

Many U.S. Postal Rates Will Grow Again This Spring

April 17, 2011, will be a red letter day on two fronts: The I.R.S. deadline for filing Federal Personal Income Tax returns and the effective date for a new round of Postal Service product and service price increases.

Last week the U.S. Postal Service (USPS) filed a request with the Postal Regulatory Commission (PRC) for a new round of postal service increases effective April 17. According to the USPS, the increases are limited to the Consumer Price Index (CPI) cap of 1.7%, consistent with the Postal Law of 2006.

Postmaster General Patrick R. Donahoe said he had consulted with industry representatives on the effective date for the prices and on relaxing some guidelines on implementing Intelligent Mail services beyond the previously announced May 2011 deadline.

"We heard concerns that we were moving too fast on discontinuing POSTNET coding, and we will continue to offer the automation prices for mail with POSTNET barcodes beyond May 2011," Donahoe said. He emphasized the value of the Intelligent Mail barcode (IMb) to mailers and reiterated the Postal Service commitment to implementing the IMb. To date, more than 41 billion pieces of mail have been processed using the IMb.

Recognizing ongoing industry concerns with challenges associated with implementing the IMb, Donahoe announced that mailers can continue to use POSTNET barcodes to qualify for automation discounts. The POSTNET code was to sunset this May to enable broad adoption and use of the IMb. There will be no Full Service Address Change Service (ACS) charges.

Periodicals Up 1.1%-1.8%

The new rates include retaining the single-piece, one-ounce First-Class letter rate at 44 cents, but increasing additional ounces to 20 cents; and increasing the postcard rate one cent. Express Mail and Priority Mail rates are unaffected at present, but prices for Standard Mail, Periodicals, Package Services, and Extra Services, will change in April.

Following is a summary of percentage changes by product and service:

Product/Service: Percentage Increase First-Class Mail

Single-piece Letters & Cards: 0.5%
Flats: 5.3%
Parcels: 3.8%
Presort Letters & Cards: 1.8%
International (Outbound and Inbound): 4.0%

Standard Mail:

Letters: 1.8%
Flats: 0.8%
Carrier Route Letters, Flats, and Parcels: 1.4%
High Density / Saturation Letters: 0.6%
High Density / Saturation Flats and Parcels: 0.4%
Parcels (NFM's / Parcels): 11.3%

Periodicals

Outside County: 1.8%
Inside County: 1.1%

[Click here](#) for more detailed pricing information.

The proposed price changes are expected to generate \$340 million for the balance of the fiscal year and \$720 million if implemented for a 12-month period.

