

# Proposed Market Dominant Price Adjustments

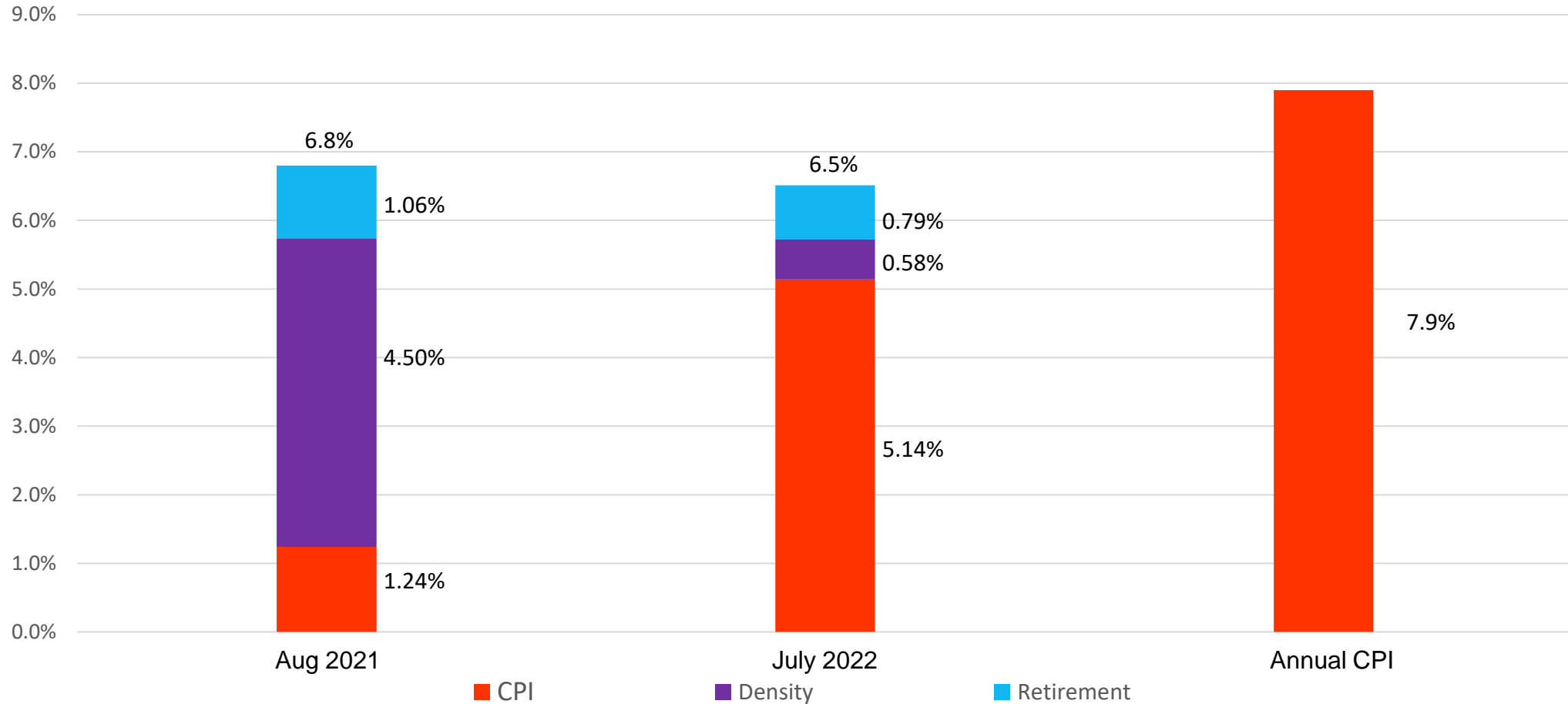
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**April 25, 2022**

# CPI and Price Cap Space Available for July 2022 Price Increases

CPI plus Density plus Retirement Authority



# Resources

# Resources

## Online

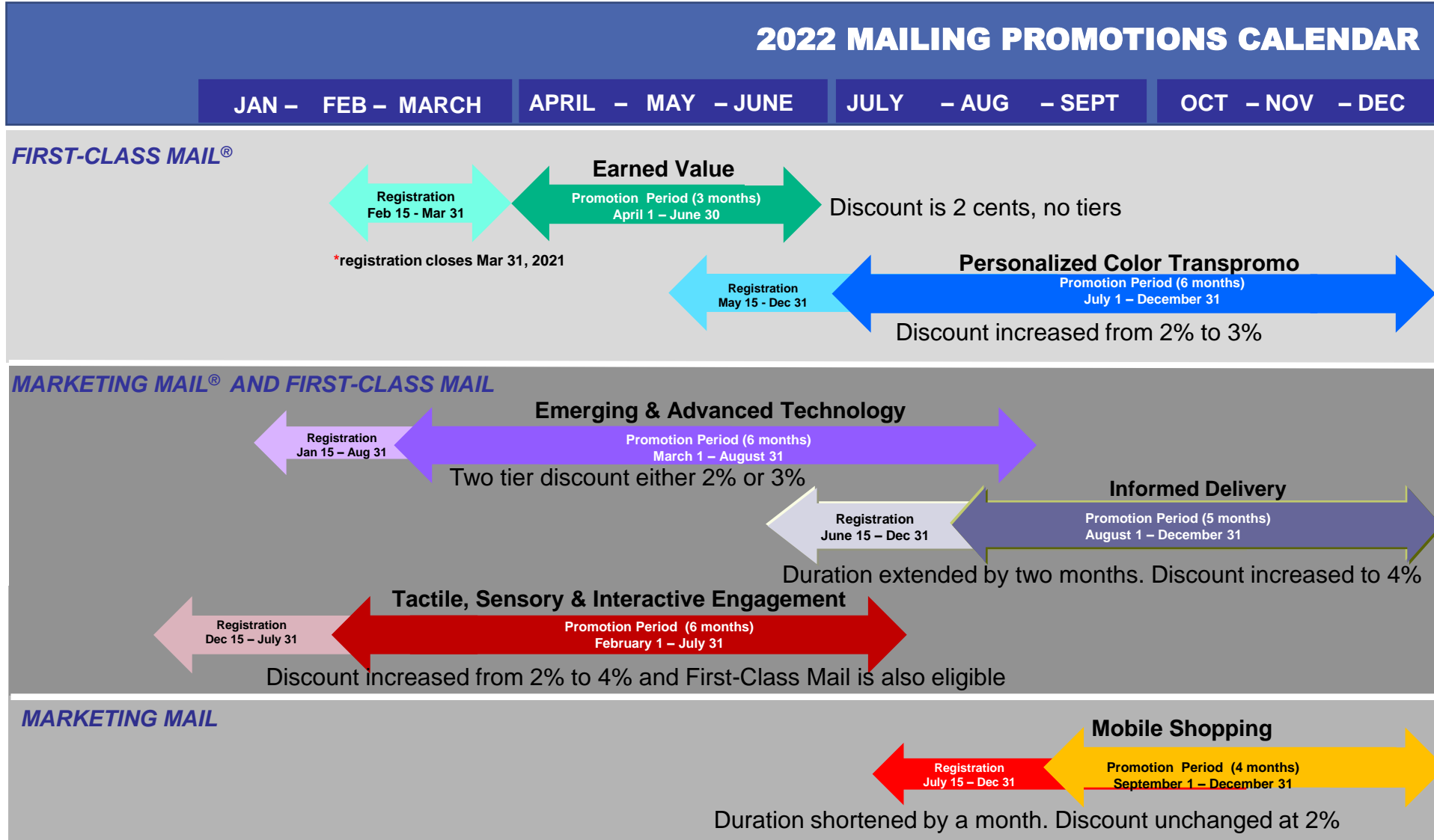
Postal Explorer® — [pe.usps.com](https://pe.usps.com)

- 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

# Promotions, Incentives, and Permit Fees

# Promotions



# Full-Service and Seamless Incentives and Permit Fees

	Current Incentive	Proposed Incentive	Percent Change
Full Service IMb			
First-Class Mail	\$0.003	\$0.003	0.0%
Marketing Mail	\$0.003	\$0.003	0.0%
Periodicals	\$0.001	\$0.001	0.0%
Package Services	\$0.001	\$0.001	0.0%
Seamless Incentive	\$0.001	\$0.001	0.0%
Permit Fee	\$265.00	\$275.00	3.8%
Periodicals Application Original Entry Fee	\$805.00	\$850.00	5.6%

# Proposed Price Change

## First-Class Mail



# First-Class Mail

Product	Current Price	Proposed Price	Percent Change
Rate Authority			6.5%
Stamp Price	58¢	60¢	3.4%
Meter Price	53¢	57¢	7.5%
Single-Piece Letters	58¢*	61¢*	5.2%
Single-Piece Cards	40¢	44¢	10.0%
Single-Piece Flats - 1 ounce	\$1.16	\$1.20	3.4%
Additional ounce rate Letters & Flats	20¢	24¢	20%
Nonmachinable surcharge - letters	30¢	39¢	30%
Presorted Letters	43¢*	46¢*	6.8%
Presorted Cards	31¢*	34¢*	8.9%
Presorted Flats	\$1.08*	\$1.18*	9.4%
First-Class Mail International Outbound**	\$1.30	\$1.40	7.7%

\*Average revenue per piece

\*\* One ounce price

Inbound prices set by UPU, expected increase 0.03%.



# Proposed Nonautomation letters Rates

	Price Current		Price Proposed	Percent Change In Rates
Automation Mixed AADC	\$0.485		\$0.515	6.2%
Automation AADC	\$0.461	} \$0.0	\$0.491	6.5%
Nonauto Mach Mixed AADC	\$0.494		\$0.526	6.5%
Nonauto Mach AADC	\$0.461		\$0.493	6.9%
Nonauto Nonmach Mixed ADC	\$0.794		\$0.794	0.0%
Nonauto Nonmach 3-Digit	\$0.684		\$0.671	-1.9%
Nonauto Nonmach 5-Digit	\$0.586		\$0.562	-4.1%
QBRM 1 ounce	\$0.561		\$0.578	3.0%
QBRM 2 ounces	\$0.761		\$0.578	-24.0%
QBRM up to 3.5 ounces	NA		\$0.578	NA

Automation AADC price is lower than Nonautomation Machinable AADC price

QBRM weight limit has been increased to 3.5 ounces and all pieces pay the one-ounce rate

Nonmachinable surcharge is removed for nonmachinable letters

# First-Class Mail – 2021 Proposed Price Change

	Current Price	New Price	\$ Difference	% Difference
1 oz. SP Letters	\$0.58	\$0.60	\$0.02	3.4%
1 oz. SP Metered	\$0.53	\$0.57	\$0.04	7.5%
SP Cards	\$0.40	\$0.44	\$0.04	10.0%
1 oz. Auto Mixed AADC Letters	\$0.485	\$0.515	\$0.030	6.2%
1 oz. Auto AADC Letters	\$0.461	\$0.491	\$0.030	6.5%
1 oz. Auto 5-Digit Letters	\$0.426	\$0.455	\$0.029	6.8%
1 oz. SP Flats	\$1.16	\$1.20	\$0.04	3.4%
SP Additional Ounce (Letters only)	\$0.20	\$0.24	\$0.04	20.0%
Shared Mail Letters	\$0.58	\$0.63	\$0.05	8.6%

Widened incentive to presort

\$10 more per 1000 to sort to MAADC

Additional \$1 per 1000 to sort to 5D

# Proposed Price Change Marketing Mail

# Structural Change: Proposed New Discount – Encourage High Density Plus Flats and Saturation Flats on Direct Containers

- Direct Containers – Containers that can be cross docked directly to the destination Delivery Unit without having to do bundle sorting at the Plant freeing up the capacity for more parcel-shaped pieces.
- To gain operational efficiency a discount is proposed for Marketing Mail High Density Plus and Saturation Flats shaped pieces on direct containers (pallets, sacks, and trays).
- Similar discount is already offered to Carrier Route and High-Density flats on Direct pallets which will be extended to all direct containers

# Marketing Mail

Product	Current Price	Proposed Price	Percent Change
Available CAP			6.5%
Letters	\$0.233*	\$0.247*	6.2%
High Density Letters	\$0.213*	\$0.239*	12.0%
High Density Plus Letters	\$0.183*	\$0.193*	5.5%
Saturation Letters	\$0.166*	\$0.173*	4.4%
Flats	\$0.477*	\$0.518*	8.5%
Carrier Route	\$0.305*	\$0.331*	8.7%
High Density Flats	\$0.251*	\$0.266*	5.9%
High Density Plus Flats	\$0.194*	\$0.206*	6.5%
Saturation & EDDM Flats	\$0.175*	\$0.183*	4.1%
EDDM-Retail	\$0.200	\$0.187	-6.5%
DAL	\$0.065	\$0.065	0.0%
DML	\$0.070	\$0.080	14.3%
Parcels	\$1.752*	\$1.924*	9.8%

\* Average revenue per piece

# Marketing Mail Automation Commercial Letters Prices

## Letters Product get below average price increase

Marketing Mail Auto Letters	Current Price	New Price	\$ Difference	% Difference
5-Digit Origin	\$0.277	\$0.296	\$0.019	6.86%
5-Digit DNDC	\$0.256	\$0.273	\$0.017	6.64%
5-Digit DSCF	\$0.250	\$0.266	\$0.016	6.40%
HD DSCF	\$0.214	\$0.240	\$0.026	12.15%
Saturation Origin	\$0.197	\$0.209	\$0.012	6.09%
Saturation DNDC	\$0.176	\$0.186	\$0.010	5.68%
Saturation DSCF	\$0.172	\$0.179	\$0.007	4.07%

Widened incentive to dropship

5-Digit:  
 \$2 more per 1000 to take to NDC

Additional \$1 per 1000 to go SCF

Saturation:  
 \$2 more per 1000 to take to NDC

Additional \$3 per 1000 to go SCF

# Marketing Mail Piece-Rate Commercial Flats Prices

Marketing Mail Auto Flats	Current Price	New Price	\$ Difference	% Difference
5-Digit Origin	\$0.482	\$0.530	\$0.048	9.96%
5-Digit DSCF	\$0.403	\$0.439	\$0.036	8.93%
C-R Basic DSCF	\$0.297	\$0.323	\$0.026	8.75%
Pure C-R DSCF	\$0.276	\$0.301	\$0.025	9.06%
HD DSCF (125 pieces)	\$0.243	\$0.259	\$0.016	6.58%
HD DSCF on Direct Container	\$0.233	\$0.247	\$0.014	6.01%
HD+ DSCF (300 pieces)	\$0.195	\$0.214	\$0.019	9.74%
HD+ DSCF on Direct Container	\$0.195	\$0.204	\$0.009	4.62%
Saturation DSCF (90%)	\$0.188	\$0.200	\$0.012	6.38%
Saturation DSCF on Direct Container	\$0.188	\$0.193	\$0.005	2.66%
Saturation DDU (90%)	\$0.167	\$0.181	\$0.014	8.38%
Saturation DDU on Direct Container	\$0.167	\$0.174	\$0.007	4.19%

Widened incentive to presort and dropship

\$12 more per 1000 to take to SCF

\$10 more per 1000 to sort to CR

\$1 more per 1000 for CR flats on direct container

\$2 more per 1000 for HD flats on direct container

New incentives:  
 \$10 per 1000 to put HD+ flats on direct container

\$7 per 1000 to put Saturation flats on direct container



# Proposed Price Change Periodicals

# Periodicals Mail – Outside County (across the nation)

Product	Proposed Percent Price Change
Rate Authority	8.5%
Pounds	3.7%
Pieces	10.8%
Bundles	3.1%
Sacks	12.6%
Trays	3.6%
Pallets	5.0%

PRC provides extra 2% on underwater classes

Widened incentive to dropship editorial pounds  
 \$26 more per 1000 pounds to take to DDU compared to origin

Increased price of origin entry pallets  
 Origin Entered Mixed ADC pallets price increased 50%

Widened incentive to use tubs/trays instead of sacks

Significantly discourage sacks entered upstream of the destinating plant or delivery unit  
 Origin Entered Mixed ADC sacks price increased 45%

# Proposed Price Change Package Service

# Package Services Mail

PRC provides extra 2% for non-compensatory class

Product	Current Price	Proposed Price	Percent Change
Available CAP			8.5%
Alaska Bypass Service	\$28.15*	\$29.99*	6.5%
BPM Flats	\$0.82*	\$0.86*	4.2%
BPM Parcels	\$1.21*	\$1.34*	10.5%
Total Media / Library Mail	\$4.11*	\$4.47*	8.9%

\* Average revenue per piece

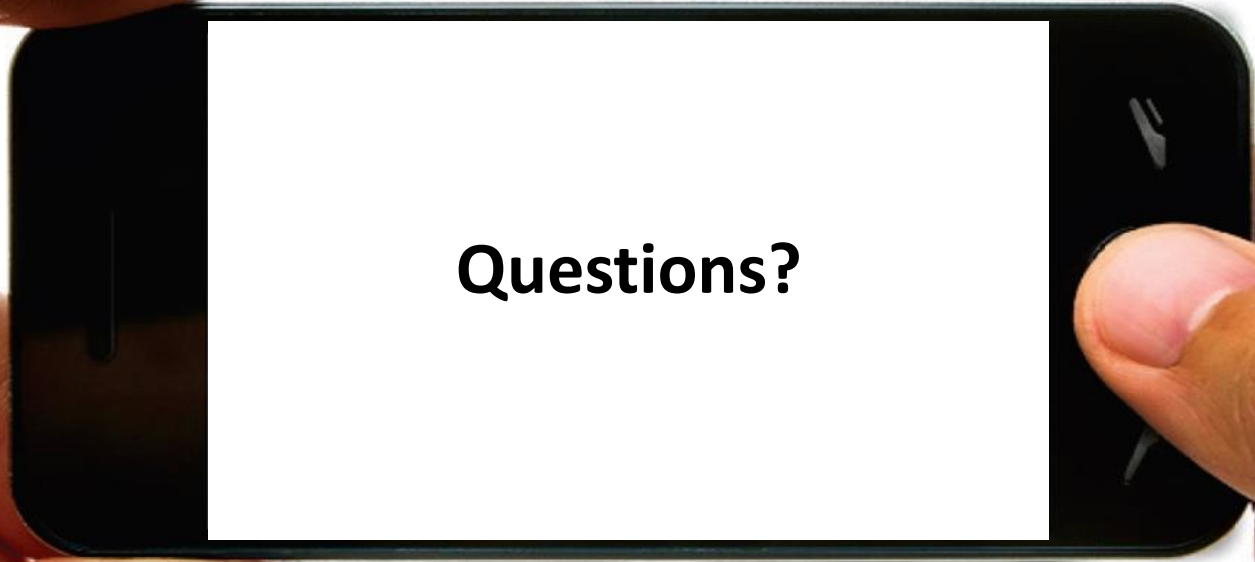
# Proposed Price Change Special Services

# Ancillary & Special Services

Special Services	Proposed Percent Price Change
Available CAP	6.5%
Certified	6.7%
Post Office Boxes	7.0%
Return Receipts	7.1%
Money Orders	14.4%
Insurance	-0.5%*
Registry	6.2
Other	Varies

Coding Accuracy Support System Certification Cycle Testing Fee made independent of timing \$800.00  
MASS Certification - MASS Manufacturers (MLOCR) Cycle Testing Fee made independent of timing \$1000.00

\* The effective price increase is ~6.5%, but because we are raising included insurance for PM to \$100 for all customers, the regulatory price increase is -0.5%.



**Questions?**