United States Postal Service® INDUSTRYALERT

March 26, 2021

U.S. Postal Service Announces Changes to Delivery Time for Priority Mail Express, and Seeks to Transfer Bound Printed Matter Parcels to the Competitive Product List

The United States Postal Service filed notice with the Postal Regulatory Commission (PRC) today seeking to transfer Bound Printed Matter (BPM) Parcels to the Competitive Product list, and simplifying the delivery time for Priority Mail Express (PME).

The changes to PME will take effect no earlier than May 23, 2021. The BPM Parcel change will take effect on a date yet to be determined, and is subject to approval by the PRC.

Currently, PME has three guaranteed delivery time windows within the 1-2 business day service standards: 10:30 a.m. (in select locations, for an extra fee), noon, or 3 p.m. The new single guaranteed delivery time will be 6 p.m. on the committed delivery day, regardless of package origin and destination.

The price of using PME as a shipping option will not change. The current price for PME flat rate envelope starts at \$26.35. Additional pricing information can be found on our <u>website</u>.

BPM parcels contain advertising, promotional, directory or editorial material such as catalogs, books and other printed material, and can weigh up to 15 pounds. The contents must be securely bound by permanent fastening such as staples, spiral binding, glue, or stitching. The Postal Service has requested that the PRC change the classification of BPM parcels from a Market Dominant product to a Competitive product.

By transferring these parcels to the Competitive Product list, the Postal Service will have a greater opportunity to utilize product and pricing strategies to be market responsive and better aligned with the Postal Service's shipping product portfolio.

Bound Printed Matter flats — generally catalogs up to three-quarters of an inch thick and weighing more than one pound — will remain as a Market Dominant product.

The PRC will review the changes before they are scheduled to take effect. The complete Postal Service filings can be found on the PRC site under the Daily Listings section at prc.gov/dockets/daily.

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

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