



WEBINAR

USPS PRICE INCREASE

PROPOSAL JANUARY 2023



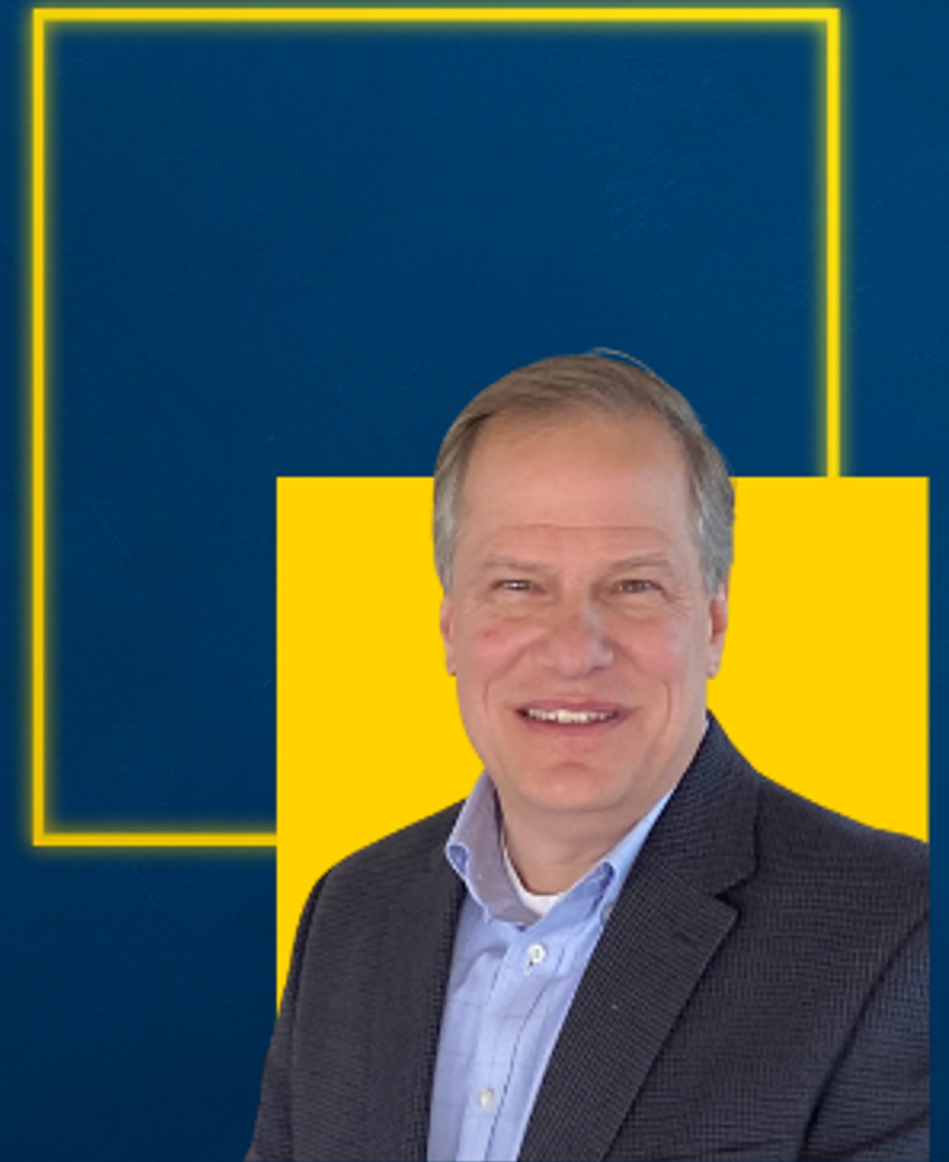
THURSDAY,
OCTOBER 27TH, 2022



12:00 PM - 1PM EST



MONICA LUNDQUIST
POSTAL OPERATIONS DIRECTOR,
LSC COMMUNICATIONS



CHRIS BROWN
VICE PRESIDENT OF CO-SERVICES,
LSC COMMUNICATIONS



LSC COMMUNICATIONS

Catalog | Magazine | Logistics | Marketing Production

USPS PRICE INCREASE PROPOSAL JANUARY 2023



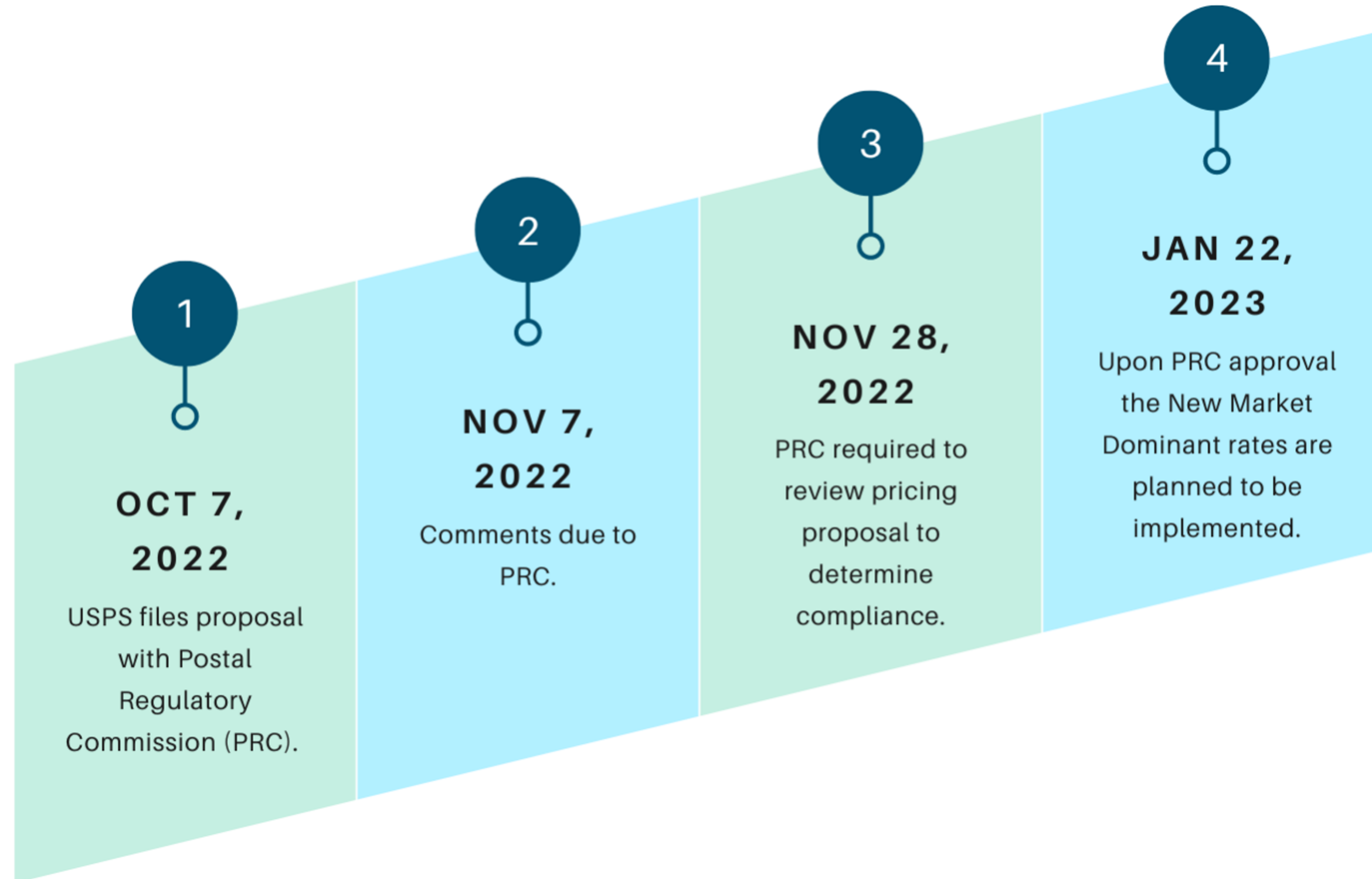


AGENDA

- 1 Status and Timeline
- 2 Overall Proposed Price Increases
- 3 Break out by Class and Shape
- 4 Promotions
- 5 Samples of postage increases
- 6 Opportunities
- 7 Next steps and LSC contacts



STATUS AND TIMELINE





USPS PROPOSAL

USPS filed proposal with Postal Regulatory Commission on October 7, 2022 using almost full price authority

Table 3
Total Available Cap Space

Class	CPI-U (%)	Density (%)	Retirement (%)	Non-Compensatory (%)	Bank (%)	Total Cap Space (%)
First-Class Mail	4.200	N/A	N/A	N/A	0.001	4.201
USPS Marketing Mail	4.200	N/A	N/A	N/A	0.005	4.205
Periodicals	4.200	N/A	N/A	N/A	0.000	4.200
Package Services	4.200	N/A	N/A	N/A	0.000	4.200
Special Services	4.200	N/A	N/A	N/A	0.062	4.262



PROPOSED PRICE CHANGES

Overall price changes range from
4.198% to 4.203% →

**Individual price categories may
be higher or lower increases**

Table 4
Price Change Percentages

Class	Percent Change
First-Class Mail	4.200
USPS Marketing Mail	4.203
Periodicals	4.200
Package Services	4.197
Special Services	4.198



PROPOSED PRICE CHANGES

Marketing Mail

Increases from **1.070%** to

20.493%

**Mailings must be analyzed
individually**



Table 8
USPS Marketing Mail Product Price Changes

Product	Percent Change
Letters	3.292
Flats	6.251
Parcels	20.493
High Density / Saturation Letters	6.180
High Density / Saturation Flats and Parcels	4.699
Carrier Route	6.209
Every Door Direct Mail – Retail	1.070
Overall	4.203



PROPOSED PRICE CHANGES

Periodicals Mail

Increases from **4.014%** to **7.614%**

**Mailings must be analyzed
individually**



Table 16
Periodicals Price Changes

Product	Percent Change
Outside County	4.014
Within County	7.614
Overall	4.200



PROPOSED PRICE CHANGES

Package Services

Increases from **2.528%** to **4.641%**

**Mailings must be analyzed
individually**



Table 18
Package Services Price Changes

Product	Percent Change
Alaska Bypass Service	4.205
Bound Printed Matter Flats	2.528
Bound Printed Matter Parcels	4.641
Media Mail and Library Mail	4.381
Overall	4.197



JULY 2022 VS JAN 2023 POSTAL RATES

Marketing Mail Flats Regular Rates:				
	Current Rates July 2022	Rates PROPOSED JAN 2023	\$ Change	% Change
Profit/ Piece Rate/ Auto/ SCF				
Saturation / 5 Digit Pallet	\$0.193	\$0.198	\$0.005	2.591%
High Density Plus / 5 Digit Pallet	\$0.204	\$0.218	\$0.014	6.863%
Saturation	\$0.200	\$0.207	\$0.007	3.50%
High Density Plus	\$0.214	\$0.230	\$0.016	7.48%
High Density CR Bundles/5 Digit Pallets	\$0.247	\$0.283	\$0.036	14.57%
High Density	\$0.259	\$0.298	\$0.039	15.06%
Basic CR Bundles/5 Digit Pallets	\$0.301	\$0.330	\$0.029	9.63%
Basic Carrier Route	\$0.323	\$0.352	\$0.029	8.98%
5 Digit	\$0.439	\$0.483	\$0.044	10.02%
3 Digit	\$0.593	\$0.637	\$0.044	7.42%
ADC	\$0.691	\$0.735	\$0.044	6.37%
NEW! Mail on 3-Digit/SCF Pallets receives these additional discounts per piece:				
3-Digit/5-Digit	\$0.014			
Carrier Route	\$0.011			
High Density	\$0.008			
High Density +	\$0.007			
Saturation	\$0.002			



JULY 2022 VS JAN 2023 POSTAL RATES

Marketing Mail Flats Non Profit Rates:				
Non Profit / Piece Rate/ Auto/ SCF	Current Rates July 2022	Rates PROPOSED JAN 2023	\$ Change	% Change
Saturation / 5 Digit Pallet	\$0.101	\$0.106	\$0.005	4.7%
Saturation	\$0.108	\$0.115	\$0.007	6.1%
High Density Plus / 5 Digit Pallet	\$0.110	\$0.124	\$0.014	11.3%
High Density Plus	\$0.120	\$0.136	\$0.016	11.8%
High Density CR Bundles/Pallets	\$0.156	\$0.192	\$0.036	18.8%
High Density	\$0.168	\$0.207	\$0.039	18.8%
Basic CR Bundles/Pallets	\$0.210	\$0.239	\$0.029	12.1%
Carrier Route	\$0.232	\$0.261	\$0.029	11.1%
5 Digit	\$0.233	\$0.268	\$0.035	13.1%
3 Digit	\$0.387	\$0.422	\$0.035	8.3%
ADC	\$0.485	\$0.520	\$0.035	6.7%
NEW! Mail on 3-Digit/SCF Pallets receives these additional discounts per piece:				
3-Digit/5-Digit	\$0.014			
Carrier Route	\$0.011			
High Density	\$0.008			
High Density +	\$0.007			
Saturation	\$0.002			



JULY 2022 VS JAN 2023 POSTAL RATES

Marketing Mail Letter Regular Rates:				
	Current Rates	Rates		
Profit/ Piece Rate/ Auto/ SCF	July 2022	PROPOSED JAN 2023	\$ Change	% Change
Saturation	\$0.1790	0.1830	\$0.0040	2.2%
High Density Plus	\$0.1950	0.2100	0.015	7.7%
High Density	\$0.2400	0.2600	0.02	8.3%
5-Digit	\$0.2660	0.2750	0.009	3.4%
AADC	\$0.2980	0.3090	0.011	3.7%

Marketing Mail Letter Nonprofit Rates:				
	Current Rates	Rates		
Non-Profit/ Piece Rate/ Auto/ SCF	July 2022	PROPOSED JAN 2023	\$ Change	% Change
Saturation	\$0.0980	0.1020	\$0.0040	4.1%
High Density Plus	\$0.1050	0.1200	0.015	14.3%
High Density	\$0.1230	0.1270	0.004	3.3%
5-Digit	\$0.1240	0.1280	0.004	3.2%
AADC	\$0.1560	0.1620	0.006	3.8%



HOW ARE POSTAL DISCOUNTS ACHIEVED?

Marketing Mail Flats Regular Rates:

	Current Rates July 2022	Work Sharing Discount Per M	Rates PROPOSED JAN 2023	Work Sharing Discount Per M
Marketing Mail Profit/ Piece Rate/ Auto/ SCF				
Saturation / 5 Digit Pallet	\$0.193	\$7.00	\$0.198	\$9.00
Saturation	\$0.200	\$4.00	\$0.207	\$11.00
High Density Plus / 5 Digit Pallet	\$0.204	\$10.00	\$0.218	\$12.00
High Density Plus	\$0.214	\$33.00	\$0.230	\$53.00
High Density CR Bundles/5 Digit Pallets	\$0.247	\$12.00	\$0.283	\$15.00
High Density	\$0.259	\$42.00	\$0.298	\$32.00
Basic CR Bundles/5 Digit Pallets	\$0.301	\$22.00	\$0.330	\$22.00
Basic Carrier Route	\$0.323	\$116.00	\$0.352	\$131.00
5 Digit	\$0.439	\$154.00	\$0.483	\$154.00
3 Digit	\$0.593	\$98.00	\$0.637	\$98.00
ADC	\$0.691		\$0.735	

Work-sharing discounts encourage mail service providers to invest in equipment to sort the mail or do other work the Postal Service would have provided. Currently over 85% of the mail volume within the USPS has some level of workshare discount.



JULY 2022 VS JAN 2023 POSTAL RATES

Periodical Mail Rates:				
Profit/ Piece Rate/ Auto/ SCF	Rates July 2022	Rates PROPOSED JAN 2023	\$ Change	% Change
Saturation	0.170	\$0.175	0.005	2.9%
High Density	0.192	\$0.202	0.010	5.0%
Basic Carrier Route	0.225	\$0.235	0.010	4.3%
5-Digit	0.424	\$0.434	0.010	2.3%
3-Digit	0.555	\$0.565	0.010	1.8%
ADC	0.595	\$0.605	0.010	1.7%
Mixed ADC	0.659	\$0.669	0.010	1.5%



JULY 2022 VS JAN 2023 POSTAL RATES

Periodical Mail Rates:

	Current Rates July 2022 Advertising	Current Rates July 2022 Editorial	Rates PROPOSED JAN 2023 ADVERTISING	Rates PROPOSED JAN 2023 EDITORIAL	\$ Change Advertising	\$ Change Editorial	% Change Advertising	% Change Editorial
Profit Pound Prices - Outside County								
DDU	\$0.120	\$0.090	\$0.121	\$0.091	\$0.001	\$0.001	0.8%	1.1%
DSCF	\$0.176	\$0.132	\$0.178	\$0.134	\$0.002	\$0.002	1.1%	1.5%
DADC	\$0.188	\$0.141	\$0.190	\$0.143	\$0.002	\$0.002	1.1%	1.4%
Zones 1 & 2	\$0.294	\$0.185	\$0.297	\$0.194	\$0.003	\$0.009	1.0%	4.6%
Zone 3	\$0.294	\$0.185	\$0.297	\$0.194	\$0.003	\$0.009	1.0%	4.6%
Zone 4	\$0.294	\$0.185	\$0.297	\$0.194	\$0.003	\$0.009	1.0%	4.6%
Zone 5	\$0.294	\$0.185	\$0.297	\$0.194	\$0.003	\$0.009	1.0%	4.6%
Zone 6	\$0.294	\$0.185	\$0.297	\$0.194	\$0.003	\$0.009	1.0%	4.6%
Zone 7	\$0.294	\$0.185	\$0.297	\$0.194	\$0.003	\$0.009	1.0%	4.6%
Zone 8	\$0.294	\$0.185	\$0.297	\$0.194	\$0.003	\$0.009	1.0%	4.6%
Zone 9	\$0.294	\$0.185	\$0.297	\$0.194	\$0.003	\$0.009	1.0%	4.6%



PACKAGE SERVICES, BPM PARCEL

		Carrier Route	Presort	Plus per pound	
		Per Piece	Per Piece	+	Per Pound
Zone	Local, 1 & 2	4%	4%	+	1%
	3	4%	4%	+	1%
	4	4%	4%	+	1%
	5	4%	4%	+	1%
	6	4%	4%	+	1%
	7	4%	4%	+	1%
	8	4%	4%	+	1%
	9	4%	4%	+	1%
	Destination Entry				
DNDC	1&2	5%	4%	+	1%
	3	5%	4%	+	1%
	4	5%	4%	+	1%
DSCF	5	5%	4%	+	1%
	DDU	5%	5%	+	-9%
		5%	5%	+	15%

Weight Not Over (lbs)	Nonpresorted						
	Zones 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zones 8 & 9
1.0	4%	4%	4%	4%	4%	4%	4%
1.5	4%	4%	4%	4%	4%	4%	4%
2.0	5%	5%	5%	5%	5%	5%	5%
2.5	5%	5%	5%	5%	5%	5%	5%
3.0	4%	4%	4%	4%	4%	4%	4%
3.5	4%	4%	4%	4%	4%	4%	4%
4.0	4%	4%	4%	4%	4%	4%	4%
4.5	5%	5%	5%	5%	5%	5%	5%
5.0	4%	4%	4%	4%	4%	4%	4%
6.0	4%	4%	4%	4%	4%	4%	4%
7.0	4%	4%	4%	4%	4%	4%	4%
8.0	4%	4%	4%	4%	4%	4%	4%
9.0	4%	4%	4%	4%	4%	4%	4%
10.0	4%	4%	4%	4%	4%	4%	4%
11.0	5%	5%	5%	5%	5%	5%	5%
12.0	4%	4%	4%	4%	4%	4%	4%
13.0	5%	5%	5%	5%	5%	5%	5%
14.0	4%	4%	4%	4%	4%	4%	4%
15.0	4%	4%	4%	4%	4%	4%	4%



FULL-SERVICE, SEAMLESS INCENTIVES, AND PERMIT FEES

	Current Incentive	Proposed Incentive	Percent Change
Full-Service Imb			
First-Class Mail	\$0.003	\$0.003	0.000%
Marketing Mail	\$0.003	\$0.003	0.000%
Periodicals	\$0.001	\$0.001	0.000%
Package Services	\$0.001	\$0.001	0.000%
Seamless Incentive	\$0.001	\$0.001	0.000%
Permit Fee	\$275.00	\$290.00	5.455%
Periodicals Application Original Entry Fee	\$850.00	\$890.00	4.706%

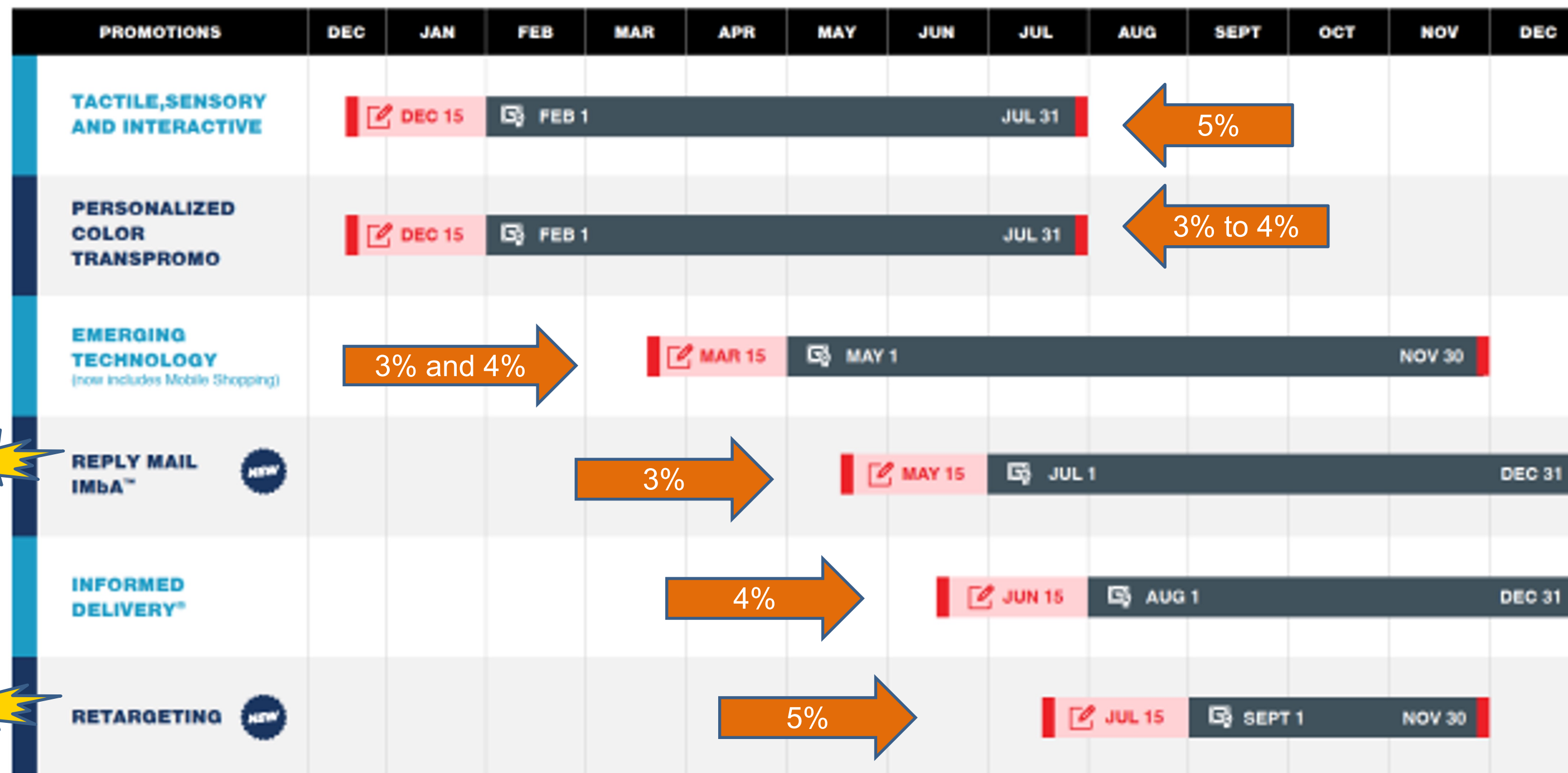


2023 USPS PROMOTIONS – TWO NEW PROMOTIONS!

Figure 1: 2023 Promotions Calendar

2023 PROMOTIONS CALENDAR

USPS Marketing Mail® and First-Class® Mail Products First-Class® Mail Service Registration Period Promotion Period



New!

New!

3% and 4%

3%

4%

5%

5%

3% to 4%



JAN 2023 PROPOSED PRICES – CATALOG A

USPS Marketing Mail Regular Letters

- .1773 lbs per piece
- 4,376,787 pieces
- Drop ship
- No Carrier Route or High Density

Total Pieces

4,376,787.00

Total July 2022 Postage

\$ 1,115,268.76

Total Jan 22nd, 2023 Postage

\$ 1,152,828.36

INCREASE %

3.37%



JAN 2023 PROPOSED PRICES – CATALOG B

USPS Marketing Mail Regular Letters

- .1638 lbs per piece
- 139,799 pieces
- Drop ship
- No Carrier Route or High Density

Total Pieces

139,799.00

Total July 2022 Postage

\$ 40,814.67

Total Jan 22nd, 2023 Postage

\$ 42,273.84

INCREASE %

3.58%



JAN 2023 PROPOSED PRICES – CATALOG C

USPS Marketing Mail Regular Flats

- .2617 lbs per piece
- 116,435 pieces
- Drop Ship
- Comail

Total Pieces	116,435	Estimate % of Pieces that will be on SCF pallets
Total July, 2022 Postage	\$ 38,850.04	Enter Here as a %
Total Jan 22nd, 2023 Postage	\$ 41,283.34	90% ←
		INCREASE %
		6.26%



JAN 2023 PROPOSED PRICES – CATALOG D

USPS Marketing Mail Regular Flats

- .2845 lbs per piece
- 285,921 pieces
- Drop Ship
- Comail
- High Density

Total Pieces	285,921	Estimate % of Pieces that will be on SCF pallets
Total July, 2022 Postage	\$ 73,312.86	Enter Here as a %
Total Jan 22nd, 2023 Postage	\$ 82,759.42	90% ←
		INCREASE %
		12.89%



JAN 2023 PROPOSED PRICES – CATALOG E

USPS Marketing Mail Regular Flats

- .2459 lbs
- 30,000 pieces
- Drop ship from printing plant

Total Pieces	30,000	Estimate % of Pieces that will be on SCF pallets
Total July, 2022 Postage	\$ 18,296.16	Enter Here as a %
Total Jan 22nd, 2023 Postage	\$ 19,556.16	INCREASE %
		6.89%





JAN 2023 PROPOSED PRICES – CATALOG F

USPS Marketing Mail Nonprofit Flats

- .3609 lbs
- 7,457 pieces
- Drop ship from plant

Total Pieces	7,457	Estimate % of Pieces that will be on SCF pallets Enter Here
Total July, 2022 Postage	\$ 7,416.04	INCREASE %
Total Jan 22nd, 2023 Postage	\$ 7,902.88	6.6%



JAN 2023 PROPOSED PRICES – MAGAZINE A

Periodicals Nonprofit Flats

- .4655 lbs per piece
- 48.09% ads
- 74,565 copies

	Percent of Aug 2021 Postage	JULY 2022 PRICES	JANUARY 2023 PRICES	Percent of July 2022 Postage	PERCENT CHANGE
IN-COUNTY	0.0%	\$ -	\$ -	0.0%	
POUND POSTAGE	8.0%	\$ 2,906.693	\$ 2,981.01	7.9%	2.56%
PIECE POSTAGE	82.6%	\$ 30,063.30	\$ 30,808.94	82.1%	2.48%
BUNDLES	12.9%	\$ 4,696.48	\$ 4,884.01	13.0%	3.99%
SACKS/TRAYS	0.0%	\$ -	\$ -	0.0%	
PALLETS	1.6%	\$ 571.02	\$ 755.75	2.0%	32.35%
DISCOUNT	-5.01%	\$ (1,825.42)	\$ (1,884.14)	-5.02%	3.22%
		JULY 2022 PRICES	JANUARY 2023 PRICES		OVERALL CHANGE
		\$ 36,412.08	\$ 37,545.55		3.11%



JAN 2023 PROPOSED PRICES – MAGAZINE B

Periodicals Regular Flats

- .401 lbs per piece
- 61.0% ads
- 48,900 copies
- SCF entry

	Percent of Aug 2021 Postage	JULY 2022 PRICES	JANUARY 2023 PRICES	Percent of July 2022 Postage	PERCENT CHANGE
IN-COUNTY	0.0%	\$ -	\$ -	0.0%	
POUND POSTAGE	14.9%	\$ 4,153.868	\$ 4,230.24	14.8%	1.84%
PIECE POSTAGE	71.6%	\$ 19,954.74	\$ 20,442.90	71.5%	2.45%
BUNDLES	9.9%	\$ 2,769.65	\$ 2,864.25	10.0%	3.42%
SACKS/TRAYS	0.0%	\$ -	\$ -	0.0%	
PALLETS	3.6%	\$ 1,007.47	\$ 1,067.86	3.7%	5.99%
DISCOUNT	0.00%	\$ -	\$ -	0.00%	
		JULY 2022 PRICES	JANUARY 2023 PRICES		OVERALL CHANGE
		\$ 27,885.73	\$ 28,605.25		2.58%



JAN 2023 PROPOSED PRICES – MAGAZINE C

Periodicals Regular Flats

- .36703 lbs per piece
- 14.41% ads
- 55,028 copies
- Co-mail

	Percent of Aug 2021 Postage	JULY 2022 PRICES	JANUARY 2023 PRICES	Percent of July 2022 Postage	PERCENT CHANGE
IN-COUNTY	0.0%	\$ -	\$ -	0.0%	
POUND POSTAGE	18.3%	\$ 2,823.632	\$ 2,866.59	17.8%	1.52%
PIECE POSTAGE	67.5%	\$ 10,415.68	\$ 10,965.96	68.2%	5.28%
BUNDLES	10.8%	\$ 1,659.89	\$ 1,697.92	10.6%	2.29%
SACKS/TRAYS	0.0%	\$ -	\$ -	0.0%	
PALLETS	3.5%	\$ 534.52	\$ 542.57	3.4%	1.51%
DISCOUNT	0.00%	\$ -	\$ -	0.00%	
		JULY 2022 PRICES	JANUARY 2023 PRICES		OVERALL CHANGE
		\$ 15,433.72	\$ 16,073.04		4.14%



JAN 2023 PROPOSED PRICES – BOUND PRINTED MATTER

Package Services Bound Printed

Matter Flats

- 1.66 lbs. per piece
- 985,922 pieces
- Drop ship

July 2022	Jan 2023	Percent	Difference
\$897,709.21	\$919,507.01	2.4282%	\$21,797.80

Package Services Bound Printed

Matter Parcels

- 7.58 lbs. per piece
- 22,620 pieces
- Drop ship

July 2022	Jan 2023	Percent	Difference
\$62,673.17	\$64,433.63	2.81%	\$1,760.46



NEXT STEPS

It is also important to note that these are **proposed increases**; they still need to be approved by the Postal Regulatory Commission (PRC)

Implementation date, if approved by the PRC, will be January 22, 2023

Analyze mailings and share findings with mailing/industry associations.



OPPORTUNITIES

Marketing Mail Flats

- New 3-Digit/SCF pallet discounts

Product	Presort Level	Per-Piece Discount (cents)
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

Flexibility

- New Formats
- Co-Optimizations

Promotions

- Two new promotions: Reply Mail IMbA and Retargeting
 - Promotion timelines extended
- Promotion savings incentives increased





CONTACT US

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SCAN ME