

December 1, 2009

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## **Notification of price and service changes to Parcel Services effective January 11, 2010**

Dear Customer:

Effective January 11, 2010, there will be price changes and service improvements to our suite of Domestic, USA and International Parcel Services. All efforts have been made to keep increases as modest as possible. We trust these changes will demonstrate how Canada Post Parcel Services consistently deliver value to your company and your customers.

Canada Post is committed to providing you with a range of flexible and convenient shipping services. Investment in technology and innovation continues to be our priority as we strive to serve you and your customers better.

### **New 2010 Prices**

The 2010 price changes will apply to the following Domestic, USA and International Parcel Services and options.

#### **Parcel Services**

- *Priority*<sup>™</sup> Next A.M.
- Xpresspost<sup>™</sup>
- Expedited Parcel<sup>™</sup>
- Regular Parcel<sup>™</sup>
- Book Presort
- Xpresspost<sup>™</sup> Certified Mail
- Xpresspost<sup>™</sup> Banking
- Expedited Day-Old Chicks
- *Priority*<sup>™</sup> Worldwide
- Xpresspost<sup>™</sup>-USA
- Expedited Parcel<sup>™</sup>-USA
- USA Air and Surface Small Packet<sup>™</sup>
- Xpresspost<sup>™</sup>-International
- International Air and Surface Parcel
- International Air and Surface Small Packet<sup>™</sup>

#### **Options**

- Domestic Coverage
- USA/International Coverage
- Collect on Delivery (COD)
- Proof of Age with Signature

**Book Presort Rates\*** *Note: Only sent to affected customers. Not included in generic letter.*  
 The following Book Presort Rates are effective January 11, 2010:

Sortation Level	STATION	CITY/DCF/PLANT	FCP	RESIDUE
<b>Up to and including</b>				
500 g	\$3.55	\$4.00	\$4.00	\$4.85
750 g	\$3.65	\$4.10	\$4.10	\$5.00
1 kg	\$4.00	\$4.70	\$4.70	\$6.30
1.36 kg	\$4.10	\$5.00	\$5.00	\$7.00
<p><i>Note: Only for Items with a weight of 1.36 kg and a volume of 3,220 cm<sup>3</sup> or less.            All returned packages will be charged at the appropriate "FCP" price.</i></p>				

\* Please note: These rates are not included in your 2010 Parcel Services Price Book.

### **Your 2010 Parcel Services Price Book and Customer Guide**

Enclosed is the 2010 Price Book specific to your Parcel Services Agreement. The Parcel Services Customer Guide, Amendment and new changes effective December 14, 2009, can be viewed on the Canada Post website at [canadapost.ca/customerguides](http://canadapost.ca/customerguides).

### **Highlights of the January 11, 2010 Changes**

#### ***New Domestic Parcel Services Rate Codes – Eastern Canada***

Effective January 11, 2010, we will introduce six new Domestic Rate Codes.

- Two new Rate Codes (24 and 34) for Regional/National shipments.
- Four new Rate Codes (15, 16, 18 and 19) for intra-Atlantic shipments (all shipments between Newfoundland and Labrador, Nova Scotia, New Brunswick and Prince Edward Island).

Please refer to the Rate Code Look-up Table in your 2010 Price Book for more information.

#### ***Customized Rate Code Look-up Tables***

The 2010 Rate Code Look-up Tables have been updated to be easier to read and use. Each table has been customized with your originating postal code and your applicable rate codes in one single column. Please refer to your personalized Rate Code Look-up Table included in the 2010 Price Book.

#### ***2010 Library Book Rate Program – No Increase! Note: Only sent to affected customers. Not included in generic letter.***

Canada Post is pleased to announce there will be no rate increase in 2010. The 2005 rates will continue to be in effect.

### **Other Recent Changes**

#### ***Simplified International Shipping***

Online customs tools are now available to assist you when shipping items to the USA or internationally. These tools will help you find the correct Harmonized System codes, estimate customs costs, determine any possible shipping restrictions to individual countries, and ultimately get your items through customs faster! Visit [canadapost.ca/customs](http://canadapost.ca/customs) to find out more.

### ***More and Faster Tracking***

We have made major improvements to our scanning process and added a large number of scanners to our entire network. As a result, more scans are now available and displayed faster, providing you with more effective tracking of your parcels at [canadapost.ca/track](http://canadapost.ca/track).

### ***Commercial Expedited Parcel™-USA Service Discontinued***

Effective December 14, 2009, *Commercial Expedited Parcel™-USA* service will no longer be available as a shipping option. To meet your shipping needs to the USA, we propose the following alternatives offering a wide range of benefits:

- *Xpresspost™-USA*
- *Expedited Parcel™-USA*
- *Air or Surface Small Packet™*
- *Priority™ Worldwide*

For more information about our full suite of USA and International Parcel Services, please refer to the 2009 Parcel Services Customer Guide and Amendment at [canadapost.ca/customerguides](http://canadapost.ca/customerguides).

### ***On-Demand Pickup – Now More Accessible Than Ever***

We have decreased the minimum number of parcels required for On-Demand Pickup and Third-Party On-Demand Pickup from 25 to 10 items. The total number of pieces can be a mix of any of the following Domestic and USA/International Parcel Services:

- **Domestic:** Xpresspost™, Expedited Parcel™ and Regular Parcel™.
- **USA/International:** Xpresspost™-USA, Xpresspost™-International, Expedited Parcel™-USA, International Parcel Air, International Parcel Surface, Small Packet™ Air and Small Packet™ Surface.

There is no minimum requirement for *Priority™ Next A.M.* and *Priority™ Worldwide* services. The On-Demand Pickup and Third-Party On-Demand Pickup fee remains at \$3.50 per pickup for all Parcel Services, with the exception of *Priority Worldwide* (available at no charge).

To request an On-Demand Pickup or Third-Party On-Demand Pickup, call us at 1.888.550.6333. You may request a pickup on the same day or **up to 5 days in advance**. For the list of areas where these services are offered and all the details, please visit [canadapost.ca/postalservices](http://canadapost.ca/postalservices) under *Key Support Documents - Parcel Services*.

### ***Prescription Drugs to the USA – Terms and Conditions***

The *Prescription Drugs to the USA - Terms and Conditions* section 8.3.21 *Limitation of Liability* has been updated. Please be sure to review the updates at [canadapost.ca/customerguides](http://canadapost.ca/customerguides) or in your 2009 Parcel Services Customer Guide.

### ***New and Improved! Electronic Shipping Tools: Business Desktop 2.0***

The new version of our Electronic Shipping Tools: Business Desktop 2.0 introduces numerous design improvements resulting in a more intuitive application that's simply easier to use! For more information, please visit [canadapost.ca/est](http://canadapost.ca/est).

### ***All you need at your fingertips***

The Canada Post website provides you with information on the changes outlined in this package at [canadapost.ca/notice](http://canadapost.ca/notice).

At Canada Post, we understand many shipping alternatives are available to you in this highly-competitive global marketplace. As Parcel Services professionals, we take pride in the business you have entrusted to us and the worldwide services we bring to you. If you have any questions on the information provided in this package, please call our Commercial Service Network at 1.866.757.5480.

Sincerely,

Stewart Bacon  
Chief Sales and Marketing Officer