

USPS Proposed Pricing Overview

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April 2016

- Overview
- First-Class Mail®
- Standard Mail®
- Periodicals®
- Package Services
- Extra Services
- Communications
- Systems
- Resources
- Promotions

- In September 2013, USPS filed two price cases at PRC
 - CPI case using 1.6% in Cap authority
 - Exigent case (4.3%) for relief from effects of Great Recession
- PRC ruled that USPS lost \$2.8B in contribution and \$3.2B in revenue due to Great Recession
- Established exigent surcharge values for each Market Dominant price cell to be collected until \$3.2B in revenue was collected
- After much litigation, PRC revised the revenue target to \$4.6B

- April 9, 2016: Projected day when \$4.6B is recovered
- Sunday, April 10, 2016: Implementation date for new prices (absent Congress or Court action)
- Market Dominant prices only:
 - First-Class Mail
 - Standard Mail
 - Periodicals
 - Package Services
 - Market Dominant Special Services

- Stamp price decreases to 47 cents
- ~4.2% decrease for all First-Class

Product
Single-piece Letters & Cards
Single-piece Metered
Flats
Parcels
Presort Letters & Cards
First-Class Mail International (includes letters, cards, and flats)





Key First-Class Mail Single-Piece Prices

	Current Price	New Price April 10
Stamp Price	0.49	0.47
Meter Price	0.485	0.465
Single-Piece Flats	0.98	0.94
Single-Piece Cards	0.35	0.34
Retail Parcels	2.54	2.45

Letters

- Additional ounce decreases to \$0.21
- Postcard rate decreases to \$0.34
- First-Class Mail International Global Forever Stamp \$1.15

	Current Price	New Price April 10
Mixed AADC Automation Letters	0.439	0.419
3-Digit Automation Letters	0.416	0.399
5-Digit Automation Letters	0.391	0.376

Letters

- Letters up to 2 ounces still charged the 1-ounce price
- Additional ounce decreases to 12.5 cents

- ~4.2% decrease for all Standard Mail

Product
Letters
Flats
Carrier Route Letters, Flats, and Parcels
High Density / Saturation Letters
High Density / Saturation Flats and Parcels
Parcels
EDDM-Retail

	Current Price	New Price April 10
Letters (5-Digit Auto entered at Origin)	0.266	0.255
Flats (5-Digit Auto Flat entered at Origin)	0.392	0.376
Carrier Route (Flat entered at Origin)	0.300	0.288
High Density/Saturation Letters (Saturation Letter entered at Origin)	0.202	0.194
High Density/Saturation Flats (Saturation Flat entered at Origin)	0.214	0.205
EDDM-Retail	0.183	0.176

Detached Address Labels (DALs)

- Price decreases to 3.5 cents





Key Standard Mail Nonprofit Prices

	Current Price	New Price April 10
Letters (5-Digit Auto entered at Origin)	0.147	0.140
Flats (5-Digit Auto Flat entered at Origin)	0.249	0.237
Carrier Route (Flat entered at Origin)	0.223	0.214
High Density/Saturation Letters (Saturation Letter entered at Origin)	0.125	0.120
High Density/Saturation Flats (Saturation Flat entered at Origin)	0.136	0.131

<u>Periodicals</u>	CPI Percent Change
Outside County	~(4.2%)
Inside County	~(4.2%)

- ~4.2% decrease for all Package Services
- Retain \$0.001 IMb barcode discount for BPM Flats

Product
Media Mail/Library Mail
Alaska Bypass
Bound Printed Matter
Flats
Parcels

Full Service IMb Incentives Remain in Place

First-Class Mail	\$0.003
Standard Mail	\$0.001
Periodicals	\$0.001
Package Services	\$0.001

- ~4.2% decrease for Special Services

Product
PO Boxes™
Certified Mail®
Return Receipt
Registered Mail™
Insurance
COD

- February 5 - Posted rate tables on pe.usps.com
 - Industry notified via Industry Alert & DMM Advisory
- February 25 - Notified PRC we would be rolling back prices on April 10
 - Industry notified via Industry Alert
 - Public notified via press release
- Ongoing - Details explained
 - Industry telecon (MTAC User Group #1) – Feb 26
 - DMM Advisory on Plant Verified Drop Shipments – March 3
 - Industry webinar – March 8
 - DMM Advisory Postage Statement Guidelines (Date TBD)
- BME Communications
 - Mailer Notifications
 - RIBBS updates
 - BMA Advisory
 - Price Change Fact Sheet

- Rate cell change only
- Retail systems
 - Testing will be completed by March 30
- BME systems
 - Systems testing is ongoing
 - Will honor lower prices for Plant-Verified Dropship-Verified mailings paid before April 10th if deposited after April 10th
 - Will accept mailings paying current (higher) prices if verified and paid before April 10th and dropped through April 24th

Online

- Postal Explorer® — 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

No Impact: Implementing on Schedule as proposed

Earned Value Promotion

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

Emerging and Advanced Technology/Video in Print Promotion

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

Tactile, Sensory & Interactive Mailpiece Engagement Promotion

- Promotes advances in print technology

Personalized Color Transpromo Promotion

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

Mobile Shopping Promotion

- Links mail piece to mobile optimized purchasing capability



2016 Promotions Calendar

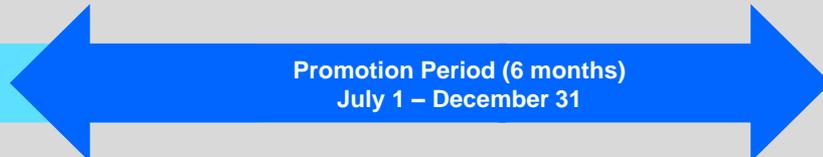
JAN — FEB — MARCH — APRIL — MAY — JUNE — JULY — AUG — SEPT — OCT — NOV — DEC

FIRST-CLASS MAIL®

Earned Value

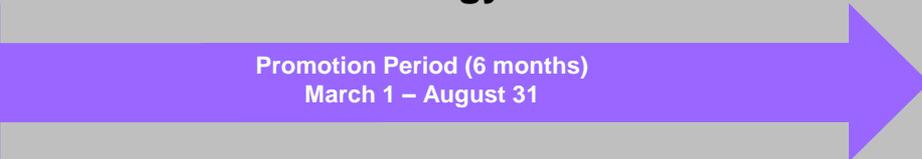


Personalized Color Transpromo



STANDARD MAIL® AND FIRST-CLASS MAIL

Emerging and Advanced Technology/Video In Print



STANDARD MAIL

Tactile, Sensory & Interactive Mailpiece Engagement



Mobile Shopping



Proprietary & Confidential

✓ **Exigent Roll Back:**

- All Market Dominant Prices
- April 10, 2016 Implementation*

✓ **2016 Mailing Promotions:**

- No Impact: Implementing on Schedule

*Absent Congress or Court Action



Questions?