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## USPS Files for 2019 Price Increase

On Wednesday, October 10, 2018, the U.S. Postal Service filed with the Postal Regulatory Commission (PRC) a price adjustment notice, effective January 27, 2019, on "Market Dominant" products.

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 2018 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 2.486% for First-Class Mail, 2.479% for Marketing Mail (aka Standard Mail), 2.520% for Periodicals Mail, 2.522% for Package Services Mail and 2.512% for Special Services. The embedded chart below provides a more detailed picture of the products within each of the major mail classes. Also, included in the filing are six promotional discounts in Calendar Year 2019, which include: *Emerging & Advanced Technology*; *Earned Value Reply Mail*; *Personalized Color Transpromo*; *Tactile, Sensory and Interactive*; *Mobile Shopping*; and *Informed Delivery*.

A copy of the USPS notice (166 pages) can be found on the PRC website at:

<https://www.prc.gov/docs/106/106732/Notice%20and%20Attach%20ACD.pdf>

The PRC will likely take 30+ days (*approximately November 13*) to review the filings to confirm whether the proposed price increases are consistent with applicable postal law. If approved by the PRC, increases are scheduled to take **effect on January 27, 2019**.

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

### First Class Mail:

- Increases the one-ounce Single-Piece Stamped Letters price by 5 cents to 55 cents.
- Maintains the 3-cent differential between Stamped Letters and Metered Letters.
- Decreases Flat prices for Single-Piece, Non-Automated Flats and Automated Presort – by 11.0%, 10.5%, and 10.8%, respectively.

### Marketing (Standard) Mail:

- Lowers DSCF and DNDC drop-ship discounts for Letters and Parcels.
- Above average increase for EDDM (Every Door Direct Mail).
- Includes pricing changes to encourage the creation of Carrier Route bundles on 5-Digit Carrier Route pallets for Flat sized mail.

### Periodicals Mail:

- Discounts were lowered for 2 In-County and 9 Outside County workshare categories in order to make them equal to avoided USPS costs.
- The top 100 large circulation publications will see rate hikes between 2.0 and 2.9%.
- Heavier weight mailers will see below average increases.
- Smaller, low circulation publications will see above average increases.

USPS (Proposed) Avg. Price Increases	
Class of Mail	Proposed % Increase
<b>First-Class Mail (Overall)</b>	<b>2.486</b>
Single-Piece Letters/Postcards	7.534
Presort Letters/Postcards	0.999
Flats	-10.951
International - Outbound Single-Piece	0.000
Inbound Letter Post	7.337
<b>Marketing (Standard) Mail (Overall)</b>	<b>2.479</b>
Letters	2.382
Flats	2.621
Parcels	2.691
High Density / Saturation Letters	3.817
High Density / Flats and Parcels	3.556
Carrier Route	0.773
Every Door Direct Mail	5.056
<b>Periodicals Mail (Overall)</b>	<b>2.520</b>
Outside County	2.543
Within County	2.015
<b>Package Services (Overall)</b>	<b>2.522</b>
BPM Flats	2.465
BPM Parcels	2.217
Media and Library Mail	2.954
Alaska Bypass Service	2.200

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 **will be updated and tested over the next few weeks**.

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 2019. For questions, please contact

[Postal.Affairs@rrd.com](mailto:Postal.Affairs@rrd.com).