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USPS Files for 2020 Price Increase

On Thursday, October 10, 2019, the U.S. Postal Service filed with the Postal Regulatory Commission (PRC) a price adjustment notice, effective January 26, 2020, 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 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 1.919% for First-Class Mail, 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*.

A copy of the USPS notice (169 pages) can be found on the PRC website at:

<https://www.prc.gov/docs/110/110623/Notice%20and%20Attach%20ACD.pdf>

The PRC will likely take 30+ days (*approximately November 11*) to review the filings and 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 26, 2020**.

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 (Proposed) 2020 Avg. Price Increases	
Class of Mail	Approved % Increase
First-Class Mail (Overall)	1.919
Single-Piece Letters/Postcards	-0.002
Presort Letters/Postcards	1.950
Flats	9.388
International - Outbound Single-Piece	4.557
Inbound Letter Post	13.376
Marketing (Standard) Mail (Overall)	1.891
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
Periodicals Mail (Overall)	1.900
Outside County	1.921
Within County	1.460
Package Services (Overall)	1.892
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 **will be updated and tested over the next several 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 2020. For questions, please contact

Postal.Affairs@rrd.com.