## 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


Plant Design and
Productivity


Transportation


Retail and Delivery


Human Resources

 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 employees ${ }^{1}$ 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 express written permission of the Postal Service.

## 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



## 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

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## 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)

## 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 <br> Incentive/Fee | Proposed <br> Incentive/Fee | Percent Change |
| :--- | :---: | :---: | :---: |
| Full Service IMb | $\$ 0.003$ |  |  |
| First-Class Mail | $\$ 0.003$ | $\$ 0.005$ | $66.7 \%$ |
| Marketing Mail | $\$ 0.001$ | $\$ 0.001$ | $66.7 \%$ |
| Periodicals | $\$ 0.001$ | $\$ 0.001$ | $0.0 \%$ |
| Package Services | $\$ 0.001$ | $\$ 0.00$ |  |
| Seamless | $\$ 0.001$ | $\$ 0.002$ | $100.0 \%$ |
| First-Class Mail | $\$ 0.001$ | $\$ 0.001$ | $100.0 \%$ |
| Marketing Mail | $\$ 320.00$ | $\$ 0.001$ | $0.0 \%$ |
| Periodicals | $\$ 350.00$ | $0.0 \%$ |  |
| Package Services | $\$ 950.00$ | $\$ 1,040.00$ | $9.4 \%$ |
| Permit Fee |  |  | $9.5 \%$ |
| Periodicals Application |  |  |  |
| Original Entry Fee |  |  |  |

## 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) | 514* | 55¢* | 7.6\% |
| Presorted Cards (Auto \& Nonauto) | 364* | 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

[^0]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.

## First-Class Mail

|  | Current <br> Price | Proposed <br> Price | $\$$ Difference | \% Difference |
| :--- | :---: | :---: | :---: | :---: |
| 1 oz. SP Metered | $\$ 0.64$ | $\$ 0.69$ | $\$ 0.05$ | $7.8 \%$ |
| 1 oz. Auto Mixed AADC Letters | $\$ 0.571$ | $\$ 0.622$ | $\$ 0.051$ | $8.9 \%$ |
| 1 oz. Auto AADC Letters | $\$ 0.547$ | $\$ 0.593$ | $\$ 0.046$ | $8.4 \%$ |
| 1 oz. Auto 5-Digit Letters | $\$ 0.507$ | $\$ 0.545$ | $\$ 0.038$ | $7.5 \%$ |
| 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 | $\$ 0.357$ | $\$ 0.384$ | $\$ 0.027$ | $7.6 \%$ |

Widened incentive to presort
$\$ 8$ more per 1000 to sort to 5-Digit from AADC Letters

## 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 |  |  |  | Nonauto |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Weight | Single- <br> Piece | 5-Digit | 3-Digit | ADC | Mixed <br> 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 <br> Products | Volume | Revenue <br> Per Piece | Cost Per <br> Piece | Contribution <br> Per Piece | Cost <br> 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 | $\mathbf{4 3 , 7 2 8 , 2 8 8 , 4 8 0}$ | $\$ 0.243$ | $\$ 0.135$ | $\$ 0.108$ | $\mathbf{1 8 0 . 3 \%}$ |


| Flat-Shaped <br> Products | Volume | Revenue <br> Per Piece | Cost Per <br> Piece | Contribution <br> Per Piece | Cost <br> 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 | $\mathbf{1 5 , 6 9 5 , 2 3 0 , 3 8 0}$ | $\$ 0.282$ | $\$ 0.301$ | $\mathbf{-} \$ 0.019$ | $\mathbf{9 3 . 7 \%}$ |

## 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 <br> Letters Product get below average price increase

| Marketing Mail Auto Letters |  | Current Price | Proposed Price | \$ Difference | \% Difference |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 5-Digit Origin | \$0.027 | $\{\$ 0.330$ | 24. \$0.345 | \$0.015 | 4.5\% |
| 5-Digit DNDC | \$0.008 | ¢\$0.303 $\$ 0$ | 3 50.321 | \$0.018 | 5.9\% |
| 5-Digit DSCF |  | \$0.295 | \$0.318 | \$0.023 | 7.8\% |
| HD DSCF | \$0.009 | \{ \$0.286 | ${ }^{07}$ \$0.311 | \$0.025 | 8.7\% |
| HD Plus DSCF |  | \$0.229 | \$0.237 | \$0.008 | 3.5\% |
| Saturation Origin | \$0.027 | $\{\$ 0.229$ | $24\{\$ 0.237$ | \$0.008 | 3.5\% |
| Saturation DNDC | \$0.008 | \$0.202 ${ }_{\text {\$0 }}$ | $\int \$ 0.213$ | \$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

January 2023

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



January 2024

|  | Entry Discount | Carrier Route |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Saturation | EDDM | High Density Plus | High Density | Basic |
| Per Piece Price <br> (All Pieces) | None | 0.305 | 0.306 | 0.334 | 0.407 | 0.485 |
|  | DNDC | 0.234 | 0.235 | 0.263 | 0.336 | 0.414 |
|  | DSCF | 0.214 | 0.215 | 0.243 | 0.316 | 0.394 |
|  | DDU | 0.201 | 0.202 | 0.230 | 0.303 | 0.381 |
| Plus <br> Per Pound Price (Piece more than 4oz) (first $40 z$ free) | None | 0.640 | 0.640 | 0.640 | 0.776 | 0.776 |
|  | DNDC | 0.640 | 0.640 | 0.640 | 0.776 | 0.776 |
|  | DSCF | 0.640 | 0.640 | 0.640 | 0.776 | 0.776 |
|  | 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 $40 z$ will pay a per piece price
- Pieces over $40 z$ 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 <br> Eiscount | Saturation |  | High <br> Eensity <br> Elus | High <br> Density | Basic |
| Flats weighing 4.0 <br> oz. or less per piece <br> price | None | 0.299 | 0.300 | 0.342 | 0.419 | 0.502 |
|  | DNDC | 0.233 | 0.234 | 0.276 | 0.353 | 0.436 |
|  | DSCF | 0.229 | 0.230 | 0.272 | 0.349 | 0.432 |
| More than 4 oz <br> Per Pound <br> Price | DDU | 0.218 | 0.219 | 0.261 | 0.338 | 0.421 |
|  | None | 1.040 | 1.040 | 1.040 | 1.167 | 1.183 |
|  | DNDC | 0.592 | 0.592 | 0.592 | 0.719 | 0.735 |
|  | DSCF Piece Price | 0.562 | 0.562 | 0.562 | 0.689 | 0.705 |

## Marketing Mail Piece-Rate Commercial Flats Prices

| Marketing Mail <br> Auto Flats | Current Price | New Price | \$ Difference | \% Difference |
| :--- | :---: | :---: | :---: | :---: |
| 5-Digit DSCF | $\$ 0.548$ | $\$ 0.617$ | $\$ 0.069$ | $12.6 \%$ |
| C-R Basic DSCF | $\$ 0.394-\$ 0.154$ | $\$ 0.432 . \$ 0.185$ | $\$ 0.038$ | $9.6 \%$ |
| 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\%) | $\$ 0.201$ | $\$ 0.218$ | $\$ 0.017$ | $8.5 \%$ |

Widened incentive to presort
$\$ 31$ more per 1000 to sort to CR entered at DSCF

Marketing Mail Commercial Flats Prices

| Marketing Mail Flats | Current Price |  | New Price |  | \$ Difference |  | \% Difference* |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Auto 5-Digit Origin (LW) |  | \$0.639 | \$0. 071 | \$0.687 ${ }_{\text {\$0 }}$ | 066 | \$0.048 | 7.5\% |
| Auto 5-Digit DNDC (LW) | S0.091 | \$0.568 | \$0.070 | \$0.621 |  | \$0.053 | 9.3\% |
| Auto 5-Digit DSCF (LW) |  | \$0.548 |  | -\$0.617 |  | \$0.069 | 12.6\% |
| Auto 5-Digit Origin (80z) |  | \$0.864 | \$p. 071 | -\$1.045 ${ }_{\text {\$0 }}$ | 224 | \$0.181 | 20.9\% |
| Auto 5-Digit DNDC (80z) | \$0.091 | \$0.793 | \$0.239 | \$0.821 |  | \$0.028 | 3.5\% |
| Auto 5-Digit DSCF (80z) |  | \$0.773 |  | -\$0.806 |  | \$0.033 | 4.2\% |
| Carrier Route Origin (LW) |  | \$0.485 | \$0.071 | \$0.502 ${ }_{\text {so }}$ | 66 | \$0.017 | 3.5\% |
| Carrier Route DNDC (LW) ${ }_{\text {¢ }}$ (10 | ${ }^{\$ 0.091}$ | \$0.414 | .081 \$0.070 | \$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 | \$. 071 | \$0.855 ${ }_{\text {\$0 }}$ | 24 | \$0.176 | 25.8\% |
| Carrier Route DNDC (80z) | \$0.091 | \$0.608 | \$0.239 | \$0.631 |  | \$0.023 | 3.7\% |
| Carrier Route DSCF (80z) ${ }^{\$ 0.1}$ |  | \$0.588 | \$0.276 | ${ }^{\text {\$0.616 }}$ |  | \$0.028 | 4.7\% |
| Carrier Route DDU (80z) |  | \$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 decrease, and the incentive to dropship Heavyweight pieces will increase.

Marketing Mail Commercial Flats Prices

| Marketing Mail Flats |  | Current | nt Price |  | New Price |  | \$ Difference | \% Difference* |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Saturation Origin (LW) |  |  | \$0.305 | \$0.071 | [\$0.299 ${ }_{\text {\$0 }}$ | 066 | -\$0.006 | -2.0\% |
| Saturation DNDC (LW) |  |  | \$0.234 | \$0.070 | \$0.233 |  | -\$0.001 | -0.4\% |
| Saturation DSCF (LW) \$0 | . 104 |  | \$0.214 | \$0.081 | \$0.229 |  | \$0.015 | 7.0\% |
| Saturation DDU (LW) |  | ¢ | \$0.201 |  | \$0.218 |  | \$0.017 | 8.5\% |
| Saturation Origin (80z) |  |  | \$0.465 | \$0.071 | \$0.616 | \$0.22 | 24 \$0.151 | 32.5\% |
| Saturation DNDC (8oz) |  | \$0.091 | \$0.394 | \$0.239 | -\$0.392 |  | -\$0.002 | -0.5\% |
| Saturation DSCF (80z) \$0 | 104 |  | \$0.374 | \$0.276 | \$0.377 |  | \$0.003 | 0.8\% |
| Saturation DDU (80z) |  |  | \$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 decrease, 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 <br> 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 <br> Discount | New Discount | \$ Difference | \% <br> Difference |
| :---: | :---: | :---: | :---: | :---: |
| Qualifying ADC, AADC, 3-Digit <br> \& 5-Digit Letters | $\$ 0.003$ | $\$ 0.003$ | $\$ 0.000$ | $0.0 \%$ |
| Auto and Nonauto CR, HD, <br> HD+, Saturation \& EDDM <br> 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 $\mathrm{HD}+$ ) 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.

## Mail Prep

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 <br> Revenue <br> $\$ M$ | Proposed Price <br> Percent Change |
| :--- | :---: | :---: |
| Rate Authority |  | $9.8 \%$ |
| Outside County | $\$ 858$ | $9.8 \%$ |
| Inside County | $\$ 60$ | $9.7 \%$ |

## Periodicals Mail

| Outside County | Proposed Price Change <br> Percentage | Inside County | Proposed Price <br> 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 <br> Increase | Discount \% <br> Increase |  | Starting <br> Passthrough |
| :--- | :---: | :---: | :---: | :---: |
| Presorting Worksharing |  | Ending <br> Passthrough |  |  |
| 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 <br> Price Change |
| :--- | :---: |
| Rate Authority | $7.8 \%$ |
| Certified | $10.2 \%$ |
| Post Office Boxes | $0.0 \%$ |
| Return Receipts | $12.6 \%$ |
| Money Orders | $12.2 \%$ |
| Insurance | $-10.1 \%$ |
| Certificate Of Mailing | $11.5 \%$ |
| Registry | $11.6 \%$ |
| Caller Service |  |
| Other | $9.2 \%$ |

## 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

|  |  | 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 |


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



## 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 ${ }^{\oplus}$ 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

Estimates


## Estimated Future Rate Authorities and Annualized Revenue Impact




[^0]:    *Average revenue per piece
    ** First Class Mail International Letters and Cards 1 ounce price. Inbound prices set by UPU, expected increase $0.6 \%$.

