



POSTAL NEWS

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U.S. POSTAL SERVICE SEEKS CUSTOMIZED POSTAGE VENDORS

Request for proposals reflects USPS commitment to meeting customers' needs

Washington, D.C. – Personal photos on postage could return as early as next month as the Postal Service moves into the second phase of an extensive test of this popular product that debuted last year.

Customized postage allows a customer to personalize postage with pictures or images using PC Postage® technology. The United States Postal Service today began looking for qualified PC Postage® vendors able to produce customized postage to be used on First-Class Mail, Priority Mail and Express Mail for personal use only.

“We’re combining the trust people have in the Postal Service with the technology and efficiencies of the private sector to bring customized postage to our customers,” said Nicholas Barranca, Vice President of Product Development. “Customized postage allows us to make mail more valuable and more meaningful to people.”

Customized postage will have two parts: a customer-supplied image and a state-of-the-art secure bar code. All customized postage is compatible with the Postal Service’s automated mail processing systems.

Like postage meters, PC Postage® facilitates customer access to postage payment and use of the mail. PC Postage® is not a stamp and the use of customized postage will not affect the Postal Service’s production or commitment to postage stamps, Barranca said.

Customized postage will be limited to personal use only during the one-year test. This is the second step in the Postal Service’s testing of the product to determine its appeal to customers and the value it may add to postal services.

To become an authorized PC Postage® provider, applicants must be able to prove the ability to generate high quality, computer-based postage or metered postage and demonstrate they routinely use secure encryption technology to protect postal revenue.

“We want to make sure that anyone we authorize has the ability to produce postage in an efficient way,” Barranca said. “While we continue to strive to meet the needs of our customers, we want to make sure that any product also meets our standards for quality and security.”

USPS will require vendors to produce a product that meets current postal regulations and conclusively prove that all images produced and services provided abide by all federal laws, including copyright laws.

Authorized vendors will determine pricing and are expected to price their products based on the value provided to the consumer. The Postal Service's role is to authorize and monitor qualified providers.

The formal request for proposals from qualified vendors will be advertised in the Federal Register on April 27.

The year-long test is expected to last through May 2006. Vendors may begin offering PC Postage® within 20 days of being authorized by the United States Postal Service.

Since 1775, the Postal Service has connected friends, families, neighbors and businesses by mail. It is an independent federal agency that visits 142 million homes and businesses every day and is the only service provider delivering to every address in the nation. The Postal Service receives no taxpayer dollars for routine operations, but derives its operating revenues solely from the sale of postage, products and services. With annual revenues of more than \$69 billion, it is the world's leading provider of mailing and delivery services, offering some of the most affordable postage rates in the world. The Postal Service delivers more than 46 percent of the world's mail volume- some 206 billion letters, advertisements, periodicals and packages a year- and serves seven million customers each day at its 37,000 retail locations nationwide.

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