

Talking Points and Frequently Asked Questions

Shipping Services Price Change – January 21, 2024

Talking Points

- As part of its 10-year plan to achieve financial sustainability and service excellence, the United States Postal Service has filed notice with the Postal Regulatory Commission (PRC) of price changes for some shipping products. Notably, the pricing for USPS Connect Local will remain unchanged.
- The Postal Service continues to offer USPS Ground Advantage- a new ground shipping solution that provides a simple, reliable, and affordable way to ship packages across the continental U.S. in about 2-5 business days. Also, Click-N-Ship offers a variety of shipping services, postage options, competitive shipping rates and mailing tools for businesses.
- Even with proposed shipping rate adjustments, USPS prices will remain among the world's most affordable and offers a great shipping value.
- Pricing-generated revenue to help fund \$40 billion of investments in people, technology, and infrastructure to modernize and improve Postal Service's operations and customer experience.
- Shipping Services prices are primarily adjusted according to market conditions.

These proposed prices were approved by the Postal Service governors and continue to make the Postal Service a great value in shipping. Also, unlike some other shippers, the Postal Service has upfront pricing and does not add surcharges for residential delivery or regular Saturday delivery.

- These near-term pricing actions are needed to address USPS operating losses.

Internal FAQs

1. What is happening to the prices?

The Postal Service is asking the PRC to review prices with some Shipping Services. The rate change request is part of balanced approach under "Delivering for America," the Postal Service's 10-year plan for achieving financial sustainability and service excellence.

Shipping Services prices are primarily adjusted according to market conditions. The Governors believe these new rates will keep the Postal Service competitive while providing the agency with needed revenue.

Even with proposed rate increases, USPS prices will remain among the world's most affordable and a great value in shipping.

2. Why are market dominant prices (stamps) increasingly going up in cost compared to Shipping Services prices?

As part of the [Deliver for America Plan](#) of achieving financial stability and generating revenues to invest in much needed infrastructure, network upgrades, and mail processing equipment, price adjustments for market-dominant products, such as First-Class Stamps are granted under the authority of the Postal Regulatory Commission. The Postal Service continues to offer some the lowest First-Class postage in the world.

3. When will the change take place?

The change is expected to take effect January 21, 2024, if approved by the PRC.

4. Why are the prices changing?

As part of its 10-year plan to achieve financial sustainability and service excellence, the Postal Service is asking the Postal Regulatory Commission (PRC) to review proposed increases to some of its prices of shipping services.

The new rates – if favorably reviewed by the PRC – for our shipping service products, will keep the Postal Service competitive while providing the agency with needed revenue.

Even with postage rate increases, USPS prices will remain among the world’s most affordable and offers a great value in shipping.

EXTERNAL FAQ

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4. How will this change help the Postal Service?

The rate change request is part of balanced approach under “Delivering for America,” the Postal Service’s 10-year plan for achieving financial sustainability and service excellence. With full implementation, the 10-year plan reverses a projected \$160 billion in losses over the next 10 years.

5. Has the Postal Service been losing money on package delivery like it has on mail?

According to the Postal Accountability and Enhancement Act (PAEA) of 2006, competitive rates set by the Postal Service are required to cover all of their own costs plus an appropriate share of overhead. These rates are in compliance with that act.

6. How much money does Priority Mail and Priority Mail Express generate for the Postal Service?

Priority Mail and Priority Mail Express, accounted for \$12.7 billion, or 16.2 percent, of the \$78.8 billion in total revenue in FY22.

7. How many packages did the Postal Service deliver in 2022?

The Postal Service delivered 7.3 billion packages to nearly 165 million addresses across the country.

8. Do you expect to raise shipping rates again in 2024?

We’re continually reviewing our pricing approach for all products.

9. As a result of the Plan, will the public have to pay higher rates for slower package service?

The Plan enables reliable and predictable service to our customers and proposes a fair pricing approach that aligns to market realities. We are pursuing a rational pricing approach, adjusted according to market conditions. The Plan will enable us to design a precise and efficient processing and transportation network, positioning us to deliver 95 percent of all mail and packages on-time. Judicious price increases paired with investment in our network will allow us to provide the predictable, reliable service that the American people expect and deserve and ensure the financial sustainability of the Postal Service.

10. Are there other ways the Postal Service can improve its financial standing without raising prices?

Price changes make up one of four main approaches outlined in our Delivering for America Plan, all of which must be executed to reverse \$160B in projected losses over the next 10 years. Price changes, as well as other Plan elements to increase efficiencies and reduce costs are self-help strategies that the Postal Service can initiate right now.

The extent to which other parts of the Plan are successful could serve to mitigate the need for price increases as we move forward. See the [Delivering for America Plan](#) here.