

# January 2023 Price Change

**NY1 PCC**

**Wednesday, January 18, 2023**

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**PCSC - Classification Specialist**

# January 2023 Price Change

## Competitive Products

# Highlights

- **Effective January 22, 2023**
- **Impacts Commercial and Retail customers, domestically and internationally.**
- **Overall price change will help cover costs with annual inflation rate of 8.2%.<sup>1</sup>**
  - Domestic: 6.1%
  - International: 6.0%
  - Competitive Services: 6.5% Increase
- **Domestic Package Prices:**
  - Strategically *not* changing prices for some ground products and platforms to encourage growth.
  - Price increases to cover costs but maintain competitive edge in industry.
  - Separation of Zone 1 & 2 prices to offer more pricing granularity.
  - Merging of Commercial Base and Commercial Plus
  - Product simplification with retiring of PM Regional Rates
  - Nonstandard Fee Tiering
- **International Package Prices:** 3.5% to 12.0% increase, with slightly higher rate increases for Retail vs Commercial
- **Special Services:** 6.0% to 6.5% increase for Domestic Special and Ancillary Services
- **Revenue impacts for NSA customers will depend on their individual NSA.**

1. United States Bureau of Labor Statistics, October 13, 2022 CPI release - <https://www.bls.gov/news.release/pdf/cpi.pdf>

# First-Class Package Service, Parcel Select Ground, and Retail Ground

## Retail + Commercial

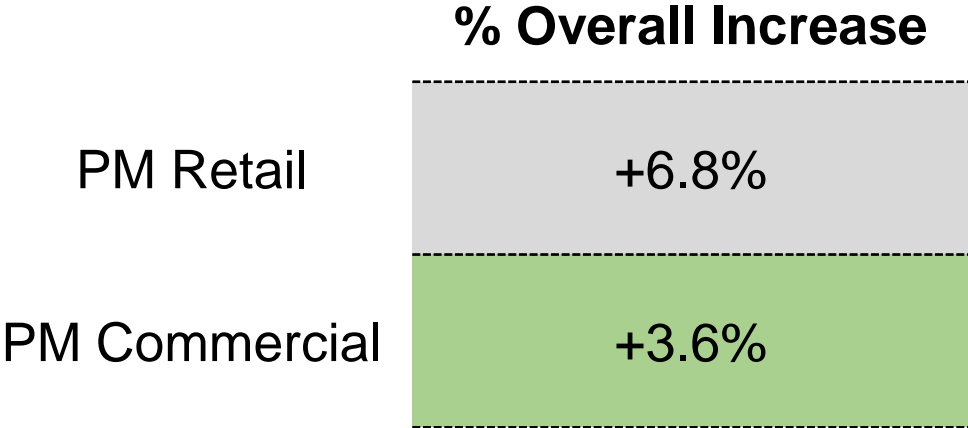
- No price increase for Parcel Select Ground. (Prices were lowered by 12.1% in January 2022)
  - 0% price increase, coupled with our recently improved service standard of 2-5 days, offers a reliable and economical option for shippers.
  - It also features a new lower starting price. (New 1 lb. \$6.99 - \$9.03 formerly \$7.47 - \$9.43)
- Moderate increases for FCPS and Retail Ground to maintain cost coverages due to inflation.
- Still maintains industry-leading affordability.
- Separation of Zone 1 & 2 prices to offer pricing granularity.

	Commercial % Change	Retail % Change
FCPS	+8.0%	+6.9%
Parcel Select Ground / Retail Ground	+0.0%	+6.4%

# Priority Mail

## Retail + Commercial

- Merging of Commercial Base and Commercial Plus.
- Product simplification with retiring of PM Regional Rates
- Modest increases to maintain cost – still lower than competitor increases.
  - No rate change on Priority Mail prices through Connect eCommerce low weight and zone cells. Effective rate change only 1.2%.
  - Priority Mail Commercial rate to increase by 3.6%, well below the rate of inflation
- Separation of Zone 1 & 2 prices to offer pricing granularity.



# Priority Mail Express

## Retail + Commercial

- Merging of Commercial Base and Commercial Plus.
- Modest increase to maintain costs – still lower than competitor increases.
- Separation of Zone 1 & 2 prices to offer pricing granularity.

	<b>% Overall Increase</b>
PME Retail	+6.7%
PME Commercial	+6.0%

# Connect Regional, Connect Local, and Parcel Select DDU

## Commercial Only

- Parcel Select Destination Entry (PSDE) will increase by 5.1%.
- Parcel Select Lightweight (PSLW) will increase by 6.1%.
- Parcel Select Destination Delivery Unit (DDU) prices will increase by 5.6%.
- Destination Entry pricing was lowered in January 2022 for DSCF by 10.4% and DNDC by 23.1% on average.
- Connect Local will maintain current prices to encourage growth.
- Great starting rate of \$3.95 for same-day/next-day service. (Up to 5 lb. DDU Entry)

### Commercial % Change

DNDC / Other	+5.0% PSDE (+7.9% PSLW)
DSCF	+4.7% PSDE (+6.3% PSLW)
DDU	+5.6% (+6.0% PSLW)
Connect Local	+0.0%

# Nonstandard Fee Tiering

- Price updates better aligned with costs.
- Lower prices for Ground and Destination Entry products where we have available space in our transportation network.

## Prices for January 2023

Entry Point	>22"	>30"	> 2 ft <sup>3</sup>
Full Network – PME and PM	\$4.00	\$15.00	\$25.00
Full Network – Ground PSLW – None/Origin Entry	\$4.00	\$7.00	\$15.00
DNDC, DSCF Entry	\$3.00	\$6.00	\$15.00
DDU Entry	\$2.00	\$5.00	\$15.00

Differentiate >2 ft<sup>3</sup> prices

Lower prices

## Additional Structural Changes

- **Deliver Return / Outbound Labels to Residential and Business Addresses for \$1.25 Fee:**
  - Will be available with Return and Outbound offerings.
  - Customers will have an additional option to use when there is a need for a return / outbound label.



# International Package Pricing

## Retail + Commercial

- Slightly higher rate increases for Retail vs Commercial.
- Targeted rate increases based on cost.

Product	PMI			FCPIS			PMEI			GXG			IPA			ISAL		
Channel	Retail	Com-mercial	Total	Retail	Com-mercial	Total	Retail	Com-mercial	Total	Retail	Com-mercial	Total	Retail	Com-mercial	Total	Retail	Com-mercial	Total
2023 Aggregate price increase	6.0%	5.9%	6.0%	6.6%	6.2%	6.5%	6.0%	5.9%	6.0%	4.9%	n/a	4.9%	n/a	3.5%	3.5%	n/a	12.0%	12.0%

<sup>1</sup> YTD PQ3 Total Volume

# Competitive Special Services Pricing

## Domestic + International

P.O. Box proposed price increase have been moderated to 6.5% after 4 years of double-digit increases.

Not all domestic Competitive Special Services prices are proposed to increase.

- Those listed here are proposed to increase on the average by 6.5%.
- Those not listed here are not changing.

Not all International competitive Special Services prices are proposed to increase.

- Those listed here are proposed to increase on the average by about 11%.
- Those not listed here are not changing.



### Domestic Special and Ancillary Services

	Price Δ
P.O Boxes	6.5%
Adult Signature Required	6.5%
Adult Signature Restricted Delivery	6.5%
Premium Forwarding Service	6.5%
Package Intercept	6.5%
Pick up on Demand	6.0%

### International Special and Ancillary Services

	Price Δ
International Certificate of Mailing	11.0%
International Insurance	11.0%
International Registered Mail	11.1%
International Return Receipt	11.6%
Customs Clearance and Delivery	11.3%

# Resources

The final order approving the new competitive prices can be found here: <https://www.prc.gov/dockets/document/123917>.

The price change tables are also available on the Postal Service's Postal Explorer website at [pe.usps.com/PriceChange/Index](https://pe.usps.com/PriceChange/Index).

# January 2023 Price Change

## Market Dominant Products


January 2023

# Promotions, Incentives, and Permit Fees















# 2023 Promotions Calendar

 Marketing Mail and First-Class® Mail Products

 First-Class® Mail Service

 Registration Period

 Promotion Period

PROMOTIONS	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
TACTILE, SENSORY AND INTERACTIVE	 DEC 15		 FEB 1					JUL 31					
PERSONALIZED COLOR TRANSPROMO	 DEC 15		 FEB 1					JUL 31					
EMERGING TECHNOLOGY (now includes Mobile Shopping)				 MAR15		 MAY 1						NOV 30	
REPLY MAIL IMBA 								 MAY 15		 JUL 1			DEC 31
INFORMED DELIVERY								 JUN 15		 AUG 1			DEC 31
RETARGET 									 JUL 15		 SEPT 1		NOV 30

<https://postalpro.usps.com/promotions/2023-promo-calendar>

# Full-Service and Seamless Incentives and Permit Fees

	Current Incentive/Fee	New Incentive/Fee	Percent Change
Full Service IMb			
First-Class Mail	\$0.003	\$0.003	0.0%
USPS Marketing Mail	\$0.003	\$0.003	0.0%
Periodicals	\$0.001	\$0.001	0.0%
Package Services	\$0.001	\$0.001	0.0%
Seamless Incentive	\$0.001	\$0.001	0.0%
Permit Imprint Application Fee	\$275.00	\$290.00	5.5%
Annual Fees (FCM; USPS Mktg. Mail; BPM (Dest. Entry); BRM)	\$275.00	\$290.00	5.5%
BRM Account Maintenance Fee	\$825.00	\$860.00	4.2%
Periodicals Application Original Entry Fee	\$855.00	\$890.00	4.1%
Periodicals Reentry Fee	\$110.00	\$115.00	4.5%

**Price Change**

**First-Class Mail**



# First-Class Mail

Product	Current Price	New Price	Percent Change
Rate Authority			4.2%
Stamp Price	60¢	63¢	5.0%
Meter Price	57¢	60¢	5.3%
Single-Piece Cards	44¢	48¢	9.1%
Single-Piece Flats - 1 ounce	\$1.20	\$1.26	5.0%
Additional ounce rate Letters & Flats	24¢	24¢	0.0%
Nonmachinable surcharge – letters	39¢	40¢	2.6%
Presorted Letters (Auto & Nonauto)	46¢*	48¢*	3.4%
Presorted Cards (Auto & Nonauto)	34¢*	36¢*	6.5%
Presorted Flats (Auto & Nonauto)	\$1.19*	\$1.32*	11.2%
First-Class Mail International Outbound**	\$1.40	\$1.45	3.6%

\*Average revenue per piece

\*\* One ounce price

Inbound prices set by UPU, expected increase 6.1%.



# New Nonautomation Letters Rates

Product	Price Current	Price New	Percent Change In Rates
Automation Mixed AADC	\$0.515	\$0.531	3.1%
Automation AADC	\$0.491	\$0.507	3.3%
Nonauto Mach Mixed AADC	\$0.526	\$0.546	3.8%
Nonauto Mach AADC	\$0.493	\$0.513	4.1%
Nonauto Nonmach Mixed ADC	\$0.794	\$0.825	3.9%
Nonauto Nonmach 3-Digit	\$0.671	\$0.702	4.6%
Nonauto Nonmach 5-Digit	\$0.562	\$0.593	5.5%
QBRM up to 3.5 ounces	\$0.578	\$0.608	5.2%

Widened incentive for Automation

\$4 more per 1000 for Mixed AADC Automation

\$4 more per 1000 for AADC Automation

# First-Class Mail

	Current Price	New Price	\$ Difference	% Difference
1 oz. SP Letters	\$0.60	\$0.63	\$0.02	5.0%
1 oz. SP Metered	\$0.57	\$0.60	\$0.03	5.3%
SP Cards	\$0.44	\$0.48	\$0.04	9.1%
1 oz. Auto Mixed AADC Letters	\$0.515	\$0.531	\$0.016	3.1%
1 oz. Auto AADC Letters	\$0.491	\$0.507	\$0.016	3.3%
1 oz. Auto 5-Digit Letters	\$0.455	\$0.471	\$0.016	3.5%
1 oz. SP Flats	\$1.20	\$1.26	\$0.06	5.0%
Additional Ounce	\$0.24	\$0.24	\$0.00	0.0%
Shared Mail Letters	\$0.63	\$0.66	\$0.03	4.8%

Widened incentive to presort

\$14 more per 1000 to sort to MAADC

Maintained the Gap between AADC and 5-Digit sortation

**Price Change**

**USPS Marketing Mail**

# Structural Change: New Discount – Encourage SCF Pallet Preparation – Positive Operational Impact

- Efficient flow of SCF pallets through the network.
- SCF palletization reduces mail processing costs and improves service times by eliminating bundle or tray handlings and sortation in facilities upstream from the destination SCF or DSCF.
- Discounts are based on the costs that are avoided by grouping pieces on SCF pallets.
- Similar discounts are offered for Carrier Route, High Density, High Density Plus, and Saturation Flats on Delivery Sort Containers.

# USPS Marketing Mail

Product	Current Price	New Price	Percent Change
Available CAP			4.2%
Letters	\$0.245*	\$0.253*	3.3%
High Density Letters	\$0.238*	\$0.258*	8.2%
High Density Plus Letters	\$0.193*	\$0.208*	7.8%
Saturation Letters	\$0.173*	\$0.177*	2.3%
Flats	\$0.511*	\$0.543*	6.3%
Carrier Route	\$0.327*	\$0.347*	6.2%
High Density Flats	\$0.265*	\$0.300*	12.9%
High Density Plus Flats	\$0.204*	\$0.217*	6.3%
Saturation & EDDM Flats	\$0.182*	\$0.186*	2.5%
EDDM-Retail	\$0.187	\$0.189	1.1%
DAL	\$0.065	\$0.070	7.7%
DML	\$0.080	\$0.090	12.5%
Parcels	\$1.952*	\$2.352*	20.5%

\* Average revenue per piece

# Marketing Mail Automation Commercial Letters Prices

## Letters Product Get Below Average Price Increase

Marketing Mail Auto Letters	Current Price	New Price	\$ Difference	% Difference
5-Digit Origin	\$0.296	\$0.305	\$0.009	3.0%
5-Digit DNDC	\$0.273	\$0.282	\$0.009	3.3%
5-Digit DSCF	\$0.266	\$0.275	\$0.009	3.4%
HD DSCF	\$0.240	\$0.260	\$0.020	8.3%
Saturation Origin	\$0.209	\$0.213	\$0.004	1.9%
Saturation DNDC	\$0.186	\$0.190	\$0.004	2.2%
Saturation DSCF	\$0.179	\$0.183	\$0.004	2.2%

The Gap between 5-Digit and HD is narrowed to reduced pricing incentive reflecting corresponding cost savings

# Marketing Mail Piece-Rate Commercial Flats Prices

Marketing Mail Auto Flats	Current Price	New Price	\$ Difference	% Difference
5-Digit Origin	\$0.530	\$0.572	\$0.042	7.9%
5-Digit DSCF	\$0.439	\$0.483	\$0.044	10.0%
C-R Basic DSCF	\$0.323	\$0.352	\$0.029	9.0%
Pure C-R DSCF	\$0.301	\$0.330	\$0.029	9.6%
HD DSCF (125 pieces)	\$0.259	\$0.298	\$0.039	15.1%
HD DSCF on Delivery Sort Container	\$0.247	\$0.283	\$0.036	14.6%
HD+ DSCF (300 pieces)	\$0.214	\$0.230	\$0.016	7.5%
HD+ DSCF on Delivery Sort Container	\$0.204	\$0.218	\$0.014	6.9%
Saturation DSCF (90%)	\$0.200	\$0.207	\$0.007	3.5%
Saturation DSCF on Delivery Sort Container	\$0.193	\$0.198	\$0.005	2.6%
Saturation DDU (90%)	\$0.181	\$0.187	\$0.006	3.3%
Saturation DDU on Delivery Sort Container	\$0.174	\$0.178	\$0.004	2.3%

Widened incentive to presort and use Delivery Sort containers

\$15 more per 1000 to sort to CR

\$3 more per 1000 for HD flats on Delivery Sort container

\$2 more per 1000 to put HD+ flats on Delivery Sort container

\$2 more per 1000 to put Saturation flats on Delivery Sort container



## New Discount – SCF Pallet Discount

Product	Presort Level	Per-Piece Discount
Flats	3-Digit & 5-Digit	1.4¢
Carrier Route	Basic CR Flats	1.1¢
High Density and Saturation Flats / Parcels	High Density Flats	0.8¢
High Density and Saturation Flats / Parcels	High Density Plus Flats	0.7¢
High Density and Saturation Flats / Parcels	Saturation (including EDDM) Flats	0.2¢

# INDUSTRYALERT

January 6, 2023

## Postal Service Announces 30-Day Grace Period for Implementation of Sack Elimination

Effective: January 22, 2023

The Postal Service is announcing that there will be 30-day Grace Period following the implementation of the new Sack Elimination rules for Periodical and USPS Marketing Mail flats on January 22, 2023. This grace period is to allow the mailers time to modify their operations, adjust their mailing plans, and any other procedures to accommodate this change. It will also allow for receipt of mail already in transit for drop ship at the time of the implementation.

During the grace period, the Postal Service will continue to accept and process this flat volume in sacks, bundles, or flat trays without penalty or assessment. The grace period will expire February 21, 2023. At that time, mailers will be required to be in compliance with the new rules. Mailers are able and encouraged to adopt the new rules as soon as they ready.

If you have any questions, please contact your local Business Mail Acceptance personnel.

[Federal Register Notice - Removal of Sacks - USPS Marketing Mail and Periodicals](#)

## Policies, Procedures, and Forms Updates

### Manuals

#### DMM Revision: Flat Trays Alternative

Effective November 7, 2022, the Postal Service™ will revise *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®), in various sections, to add flat trays as an alternative handling unit to sacks and bundles for USPS Marketing Mail® and Periodicals flats.

The Postal Service will also update Quick Service Guides (QSG) to add flat trays as an alternative handling unit. The QSG sections that will be revised include:

- 207d, “Periodicals Nonbarcoded Flats”;
- 207f, “Periodicals Barcoded (Automation) Flats”;
- 240e, “Commercial — USPS Marketing Mail Nonautomation Flats”;

- 240f, “Commercial — USPS Marketing Mail Automation Flats”;
- 240g, “Commercial — USPS Marketing Mail Carrier Route Flats”; and
- 705a, “Pallets.”

For questions or support, contact the local Business Mail Entry Unit or the Postal Service Mailing and Shipping Solutions Center at 877-672-0007 or [MSSC@usps.gov](mailto:MSSC@usps.gov).

The standards become effective immediately after they have been published.

The Postal Service will incorporate these revisions into the November 7, 2022, edition of the online DMM, which is available via Postal Explorer® at [pe.usps.com](https://pe.usps.com).

— Product Classification,  
Product Solutions, 10-6-22

# Price Change Periodicals

## Periodicals Mail – Outside County (Across the Nation)

Product	Price Change Percentage
Rate Authority	4.2%
Pounds	2.2%
Pieces	4.6%
Bundles	3.0%
Sacks	3.8%
Trays	3.9%
Pallets	4.2%

Encourage drop-shipping - Origin entry editorial pounds price increasing by 17.8% while the overall pound price increase by 2.2%.

Increased price of origin entry pallets  
Origin Entered Mixed ADC pallets price increased to 34%.

Sacks containing flats will only be accepted at DSCF and DDU. Sacks containing parcels will be accepted at all entry levels. Bundles in sacks at other than DSCF and DDU will be required to be dumped in a Postal Service provided container and will not be charged a container price.

The prices of bundles in sacks at other than DSCF and DDU will be charged as if these are in Origin Mixed ADC container.

# Price Change Package Service

# Package Services Mail

Product	Current Price	New Price	Percent Change
Available CAP			4.2%
Alaska Bypass Service	\$30.00*	\$31.26*	4.2%
BPM Flats	\$0.88*	\$0.91*	2.5%
BPM Parcels	\$1.33*	\$1.39*	4.6%
Total Media / Library Mail	\$4.49*	\$4.69*	4.4%

\* Average revenue per piece

BPM Parcels, Media/Library Mail receive higher than average price increase as they are non-compensatory

Changed structure for drop-shipping incentives.

The New BPM Presort Flats prices set the per pound prices equal for all entry levels but provide incentives per pieces for deeper entry into the Postal network.

# Price Change

## Special Services



# Ancillary & Special Services

Special Services	Percent Price Change
Available CAP	4.2%
Certified	3.8%
Post Office Boxes	4.5%
Return Receipts	3.7%
Money Orders	6.7%
Insurance	4.6%
Registry	4.6%
Other	Varies



# Resources

# Resources

## Online

Postal Explorer® — [pe.usps.com](https://pe.usps.com)

- Current and new prices, in Excel and CSV formats, and draft Notice 123 (Pricelist)
- *Federal Register* notices detailing the price and classification changes
- *Domestic Mail Manual & International Mail Manual*

*DMM*® *Advisory* — on Postal Explorer, also special e-mail updates

- To subscribe to the DMM Advisory or to send comments and suggestions, email us at [dmmadvisory@usps.com](mailto:dmmadvisory@usps.com).

PostalPro - <https://postalpro.usps.com/>

- January 2023 Release FAQ - <https://postalpro.usps.com/january-2023-release-FAQs>



**Questions?**