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## PRC Releases Approval for USPS 2020 Price Increase (effective 1/26/2020)

On Friday, December 20, 2019, the Postal Regulatory Commission (PRC) issued a final decision approving the Postal Service's revision of **First-Class Mail** prices. Previously, on November 22, 2019, the PRC had issued a **partial** decision approving price increases for 3 of the 4 major Market Dominant mail classes, namely **Marketing Mail**, **Periodicals Mail** and **Package Services Mail**. These 3 with the exception of First-Class, were found to be consistent with applicable law and price increases could take effect as planned on January 26, 2020.

More specifically regarding **First-Class Mail** -- the Postal Service had proposed two options for PRC consideration to remedy the First-Class Mail non-compliance issue. Of the two options the PRC officially chose the option to **lower the "First-Class Automated 5-Digit" letter price from \$0.391 to \$0.389 – a reduction of \$0.002.**

Summarized below is an updated description from the previous PAA (*Postal Action Alert; released on October 15, 2019*) -- which recapped the major points included in the original Postal Service's 2020 price increase filing.

The Postal Service, per postal law, is not only allowed to use the changes in the Consumer Price Index for all urban consumers -- but in addition, include a combination of Unused Pricing authority from the 2019 price increase and the ability to **reserve pricing authority for future years**. Using a combination of all three strategies, the recommended average percentage price adjustment is **1.549% for First-Class Mail (changed on 12/20/2019)**, 1.891% for Marketing Mail (aka Standard Mail), 1.900% for Periodicals Mail, 1.892% for Package Services Mail and 2.512% for Special Services. The chart below provides a more detailed picture of the products within each of the major mail classes. Products with percentages displayed in "red" exceed their respective class average. As was the case in 2019, the filing includes six promotional discounts in Calendar Year 2020, which include: *Emerging & Advanced Technology; Earned Value Reply Mail; Personalized Color Transpromo; Tactile, Sensory and Interactive; Mobile Shopping; and Informed Delivery.*

Additional highlights from the USPS filing by major class of mail include:

### First Class Mail:

- The one-ounce Single-Piece Stamped Letters price will remain at 55 cents.
- Flats prices increase 0 to 24% (weight dependent); Average across all weights 9.388%.

### Marketing (Standard) Mail:

- Lowers DSCF and DNDC drop-ship discounts for both Letters and Parcels.
- Non-carrier route flats and parcel prices increased by 3.9%, nearly 2 points above class average; Increases for Carrier Route and High Density flats were below class average.

### Periodicals Mail:

- Above average increases for bundles and for mail presented in trays and sacks.
- All current workshare discounts were deemed appropriate and not changed.

### Package Services Mail:

- All current workshare discounts were deemed appropriate and not changed.

### Special Services:

- Prices for most products within this category increased between 0 to 5%.
- Examples of price increases exceeding 5% included: Address Element Correction at 6.1%; Address Sequencing Service at 6.7%.

USPS (Approved) 2020 Avg. Price Increases (revised 12/23/2019)	
Class of Mail	Approved % Increase
<b>First-Class Mail (Overall)</b>	<b>1.549</b>
Single-Piece Letters/Postcards	-0.002
Presort Letters/Postcards	1.607
Flats	9.389
International - Outbound Single-Piece	4.557
Inbound Letter Post	0.703
<b>Marketing (Standard) Mail (Overall)</b>	<b>1.891</b>
Letters	1.961
Flats	3.908
Parcels	3.913
High Density / Saturation Letters	1.408
High Density / Flats and Parcels	0.868
Carrier Route	1.136
Every Door Direct Mail	2.139
<b>Periodicals Mail (Overall)</b>	<b>1.900</b>
Outside County	1.921
Within County	1.460
<b>Package Services (Overall)</b>	<b>1.892</b>
BPM Flats	1.983
BPM Parcels	1.741
Media and Library Mail	1.993
Alaska Bypass Service	1.900

RRD Postal Affairs will continue to provide you with important updates as they become available. Additional information (i.e. price charts) including RRD unique postal calculators and tools have been **updated and will be made available**. Please reach out to your RRD Account Representative to help you discover how this price increase will affect your business – and learn how best to take advantage of USPS workshare programs that may help to mitigate your postage increase in 2020. For questions, please contact [Postal.Affairs@rrd.com](mailto:Postal.Affairs@rrd.com).