

## First-Class Mail and Marketing Mail Growth Incentives – FAQs

*August 17, 2023*

On August 11, 2023, the U.S. Postal Service filed notice with the Postal Regulatory Commission (PRC) requesting approval to make certain Mail Classification Schedule (MCS) changes to establish two Mail growth incentives — a First Class Mail Growth Incentive and a Marketing Mail Growth Incentive. If approved, the incentives will run concurrently from Jan. 1, 2024 through Dec. 31, 2024. The following are some frequently asked questions and answers on these incentives.

### **1. What are the First-Class Mail and Marketing Mail Growth Incentives?**

The First-Class Mail and Marketing Mail Growth Incentives are being offered to mail owners to incent them to grow volume in Calendar Year 2024 (CY 2024). The Postal Service will be issuing postage credits to mail owners who grow qualifying First-Class Mail or Marketing Mail volumes in CY 2024 compared to volume in Fiscal Year 2023 (FY 2023) and meets all other requirements for these incentives.

Qualifying volumes for First-Class Mail include:

- Presort Letters
- Presort Cards
- Presort Flats

Qualifying volumes for Marketing Mail include:

- Marketing Mail Saturation Letters and Flats
- Marketing Mail High Density Letters and Flats
- Marketing Mail Letters and Flats
- Marketing Mail Carrier Route
- Marketing Mail Parcels and Saturation Parcels

### **2. How much of a postage credit will be issued if I grow my mail volume?**

The Postal Service will issue a 30% postage credit based on the incremental volume in CY 2024 (vs. baseline FY 2023 volume) times the average actual price paid per mail piece for qualifying mail during the incentive period. There are three conditions that exist for a mail owner to receive these postage credits.

1. The mail owner must mail at least one million mail pieces in CY 2024 in the mail class relevant to the incentive in question (First-Class Mail or Marketing Mail).
2. The mail owner's CY 2024 volume must exceed their volume in FY 2023.
3. The mailer must meet registration requirements for these incentives, which include accepting a baseline volume for each incentive determined by the Postal Service.

### **3. Who is eligible to participate in the First-Class Mail and Marketing Mail Growth incentives?**

Every mail owner is eligible to participate in these incentives.

### **4. How do I participate in the Mail Growth incentives?**

A mail owner must first register for one or both mail growth incentives via steps to be announced. Registration for each mail growth incentive is expected to occur through the Product Management Portal, which will be made available through the Business Customer Gateway. As part of registration, USPS will provide the mail owner with their corresponding baseline volume. The mail

owner must record their agreement with this baseline volume, and other conditions for participating in the incentive plan, in order to start receiving postage credits for incremental volume growth in CY 2024 vs FY 2023 subject to a minimum mailing volume of one million qualifying pieces in CY 2024. Postage credits will be issued to qualified mail owners after six, nine and twelve months from the start of CY 2024.

**6. When can I register for the growth incentives?**

USPS anticipates registration will open in Nov. 2023 and run through June 2024.

**7. Can I participate in both the First-Class Mail and Marketing Mail growth incentives?**

Yes. Registration for each mail class will occur separately, and the corresponding postage credits will be calculated separately, but any mail owner who expects to grow volume and have at least one million pieces in CY 2024 will be eligible for the postage credits if they register for these incentives.

**8. What if my FY 2023 volume was less than a million pieces? Can I still participate?**

Yes. You will need to grow your FY 2023 First-Class Mail or Marketing Mail volumes to at least a million pieces in CY 2024 to be eligible for postage credits for the respective incentive. Postage credits would then begin after reaching one million pieces. Therefore, mail owners with less than a million pieces in FY 2023 are welcome to participate.

**9. Can I combine my CY 2024 First-Class Mail volumes with my Marketing Mail volumes to reach the million pieces necessary to receive postage credits?**

No. The growth incentives for First-Class Mail and Marketing Mail are two different incentives and neither volumes nor credits can be combined.

**10. Can I use the postage credits obtained from the First-Class Mail on Marketing Mail and vice-versa?**

No. The postage credits obtained from the First-Class Mail Growth Incentive can only be used for future First-Class Mail mailings and the postage credits obtained for the Marketing Mail Growth Incentive can only be used for future Marketing Mail mailings.

**11. If I obtain the postage credits in First-Class Mail, can I use the postage credits on non-qualifying First-Class Mail pieces such as First-Class Mail Parcels or Single-Piece First-Class Mail?**

No. The postage credits can only be used on the products that qualify for the incentives. They do not need to be used on the exact same products that earned the postage credits or in the same proportion that the postage credits were earned, but they must be used on qualifying products for the mail class in which they were earned.

**12. How much time do I have to use these postage credits?**

The postage credits can be used until Dec. 31, 2025.

**13. Do I have to wait until after CY 2024 to receive my postage credits? For example, what if I exceed my FY 2023 volumes in May?**

No. Postage credits will be issued in July 2024 and Oct. 2024 for mail owners who earn postage credits prior to the end of the calendar year.

**14. If I earn credits in July 2024, can I use them during CY 2024 to earn more credits?**

Yes. Postage credits will be available for use immediately after they are issued and do not expire until Dec. 31, 2025.

**15. Is there a limit to the amount of mailing postage credits I can earn?**

No.

**16. If I have 800,000 mail pieces in FY 2023 and grow my volume to 1,100,000 pieces in CY 2024, will I receive postage credits for the 300,000 pieces that grew from FY 2023?**

No. A mail owner with fewer than one million pieces in FY 2023 will only receive postage credits on their CY 2024 volume that exceeds one million pieces. In this case the mail owner would receive postage credits on 100,000 pieces.

**17. What if I register and do not agree with the baseline volumes the Postal Service gives me for the incentive?**

There will be a process for mail owners who disagree with the baseline volumes when registering. The mail owner will be able to present evidence on what they believe their baseline for an incentive should be and the Postal Service will investigate any difference. There must be an agreed-upon baseline for a mail owner to receive postage credits.

**18. As an MSP, can I participate in these Incentives?**

Only mail owners are eligible to participate in these Incentives. Mail Service Providers (MSPs) are not eligible to participate in these Incentives unless they register to participate as mail owners.

**19. Will EDDM mailings qualify for these incentives?**

The Marketing Mail Growth Incentive will apply to EDDM BMEU mail but will not apply to EDDM Retail mail.