

United States Postal Service®

INDUSTRYALERT

Reminder From the USPS About the Exigent Surcharge Rollback Effective April 10, 2016

As a reminder, the Postal Service Exigent surcharge will come to an end on April 10, 2015. We first notified the industry of this action on February 25th. The Postal Regulatory Commission approved the rollback plan on March 29th. An Industry webinar by Pricing and Costing was held to address the rollback and its implementation on March 9th. Industry customers will find a recording of this webinar, the presentation and the Q&A from the webinar on the Industry Outreach page located here: [Webinar](#) and [Q&A](#).

Falling Prices: Mandated Rollback to Take Effect April 10

Absent Congressional or Court action to make the existing exigent surcharge for Market Dominant products and services part of the rate base, the Postal Service™ will be required to reduce prices for Forever stamps and other mailing products, effective Sunday, April 10.

The price of mailing a 1-ounce First-Class Mail letter will be 47 cents, down from 49 cents.

Letters with additional ounces will drop to 21 cents (from 22 cents), letters to international destinations will fall to \$1.15 (from \$1.20) and postcard prices will be 34 cents (from 35 cents).

Commercial prices will also decrease. The price reductions are required because the Postal Regulatory Commission has ordered USPS to reverse a 4.3 percent exigent surcharge that has been in place since January 2014.

This may worsen the Postal Service's financial condition by reducing revenue and increasing net losses by approximately \$2 billion per year.

"The exigent surcharge granted to the Postal Service only partially alleviated our extreme multi-year revenue declines resulting from the Great Recession, which exceeded \$7 billion in 2009 alone," PMG Megan J. Brennan said last month. "Removing the surcharge and reducing our prices is an irrational outcome considering the Postal Service's precarious financial condition."

The proposed pricing files are posted on Postal Explorer at pe.usps.com.

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