Price Adjustments July 2024

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DELIVERING FOR AMERICA – Key Strategies

Transform from financial and operational crisis to a high performing and self-sustaining organization



Mail and Package Processing Network





Operating Precision & Organizational Focus









Environmental Sustainability



Public and Stakeholder Outreach



Government Relations











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This presentation reflects the current strategic thinking of the Postal Service that is part of an ongoing deliberative process, that is not final, and that is subject to adjustment and/or change. The presentation also contains commercially sensitive business proprietary information that should not be further disclosed without the express written permission of the Postal Service.



Key Accomplishments



Decreased our projected losses from \$160 billion to \$60 billion over 10 years



Acquiring 106,480 new vehicles, and of which 66,230 to be electric vehicles



Launched Ground Advantage and quadrupled volume for packages weighing more than 1 lb.



Successfully launched 31 Sorting & Delivery Centers to expand next-day reach and reliability



Improved service performance with 98% of the nation receiving mail and packages within 3 days



Converted nearly **170,000 pre-career** employees¹ to career status



Cut the supervisor vacancy rate from 15% to 6.9%



Secured enactment of the **Postal Service Reform Act into law** to reduce expenses by \$48 billion over 10 years



Eliminated 560,000 trips and avoided more than 264 million pounds of CO2



Introducing a **new operating strategy, new data organization, and new sales and marketing** package growth strategies

[1] From Oct. 1, 2020, to Jan. 4, 2024

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Path Forward: Self-Help Improvements

Successful implementation of the DFA Plan required partnerships with legislative and regulatory stakeholders during the first-two years. The Plan now requires judicious application of pricing authorities and implementation of self-help management initiatives to cut costs and grow revenue over the next two to three years to help close the gap.



July 2024 Price Change 7.8% Average Increase

Effective July 14, 2024



Structural Changes

2025 Mailing Promotions

Provide opportunities for postage discounts by

applying treatments or integrating technology in their campaigns. This also includes the continuation of the growth incentives into 2025.

Marketing Mail Flat-Shaped Lightweight and Heavyweight Price Structure

Change Marketing Mail flats price structure so lightweight and heavyweight pieces are priced separately based on unique volume and weight profiles.

Catalog Incentive

To collect data on catalog volume, provide incentive for Marketing Mail and Bound Printed Matter customers to declare eligible volume as catalogs on postage statement.

Elimination of Simple Samples

Elimination of Marketing Mail Simple Samples rates due to low use.

First-Class Flats Additional Ounce Price Structure

Change First-Class Flats price structure to eliminate the additional ounce price so that each ounce can be priced independently.

Business Reply Mail IMbA Rates

Introduce a QBRM IMbA letter and card rate that incentivizes customers to onboard to Intelligent Mail Barcode Accounting.



Promotions, Incentives, and Permit Fees





2025 PROMOTIONS CALENDAR



										ľ	Registration F	Period 📴 Pro	motion Period
PROMOTIONS	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
INTEGRATED TECHNOLOGY 3% Discount Marketing Mail First Class Mail		PICK YOUR	START DATE	FOR 6 CONS	ECUTIVE MONTH	IS 🛛			/				
TACTILE, SENSORY & INTERACTIVE 4% Discount Marketing Mail	DEC		න්) FEB 1					JUL 31 JUL 31					
CONTINUOUS CONTACT 3% Discount Marketing Mail						PROMOTION	PERIOD TO E	BE DETERMINE	D				
REPLY MAIL IMbA™ 3% OR 6% Discount First Class Mail (QBRM only)								JUL 1					DEC :
FIRST-CLASS MAIL ADVERTISING 3% Discount								UL (D	L 15	E SEPT 1			DEC :

Add-Ons Additional discount to a promotion. Available all year long.					
INFORMED DELIVERY	 + 1% to mailer + 0.5% credit to eDoc submitter 	SUSTAINABILITY	+ 1%		

2025 Mail Growth Incentives

USPS is pursuing two mail incentives to grow volume. Both First-Class Mail and Marketing Mail Growth Incentives will provide eligible mailers a credit on additional mail volume in excess of their baseline volume.

Eligibility Criteria



Products Eligible for Each Growth Incentive Products that are eligible for the **First-Class Mail Growth Incentive** include:

- First-Class Mail Presort Letters
- First-Class Mail Presort Cards
- First-Class Mail Presort Flats

Products that are eligible for the Marketing Mail Growth Incentive* includes:

- Marketing Mail Letters and HD/Saturation Letters
- Marketing Mail Flats and HD/Saturation Flats
- Marketing Mail Carrier Route
- Marketing Mail Parcels and Saturation Parcels



Volume Requirement

To qualify for any credits, mailers must have had a **minimum volume of 1 million pieces** mailed during the incentive period (Jan-Dec 2025)

*Every Door Direct Mail - Retail is not included

Incentive Details

Credit for Mail Volume in Excess of FY24 Volume

Mailers will receive a credit for any volume in excess of FY23 baseline volume. Incremental volume above one million pieces and this baseline will be eligible for a **30% credit** that will be issued quarterly (CY25 Q2, Q3, and end of CY25).

Baseline Period: October 2023-September 2024 (FY2024) Registration Period: November 2024 – June 2025 Incentive Performance Period: January-December 2025

Earned Credit to Customer Account:

- July 2025
- October 2025
- February 2026



Full-Service and Seamless Incentives and Permit Fees

	Current Incentive/Fee	Proposed Incentive/Fee	Percent Change
Full Service IMb			
First-Class Mail	\$0.003	\$0.005	66.7%
Marketing Mail	\$0.003	\$0.005	66.7%
Periodicals	\$0.001	\$0.001	0.0%
Package Services	\$0.001	\$0.001	0.0%
Seamless			
First-Class Mail	\$0.001	\$0.002	100.0%
Marketing Mail	\$0.001	\$0.002	100.0%
Periodicals	\$0.001	\$0.001	0.0%
Package Services	\$0.001	\$0.001	0.0%
Permit Fee	\$320.00	\$350.00	9.4%
Periodicals Application Original Entry Fee	\$950.00	\$1,040.00	9.5%



Proposed Price Change

First-Class Mail



First-Class Mail

Product	Current Price	Proposed Price	Percent Change
Rate Authority			
Stamp Price	68¢	73¢	7.4%
Meter Price	64¢	69¢	7.8%
Single-Piece Cards	53¢	56¢	5.7%
Single-Piece Flats - 1 ounce	\$1.39	\$1.50	7.9%
Additional ounce rate Letters	24¢	28¢	16.7%
Nonmachinable surcharge – letters	44¢	46¢	4.5%
Presorted Letters (Auto & Nonauto)	51¢*	55¢*	7.6%
Presorted Cards (Auto & Nonauto)	36¢*	39¢*	7.4%
Presorted Flats (Auto & Nonauto)	\$1.53*	\$1.68*	9.2%
First-Class Mail International Outbound	\$1.55**	\$1.65**	6.5%



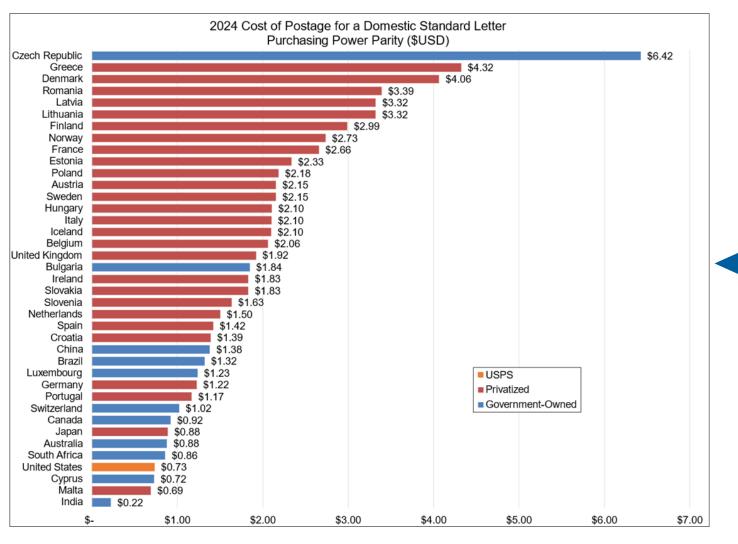
First-Class Mail Stamp price is still one of the lowest in the world

*Average revenue per piece

** First Class Mail International Letters and Cards 1 ounce price. Inbound prices set by UPU, expected increase 0.6%.



Relative Cost of Postage as of July 2024



The Postal Service will continue to provide the lowest letter-mail postage rates in the industrialized world.

All source data information on pricing, PPP conversion factors, and privatization status as of 01/03/2024



First-Class Mail

	Current Price	Proposed Price	\$ Difference	% Difference	Widened incentive to
1 oz. SP Metered	\$0.64	\$0.69	\$0.05	7.8%	presort
1 oz. Auto Mixed AADC Letters	\$0.571	\$0.622	\$0.051	8.9%	\$8 more per
1 oz. Auto AADC Letters	\$0.547	\$0.593	\$0.046	8.4%	1000 to sort to 5-Digit from
1 oz. Auto 5-Digit Letters	\$0.507	\$0.545	\$0.038	7.5%	AADC Letters
Shared Mail Letters	\$0.72	\$0.77	\$0.05	6.9%	
Nonautomation Presort Cards	\$0.406	\$0.435	\$0.029	7.1%	
Mixed AADC Automation Card	\$0.390	\$0.419	\$0.029	7.4%	
AADC Automation Card	\$0.378	\$0.406	\$0.028	7.4%	
Automation 5-Digit Card	\$0.357	\$0.384	\$0.027	7.6%	

First Class Flats Additional Ounces

To improve pricing flexibility, First-Class Mail Flats additional ounces will no longer be priced using a uniform price and may be priced independently.

			Automation			
	Single-				Mixed	
Weight	Piece	5-Digit	3-Digit	ADC	ADC	Presorted
1	\$1.50	\$0.874	\$1.132	\$1.212	\$1.355	\$1.400
2	\$1.77	\$1.144	\$1.402	\$1.482	\$1.625	\$1.670
3	\$2.04	\$1.414	\$1.672	\$1.752	\$1.895	\$1.940
4	\$2.31	\$1.684	\$1.942	\$2.022	\$2.165	\$2.210
5	\$2.59	\$1.964	\$2.222	\$2.302	\$2.445	\$2.490
6	\$2.87	\$2.244	\$2.502	\$2.582	\$2.725	\$2.770
7	\$3.15	\$2.524	\$2.782	\$2.862	\$3.005	\$3.050
8	\$3.43	\$2.804	\$3.062	\$3.142	\$3.285	\$3.330
9	\$3.71	\$3.084	\$3.342	\$3.422	\$3.565	\$3.610
10	\$4.01	\$3.384	\$3.642	\$3.722	\$3.865	\$3.910
11	\$4.31	\$3.684	\$3.942	\$4.022	\$4.165	\$4.210
12	\$4.61	\$3.984	\$4.242	\$4.322	\$4.465	\$4.510
13	\$4.91	\$4.284	\$4.542	\$4.622	\$4.765	\$4.810

Additional	Oz Rates
Additional oz	
2 - Ounce	\$0.27
3 - Ounce	\$0.27
4 - Ounce	\$0.27
5 - Ounce	\$0.28
6 - Ounce	\$0.28
7 - Ounce	\$0.28
8 - Ounce	\$0.28
9 - Ounce	\$0.28
10 - Ounce	\$0.30
11 - Ounce	\$0.30
12 - Ounce	\$0.30
13 - Ounce	\$0.30



Proposed Price Change

Marketing Mail



2023 Marketing Mail Cost Coverages

Letter-Shaped Products	Volume	Revenue Per Piece	Cost Per Piece	Contribution Per Piece	Cost Coverage
Commercial	35,031,161,139	\$0.269	\$0.134	\$0.135	200.8%
Non-Profit	8,697,127,341	\$0.139	\$0.138	\$0.001	100.4%
Total	43,728,288,480	\$0.243	\$0.135	\$0.108	180.3%

Flat-Shaped Products	Volume	Revenue Per Piece	Cost Per Piece	Contribution Per Piece	Cost Coverage
Commercial	13,920,225,420	\$0.283	\$0.274	\$0.009	103.4%
Non-Profit	1,775,004,960	\$0.273	\$0.515	-\$0.242	53.0%
Total	15,695,230,380	\$0.282	\$0.301	-\$0.019	93.7%



Marketing Mail Commercial—7.9% Increase

Product	Current Price	Proposed Price	Percent Change
Rate Authority			
Letters	\$0.297*	\$0.319*	7.5%
High Density Letters	\$0.285*	\$0.309*	8.6%
High Density Plus Letters	\$0.228*	\$0.236*	3.2%
Saturation Letters	\$0.187*	\$0.201*	7.7%
Flats	\$0.680*	\$0.749*	10.2%
Carrier Route	\$0.386*	\$0.422*	9.3%
High Density Flats	\$0.328*	\$0.355*	8.2%
High Density Plus Flats	\$0.241*	\$0.266*	10.3%
Saturation & EDDM Flats	\$0.198*	\$0.211*	6.5%
EDDM-Retail	\$0.203	\$0.223	9.9%
DAL	\$0.075	\$0.080	6.7%
DML	\$0.100	\$0.110	10.0%
Parcels	\$2.955*	\$3.207*	8.5%

Price Change by Shape:

Letter-Shaped: 7.5%

Flat-Shaped: 9.0%

* Average revenue per piece – percent change is calculated on actual numbers rather than rounded shown

Marketing Mail Automation Commercial Letters Prices Letters Product get below average price increase

Marketing Mail Auto Letters	Current Price	Proposed Price	\$ Difference	% Difference
5-Digit Origin \$0.02	₇	₀₂₄ _ \$0.345	\$0.015	4.5%
5-Digit DNDC \$0.00	8 \$0.303 _{\$0.0}	₀₃ _ \$0.321	\$0.018	5.9%
5-Digit DSCF	\$0.295	\$0.318	\$0.023	7.8%
HD DSCF \$0.00	⁹ \$0.286 \$0.0	⁰⁷ \$0.311	\$0.025	8.7%
HD Plus DSCF	\$0.229	\$0.237	\$0.008	3.5%
Saturation Origin \$0.02	, \$0.229 _{\$0.0}	24 5 \$0.237	\$0.008	3.5%
Saturation DNDC	\$0.202	\$0.213	\$0.011	5.4%
Saturation DSCF	\$0.194	\$0.210	\$0.016	8.2%

Reduced incentive to dropship:

In 2023 USPS improved outgoing network efficiency, by combining all classes by shape and no longer routing through the NDC network.

As a result, this drove down cost avoidances, which in turn requires a reduction in discounts to meet PRC requirements.



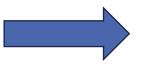
Marketing Mail Flats Restructure

		Carrier Route				
	Entry Discount	Saturation	EDDM	High Density Plus	High Density	Basic
	None	0.265	0.266	0.288	0.356	0.426
Flats weighing 4.0	DNDC	0.219	0.220	0.242	0.310	0.358
oz. or less per piece price	DSCF	0.207	0.208	0.230	0.298	0.352
price	DDU	0.187	0.188	0.210	0.278	0.351
Mana than 4 an	None	0.683	0.683	0.683	0.683	0.937
More than 4 oz Per Pound	DNDC	0.500	0.500	0.500	0.500	0.665
Price +	DSCF	0.450	_0.450_	0.450	0.450	0.641
FILCE T		0.370	0.370	0.370	0.370	0.637
Per Piece Price		0.094	0.095	0.117	0.117	0.192





		1						
			Carrier Route					
				High				
	Entry			Density	High			
	Discount	Saturation	EDDM	Plus	Density	Basic		
Den Diese Drive	None	0.305	0.306	0.334	0.407	0.485		
Per Piece Price	DNDC	0.234	0.235	0.263	0.336	0.414		
(All Pieces)	DSCF	0.214	0.215	0.243	0.316	0.394		
(All Tieces)	DDU	0.201	0.202	0.230	0.303	0.381		
Plus	None	0.640	0.640	0.640	0.776	0.776		
Per Pound Price	DNDC	0.640	0.640	0.640	0.776	0.776		
(Piece more than	DSCF	0.640	0.640	0.640	0.776	0.776		
4oz) (first 4oz free)	DDU	0.640	0.640	0.640	0.776	0.776		



- Marketing Mail Flat-shaped products rate structure is revised align with the structure last seen in January 2023.
- Pieces up to 4oz will pay a per piece price
- Pieces over 4oz will pay the per piece and the per pound price, which applies to the full mail piece weight
- This allows for separate pricing for Lightweight and Heavyweight pieces based on their unique volume and weight profiles

July 2024

		Carrier Route					
	Entry Discount	Saturation	EDDM	High Density Plus	High Density	Basic	
Floto weighing 4.0	None	0.299	0.300	0.342	0.419	0.502	
Flats weighing 4.0	DNDC	0.233	0.234	0.276	0.353	0.436	
oz. or less per piece price	DSCF	0.229	0.230	0.272	0.349	0.432	
price	DDU	0.218	0.219	0.261	0.338	0.421	
Mana than 4 an	None	1.040	1.040	1.040	1.167	1.183	
More than 4 oz	DNDC	0.592	0.592	0.592	0.719	0.735	
Per Pound Price +	DSCF	0.562	0.562	0.562	0.689	0.705	
Flice +	DDU	0.489	0.489	0.489	0.616	0.632	
Per Piece Price		0.096	0.097	0.139	0.184	0.263	



Marketing Mail Piece-Rate Commercial Flats Prices

Marketing Mail Auto Flats	Current Price	New Price	\$ Difference	% Difference	Widened incentive
5-Digit DSCF	\$0.548	\$0.617	\$0.069	12.6%	to presort \$31 more per 1000
C-R Basic DSCF	\$0.394	\$0.432 \$0.185	\$0.038	9.6%	to sort to CR entered at DSCF
HD DSCF (125 pieces)	\$0.316	\$0.349	\$0.033	10.4%	
HD+ DSCF (300 pieces)	\$0.243	\$0.272	\$0.029	11.9%	
Saturation DSCF (90%)	\$0.214	\$0.229	\$0.015	7.0%	
Saturation DDU (90%)	\$0.201	\$0.218	\$0.017	8.5%	

Marketing Mail Commercial Flats Prices

Marketing Mail Flats	Current Price	New Price	\$ Difference	% Difference*
Auto 5-Digit Origin (LW)	┌ \$0.639] 。	_{0.071}	₀₆₆ \$0.048	7.5%
Auto 5-Digit DNDC (LW)	0.091 - \$0.568	\$0.621 \$ 0.621	\$0.053	9.3%
Auto 5-Digit DSCF (LW)	\$0.548	\$0.617	\$0.069	12.6%
Auto 5-Digit Origin (8oz)	「 \$0.864	^{0.071}	₂₂₄ \$0.181	20.9%
Auto 5-Digit DNDC (8oz)	0.091 - \$0.793	\$0.239- \$0.821	\$0.028	3.5%
Auto 5-Digit DSCF (8oz)	\$0.773	\$0.806	\$0.033	4.2%
Carrier Route Origin (LW)	\$0.485	0.071 \$0.502 _{\$0.}	₀₆₆ \$0.017	3.5%
Carrier Route DNDC (LW)	\$0.091 \$0.414 \$	\$0.070 .081 - \$0.436	\$0.022	5.3%
Carrier Route DSCF (LW)	\$0.394	\$0.432	\$0.038	9.6%
Carrier Route DDU (LW)	\$0.381	\$0.421	\$0.040	10.5%
Carrier Route Origin (8oz)	\$0.679	0.071 ┌ 〔\$0.855 〕 _{\$0.}	₂₂₄ \$0.176	25.8%
Carrier Route DNDC (8oz)	\$0.608	\$0.2 ³⁹ \$0.631	\$0.023	3.7%
Carrier Route DSCF (8oz) ^{\$0.1}	⁰⁴ \$0.588	\$0.276 \$0.616	\$0.028	4.7%
Carrier Route DDU (8oz)	\$0.575	\$0.579	\$0.004	0.7%

With the new Flatsshaped rate structure, incentives to dropship will be applied Lightweight and Heavyweight separately.

To align with Postal costs, the incentive to dropship Lightweight pieces will <u>decrease</u>, and the incentive to dropship Heavyweight pieces will increase.

*percent change is calculated on actual numbers rather than rounded shown

Marketing Mail Commercial Flats Prices

Marketing Mail Flats	Current Price	New Price	\$ Difference	% Difference*
Saturation Origin (LW)	\$0.305	0.071 \$ 0.299 _{\$0.}	₀₆₆ -\$0.006	-2.0%
Saturation DNDC (LW)	\$0.09 ¹ \$0.234	\$0.070 - \$0.233	-\$0.001	-0.4%
Saturation DSCF (LW) \$	\$0.214	\$0.081 \$0.229	\$0.015	7.0%
Saturation DDU (LW)	\$0.201	\$0.218	\$0.017	8.5%
Saturation Origin (8oz)	\$0.465	0.071 50.616	_{0.224} \$0.151	32.5%
Saturation DNDC (8oz)	\$0.394	\$0.239 \$0.392	-\$0.002	-0.5%
Saturation DSCF (8oz) ^{\$0}	\$0.374	\$0.377	\$0.003	0.8%
Saturation DDU (8oz)	\$0.361	\$0.341	-\$0.021	-5.7%

*percent change is calculated on actual numbers rather than rounded shown

With the new Flatsshaped rate structure, incentives to dropship will be applied Lightweight and Heavyweight separately.

To align with Postal costs, the incentive to dropship Lightweight pieces will <u>decrease</u>, and the incentive to dropship Heavyweight pieces will increase.



Marketing Mail Containerization Discounts

Delivery Sort Container Discount

Flat-Shaped	Current Discount	New Discount	\$ Difference	% Difference
Basic CR Flats	\$0.027	\$0.031	\$0.004	14.8%
HD Flats	\$0.022	\$0.027	\$0.005	22.7%
HD Plus Flats	\$0.018	\$0.022	\$0.004	22.2%
Saturation/EDDM Flats	\$0.014	\$0.017	\$0.003	21.4%

SCF Pallet Discount

Flat-Shaped	Current Discount	New Discount	\$ Difference	% Difference
Qualifying ADC, 3D and 5D	\$0.021	\$0.026	\$0.005	23.8%
Basic CR Flats	\$0.017	\$0.021	\$0.004	23.5%
HD Flats	\$0.012	\$0.015	\$0.003	25.0%
HD Plus Flats	\$0.011	\$0.014	\$0.003	27.3%
Saturation/EDDM Flats	\$0.004	\$0.005	\$0.001	25.0%

Widened incentive to presort

Delivery Sort Container

\$4 more per 1000 for CR Flats, HD Plus Flats
\$5 more per 1000 for HD Flats
\$3 more per 1000 for Saturation/EDDM Flats

SCF Pallet

\$5 more per 1000 for qualifying ADC, 3D and 5D Flats
\$4 more per 1000 for CR Flats
\$3 more per 1000 for HD Flats
and HD Plus Flats
\$1 more per 1000 for Saturation/EDDM Flats



Discount for letter-shaped pieces on SCF or Finer Presort Pallet

Presort Level	Current Discount	New Discount	\$ Difference	% Difference
Qualifying ADC, AADC, 3-Digit & 5-Digit Letters	\$0.003	\$0.003	\$0.000	0.0%
Auto and Nonauto CR, HD, HD+, Saturation & EDDM Letters	\$0.003	\$0.003	\$0.000	0.0%



Optional Tray Preparation for High Density and High Density Plus Letters

Optional Tray Preparation for High Density and High Density Plus Letters:

- Each individual mailer must meet the minimum carrier route piece requirements (125 pieces for HD & 300 pieces for HD+) and a combined 150 pieces of 5-Digit, HD or HD Plus combined in a 5-Digit tray.
- The minimums must be achieved by a single mail owner defined by their individual MID and/or CRID in the By/For of the
 electronic documentation for each carrier route.
- The separate requirement of 150 pieces for non-ECR is waived
- The requirement to walk sequence is waived.

TRAY EXAMPLE A Each mail owner can only claim the applicable carrier route discount of their own mail. <u>Mail Prep</u> Mail Owner A has 175 pieces at HD Mail Owner B has 150 pieces at HD Mail Owner C has 35 pieces of 5 digit Total tray count is 325 pieces and combined Mail Owner A & B reach HD Plus level however the optional tray only allows HD and HD Plus at the Mail Owner level

Eligible Rates

Mail Owner A pays 175 pieces at HD (not HD+) Mail Owner B pays 150 pieces at HD (not HD+) Mail Owner C qualifies for 5-Digit rate since they are in a 5-digit tray with at least 150 pieces



Proposed Price Change

Periodicals



Periodicals Mail

Product	FY2023 Revenue \$M	Proposed Price Percent Change
Rate Authority		9.8%
Outside County	\$858	9.8%
Inside County	\$60	9.7%



Periodicals Mail

Outside County	Proposed Price Change Percentage	Inside County	Proposed Price Change Percentage
Total Price Change	9.8%	Total Price Change	9.7%
Pounds	0.0%	Pounds	0.0%
Pieces	13.8%	Pieces	12.8%
Bundles	0.0%		
Sacks	0.0%		
Trays	0.0%		
Pallets	0.0%		

Inside County Passthrough Changes

Type of Worksharing	Piece Price Increase	Discount % Increase	Starting Passthrough	Ending Passthrough
Presorting Worksharing				
3-Digit Presort	18%	27.8%	66.7%	85.2%
5-Digit Presort	17%	20.4%	53.4%	64.4%
CR Basic	13%	19.6%	71.2%	85.1%
High Density	9%	20.6%	70.8%	85.4%
Saturation	0%	20.0%	70.0%	84.0%
3-Digit Auto Letter	0%	25.0%	57.1%	71.4%
5-Digit Auto Letter	0%	0.0%	92.3%	92.3%
Pre-barcoding Worksharing				
Basic Auto Flats	23%	0.0%	94.3%	94.3%
3-Digit Auto Flats	17%	24.6%	76.5%	95.3%
5-Digit Auto Flats	20%	1.9%	83.9%	85.5%
DDU Dropship Discount	28%	27.8%	66.7%	85.2%



Proposed Price Change

Package Services



Package Services Mail

Product	Current Price	Proposed Price	Percent Change
Rate Authority			
Alaska Bypass Service	\$32.69*	\$34.25*	4.8%
BPM Flats	\$0.96*	\$1.01*	5.7%
BPM Parcels	\$1.45*	\$1.54*	5.8%
Total Media / Library Mail	\$5.17*	\$5.68*	9.9%

* Average revenue per piece

Media/Library Mail receive higher than average price increase as they are non-compensatory



Proposed Price Change

Special Services





Ancillary & Special Services

Special Services	Proposed Percent Price Change	
Rate Authority	7.8%	
Certified	10.2%	
Post Office Boxes	0.0%	No Price Change
Return Receipts	12.6%	
Money Orders	12.2%	
Insurance	-10.1%	Price Reduction
Certificate Of Mailing	11.5%	
Registry	11.6%	
Caller Service	9.2%	
Other	6.9%	

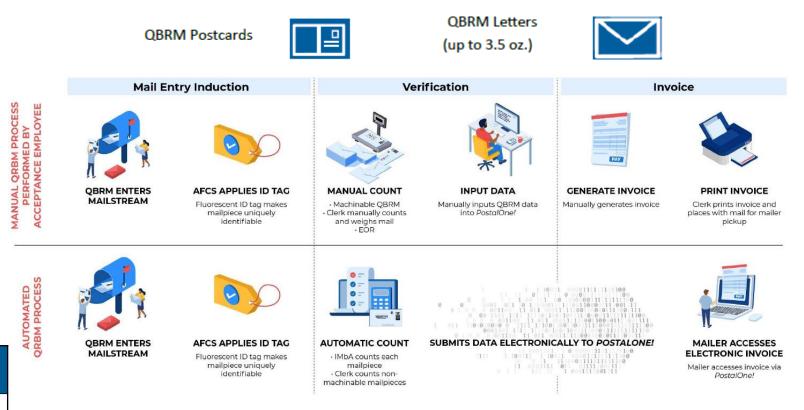


New QBRM IMbA Rate Category

 QBRM IMbA customers will pay the First-Class QBRM letter/card price in addition to the new 2-cent IMbA per-piece fee

		Price	Prices (\$)		
		Existing	New	Change	
BRM	Basic	\$1.07	\$1.15	7.5%	
	High-Volume	\$0.133	\$0.144	8.3%	
QBRM	Basic	\$0.091	\$0.05	-45.1%	
	High-Volume	\$0.019	\$0.03	57.9%	
	IMbA		\$0.02	NEW	

	Prices (\$)				
Category	Fees	Existing	New	Change	
Non-IMbA	Accounting Fee	\$930	\$1,020	9.7%	
	Quarterly Fee	\$3,200	\$3,470	8.4%	
IMbA	Accounting Fee	\$930	\$0	-100%	
	Quarterly Fee	\$3,200	\$0	-100%	



KEY BENEFITS: QBRM WITH IMBA

- Value-Added Service: Automated invoicing through IMbA is provided to the customer
- Improved Consistency: Mail availability is more consistent and timely on a daily basis

Expedited Processing: Receive mail earlier in the day; reducing float time with efficient and effective mail processing



Reporting Enhancements: QBRM mail pieces with serialized barcodes, enables IMbA customers to view invoicing via Informed Visibility or BCG in *PostalOne*!



Resources

Online

Postal Explorer® – pe.usps.com

- Current and new prices, in Excel and CSV formats, and draft Notice 123 Pricelist
- Federal Register notices detailing the price and classification changes
- Domestic Mail Manual & International Mail Manual

DMM[®] Advisory – on Postal Explorer, also special e-mail updates

Mailing and Shipping Solutions Center (IMbA onboarding)

- (877) 672-0007
- MSSC@usps.gov

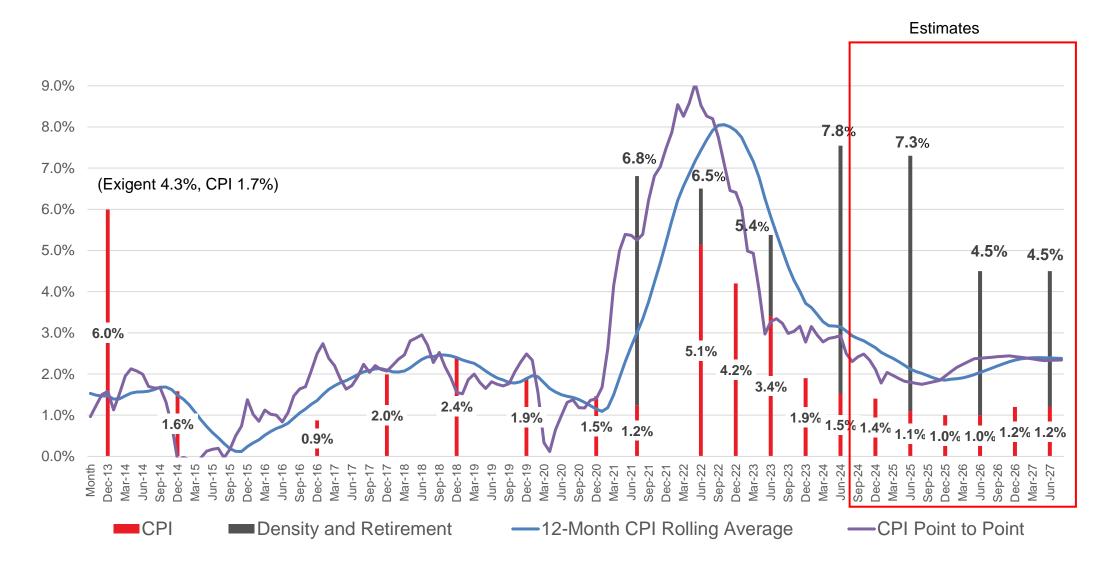


QUESTIONS





Defective Pricing Model Beginning to be Corrected





Estimated Future Rate Authorities and Annualized Revenue Impact

