



# DELIVERING FOR AMERICA

## What you need to know about the United States Postal Service® Plan to achieve financial sustainability and service excellence

### MARKET DOMINANT PRICING

#### WHY CHANGE PRICES?

The Postal Service® has continually implemented available price increases on various market dominant products. However, for the past 14 years we have not had sufficient pricing authority to respond to changing market realities.

The Postal Accountability and Enhancement Act (PAEA) of 2006 capped price increases for mailing services at the Consumer Price Index (CPI). A price cap for the Postal Service cannot use CPI alone. CPI estimates inflation based on purchases of typical household quantities of select goods and services, ultimately presenting a general picture of the overall economy. But the Postal Service’s cost profile and demand trends, including a decline of mail volume, a growing number of delivery points, and increased labor and retirement costs, are not like those of the average company. This is why the Postal Regulatory Commission (PRC) recognized that CPI must be adjusted to fit the price cap to the Postal Service.

In November 2020, the PRC completed its years-long review and deemed the existing rate-setting system inadequate. The recent PRC ruling provides the Postal Service more rate authority when establishing prices for mailing services, providing us the ability to adjust prices based on declining mail volumes and growing logistics costs. Had the Postal Service been able to raise prices in alignment with the recent PRC ruling when the PAEA was first implemented, we would have generated an additional \$55 billion in cumulative gross revenue since 2006.

The Postal Service’s proposed market dominant price changes were developed in light of this recent PRC ruling and are a major component of our Delivering for America 10-Year Plan. The proposed changes will apply judicious and prudent strategies to optimize our revenue and contribution within applicable regulatory constraints, while maintaining our commitment to affordable pricing.

#### WHAT IS CHANGING?

##### First-Class Mail: Includes standard-sized pieces and large envelopes

Product	Old Price	New Price	Change
Stamp	55¢	58¢	3¢
Flats Single-Piece	\$1.00	\$1.16	16¢
Presort Letters (bills & statements)	40.4¢	43.3¢	2.9¢

##### Marketing Mail: Includes standard-sized pieces and large envelopes

Product	Old Price	New Price	Change
Non-Saturation Letters (ads & solicitations)	21.2¢	22.6¢	1.4¢
Non-Saturation Flats (catalogs)	31.0¢	33.9¢	2.9¢
Saturation Letters (coupons)	16.1¢	16.5¢	0.4¢
Saturation Flats (flyers & coupons)	17.0¢	17.5¢	0.5¢

##### Periodicals: Newspapers, magazines, and other publications intended to transmit information to subscribers or requesters at least 4 times a year

Product	Old Price	New Price	Change
In County (local newspaper)	11¢	12¢	1¢
Outside County (magazines)	27¢	30¢	3¢

##### Package Services: Consists of Bound Printed Matter (BPM), media mail, and library mail

Product	Old Price	New Price	Change
Media Mail / Library Mail	\$3.71	\$4.11	40¢
BPM Parcels and Flats	96¢	\$1.03	7¢

##### Special Services: An assortment of add-ons to mailing and shipping and some stand-alone offerings

Product	Old Price	New Price	Change
Money Orders	\$1.30	\$1.45	15¢
Return Receipt	\$2.85	\$3.05	20¢
Certified Mail	\$3.60	\$3.75	15¢

Representative example of price increases within product categories

### WANT TO LEARN MORE ABOUT THE PLAN?

Visit us online at [usps.com/deliveringforamerica](https://usps.com/deliveringforamerica)



# DELIVERING FOR AMERICA

## What you need to know about the United States Postal Service® Plan to achieve financial sustainability and service excellence

**Q: As a result of the Plan, will the public have to pay higher rates for slower mail service?**

**A:** The Plan enables reliable and predictable service to our customers and proposes a fair pricing approach that aligns to market realities. We are pursuing a rational pricing approach, using pricing authority approved by the PRC for our market dominant products. The Plan will enable us to design a precise and efficient processing and transportation network, positioning us to deliver 95 percent of all mail and packages on time. Judicious price increases paired with investment in our network will allow us to provide the predictable, reliable service that the American people expect and deserve and ensure the financial sustainability of the Postal Service.

**Q: Are there other ways the Postal Service can improve its financial standing without raising prices?**

**A:** Price changes make up one of four main approaches outlined in our Plan, all of which must be taken to reverse \$160B in projected losses over the next 10 years. Some other aspects of the Plan require a lengthy legislative process and Congressional approval to carry out, but price changes, as well as other Plan elements to increase efficiencies and reduce costs, are self-help strategies that the Postal Service can initiate right now. The extent to which other parts of the Plan are successful, such as the legislative and administrative requests, could serve to mitigate the need for price increases as we move forward.

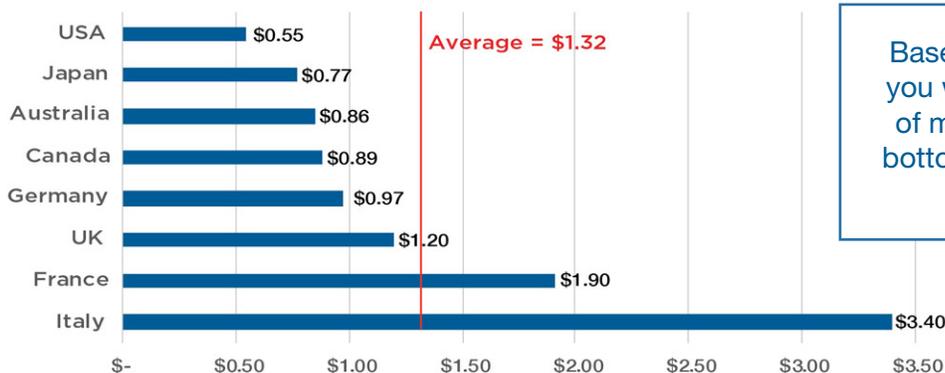
**Q: Will raising mail prices further decrease mail volume?**

**A:** The Postal Service has been experiencing shrinking mail volume for over a decade, even as our delivery network continues to grow. These trends are expected to continue in the coming decade, with total volume expected to decline by 36 percent by FY2030. The Plan addresses these inevitable trends by modestly adjusting postage prices to ensure additional revenues from each mailpiece to cover the rising costs of serving every delivery address across America.

## USPS Prices to Remain among the World's Most Affordable

The U.S. Postal Service currently charges far less for domestic First-Class Mail® postage than many other nations.

### Single Piece Letter-Mail Postage Rates, International



Note: Published prices and conversion rates as of 5/17/21

Based on our proposed prices, you will be able to send a piece of mail from rural Maine to the bottom of the Grand Canyon for only 58 cents.

## WANT TO LEARN MORE ABOUT THE PLAN?

Visit us online at [usps.com/deliveringforamerica](https://usps.com/deliveringforamerica)