



November 15, 2023

Mr. Ivan Butts
President
National Association of Postal Supervisors
1727 King Street, Suite 400
Alexandria, VA 22314-2753

Dear Ivan:

As a matter of general interest, the Postal Service filed notice today with the Postal Regulatory Commission (PRC) regarding price changes to Shipping Services to take effect January 21, 2024.

USPS Ground Advantage prices would increase by 5.4 percent, Priority Mail service prices would increase by 5.7 percent, and Priority Mail Express service prices would increase by 5.9 percent. The Postal Service is also seeking price adjustments for Special Services products including Post Office Box rental fees and some international mail services that includes Registered Mail and International Mail insurance.

The proposed price changes to Shipping Services, if favorably reviewed by the PRC, are part of the Postal Service's 10-year "Delivering for America" plan which is designed to help reverse a projected \$160 billion in operating losses over the next 10 years.

Notably, 98 percent of the nation's population currently receives their mail and packages in less than three days. The Postal Service continues to offer convenient flat rate and cubic pricing options along with upfront pricing and no surcharges for Saturday delivery or fuel.

Enclosed is the Press Release and "Talking Points and Frequently Asked Questions" relevant to this matter.

Please contact Lindsey A. Butler at extension 7194 if you have any questions concerning this matter.

Sincerely,

A handwritten signature in blue ink that reads "Paulita Simons".

FOR

Bruce A. Nicholson
Director
Labor Relations Policies and Programs

Enclosures

475 L'ENFANT PLAZA SW
WASHINGTON, DC 20260-4101
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Talking Points and Frequently Asked Questions

Shipping Services Price Change – January 21, 2024

Talking Points

- As part of its 10-year plan to achieve financial sustainability and service excellence, the United States Postal Service has filed notice with the Postal Regulatory Commission (PRC) of price changes for some shipping products. Notably, the pricing for USPS Connect Local will remain unchanged.
- The Postal Service continues to offer USPS Ground Advantage- a new ground shipping solution that provides a simple, reliable, and affordable way to ship packages across the continental U.S. in about 2-5 business days. Also, Click-N-Ship offers a variety of shipping services, postage options, competitive shipping rates and mailing tools for businesses.
- Even with proposed shipping rate adjustments, USPS prices will remain among the world's most affordable and offers a great shipping value.
- Pricing-generated revenue to help fund \$40 billion of investments in people, technology, and infrastructure to modernize and improve Postal Service's operations and customer experience.
- Shipping Services prices are primarily adjusted according to market conditions.

These proposed prices were approved by the Postal Service governors and continue to make the Postal Service a great value in shipping. Also, unlike some other shippers, the Postal Service has upfront pricing and does not add surcharges for residential delivery or regular Saturday delivery.

- These near-term pricing actions are needed to address USPS operating losses.

Internal FAQs

1. What is happening to the prices?

The Postal Service is asking the PRC to review prices with some Shipping Services. The rate change request is part of balanced approach under "Delivering for America," the Postal Service's 10-year plan for achieving financial sustainability and service excellence.

Shipping Services prices are primarily adjusted according to market conditions. The Governors believe these new rates will keep the Postal Service competitive while providing the agency with needed revenue.

Even with proposed rate increases, USPS prices will remain among the world's most affordable and a great value in shipping.

2. Why are market dominant prices (stamps) increasingly going up in cost compared to Shipping Services prices?

As part of the [Deliver for America Plan](#) of achieving financial stability and generating revenues to invest in much needed infrastructure, network upgrades, and mail processing equipment, price adjustments for market-dominant products, such as First-Class Stamps are granted under the authority of the Postal Regulatory Commission. The Postal Service continues to offer some the lowest First-Class postage in the world.

3. When will the change take place?

The change is expected to take effect January 21, 2024, if approved by the PRC.

4. Why are the prices changing?

As part of its 10-year plan to achieve financial sustainability and service excellence, the Postal Service is asking the Postal Regulatory Commission (PRC) to review proposed increases to some of its prices of shipping services.

The new rates – if favorably reviewed by the PRC – for our shipping service products, will keep the Postal Service competitive while providing the agency with needed revenue.

Even with postage rate increases, USPS prices will remain among the world’s most affordable and offers a great value in shipping.

EXTERNAL FAQ

1. What is happening to the prices?

The Postal Service is asking the PRC to review prices with some Shipping Services. The rate change request is part of balanced approach under “Delivering for America,” the Postal Service’s 10-year plan for achieving financial sustainability and service excellence.

Shipping Services prices are primarily adjusted according to market conditions. The Governors believe these new rates will keep the Postal Service competitive while providing the agency with needed revenue.

Even with proposed rate increases, USPS prices will remain among the world’s most affordable and a great value in shipping.

2. When will the change take place?

The change is expected to take effect January 21, 2024, if approved by the PRC.

3. Why are the prices changing?

As part of its 10-year plan to achieve financial sustainability and service excellence, the Postal Service is asking the Postal Regulatory Commission (PRC) to review proposed increases to some of its prices of shipping services.

The new rates – if favorably reviewed by the PRC – for our shipping service products, will keep the Postal Service competitive while providing the agency with needed revenue.

Even with postage rate increases, USPS prices will remain among the world’s most affordable and offers a great value in shipping.

4. How will this change help the Postal Service?

The rate change request is part of balanced approach under “Delivering for America,” the Postal Service’s 10-year plan for achieving financial sustainability and service excellence. With full implementation, the 10-year plan reverses a projected \$160 billion in losses over the next 10 years.

5. Has the Postal Service been losing money on package delivery like it has on mail?

According to the Postal Accountability and Enhancement Act (PAEA) of 2006, competitive rates set by the Postal Service are required to cover all of their own costs plus an appropriate share of overhead. These rates are in compliance with that act.

6. How much money does Priority Mail and Priority Mail Express generate for the Postal Service?

Priority Mail and Priority Mail Express, accounted for \$12.7 billion, or 16.2 percent, of the \$78.8 billion in total revenue in FY22.

7. How many packages did the Postal Service deliver in 2022?

The Postal Service delivered 7.3 billion packages to nearly 165 million addresses across the country.

8. Do you expect to raise shipping rates again in 2024?

We’re continually reviewing our pricing approach for all products.

9. As a result of the Plan, will the public have to pay higher rates for slower package service?

The Plan enables reliable and predictable service to our customers and proposes a fair pricing approach that aligns to market realities. We are pursuing a rational pricing approach, adjusted according to market conditions. The Plan will enable us to design a precise and efficient processing and transportation network, positioning us to deliver 95 percent of all mail and packages on-time. Judicious price increases paired with investment in our network will allow us to provide the predictable, reliable service that the American people expect and deserve and ensure the financial sustainability of the Postal Service.

10. Are there other ways the Postal Service can improve its financial standing without raising prices?

Price changes make up one of four main approaches outlined in our Delivering for America Plan, all of which must be executed to reverse \$160B in projected losses over the next 10 years. Price changes, as well as other Plan elements to increase efficiencies and reduce costs are self-help strategies that the Postal Service can initiate right now.

The extent to which other parts of the Plan are successful could serve to mitigate the need for price increases as we move forward. See the [Delivering for America Plan](#) here.



FOR IMMEDIATE RELEASE
Nov. 15, 2023

David P. Coleman
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usps.com/news



U.S. Postal Service Announces New Competitive Prices for 2024

- *USPS Ground Advantage continues to offer a simple, reliable, and more affordable way to ship packages in just 2-5 business days across the continental United States, with \$100 insurance and free pickup on the carrier's route included in the price*
- *Click-N-Ship USPS shipping platform provides shippers access to competitive commercial rates for Ground Advantage, Priority Mail, Priority Mail Express and USPS Connect Local, and the ability to schedule free carrier pick-up and order Priority Mail packaging*
- *USPS offers some of the lowest shipping rates in the industry and is a great value to reach more than 165 million delivery points six and sometimes seven-days a week in a consistent and economical way*

WASHINGTON, DC — The U.S. Postal Service filed notice with the Postal Regulatory Commission (PRC) today of price changes for Shipping Services to take effect Jan. 21, 2024. These proposed prices were approved by the Postal Service governors earlier this week.

USPS Ground Advantage prices would increase by 5.4 percent, Priority Mail service prices would increase by 5.7 percent, and Priority Mail Express service prices would increase by 5.9 percent. The Postal Service is also seeking price adjustments for Special Services products including Post Office Box rental fees and some international mail services that includes Registered Mail and International Mail insurance. The PRC will review the prices before they are scheduled to take effect.

The Postal Service continues to offer a great value in shipping. Unlike some other shippers, the Postal Service has upfront pricing and does not add surcharges for residential and regular Saturday delivery, nor fuel. Also, the Postal Service offers convenient flat rate and cubic pricing options.

The Postal Service continues to offer [USPS Ground Advantage](#) – a new ground shipping solution that provides a simple, reliable, and affordable way to ship packages across the continental U.S. with 2-5 day certain delivery based on distance. USPS Ground Advantage offers \$100 insurance included in the price, as well as free pickup on the carrier's route.

The pricing for [USPS Connect Local](#) will remain unchanged. This service provides businesses with an affordable same-day and next-day delivery for their local customers.

Driven by the ongoing implementation of the [Delivering for America plan](#), 98 percent of the nation's population currently receives their mail and packages in less than three days.

The complete Postal Service price filings with prices for all products can be found on the PRC website under the [edockets System](#). For the Shipping Services filing, see Docket No. CP2024-52. The Postal Service provides additional resources to assist customers regarding the price changes. These tools include price lists,

downloadable price files and Federal Register Notices. This information will be available on the Postal Service's Postal Explorer website at pe.usps.com/PriceChange/Index on Nov. 15, 2023.

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Please Note: The United States Postal Service is an independent federal establishment, mandated to be self-financing and to serve every American community through the affordable, reliable and secure delivery of mail and packages to nearly 165 million addresses six and often seven days a week. Overseen by a bipartisan Board of Governors, the Postal Service is implementing a 10-year transformation plan, [Delivering for America](#), to modernize the postal network, restore long-term financial sustainability, dramatically improve service across all mail and shipping categories, and maintain the organization as one of America's most valued and trusted brands.

The Postal Service generally receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

For USPS media resources, including broadcast-quality video and audio and photo stills, visit the [USPS Newsroom](#). Follow us on [Twitter](#), [Instagram](#), [Pinterest](#) and [LinkedIn](#). Subscribe to the [USPS YouTube Channel](#) and like us on [Facebook](#). For more information about the Postal Service, visit usps.com and facts.usps.com.