

# USPS Pricing Overview

May 2015

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## **Market Dominant Price Change**

- Overview
- Classification Changes
- First-Class Mail®
- Standard Mail®
- Periodicals®
- Package Services
- Extra Services
- Promotions

## **Competitive Price Change**

- Highlights

## **Total average increase of ~2.0% on Market Dominant products**

### **The Price Cap**

- CPI: 1.966%
- Based on Consumer Price Index
- PRC formula a moving average of CPI data

Key Activity	Date
Original CPI Rate Case Filing with PRC	Jan 15
PRC Approval of First-Class Mail Prices	Feb 19
PRC Approval of Competitive Prices	Feb 24
PRC Remand of Standard Mail, Periodicals and Package Services Prices	Feb 26
PRC Approval of Special Services Prices	Mar 6
New Prices Submitted with PRC	Mar 10
PRC Remand of Standard Mail, Periodicals and Package Services Prices	Mar 12
Response to Remand	April 16
PRC Decision	May 7
Implementation of New CPI Prices	<b>May 31</b>

## Market Dominant Classification Changes

- ✓ Provide more robust pricing for Flats Sequencing System (FSS) sorted mail
- ✓ Provide pricing for Carrier-Route Pallets in non-FSS locations
- ✓ Rationalize and simplify Special Service offerings
- ✓ Add 2015 promotions (Earned Value Reply Mail, Color Transpromo, Emerging Technologies, Mail Drives Mobile)

## Pricing for FSS sorted mail

### Standard Mail

- Per piece price for FSS eligible pieces in scheme bundles on/in any container at all entry points
- Per piece price for FSS eligible pieces in scheme bundles on/in FSS scheme and facility containers entered at the DFSS
- FSS sort for CR High Density/High Density Plus remains optional:
  - Pay FSS prices if FSS prepped
  - Pay HD Carrier Route prices if prepped as HD Carrier Route

## Pricing for FSS sorted mail

### Periodicals

- Created a piece price for FSS Flats
- Bundles priced to encourage scheme containers
- Introduced FSS scheme Sack and Tub prices
- Introduces FSS facility Pallet, Sack and Tub prices

### BPM Flats

- FSS piece prices for FSS scheme bundles at all entry points except DDU

## **Pricing for CR Flats: Non-FSS Zones**

### Standard Mail

- Per piece price for 5-Digit/Scheme pallets with all Carrier Route bundles at all entry levels
- Maintain per piece price for Merged 5-Digit pallets that contains Carrier Route and 5-D bundles

### Periodicals

- Introduce a pure Carrier Route pallet price for 5-Digit pallets with all Carrier Route bundles at all entry levels



## **Simplify Special Services**

- Free USPS Tracking for First-Class Mail Parcels, BPM Parcels, and Library and Media Mail
- Add an Adult Signature option with Certified Mail
- Provide Signatures for items insured for more than \$500

## USPS Tracking

- Included at no additional charge for the following market dominant products:
  - First-Class Mail parcels
  - Media Mail
  - Library Mail
  - Bound Printed Matter
  
- Tracking still available for purchase with Standard Mail parcels



## Certified Mail

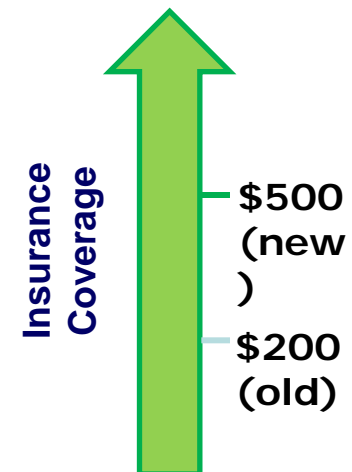
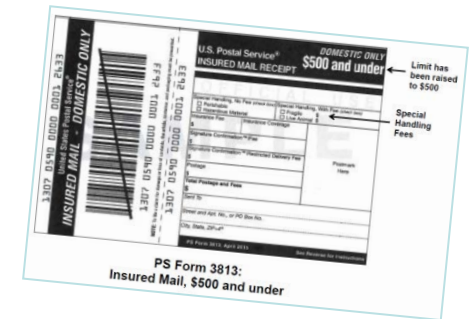
- **3 new combined offerings to allow mailers to combine services:**

#	Extra Service	Commercial	Online	Retail
1	Certified Mail	X	X	X
2	Certified Mail Restricted Delivery	X	X	X
3	Certified Mail Adult Signature Required	X	X	
4	Certified Mail Adult Signature Restricted Delivery	X	X	



## Insurance

- Combined two tables in to one for Domestic
- Combined three tables into two for International
- Adjusted insurance threshold for capturing recipient's signature at the time of delivery
  - Increased from more than \$200.00 to more than \$500.00 for insured items



## Full Service IMb Incentives Remain in Place

<b>First-Class Mail</b>	<b>\$0.003</b>
<b>Standard Mail</b>	<b>\$0.001</b>
<b>Periodicals</b>	<b>\$0.001</b>

## First-Class Mail

- ~2.0% overall increase
- 49-cent stamp price remains at 49 cents

Product	CPI Percent Change
Single-piece Letters & Cards	0.6%
Single-piece Metered	1.1%
Flats	2.4%
Parcels	10.2%
Presort Letters & Cards	2.4%
First-Class Mail International (includes letters, cards, and flats)	3.0%



## Key First-Class Mail Single-Piece Prices

	Current CPI Price	New CPI Price	CPI Percent Change	CPI + Exigent Price
Stamp Price	0.47	0.47	0.0%	<b>0.49</b>
Meter Price	0.46	0.465	1.1%	<b>0.485</b>
Single-Piece Flats	0.94	0.94	0.0%	<b>0.98</b>
Single-Piece Cards	0.33	0.34	3.0%	<b>0.35</b>
Retail Parcels	2.23	2.45	9.9%	<b>2.54</b>

## First-Class Mail Single-Piece

### Letters (CPI + Exigent Surcharge)

- Additional ounce increases to \$0.22
- Postcard rate increases to \$0.35
- First-Class Mail International Global Forever Stamp \$1.20
  - Note to Canada it is up to 2 ounces for \$1.20



## Key First-Class Mail Bulk Prices

	Current CPI Price	New CPI Price	CPI Percent Change	CPI + Exigent Price
Mixed AADC Automation Letters	0.415	0.419	1.0%	<b>0.439</b>
3-Digit Automation Letters	0.389	0.399	2.6%	<b>0.416</b>
5-Digit Automation Letters	0.366	0.376	2.7%	<b>0.391</b>

## First-Class Mail Presort

### Letters (CPI + Exigent Surcharge)

- Letters up to 2 ounces charged the 1-ounce price
- Additional ounce remains at \$0.13

## First-Class Mail International

4.4% overall increase

Product	CPI Percent Change
Letters	4.5%
Flats	4.1%
Cards	4.5%

## Standard Mail

1.9% overall increase

Product	CPI Percent Change
Letters	1.7%
Flats	2.7%
Carrier Route Letters, Flats, and Parcels	1.7%
High Density / Saturation Letters	2.0%
High Density / Saturation Flats and Parcels	2.1%
Parcels	9.3%
EDDM-Retail	4.8%

## Key Standard Mail Prices

	Current CPI Price	New CPI Price	CPI Percent Change	CPI + Exigent Price
Letters (5-Digit Auto entered at Origin)	0.250	0.255	2.0%	<b>0.266</b>
Flats (5-Digit Auto Flat entered at Origin)	0.370	0.376	1.6%	<b>0.392</b>
Carrier Route (Flat entered at Origin)	0.283	0.288	1.8%	<b>0.300</b>
High Density/Saturation Letters (Saturation Letter entered at Origin)	0.190	0.194	2.1%	<b>0.202</b>
High Density/Saturation Flats (Saturation Flat entered at Origin)	0.202	0.205	1.5%	<b>0.214</b>
EDDM-Retail	0.168	0.176	4.8%	<b>0.183</b>

## Standard Mail

### Detached Address Labels (DALs)

- Price increases to 3.6 cents from 3.4 cents (CPI + Exigent Price)



## Key Standard Nonprofit Mail Prices

	Current CPI Price	New CPI Price	CPI Percent Change	CPI + Exigent Price
Letters (5-Digit Auto entered at Origin)	0.136	0.140	2.9%	<b>0.147</b>
Flats (5-Digit Auto Flat entered at Origin)	0.225	0.237	5.5%	<b>0.249</b>
Carrier Route (Flat entered at Origin)	0.207	0.214	3.4%	<b>0.223</b>
High Density/Saturation Letters (Saturation Letter entered at Origin)	0.116	0.120	3.4%	<b>0.125</b>
High Density/Saturation Flats (Saturation Flat entered at Origin)	0.126	0.131	4.0%	<b>0.136</b>

<b><u>Periodicals</u></b>	<b>CPI Percent Change</b>
Barcoded Machinable Flats Carrier Route Basic (Piece Rates)	2.5%
Barcoded Machinable Flats 5-Digit (Piece Rates)	1.7%
Outside County	2.0%
Inside County	2.0%



## Package Services

2.0% overall increase

- Retain \$0.001 IMb barcode discount for BPM Flats

Product	CPI Percent Change
Media Mail/Library Mail	2.2%
Alaska Bypass	2.3%
Bound Printed Matter	
Flats	0.3%
Parcels	2.4%

## Extra Services

0.234% overall increase

Product	CPI Percent Change
PO Boxes™	5.9%
Certified Mail®	4.8%
Return Receipt	3.8%
Registered Mail™	2.6%
Insurance	4.9%
COD	5.4%
All Other	-9.3%

## 2015 Promotions

### Earned Value Reply Mail Promotion

- Designed to encourage mailers to use First-Class Mail as a primary reply mechanism for their customers.

### Advanced and Emerging Technology Promotion

- Designed to encourage mailers to integrate direct mail with mobile technology.

### Color Transpromo Promotion

- Designed to encourage First-Class mailers to invest in color print technology.

### Mail Drives Mobile Engagement Promotion

- Designed to demonstrate how direct mail, combined with mobile technology, continues to be a convenient method for consumers to engage and interact with their printed mailpieces.

JAN – FEB - MARCH

APRIL – MAY - JUNE

JULY – AUG - SEPT

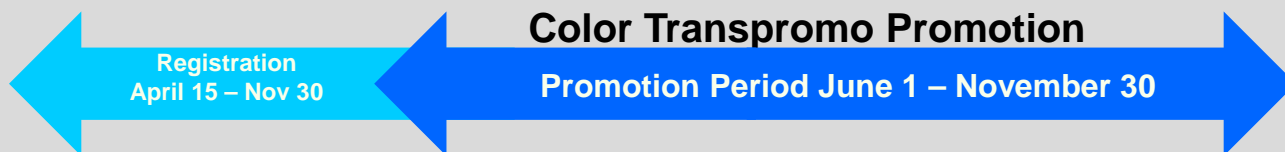
OCT – NOV - DEC

## FIRST-CLASS MAIL®

### Earned Value Promotion

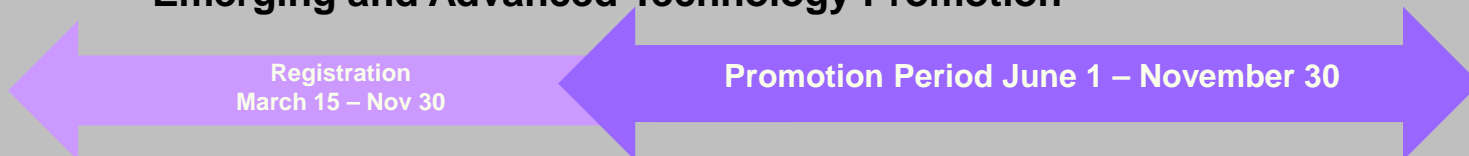


### Color Transpromo Promotion



## STANDARD AND FIRST-CLASS MAIL

### Emerging and Advanced Technology Promotion



## STANDARD MAIL®

### Mail Drives Mobile Engagement Promotion



## Competitive Filing Highlights

- ✓ No price change for Priority Mail Express, Priority Mail, or Pickup on Demand
- ✓ New zoned prices based on origin ZIP Code for Priority Mail International (PMI) destined to Canada
- ✓ An increase to 66 pounds for the maximum weight for PMI Rate Group 17 (Netherlands)
- ✓ Combines insurance tables for Priority Mail Express International and PMI to simplify pricing

## Resources

### Online

- Postal Explorer® — [pe.usps.com](http://pe.usps.com)
  - Current and new prices
    - Including downloadable price files in excel and CSV formats
  - *Federal Register* notices
  - *Domestic Mail Manual & International Mail Manual*

DMM® Advisory — posted on Postal Explorer, also special e-mail updates



**Questions?**