

1. How much will PO Box fees increase in 2009?

Overall all PO Box fees including caller/reserves will increase on May 11 by 3.9%; however, respective increases range from 0% up to 20%. The wide variance in fee increases is due to trying to maintain proportionate relationships between box size and price and other circumstances such as rounding constraints. For example, Box Size 1 in fee group 7 will be increasing by 20% from \$10 to \$12. Twenty percent may seem like a large increase but it does not seem as large when the math shows this is only an increase of 33 cents per month and the price for this box did not increase at all in the 2008 fee adjustments.

2. What makes up a PO Box fee group?

Although commercial real estate values are a main ingredient in fee group prices, other factors include space support costs for custodial supplies, building supplies, maintenance, heating, air conditioning, fuel, transportation etc., and also labor costs which include compensation of postal personnel. Some cost are applied nationally, some are site specific.

3. The fee increase will drive away customers?

It could, but often how something is presented determines whether it is accepted. More than 80% of all boxes are small boxes (sizes 1 and 2) and those fees only increased between \$2 to \$8 dollars a year. This amounts to less than 31 cents a week, literally pennies a day. No one likes to pay more, but if the USPS does not cover its cost it cannot stay in business. In some depressed areas this may be why other businesses are not present because they cannot afford to do business at those locations. We want to remain in all communities and as such need help to cover our costs. Our customers understand that our costs have increased just like theirs for gas, electricity, employees, etc. Emphasize the benefits of renting PO Boxes such as security, convenience, and early mail delivery to help retain their business. If a customer wants to go to a rural route, remind them to complete a change of address form to have their mail forwarded. Point out that unlike P.O. Box delivery, residential delivery generally occurs later in the day and when they are out of town for extended period of time, they will have to complete a hold request form.

4. The fee decrease will reduce my revenue?

It will but utilize some of the marketing tools such as PO Box Availability Tags or PO Box buttons to market to new customers to increase PO Box revenue. To order PO Box Availability Tags (Tag 26: PSN 7690-10-000-6477), use the touch tone order entry system in Topeka, KS, by calling 800-273-1509. Limited quantities of the PO Box Buttons are available. If interested, please send an email to poboxsuccess@usps.gov.

5. How can cities with some of the most expensive real estate and some of the largest Post Offices in the country have a fee group 5?

While it may seem that some of the larger cities are more expensive across the board, the reality is that the range of rent/sq. foot varies greatly within the cities themselves. This variance in rent/sq. foot along with the size of facilities can lead to a great difference in cost/sq. foot and, therefore the fee group. For example, a very large facility in a warehouse district could very well have a fee group 5. This is because the cost of providing PO Box services there is very low.

6. How can post offices housed in similar buildings within 10 blocks of each other have two different fee groups (i.e., group 1 and group 5)?

Fee groups are determined based on a large number of factors. Two facilities just blocks apart could have very different costs just because one facility is larger than the other, or because one facility is paying less per sq. foot for rent, or based on various other factors. Proximity to each other does not necessarily guarantee similar costs. For the May 11 changes the Postal Service has not changed the fee group for any facilities, so any apparent inconsistencies have not been newly created.

7. How can a facility that is less than 1500 square ft and is in one of the poorest parts of town, be a group 1?

For many facilities in the territorial regions, rent/sq. foot is very high - regardless of the wealth of the town. Also, if a facility is very small - as would be the case in a small town - the cost/sq. foot could be very high due to its size and the costs of providing PO Box service.