



# FREEDOM

GRAPHIC SYSTEMS

SOLE-SOURCE DIRECT MAIL. SMARTER. FASTER.™

1101 s janesville st  
milton wi 53563

t 608.373.6500  
800.334.3540  
f 608.373.6595

fgs.com

# MEMO

to: Sales Staff  
from: Marketing  
date: April 21, 2010  
subject: USPS Summer Rate Sale

## Summer Mail Sale Returns

Due the large response of last year sale, USPS is offering the same deal to their loyal mailers. Approximately 960 customers enrolled in the program last year increased the amount of mail during this time period from the prior year. This increase of volume measured to be roughly additional 1 billion new mail pieces.

The basic 'Summer Sale' idea is to give eligible companies a 30% rebate on non-parcel Standard Mail letter and flat volumes sent through a company's Permit Account(s) between July 1 and September 30 this year that is above the company's calculated threshold. To be eligible to participate in the program, a company (owners of the mail) must have mailed at least 350,000 standard letters or flats between July 1 and September 30, 2009 through permits (this includes: permit imprint advance deposit account, precanceled stamp permit or postage meter permit). In addition to the minimum mail quantity, the threshold must be achieved as well. A company's base volumes are simply calculated by adding the volume sent each of those periods last year plus five percent. The volume a company mails must be able to be tracked during the time frame previously stated. Any volume sent above the threshold may receive a 30% rebate in postage that will be rebated back to **ONE** company's permit imprint or Centralized Account Payment System (CAPS) after the Summer Sale is over. The first round of rebate is scheduled for reimbursement around December 15, 2010. The following is a numerical example of how these calculations are made:

- I. Threshold Volume Calculation
  - a. Base volume (7/1/09 – 9/30/09): 850,000
  - b. Threshold – 5% of SPLY Volume: 42,500
  - c. Threshold Volume (SPLY+5%) **892,500**
  
2. Summer Sale Rebate Volume (only volumes above the Threshold Volume qualify for a rebate):
  - a. Threshold Volume 892,500
  - b. 2010 Summer Volume 1,000,000
  - c. Rebate Eligible Volume **107,500**
  
3. Summer Sale Rebate Calculations
  - a. Average Price Per Piece:
    - i. 2010 Summer Postage \$200,000.00
    - ii. 2010 Summer Volume 1,000,000
    - iii. Price per piece **\$0.20 per piece**
  - b. Summer Sale Rebate (initial rebate amount prior to any adjustments)
    - i. Rebate Eligible Vol. 107,500 pieces
    - ii. Price per piece \$0.20
    - iii. Rebate percentage 30 %
    - iv. **Rebate amount \$6,450.00**



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It is important to remember that the intent of the Summer Sale is to provide an incentive for a customer to increase Standard Mail use above the volume they would otherwise have sent. Increasing volume during the Summer Sale period by shifting October volume to September simply to boost incentive payouts will jeopardize the Postal Service's ability to offer such a program again. For this reason a volume threshold was established for the month June 2010 and October 2010 using the same formula used to calculate the Summer Sale threshold number. Building on the numerical example above this is how the June/October volume could impact a customer's Summer Sale rebate:

4. June and October Volume Thresold	
a. June 2009 Volume	500,000
b. June Threshold (SPLY+5%)	525,000
c. October 2009 Volume	300,000
d. October Threshold (SPLY+5%)	315,000
5. June and October Adjustments	
a. June Threshold	525,000
b. June 2010 Actual	500,000
c. <b>June Adjustment</b>	<b>-25,000</b>
d. October Threshold	315,000
e. October 2010 Actual	320,000
f. <b>October Adjustment</b>	<b>0</b>
6. Adjusted Rebate Volume	
a. Rebate Eligible Volume	107,500
b. Adjustments	-25,000
c. <b>Adjusted Rebate Volume</b>	<b>82,500</b>



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## How to Participate

An invitation letter is going to be sent to the primary postal service contact of companies eligible for the Summer Sale. The recipient of the letter was instructed to visit a registration website, [www.usps.com/summersale](http://www.usps.com/summersale), to apply for participation. After the online application is received by the Postal Service the customer receives a follow-up email containing three attachments:

- Volume and Revenue Threshold Report: The first attachment provides the volume thresholds for the customer's Summer Sale period as well as the June and October threshold volumes. Included with these threshold numbers will be the volume history, by permit, used to make the threshold calculations.
- Certification Letter: The second attachment is a form to be signed by the customer and returned to the Summer Sale program office certifying that the threshold volumes established for the company are accurate. Failure to provide accurate information or withholding volume information may result in removal from the program.
- Threshold Inquiry Form: The third attachment is a form to be completed only if the customer believes that the volume history used to calculate their company's threshold is inaccurate or incomplete. In this situation, they must detail the problem(s) with the volume history and return to the Summer Sale office for resolution.

Customers must register their interest to participate in the Summer Sale no later than **May 28, 2010**. The Summer Sale Program Office must receive either the customers signed Certification letter or the Threshold Inquiry form no later than **June 30, 2010**.

MSP Claim Form are also available for download on the USPS National Customer Support Center: RIBBS at <http://ribbs.usps.gov/> under the site index topic, "Summer Sale". To request contact from a Postal Service Representative please e-mail your request along with your company name and contact information to: [summersale@usps.gov](mailto:summersale@usps.gov)