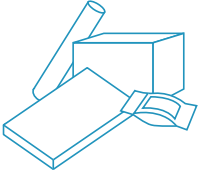




# Flats and Parcel Pricing Changes

UPS Mail Innovations®



**Flats:** Usually, a flat is a mail piece that is rectangular in shape, offers some flexibility or the ability to bend and is uniformly thick. It's the most efficient and cost-effective category to process because of the automated sorting equipment that is utilized. The 2008 rate adjustment is offering a modest rate increase for the flat-size category. The actual increase will be less than the increase of the consumer product index of 2.9%, with the per-pound rate seeing a slight reduction.

**Parcels:** For 2008, the USPS® is adjusting standard parcel rates higher than the other categories of letter or flat-size mail pieces. This is likely due to the costs associated with the manual processing of this particular category of mail. The USPS is also offering a lower rate to induct or drop ship the parcels closer to the end delivery point, which improves both transit time and efficiencies.