

October 7, 2022

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

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 January 22, 2023.

If favorably reviewed by the PRC, the proposed increases will offset the rise of inflation plus rising operating expenses 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 60 cents, and the price to send a domestic postcard will increase to 48 cents. A 1-ounce letter mailed to another country would increase to \$1.45. 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.)	60 cents	63 cents
Letters (metered 1 oz.)	57 cents	60 cents
Domestic Postcards	44 cents	48 cents
International Postcards (1 oz)	\$1.40	\$1.45
International letters (1 oz)	\$1.40	\$1.45

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 you have questions concerning this matter.

Sincerely

James Lloyd Director (A)

Labor Relations Policies and Programs

Enclosures 475 L'ENFANT PLAZA SW WASHINGTON DC 20260 www.usps.com



FOR IMMEDIATE RELEASE Oct. 7, 2022



Contact: David P. Coleman david.p.coleman@usps.gov usps.com/news



U.S. Postal Service Announces New Prices for 2023

Forever Stamp to Rise Three Cents

WASHINGTON, DC — Today, the United States Postal Service filed notice with the Postal Regulatory Commission (PRC) of price changes to take effect Jan. 22, 2023. The new rates include a three-cent increase in the price of a First-Class Mail Forever stamp from 60 cents to 63 cents.

If favorably reviewed by the Commission, the proposed increases will raise First-Class Mail prices approximately 4.2 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 60 cents, and the price to send a domestic postcard will increase to 48 cents. A 1-ounce letter mailed to another country would increase to \$1.45. 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.)	60 cents	63 cents
Letters (metered 1 oz.)	57 cents	60 cents
Domestic Postcards	44 cents	48 cents
International Postcards	\$1.40	\$1.45
International Letter (1 oz.)	\$1.40	\$1.45

As operating expenses continue to rise, these price adjustments 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. R2023-1. The price tables are also available on the Postal Service's Postal Explorer website at 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.

###

Please Note: For U.S. Postal Service media resources, including broadcast-quality video and audio and photo stills, visit the <u>USPS Newsroom</u>. Follow us on <u>Twitter</u>, <u>Instagram</u>, <u>Pinterest</u> and <u>LinkedIn</u>. Subscribe

to the <u>USPS YouTube Channel</u> and like us on <u>Facebook</u>. For more information about the Postal Service, visit usps.com and <u>facts.usps.com</u>.

Oct 2022 Price Change Talking Points and Q&A

Mailing Services Talking Points

- The First-Class Mail Single-Piece Forever stamp price will increase to 63 cents.
- The price for domestic postcard stamps will increase to 48 cents.
- The First-Class Mail meter price for 1-ounce letters will increase to 60 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 authority granted by Postal Regulatory Commission. The additional authority is available once in 12 months and was used in the July 2022 price adjustment. 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 postal 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 January 22, 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 5.0 percent increase. Extremely high inflation, especially in fuel and utilities, and contractual COLAs are driving up our costs and necessitate stamp price increases.

2. How much are prices going up?

First-Class Mail prices as a class will increase by 4.2 percent.

3. What prices are going up?

The price of domestic First-Class Mail stamps will increase to 63 cents. The First-Class Mail single-piece additional ounce price will remain at 24 cents. The price to mail domestic postcards will increase to 48 cents, and the price to mail a one-ounce outbound international letter will increase to \$1.45.

4. Where can I see all the prices?

All the new prices will be posted on Notice 123 on the Postal Explorer website: <u>pe.usps.com</u>. 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 <u>prc.gov/dockets/daily</u>.

5. When will the new proposed prices take effect?

If favorably reviewed, the prices will go into effect on Sunday, January 22, 2023 at 12:00 a.m. Central Time

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 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 if favorably reviewed. The Postal Service is proposing mailing promotions and incentives to create awareness of innovative uses of mail. These include tactile, sensory and interactive mailpiece engagement; emerging and advanced technology; personalized color; Informed Delivery promotions and two new promotions reply mail IMBA and retargeting. 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 that reduces the costs of the Postal Service, 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?

While increased revenues that result from price changes will certainly help our bottom line, in light of a decade of sharp declines in 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 January 22, 2023, the pricing for all semipostal stamps currently on sale will be 75 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 <u>usps.com</u>, and by phone order at 1-800-STAMP 24.

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

No. While, in the past the Postal Service has sometimes filed both the Competitive Products and Market Dominant price change proposals at the same 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?

No. While, in the past the Postal Service has sometimes filed both the Competitive Products and Market Dominant price change proposals for Domestic and International products at the same time, 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 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 4.2 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), plus any banked authority. Additional rate authorities granted by PRC are available once in a 12 month period and were used in the July 2022 price adjustment.

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

First-Class Mail, Marketing Mail, Periodicals, Package Service, and Special Services each will see price increase of about 4.2 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 63 cents.

17. How are the stamped envelope prices changing?

Like First-Class Mail stamps, the price of postage on stamped envelopes will increase to 63 cents, while the price for the stamped envelope (with postage) will increase to 80 cents. Prices for postcard postage will rise to 48 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 60 cents
Postcards — increase to 48 cents
Letters to all international destinations (1 oz.) — increase to \$1.45

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

USPS Marketing Mail Letters will receive a 3.3 percent price increase on average.

21. What about nonprofit letters? Are they changing?

Overall nonprofit letters are increasing 3.2 percent. Nonprofit Automation 5-Digit Destination Sectional Center Facility (DSCF) letters will increase 3.2 percent while Origin Automated Area Distribution Center (AADC) letter prices will increase 3.2 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 4.2 percent. In fiscal year 2021, the cost coverage for Periodicals was approximately 53 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 4.4 percent and Alaska Bypass price will increase 4.2 percent. The prices for Bound Printed Matter Flats will increase by 2.5 percent and Bound Printed Matter Parcels will increase by 4.6 percent.



2022 Price Change Fact Sheet

Overview

On October 7, 2022, the United States Postal Service filed notice with the Postal Regulatory Commission (PRC) of price changes to Mailing Services to take effect January 22, 2023.

Key Points

- The new prices approved by the Governors of the Postal Service will raise First-Class Mail prices approximately 4.2 percent.
- Mailing Services price increases proposed in this filing are based on the Consumer Price Index (CPI).
- The new prices will include an increase in the price of a First-Class Mail Forever stamp, to 63
 cents.
- The single-piece letter additional ounce price will remain 24 cents.
- The prices of postcard stamps will increase to 48 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.
- Summarized price changes for Mailing Services typically used by consumers are:

Product	Current	New
Letters (1 oz.)	60 cents	63 cents
Letters (metered 1 oz.)	57 cents	60 cents
Domestic Postcards	44 cents	48 cents
International Postcards (1 oz)	\$1.40	\$1.45
International letters (1 oz)	\$1.40	\$1.45

- Upon favorable review by the Postal Regulatory Commission, the price change is scheduled to take effect on January 22, 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. R2022-1. 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.