



## NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

*National Headquarters*  
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November 16, 2020

### **Board Memo 078-2020: Postal Service Files Notice with PRC for Price Changes for Priority Mail Flat Rate Retail Effective January 24, 2021**

NAPS Headquarters was notified today that the Postal Service has filed noticed with the Postal Regulatory Commission of price changes to take effect January 24, 2021. USPS proposes a 3.5% increase for Priority Mail service and 1.2% for Priority Mail Express service. The attached USPS letter provides for more details.

Please share this Board Memo and attachment with your membership. This memo will also be posted on the Bulletin Board of the NAPS website, [naps.org](http://naps.org).

Thank you and be safe.

NAPS Headquarters

LABOR RELATIONS



November 16, 2020

Mr. Brian J. Wagner  
President  
National Association of Postal  
Supervisors  
1727 King Street, Suite 400  
Alexandria, VA 22314-2753

Dear Mr. Wagner:

As a matter of general interest, the Postal Service has filed notice with the Postal Regulatory Commission (PRC) today of price changes to take effect January 24, 2021.

The proposed prices, approved by the Postal Service Governors, would raise Domestic Competitive Shipping Services product prices by approximately 3.5 percent for Priority Mail service and 1.2 percent for Priority Mail Express service. Although Mailing Services price increases are based on consumer price index, 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.

By law our competitive package products must cover all their costs. Our independent regulator, the Postal Regulatory Commission, monitors compliance and has concluded every year that market-dominant products do not cross-subsidize the Postal Service's competitive products. The Postal Service is self-funded and does not receive tax dollars for operating expenses. It relies on the sale of postage, products and services to fund its operations.

The proposed domestic Priority Mail Flat Rate Retail price changes are:

<b>Product</b>	<b>Current</b>	<b>Planned Increase</b>
Small Flat-Rate Box	\$8.30	\$8.45
Medium Flat-Rate Box	\$15.05	\$15.50
Large Flat-Rate Box	\$21.10	\$21.90
APO/FPO Large Flat-Rate Box	\$19.60	\$20.40
Regular Flat-Rate Envelope	\$7.75	\$7.95
Legal Flat-Rate Envelope	\$8.05	\$8.25
Padded Flat-Rate Envelope	\$8.40	\$8.55

Please contact Bruce Nicholson at extension 7773 if you have questions concerning this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "David E. Mills", with a stylized flourish at the end.

David E. Mills  
Manager  
Labor Relations Policies and Programs

Enclosure

475 L'ENFANT PLAZA SW  
WASHINGTON DC 20260-4101  
WWW.USPS.COM

# Frequently Asked Questions

## FY 21 Competitive Price Change

**1. When were the prices for Domestic Competitive Prices announced?**

The new prices for domestic Shipping Services were announced on **Nov. 16** and will take effect **Sunday, January 24, 2021.**

**2. Why is this necessary?**

The Postal Service is a part of the critical infrastructure of this nation and has an obligation to provide trusted, affordable universal service to the American public. In order to protect our financial situation and to continue meeting the needs of the American public, we are announcing our annual price change, specifically our domestic competitive prices.

**3. What is the new price for the Regular Flat-Rate envelope?**

The retail price will be \$7.95, and the Commercial Base price will be \$7.40.

**4. Why are prices going up again?**

Prices increase each year, in general, as the costs of doing business — for items such as fuel, transportation, utilities, and health care benefits — have continued to increase. Postal operations are not subsidized by tax dollars. We rely on the sale of postal products and services to cover our operating costs.

**5. The USPS raised prices last January. Why another increase 12 months later?**

Annual price increases are consistent with shipping industry practices.

**6. How will this increase affect military shipping?**

To the extent shipments to military use the domestic competitive prices, they will pay the increased prices.

**7. Does this require approval from the Postal Regulatory Commission (PRC) before implementation?**

After review and approval by the Governors, the Postal Service is required to give notice of its planned price changes to the PRC, which then has an opportunity to review the changes. The PRC is expected to issue an order on the price change in December.

**8. What if the PRC denies the increase?**

Under the law, the Postal Service has been granted considerable flexibility to adjust the prices of its competitive products and services. We are confident that the planned price changes comply with all legal requirements.

**9. Do you anticipate any pushback from the industry?**

These annual price increases are consistent with industry practice, and we anticipate that the increases will provide much needed revenue to the Postal Service.

**10. How do you plan to inform or educate customers about this change?** We have a comprehensive communications plan to include a Press Release, outreach to key industry stakeholders, customer calls, and internal communications to our employees.

**11. What are the changes for Priority Mail Express?**

Overall, Priority Mail Express will increase an average 1.2 percent. Retail prices will increase an average of 1.0 percent, and Commercial Base and Commercial Plus will both increase by an average of 2.5 percent.

**12. Where can I find Priority Mail Commercial Base prices?**

All new prices are available online at <https://pe.usps.com/>.

**13. When will the prices be made available publicly?**

The prices will be available on the PRC's website shortly after the filing. Additionally, the Price Change page (<https://pe.usps.com/PriceChange>) will be updated on Sunday (1/24/2021) at 12:00 ET

**14. Will there be any classification changes to Packages Services mail?**

No, there are no changes to any of the Package Services categories as part of the domestic competitive filing. The Package Services prices were announced in October 2020 as part of the Market Dominant price change.

**15. Is this increase in line with other major competitors' increases?**

This price increase is consistent with industry practice of annual price changes.

**16. How will the increase in prices impact service?**

The price increase will not impact service. The USPS will continue to provide consistent, predictable, and reliable service to our customers.

**17. Will a competitive price change occur in 2022?**

No decisions have been made on 2022 pricing.

**Potential Mail Services Questions**

**1. Is the Forever Stamp™ valid for the new First-Class Mail letter price?**

Yes, you can still use any Forever stamp. What makes the Forever stamp special is that it covers first-ounce postage even if the price of a stamp changes.

**2. Is the price of a First-Class Mail letter (1 oz.) increasing in 2021?**

No. The price of domestic First-Class Mail stamps will remain at 55 cents.

**3. Did the price increase in October impact International prices for a one-ounce letter?**

No. The price to mail a one-ounce outbound international letter will remain at \$1.20.

**4. Are discounted rates available for First-Class Mail letters to customers printing postage online?**

The Meter price was increased from \$0.50 to \$0.51 as part of the Market Dominant price change in October 2020.

**5. Did October's price increase change the price for postcards?**

The price to mail domestic postcards will increase to 36 cents.

**6. Does the price change include any mail classification changes?**

Only minor changes. A fee for parcels beyond the allowable size will be instituted to encourage shippers to ensure their parcels are within allowable size limits for mailing.

**7. Is there a discounted rate for customers who print shipping labels online?**

Yes, customers who print postage online automatically qualify for discounted shipping rates (known as Commercial Base pricing) when purchasing Priority Mail, Priority Mail Express or First-Class Package Service. This discount applies for both domestic and certain international products. These discounted rates are automatically calculated when you print a shipping label inside the Stamps.com platform.