

United States Postal Service®

# INDUSTRY ALERT

August 10, 2021

## U.S. Postal Service Announces Proposed Temporary Rate Adjustments for 2021 Peak Holiday Season

The United States Postal Service filed notice today with the Postal Regulatory Commission (PRC) regarding a temporary price adjustment for key package products for the 2021 peak holiday season. This temporary rate adjustment is similar to one in 2020 that anticipated heightened peak-season package and shipping demand, which typically results in extra handling costs.

The planned peak-season pricing, which was approved by the Governors of the Postal Service on Aug. 5, would affect prices on commercial and retail-domestic competitive parcels – Priority Mail Express (PME), Priority Mail (PM), First-Class Package Service (FCPS), Parcel Select, USPS Retail Ground, and Parcel Return Service. International products would be unaffected. Pending favorable review by the PRC, the temporary rates would go into effect at 12:00 a.m., Central Time, on Oct. 3, 2021, and remain in place until 12:00 a.m., Central Time, Dec. 26, 2021.

This seasonal adjustment will bring prices for the Postal Service’s commercial and retail customers in line with competitive practices. No structural changes are planned as part of this limited pricing initiative.

“[Delivering for America](#),” the Postal Service’s 10-year plan for achieving financial sustainability and service excellence, calls for appropriate pricing initiatives. The Postal Service has some of the lowest mail postage rates in the industrialized world and continues to offer great values in shipping. These temporary rates will keep the Postal Service competitive while providing the agency with the revenue to cover extra costs in anticipation of peak-season volume surges similar to levels experienced in 2020. The forecasted additional revenue from the time-limited increase will depend on the volume of packages shipped between Oct. 3 and Dec. 26, 2021 – the period the Postal Service historically considers its holiday peak season.

The planned price changes include:

### **Priority Mail, Priority Mail Express, Parcel Select Ground and USPS Retail Ground:**

- \$0.75 increase for PM and PME Flat Rate Boxes and Envelopes.
- \$0.25 increase for Zones 1-4, 0-10 lbs.
- \$0.75 increase for Zones 5-9, 0-10 lbs.
- \$1.50 increase for Zones 1-4, 11-20 lbs.
- \$3.00 increase for Zones 5-9, 11-20lbs.

- \$2.50 increase for Zones 1-4, 21-70 lbs.
- \$5.00 increase for Zones 5-9, 21-70 lbs.

Product	Current	Planned Increase
Parcel Select Destination Delivery Unit (DDU)	Starts at \$3.30	No change
Parcel Select Lightweight (DDU)	Starts at \$2.15	No change
FCPS Commercial	Starts at \$3.01	30 cents
FCPS Retail	Starts at \$4.00	30 cents
Parcel Select Lightweight (DSCF and DNDC)	Starts at \$2.55	\$1.00
Parcel Select DSCF	Starts at \$4.84	\$1.00
Parcel Select DNDC	Starts at \$6.85	\$1.00
Parcel Return Service	Starts at \$3.21	\$1.00

A full list of commercial and retail pricing can be found on the Postal Service’s Postal Explorer website <https://pe.usps.com/text/dmm300/Notice123.htm>

The PRC will review the prices before they are scheduled to take effect on Oct. 3, 2021. 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](http://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](http://pe.usps.com/PriceChange/Index).

The Postal Service’s “[Delivering for America](#)” 10-year plan aims to reverse a projected \$160 billion in losses over the next 10 years. The Plan’s growth and efficiency initiatives will spur cash flow and savings to make \$40 billion in capital investments over the next 10 years – including approximately \$20 billion towards the Postal Service’s mail and package processing network, facility upgrades and procurement of new processing equipment.

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