



April 10, 2023

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

RECEIVED
 MAY 08 2023

Dear Ivan:

As a matter of general interest, today, the Postal Service filed notice with the Postal Regulatory Commission (PRC) regarding price changes to mailing services to take effect July 9, 2023. The new rates include a three-cent increase in the price of a First-Class Mail Forever stamp from 63 cents to 66 cents.

If favorably reviewed by the PRC, the proposed increases will raise First-Class Mail prices approximately 5.4 percent to offset the rise in inflation and will provide the Postal Service much needed revenue to further the "Delivering for America" 10-year plan to achieve financial sustainability. The price changes have been approved by the Governors of the Postal Service.

The price for 1-ounce metered mail will increase to 63 cents, and the price to send a domestic postcard will increase to 51 cents. A 1-ounce letter mailed to another country would increase to \$1.50. There will be no change to the single-piece letter and flat additional-ounce price, which remains at 24 cents. The Postal Service is also seeking price adjustments for Special Services products including Certified Mail, Post Office Box rental fees, money order fees and the cost to purchase insurance when mailing an item.

The proposed Mailing Services price changes include:

| Product | Current | New |
|--------------------------------|----------|----------|
| Letters (1 oz.) | 63 cents | 66 cents |
| Letters (metered 1 oz.) | 60 cents | 63 cents |
| Domestic Postcards | 48 cents | 51 cents |
| International Postcards (1 oz) | \$1.45 | \$1.50 |
| International letters (1 oz) | \$1.45 | \$1.50 |

Enclosed is the Press Release, Fact Sheet, and "Talking Points and Q&A" relevant to this matter.

Please contact Bruce Nicholson at extension 7773 if there are any further questions concerning this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "James Lloyd".

James Lloyd
Director
Labor Relations Policies and Programs

Enclosures



July 2023 Mailing Services Price Change Fact Sheet

Overview

On April 10, 2023, the United States Postal Service filed notice with the Postal Regulatory Commission (PRC) of price changes to Mailing Services to take effect July 9, 2023.

Key Points

- The new prices approved by the Governors of the Postal Service will raise First-Class Mail prices approximately 5.4 percent.
- Mailing Services price increases proposed in this filing are based on the Consumer Price Index (CPI), the Density Authority and the Retirement Authority.
- The new prices will include an increase in the price of a First-Class Mail Forever stamp, to 66 cents.
- The single-piece letter additional ounce price will remain 24 cents.
- The prices of postcard stamps will increase to 51 cents.
- The Postal Service has some of the lowest letter mail postage rates in the industrialized world and also continues to offer a great value in shipping.
- Unlike some other shippers, the Postal Service does not add surcharges for fuel, residential delivery, or regular Saturday delivery.
- As operating expenses fueled by inflation continue to rise and the effects of a previously defective pricing model are still being felt, these price adjustments are needed to provide the Postal Service with much needed revenue to achieve the financial stability sought by its [Delivering for America](#) 10-year plan
- Summarized price changes for Mailing Services typically used by consumers are:

| Product | Current | New |
|--------------------------------|----------|----------|
| Letters (1 oz.) | 63 cents | 66 cents |
| Letters (metered 1 oz.) | 60 cents | 63 cents |
| Domestic Postcards | 48 cents | 51 cents |
| International Postcards (1 oz) | \$1.45 | \$1.50 |
| International letters (1 oz) | \$1.45 | \$1.50 |

- Upon favorable review by the Postal Regulatory Commission, the price change is scheduled to take effect on July 9, 2023.
- The complete Postal Service price filings with the new prices for all products can be found on the PRC site under the Daily Listings section at <https://www.prc.gov/dockets/daily> For the Mailing Services filing, see Docket No. R2023-2. The price change tables are also available on the Postal Service website at <https://pe.usps.com/PriceChange/Index>.
- 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.



POSTAL NEWS

FOR IMMEDIATE RELEASE
April. 10, 2023

Contact: David P. Coleman
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usps.com/news



U.S. Postal Service Files Notice with PRC for New Mailing Services Pricing

- *Actions taken to address continued elevated inflation and prior years defective pricing model*
- *New prices scheduled to take effect July 9, 2023*
- *Postal Service prices remain among the most affordable in the world*

WASHINGTON, DC — Today, the United States Postal Service filed notice with the Postal Regulatory Commission (PRC) of mailing services price changes to take effect July 9, 2023. The new rates include a three-cent increase in the price of a First-Class Mail Forever stamp from 63 cents to 66 cents.

If favorably reviewed by the Commission, the proposed increases will raise First-Class Mail prices approximately 5.4 percent to offset the rise in inflation. The price changes have been approved by the Governors of the U.S. Postal Service.

The price for 1-ounce metered mail will increase to 63 cents, and the price to send a domestic postcard will increase to 51 cents. A 1-ounce letter mailed to another country would increase to \$1.50. There will be no change to the single-piece letter and flat additional-ounce price, which remains at 24 cents. The Postal Service is also seeking price adjustments for Special Services products including Certified Mail, Post Office Box rental fees, money order fees and the cost to purchase insurance when mailing an item.

The proposed Mailing Services price changes include:

| Product | Current Prices | Planned Prices |
|------------------------------|----------------|----------------|
| Letters (1 oz.) | 63 cents | 66 cents |
| Letters (metered 1 oz.) | 60 cents | 63 cents |
| Domestic Postcards | 48 cents | 51 cents |
| International Postcards | \$1.45 | \$1.50 |
| International Letter (1 oz.) | \$1.45 | \$1.50 |

As operating expenses fueled by inflation continue to rise and the effects of a previously defective pricing model are still being felt, these price adjustments are needed to provide the Postal Service with much needed revenue to achieve the financial stability sought by its [Delivering for America](#) 10-year plan. The prices of the U.S. Postal Service remain among the most affordable in the world.

The PRC will review the changes before they are scheduled to take effect. The complete Postal Service price filing, with prices for all products, can be found on the PRC website under the Daily Listings section at prc.gov/dockets/daily. The Mailing Services filing is Docket No. R2023-2. The price tables are also available on the Postal Service's Postal Explorer website at pe.usps.com/PriceChange/Index.

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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.

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July 2023 Price Change Talking Points and Q&A

Mailing Services Talking Points

- The First-Class Mail Single-Piece Forever stamp price will increase to 66 cents.
- The price for domestic postcard stamps will increase to 51 cents.
- The First-Class Mail meter price for 1-ounce letters will increase to 63 cents.
- The First-Class Mail single-piece letter additional ounce price will remain 24 cents,
- Postage price changes at the class level are capped at the rate of inflation as measured by the Consumer Price Index (CPI) plus additional density authority and retirement authority granted by Postal Regulatory Commission. The Postal Service continues to offer a great value in mailing and has some of the lowest rates in the industrialized world.
- The Postal Service is self-funded and generally does not receive tax dollars for operating expenses. It relies on the sale of postage, products and services to fund its operations.
- The new prices have been filed with the Postal Regulatory Commission (PRC). If favorably reviewed by the PRC, the new prices will become effective July 9, 2023.
- All new prices are posted on the Postal Explorer website: pe.usps.com.
- Forever stamps purchased before the price change can continue to be used after the new prices go into effect, with no additional postage needed for a 1-ounce mailing.
- The complete Postal Service price filing with the new prices for all products can be found on the PRC website under the Daily Listings section: prc.gov/dockets/daily.

Possible Questions (Mailing Services)

1. Why is the price of Forever stamps going up this year?

The Forever stamp price was increased by 3 cents, a 4.8. percent increase. Inflation as measured by the Consumer Price Index (CPI) has been increasing about 6.0 percent this year on an annual basis. The total price authority provided by PRC is 5.4 percent. The stamp price increase is lower than the pricing authority. This is not a deviation from past practices.

2. How much are prices going up?

First-Class Mail prices will increase by 5.4 percent.

3. What prices are going up?

The price of domestic First-Class Mail stamps will increase to 66 cents. The First-Class Mail single-piece additional ounce price will remain at 24 cents. The price to mail domestic postcards will increase to 51 cents, and the price to mail a one-ounce outbound international letter will increase to \$1.50.

4. Where can I see all the prices?

All the new prices will be posted on Notice 123 on the Postal Explorer website: pe.usps.com. The complete Postal Service price filings with new prices for those products that are changing can be found on the PRC site under the Daily Listings section at prc.gov/dockets/daily.

5. When will the new proposed prices take effect?

If approved, the prices will go into effect on Sunday, July 9, 2023 at 12:01 a. m. Eastern U.S.

6. What role does the Postal Regulatory Commission (PRC) play in price adjustments?

The PRC reviews the proposed prices for Mailing Services to determine if they comply with the Consumer Price Index cap and additional authorities if applicable and reviews all prices to determine that they comply with other applicable laws and regulations.

7. Will there be pricing promotions available to mailers?

Yes, promotions will continue in 2023 as approved. In the January 2023 rate case filing the Postal Service proposed mailing promotions and incentives to create awareness of innovative uses of mail. These include tactile, sensory and interactive mailpiece engagement; emerging and advanced technology; earned value reply mail; personalized color; mobile shopping, and Informed Delivery promotions. By encouraging customers to adopt and invest in technologies that enhance how consumers interact and engage with mail, this will improve the long-term value of mail.

8. Why do some mailers get discounts on prices?

In part because significant mailing volume can lower per piece postal costs, business mailers may pay rates that differ from the general public. Rates can vary depending on how the mail is sorted, where the mail is deposited, and other preparation arrangements. In other words, if mailers assume a greater share of mail preparation, they may be eligible for savings, called "work-share" discounts. Should you desire to learn more about the Postal Service's business offerings, please visit us at usps.com/business/business-shipping.htm. The site offers tips on saving time and money, calculating postage correctly, receiving volume discounts, how to minimize dimensional weight charges and much more.

9. Will this price change address the Postal Service's financial challenges?

In light of a decade of sharp declines in Marketing Mail and First-Class Mail volume, the Postal Service needs more than an incremental price change to effectively respond to its financial challenges. The Postal Service is one of the most efficient postal administrations in the world, but volume for Domestic First-Class Mail — our most profitable product — has

declined by 47 percent compared to 2007, and is expected to continue to decline as a result of diversion to digital communications and the increase in online transactions.

10. What will the price of the new semipostal stamps be?

Effective July 9, 2023, the pricing for all semipostal stamps currently on sale will be 85 cents. The semipostal price includes the First-Class Mail single-piece postage rate plus an amount to fund causes that have been determined to be in the national public interest. By law, revenue from sales (minus postage and the reasonable reimbursement costs to the Postal Service) is transferred to a selected executive agency or agencies. The current semipostal stamps are:

- Breast Cancer Research
- Alzheimer's Awareness
- Post-Traumatic Stress Disorder
- Save Vanishing Species

All semipostal stamps are available for purchase at Post Offices, online at usps.com, and by phone order at 1-800-STAMP 24.

11. Is the Postal Service filing price changes for domestic Competitive Products at this time?

At the present time no decision has been made to change the prices of domestic competitive products.

12. Is the Postal Service filing International Competitive Products price change information?

At the present time no decision has been made to change the prices of International Competitive products.

13. When can the Domestic Competitive Product price change announcement be expected?

The timing and magnitude of the Domestic Competitive Product price change is decided by the USPS Board of Governors. At the present time, no decision has been made regarding possible future price changes to domestic Competitive products.

14. What is the Consumer Price Index (CPI) price cap for the price change?

The CPI price cap for this price change is 3.4 percent. By law, the average price changes for each class of mail must be equal to or less than the rate of inflation (as measured by CPI). Additional rate authorities granted by PRC are Density Based Authority of 0.936 percent, which is additional price increases allowable to compensate for declining volumes and growing delivery points, and Retirement Based Authority of 1.036 percent, which is determined by the proportion of amortization payments to total revenue. If payment of liabilities is not taken each year, it will not be available for future price changes (Revenue due to this authority must be remitted to OPM the following year). The total authority is 5.4 percent.

15. What is the overall increase in Mailing Services prices?

First-Class Mail, Marketing Mail, Package Service, and Special Services each will see price increase of about 5.4 percent. Periodicals will see a price increase of about 8.1 percent. In addition to the CPI, Density and Retirement authorities, Periodicals are provided an additional 2.0 percent authority as Periodicals revenue is less than their attributable costs. Additionally, the banked authority is 0.744 percent.

16. How much is the price of a First-Class Mail stamp going up?

The First-Class Mail Single Piece Forever stamp will increase to 66 cents.

17. How are the stamped envelope prices changing?

Like First-Class Mail stamps, the price of postage on stamped envelopes will increase to 66 cents, while the price for the stamped envelope (with postage) 80 cents. Prices for postcard postage will rise to 51 cents and the price of stamped postcard (with postage) will be 56 cents.

18. Can I still use my old Forever stamps? What about stamps that are NOT Forever stamps?

Yes, you can still use any Forever stamp. What makes the Forever stamp special is it covers first-ounce postage even if the price of a stamp changes. Yes, you can still use stamps that are not Forever stamps, but you will need to add additional postage to total 63 cents to mail a First-Class Mail letter weighing 1 ounce.

19. How are other First-Class Mail prices changing?

Single-piece Metered Mail — increase to 63 cents

Postcards — increase to 51 cents

Letters to all international destinations (1 oz.) — increase to \$1.50

20. How much are USPS Marketing Mail Letters prices changing?

USPS Marketing Mail Letters will receive a 5.2 percent price increase on average.

21. What about nonprofit letters? Are they changing?

Overall nonprofit letters are increasing 5.1 percent. Nonprofit Automation 5-Digit Destination Sectional Center Facility (DSCF) letters will increase 6.3 percent while Origin Automated Area Distribution Center (AADC) letter prices will increase 7.3 percent. Nonprofit letter rates will continue to be a low-cost method to raise funds and increase awareness for nonprofit organizations. Nonprofit Letter prices have fallen farther below their Commercial counterpart than in previous years.

22. How much are Periodicals (which includes newspapers and magazines) prices changing?

The overall Periodicals price increase is 8.1 percent. In fiscal year 2022, the cost coverage for Periodicals was approximately 60.8 percent, well below the statutory requirement that each class of mail cover 100 percent of its attributable costs.

23. What is the percent change for Package Services products?

Media/Library Mail price will increase is 7.4 percent and Alaska Bypass price will increase 4.6 percent. The prices for Bound Printed Matter Flats will increase by 3.5 percent and Bound Printed Matter Parcels will increase by 3.5 percent.