

United States Postal Service®

INDUSTRY ALERT

August 14, 2020

U.S. Postal Service Announces Temporary Price Increase Increase for Commercial Parcels; Retail Customers Unaffected

The United States Postal Service filed notice with the Postal Regulatory Commission (PRC) today of a temporary price change to take effect Oct. 18, 2020.

The planned temporary price adjustments are in response to increased expenses and heightened demand for online shopping package volume due to the coronavirus pandemic and expected holiday ecommerce. As a result of these changing market conditions, the Postal Service is planning a time-limited price increase on all commercial domestic competitive package volume from Oct. 18 until Dec. 27, 2020. Retail prices and international products will be unaffected.

The planned price increase would go into effect at 12:00AM Central on Oct.18, 2020 and remain in place until 12:00AM Central Dec. 27, 2020.

The planned prices, approved by the Governors of the Postal Service on August 6, would raise prices on its commercial domestic competitive parcels – Priority Mail Express, Priority Mail, First-Class Package Service, Parcel Select, and Parcel Return Service.

This time-limited adjustment will increase prices for our commercial customers in line with competitive practices without impacting customers at the retail level. In doing this, the Postal Service is protecting the retail consumer during a vulnerable economic period while increasing prices on commercial volume during heightened volume levels.

No structural changes are planned as part of this limited time pricing initiative, allowing customers the greatest ease in implementing the new prices with minimal complexity.

The Governors believe these temporary rates will keep the Postal Service competitive while providing the agency with much needed revenue. The forecasted additional revenue from the time-limited increase will depend on the volume of packages shipped between Oct. 18 and Dec. 27 at commercial rates.

If favorably reviewed by the PRC, the planned price changes include:

Product	Current	Planned Increase
Parcel Select Destination Delivery Unit (DDU)	Starts at \$3.19	24 cents
Parcel Return Service	Starts at \$3.05	24 cents
Parcel Select Lightweight	Starts at \$1.81	24 cents
FCPS Commercial	Starts at \$2.74	25 cents
Priority Mail Commercial	Starts at \$7.02	40 cents
Parcel Select Ground	Starts at \$6.92	40 cents
Parcel Select DSCF	Starts at \$4.37	40 cents
Parcel Select DNDC	Starts at \$5.98	40 cents
Priority Mail Express Commercial	Starts at \$22.75	\$1.50

Some rate cells in Parcel Select Ground will be charged less than \$0.40 so as not to exceed USPS Retail Ground retail prices:

- 19 lbs., zones 8/9 – the increase will be zero instead of \$0.40
- 20 lbs., zones 8/9 – the increase will be \$0.06 instead of \$0.40
- Oversized – the increase will be zero instead of \$0.40

A full list of commercial pricing can be found on the Postal Service's Postal Explorer website <https://www.usps.com/business/prices.htm>.

The Postal Service has some of the lowest mail postage rates in the industrialized world and also continues to offer a great value in shipping.

The PRC will review the prices before they are scheduled to take effect on Oct. 18, 2020. The complete Postal Service price filings with prices for all products can be found on the PRC website under the Daily Listings section at prc.gov/dockets/daily. The price change tables are also available on the Postal Service's Postal Explorer website at pe.usps.com/PriceChange/Index.

The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

###

*Please visit us on the USPS [Industry Outreach](#) website.
Thank you for your support of the United States Postal Service.
Industry Engagement & Outreach/USPS Marketing*

To subscribe or unsubscribe to Industry Alerts, please hit reply and send us your request.

Privacy Notice: For information regarding our privacy policies, visit www.usps.com/privacypolicy