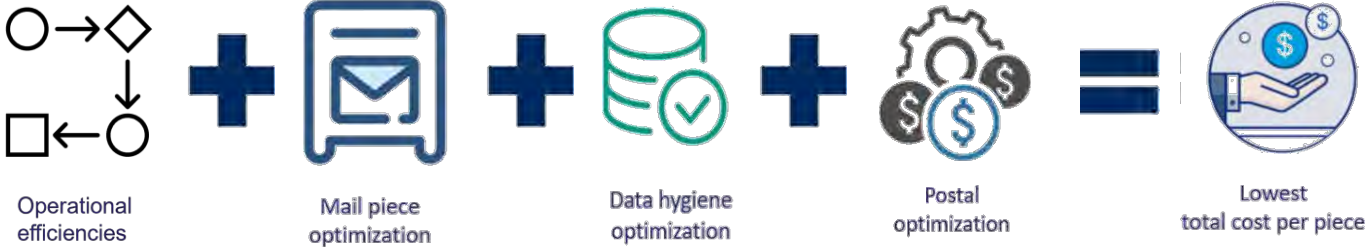
Transactional Mail Strategies

Monday, May 4, Period 4

Employing a Postal-Centric Model



A Common-Sense Formula for Success

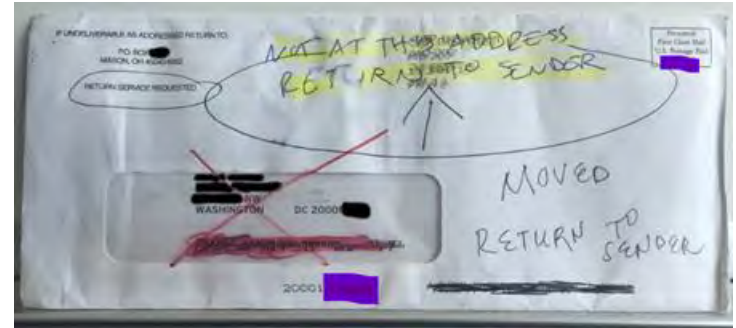


Creating Centers of Excellence

Format & Production Workflow	Total Postage Management	Data Analysis via Informed Visibility
Continuously improve production workflow	Analyze, centralize, standardize, optimize	Comprehensive view of postage spend, performance, and quality across all business units
Build around capabilities and platforms	Central visibility and control over postage budgets	Creates consistent communication and understanding of key metrics
Sync supply chain to match production requirements	Manage and minimize risk of compliance audits	Address quality gap assessment through delivered solutions

Address Data – Know the Rules, Use the Tools

- Invest in data quality at time of capture
- Three C's – Complete, Correct, and Current
 - NCOA/ACS
 - DSF (Delivery Sequence File)
 - Address Standardization and Encoding (CASS)
 - Nixie Reason Codes
 - Pub 28 <https://pe.usps.com/text/pub28/welcome.htm>
- Postal Products (AEC and AEC II) and Third-Party Data Sources
- What is the cost of non-auto mail and especially UAA? Are you losing more than just a discount?



The Impact Of (Lack Of) Address Hygiene

Example using Commingle

Fixed Postage is at the 5 Digit level \$.593

Incomplete, Insufficient Address That
Cannot be Resolved and Mails at
Machinable Mixed AADC Rate \$.686

Increase Per Piece \$.093 (and will take longer to deliver)

What is your cost to print, insert and mail a nonauto or undeliverable piece?

Are you required to mail to “address on record”?

What is the value to your organization of each undeliverable piece?

Package, Prep and Postage Optimization



2026 Promotions Calendar

2026 PROMOTIONS CALENDAR													
Registration Period Promotion Period													
PROMOTIONS	2025	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
INTEGRATED TECHNOLOGY 5% Discount <small>Marketing Mail First Class Mail</small>	NOV 15, 2025 DEC 31												
	PICK YOUR START DATE FOR 6 CONSECUTIVE MONTHS DEC 31												
TACTILE, SENSORY & INTERACTIVE 5% Discount <small>Marketing Mail First Class Mail</small>	OCT 15, 2025 JUN 30												
	JAN 1 JUN 30												
CONTINUOUS CONTACT 5% Discount <small>Marketing Mail</small>	FEB 15 DEC 31												
	APR 1 DEC 31												
FIRST-CLASS MAIL ADVERTISING 5% Discount <small>First Class Mail</small>	JUL 15 DEC 31												
	SEPT 1 DEC 31												
CATALOG INSIGHTS 10% Discount <small>Marketing Mail</small>	AUG 15, 2025 JUN 30												
	OCT 1, 2025 JUN 30												
Add-on & Upgrade Additional discount to base/primary promotion all year long													
INFORMED DELIVERY	+ 1% to mailer + 0.5% credit to eDoc submitter					SUSTAINABILITY	+ 1%						

Projected Future Rate Guidance

Future Rate Authority Estimates With Current Regulations

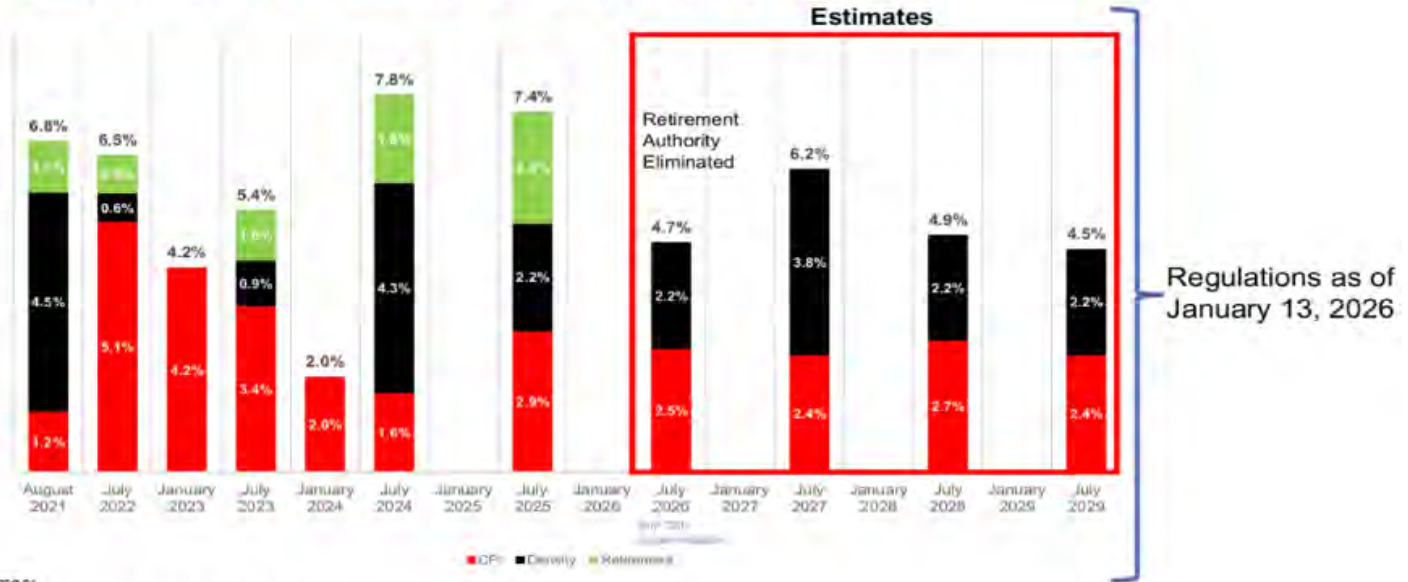


Chart Estimate Sources:
 CPI: S&P Global Market Intelligence (formerly IHS Markit)
 Density updated Jan 2026

July 2026 FCM Letter Rates

Rate Category	Rates				Spread to 5D			
	Current	New	Change	% Chg	Current	New	Change	% Chg
Stamped Single-Piece	\$0.780	\$0.820	\$0.040	5.1%	\$0.187	\$0.199	\$0.012	6.4%
Metered Single-Piece	\$0.740	\$0.780	\$0.040	5.4%	\$0.147	\$0.159	\$0.012	8.2%
Mixed Automation	\$0.672	\$0.707	\$0.035	5.2%	\$0.079	\$0.086	\$0.007	8.9%
3-Digit Automation	\$0.641	\$0.672	\$0.031	4.8%	\$0.048	\$0.051	\$0.003	6.3%
5-Digit Automation	\$0.593	\$0.621	\$0.028	4.7%	NA	NA	NA	NA

ADC will merge with and become known as 3-Digit on July 12 for Letters and Flats

July 2026 FCM Flats Rates

Not Over (oz.)	Automation															
	5-Digit				3-Digit				ADC (3-Digit)				Mixed ADC (Mixed)			
	Current	New	Change	% Chg	Current	New	Change	% Chg	Current	New	Change	% Chg	Current	New	Change	% Chg
1	\$0.970	\$1.025	\$0.055	5.7%	\$1.235	\$1.264	\$0.029	2.3%	\$1.331	\$1.264	-\$0.067	-5.0%	\$1.488	\$1.585	\$0.097	6.5%
2	\$1.240	\$1.315	\$0.075	6.0%	\$1.505	\$1.554	\$0.049	3.3%	\$1.601	\$1.554	-\$0.047	-2.9%	\$1.758	\$1.875	\$0.117	6.7%
3	\$1.510	\$1.605	\$0.095	6.3%	\$1.775	\$1.844	\$0.069	3.9%	\$1.871	\$1.844	-\$0.027	-1.4%	\$2.028	\$2.165	\$0.137	6.8%
4	\$1.780	\$1.895	\$0.115	6.5%	\$2.045	\$2.134	\$0.089	4.4%	\$2.141	\$2.134	-\$0.007	-0.3%	\$2.298	\$2.455	\$0.157	6.8%
5	\$2.060	\$2.185	\$0.125	6.1%	\$2.325	\$2.424	\$0.099	4.3%	\$2.421	\$2.424	\$0.003	0.1%	\$2.578	\$2.745	\$0.167	6.5%
6	\$2.340	\$2.475	\$0.135	5.8%	\$2.605	\$2.714	\$0.109	4.2%	\$2.701	\$2.714	\$0.013	0.5%	\$2.858	\$3.035	\$0.177	6.2%
7	\$2.620	\$2.765	\$0.145	5.5%	\$2.885	\$3.004	\$0.119	4.1%	\$2.981	\$3.004	\$0.023	0.8%	\$3.138	\$3.325	\$0.187	6.0%
8	\$2.900	\$3.055	\$0.155	5.3%	\$3.165	\$3.294	\$0.129	4.1%	\$3.261	\$3.294	\$0.033	1.0%	\$3.418	\$3.615	\$0.197	5.8%
9	\$3.180	\$3.355	\$0.175	5.5%	\$3.445	\$3.594	\$0.149	4.3%	\$3.541	\$3.594	\$0.053	1.5%	\$3.698	\$3.915	\$0.217	5.9%
10	\$3.480	\$3.655	\$0.175	5.0%	\$3.745	\$3.894	\$0.149	4.0%	\$3.841	\$3.894	\$0.053	1.4%	\$3.998	\$4.215	\$0.217	5.4%
11	\$3.780	\$3.955	\$0.175	4.6%	\$4.045	\$4.194	\$0.149	3.7%	\$4.141	\$4.194	\$0.053	1.3%	\$4.298	\$4.515	\$0.217	5.0%
12	\$4.080	\$4.265	\$0.185	4.5%	\$4.345	\$4.504	\$0.159	3.7%	\$4.441	\$4.504	\$0.063	1.4%	\$4.598	\$4.825	\$0.227	4.9%
13	\$4.380	\$4.575	\$0.195	4.5%	\$4.645	\$4.814	\$0.169	3.6%	\$4.741	\$4.814	\$0.073	1.5%	\$4.898	\$5.135	\$0.237	4.8%

ADC will merge with and become known as 3-Digit on July 12 for Letters and Flats

What is the Value of First-Class Mail to USPS? (ACR FY2025)

First-Class Mail	Volume (millions)	Revenue (millions)	Attributable Cost (\$millions)	Contribution (\$millions)	Unit Revenue	Unit Cost	Unit Contribution	Cost Coverage % (Rev/Cost)
Single-Piece Letters	9,372	\$6,775	\$3,754	\$3,021	\$0.723	\$0.401	\$0.322	180%
Single-Piece Postcards	327	\$191	\$120	\$71	\$0.585	\$0.367	\$0.218	159%
Total Single-Piece Letters & Cards	9,699	\$6,966	\$3,887	\$3,079	\$0.718	\$0.401	\$0.317	179%
Presort Letters	29,129	\$16,096	\$4,753	\$11,342	\$0.553	\$0.163	\$0.389	339%
Presort Cards	2,340	\$901	\$233	\$668	\$0.385	\$0.099	\$0.285	387%
Total Presort Letters and Cards	31,470	\$16,996	\$4,999	\$11,997	\$0.540	\$0.159	\$0.381	340%
Flats	840	\$1,788	\$1,391	\$397	\$2.129	\$1.656	\$0.472	129%

What is the Value of First-Class Mail to USPS? (ACR FY2025)

Marketing Mail	Volume (millions)	Revenue (millions)	Attributable Cost (\$millions)	Contribution (\$millions)	Unit Revenue	Unit Cost	Unit Contribution	Cost Coverage % (Rev/Cost)
High Density and Saturation Letters	6,017	\$1,322	\$544	\$778	\$0.220	\$0.090	\$0.129	243%
High Density and Saturation Flats and Parcels	7,869	\$1,680	\$916	\$764	\$0.214	\$0.116	\$0.097	183%
Carrier Route	2,745	\$1,108	\$832	\$276	\$0.404	\$0.303	\$0.101	133%
Letters	37,912	\$10,462	\$5,008	\$5,455	\$0.276	\$0.132	\$0.144	209%
Flats	1,668	\$1,130	\$1,534	(405)	\$0.677	\$0.920	\$(0.243)	74%
Parcels	12	\$46	\$23	\$24	\$3.951	\$1.933	\$2.017	204%
Every Door Direct Mail Retail	559	\$127	\$36	\$91	\$0.228	\$0.065	\$0.163	351%

Q & A



Christine J. Ema
Business Systems Consultant
Forge | Postal Affairs & Governance
978.994.5370
www.forgesolutions.com
<https://calendly.com/christine-ema/30min>



Mark J. Rheume
Advisory Engineer
Ricoh Digital Services
Ricoh USA, Inc.

1650 W 82nd St, Ste 100
Bloomington, MN 55431-1445
Mobile: 952-239-3151
Mark.Rheume@ricoh-usa.com
www.ricoh-usa.com



Scott Holton
Progressive Insurance • Postal Affairs
MTAC First Class Letters Leader
440.566.9276 office | 678-350-4375 cell
scott_e_holton@progressive.com

Thank YOU For Attending!