

# Price Adjustments

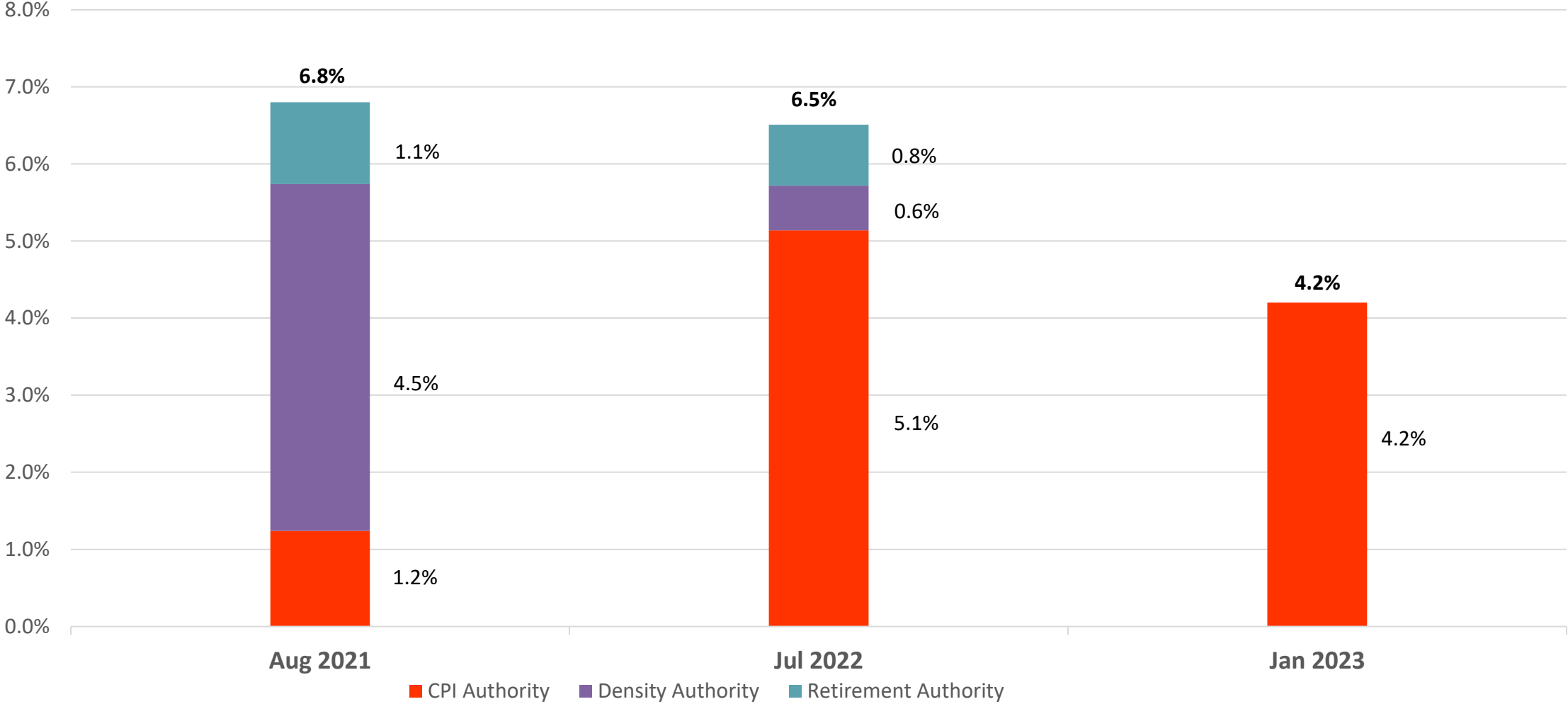
## January 2023

**Sharon Owens**  
**VP, Pricing and Costing**

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# CPI and Price Cap Space Available for January 2023 Price Adjustments

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

# Proposed 2023 Promotions Calendar



Marketing Mail and First-Class® Mail Products



First-Class® Mail Service



Registration Period



Promotion Period

PROMOTIONS	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
TACTILE, SENSORY AND INTERACTIVE	DEC 15		FEB 1					JUL 31					
PERSONALIZED COLOR TRANSPROMO	DEC 15		FEB 1					JUL 31					
EMERGING TECHNOLOGY (now includes Mobile Shopping)				MAR 15		MAY 1						NOV 30	
REPLY MAIL IMBA <b>NEW</b>						MAY 15		JUL 1					DEC 31
INFORMED DELIVERY							JUN 15	AUG 1					DEC 31
RETARGET <b>NEW</b>								JUL 15	SEPT 1			NOV 30	

# Full-Service and Seamless Incentives and Permit Fees

	Current Incentive/Fee	Proposed Incentive/Fee	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	\$275.00	\$290.00	5.5%
Periodicals Application Original Entry Fee	\$855.00	\$890.00	4.1%

# Proposed Price Change

## First-Class Mail



# First-Class Mail

Product	Current Price	Proposed Price	Percent Change
Rate Authority			4.2%
Stamp Price	60¢	63¢	5.0%
Meter Price	57¢	60¢	5.3%
Single-Piece Cards	44¢	48¢	9.1%
Single-Piece Flats - 1 ounce	\$1.20	\$1.26	5.0%
Additional ounce rate Letters & Flats	24¢	24¢	0.0%
Nonmachinable surcharge – letters	39¢	40¢	2.6%
Presorted Letters (Auto & Nonauto)	46¢*	48¢*	3.4%
Presorted Cards (Auto & Nonauto)	34¢*	36¢*	6.5%
Presorted Flats (Auto & Nonauto)	\$1.19*	\$1.32*	11.2%
First-Class Mail International Outbound**	\$1.40	\$1.45	3.6%



\*Average revenue per piece

\*\* One ounce price

Inbound prices set by UPU, expected increase 6.1%.

# Proposed Nonautomation letters Rates

Product	Price Current	Price Proposed	Percent Change In Rates
Automation Mixed AADC	\$0.515	\$0.531	3.1%
Automation AADC	\$0.491	\$0.507	3.3%
Nonauto Mach Mixed AADC	\$0.526	\$0.546	3.8%
Nonauto Mach AADC	\$0.493	\$0.513	4.1%
Nonauto Nonmach Mixed ADC	\$0.794	\$0.825	3.9%
Nonauto Nonmach 3-Digit	\$0.671	\$0.702	4.6%
Nonauto Nonmach 5-Digit	\$0.562	\$0.593	5.5%
QBRM up to 3.5 ounces	\$0.578	\$0.608	5.2%

Widened incentive for Automation

\$4 more per 1000 for Mixed AADC Automation

\$4 more per 1000 for AADC Automation

# First-Class Mail

	Current Price	Proposed Price	\$ Difference	% Difference
1 oz. SP Letters	\$0.60	\$0.63	\$0.02	5.0%
1 oz. SP Metered	\$0.57	\$0.60	\$0.03	5.3%
SP Cards	\$0.44	\$0.48	\$0.04	9.1%
1 oz. Auto Mixed AADC Letters	\$0.515	\$0.531	\$0.016	3.1%
1 oz. Auto AADC Letters	\$0.491	\$0.507	\$0.016	3.3%
1 oz. Auto 5-Digit Letters	\$0.455	\$0.471	\$0.016	3.5%
1 oz. SP Flats	\$1.20	\$1.26	\$0.06	5.0%
Additional Ounce	\$0.24	\$0.24	\$0.00	0.0%
Shared Mail Letters	\$0.63	\$0.66	\$0.03	4.8%

Widened incentive to presort

\$14 more per 1000 to sort to MAADC

Maintained the Gap between AADC and 5-Digit sortation

# Proposed Price Change

## Marketing Mail

# Structural Change: Proposed New Discount – Encourage SCF Pallet Preparation – Positive Operational Impact

- Efficient flow of SCF pallets through the network.
- SCF palletization reduces mail processing costs and improves service times by eliminating bundle or tray handlings and sortation in facilities upstream from the destination SCF or DSCF.
- Discounts are based on the costs that are avoided by grouping pieces on SCF pallets.
- Similar discounts are offered for Carrier Route, High Density, High Density Plus, and Saturation Flats on Delivery Sort Containers.

# Marketing Mail

Product	Current Price	Proposed Price	Percent Change
Available CAP			4.2%
Letters	\$0.245*	\$0.253*	3.3%
High Density Letters	\$0.238*	\$0.258*	8.2%
High Density Plus Letters	\$0.193*	\$0.208*	7.8%
Saturation Letters	\$0.173*	\$0.177*	2.3%
Flats	\$0.511*	\$0.543*	6.3%
Carrier Route	\$0.327*	\$0.347*	6.2%
High Density Flats	\$0.265*	\$0.300*	12.9%
High Density Plus Flats	\$0.204*	\$0.217*	6.3%
Saturation & EDDM Flats	\$0.182*	\$0.186*	2.5%
EDDM-Retail	\$0.187	\$0.189	1.1%
DAL	\$0.065	\$0.070	7.7%
DML	\$0.080	\$0.090	12.5%
Parcels	\$1.952*	\$2.352*	20.5%

\* Average revenue per piece

# Marketing Mail Automation Commercial Letters Prices

## Letters Product get below average price increase

Marketing Mail Auto Letters	Current Price	Proposed Price	\$ Difference	% Difference
5-Digit Origin	\$0.296	\$0.305	\$0.009	3.0%
5-Digit DNDC	\$0.273	\$0.282	\$0.009	3.3%
5-Digit DSCF	\$0.266	\$0.275	\$0.009	3.4%
HD DSCF	\$0.240	\$0.260	\$0.020	8.3%
Saturation Origin	\$0.209	\$0.213	\$0.004	1.9%
Saturation DNDC	\$0.186	\$0.190	\$0.004	2.2%
Saturation DSCF	\$0.179	\$0.183	\$0.004	2.2%

The Gap between 5-Digit and HD is narrowed to reduced pricing incentive reflecting corresponding cost savings

# Marketing Mail Piece-Rate Commercial Flats Prices

Marketing Mail Auto Flats	Current Price	New Price	\$ Difference	% Difference
5-Digit Origin	\$0.530	\$0.572	\$0.042	7.9%
5-Digit DSCF	\$0.439	\$0.483	\$0.044	10.0%
C-R Basic DSCF	\$0.323	\$0.352	\$0.029	9.0%
C-R DSCF on Delivery Sort Container	\$0.301	\$0.330	\$0.029	9.6%
HD DSCF (125 pieces)	\$0.259	\$0.298	\$0.039	15.1%
HD DSCF on Delivery Sort Container	\$0.247	\$0.283	\$0.036	14.6%
HD+ DSCF (300 pieces)	\$0.214	\$0.230	\$0.016	7.5%
HD+ DSCF on Delivery Sort Container	\$0.204	\$0.218	\$0.014	6.9%
Saturation DSCF (90%)	\$0.200	\$0.207	\$0.007	3.5%
Saturation DSCF on Delivery Sort Container	\$0.193	\$0.198	\$0.005	2.6%
Saturation DDU (90%)	\$0.181	\$0.187	\$0.006	3.3%
Saturation DDU on Delivery Sort Container	\$0.174	\$0.178	\$0.004	2.3%

Widened incentive to presort and use Delivery Sort containers

\$15 more per 1000 to sort to CR

\$3 more per 1000 for HD flats on Delivery Sort container

\$2 more per 1000 to put HD+ flats on Delivery Sort container

\$2 more per 1000 to put Saturation flats on Delivery Sort container



# Proposed New Discount – SCF Pallet Discount

Product	Presort Level	Per-Piece Discount
Flats	3-Digit & 5-Digit	1.4¢
Carrier Route	Basic CR Flats	1.1¢
High Density and Saturation Flats / Parcels	High Density Flats	0.8¢
High Density and Saturation Flats / Parcels	High Density Plus Flats	0.7¢
High Density and Saturation Flats / Parcels	Saturation (including EDDM) Flats	0.2¢

# Proposed Price Change

## Periodicals

## Periodicals Mail – Outside County (across the nation)

Product	Proposed Price Change Percentage
Rate Authority	4.2%
Pounds	2.2%
Pieces	4.6%
Bundles	3.0%
Sacks	3.8%
Trays	3.9%
Pallets	4.2%

Encourage dropshipping - Origin entry editorial pounds price increasing by 17.8% while the overall pound price increase by 2.2%.

Increased price of origin entry pallets  
Origin Entered Mixed ADC pallets price increased to 34%.

Sacks containing flats will only be accepted at DSCF and DDU. Sacks containing parcels will accept at all entry level. Bundles in sacks at other than DSCF and DDU will be required to be dumped in a Postal Service provided container and will not be charged a container price.

The prices of bundles in sacks at other than DSCF and DDU will be charged as if these are in Origin Mixed ADC container.

# Proposed Price Change Package Service

# Package Services Mail

Product	Current Price	Proposed Price	Percent Change
Available CAP			4.2%
Alaska Bypass Service	\$30.00*	\$31.26*	4.2%
BPM Flats	\$0.88*	\$0.91*	2.5%
BPM Parcels	\$1.33*	\$1.39*	4.6%
Total Media / Library Mail	\$4.49*	\$4.69*	4.4%

\* Average revenue per piece

BPM Parcels, Media/Library Mail receive higher than average price increase as they are non-compensatory

Changed structure for dropshipping incentives.

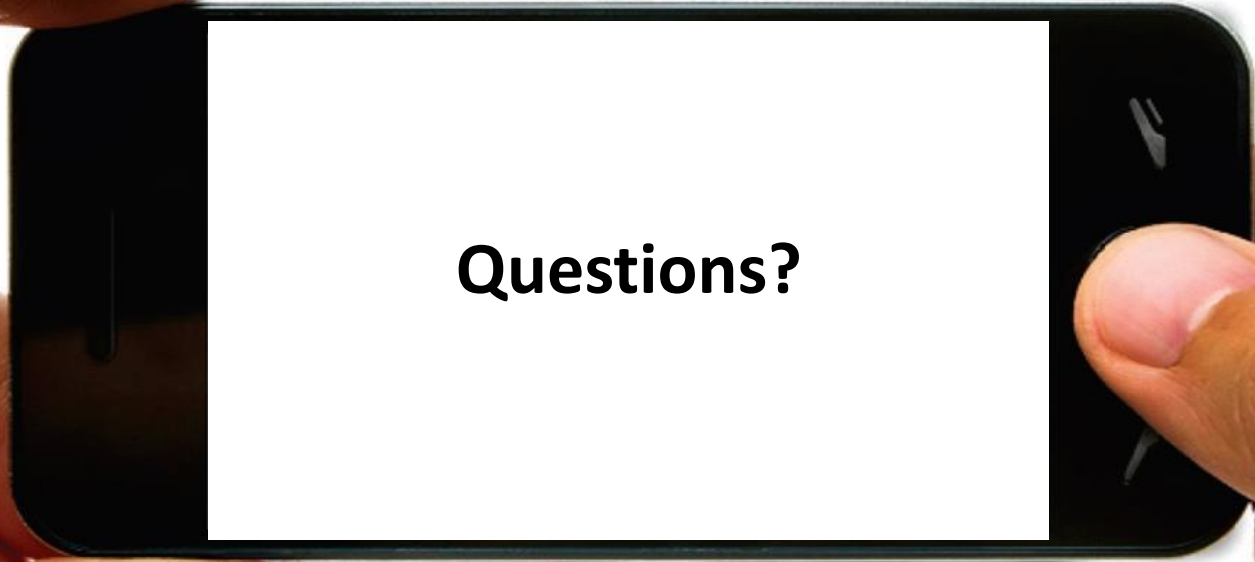
The proposed BPM Presort Flats prices set the per pound prices equal for all entry levels but provide incentives per pieces for deeper entry into the Postal network.

# Proposed Price Change

## Special Services

# Ancillary & Special Services

Special Services	Proposed Percent Price Change
Available CAP	4.2%
Certified	3.8%
Post Office Boxes	4.5%
Return Receipts	3.7%
Money Orders	6.7%
Insurance	4.6%
Registry	4.6%
Other	Varies



**Questions?**