



POSTAL SERVICE

Change in Rates and Classifications of General Applicability for Competitive Products

AGENCY: Postal Service™.

ACTION: Notice of a change in rates and classifications of general applicability
for competitive products.

SUMMARY: This notice sets forth changes in rates and classifications of
general applicability for competitive products.

DATES: *Applicability date:* January 19, 2025.

FOR FURTHER INFORMATION CONTACT: Elizabeth Reed, 202-268-3179.

SUPPLEMENTARY INFORMATION: On November 13, 2024, pursuant to their
authority under 39 U.S.C. 3632, the Governors of the Postal Service established
price and classification changes for competitive products. The Governors'
Decision and the record of proceedings in connection with such decision are
reprinted below in accordance with section 3632(b)(2). Mail Classification
Schedule language containing the new prices can be found at www.prc.gov.

Christopher Doyle,

Attorney, Ethics & Legal Compliance.

DECISION OF THE GOVERNORS OF THE UNITED STATES POSTAL SERVICE ON CHANGES IN RATES AND CLASSIFICATIONS OF GENERAL APPLICABILITY FOR COMPETITIVE PRODUCTS (GOVERNORS' DECISION NO. 24-7)

November 13, 2024

STATEMENT OF EXPLANATION AND JUSTIFICATION

Pursuant to authority under section 3632 of title 39, as amended by the Postal Accountability and Enhancement Act of 2006 ("PAEA"), we establish prices and classifications of general applicability for the Postal Service's competitive products. The changes are described generally below, with a detailed description of the changes in the Postal Service's associated draft Mail Classification Schedule change document. That document contains the draft Mail Classification Schedule sections with classification changes in legislative format, and new prices displayed in the price charts.

As shown in the nonpublic annex being filed under seal herewith, the changes we establish should enable each competitive product to cover its attributable costs (39 U.S.C. § 3633(a)(2)) and should result in competitive products as a whole complying with 39 U.S.C. § 3633(a)(3), which, as implemented by 39 C.F.R. § 3035.107(c), requires competitive products collectively to contribute a minimum of 9.6 percent to the Postal Service's institutional costs. Accordingly, no issue of subsidization of competitive products by market dominant products should arise (39 U.S.C. § 3633(a)(1)). We therefore find that the new prices and classification changes are in accordance with 39 U.S.C. §§ 3632–3633 and 39 C.F.R. §§ 3035.102 and 104.

I. Domestic Products

A. Priority Mail Express

Overall, the Priority Mail Express price change represents a 3.2 percent increase. In 2023, we consolidated the Commercial Base and Commercial Plus price categories into one Commercial price category and differentiated the “Local, 1, 2” Zone prices. For January 2025, this new structure will be maintained. Dimensional weighting, which was introduced for all zones in 2019, will also continue in 2025.

Retail prices will increase an average of 3.2 percent. The price for the Retail Flat Rate Envelope, a significant portion of all Priority Mail Express volume, will increase to \$31.40, with the Legal Size and Padded Flat Rate Envelopes priced at \$31.65 and \$32.25, respectively.

The Commercial price category will increase 3.2 percent on average. Commercial prices will, on average, reflect a 12.4 percent discount off of Retail prices. New for 2025, a Live Animal and Perishable Handling Fee of \$7.50 will be introduced under Priority Mail Express to cover the additional costs associated with handling and transporting these items.

B. Priority Mail

On average, the Priority Mail prices will be increased by 3.2 percent. Similar to Priority Mail Express, the Commercial Base and Commercial Plus price categories were consolidated into one Priority Mail Commercial price category and “Local, 1, 2” Zone prices were differentiated in 2023. For January 2025, this new structure will be maintained. Dimensional weighting, which was introduced for all zones in 2019, will also continue in 2025.

Retail prices will increase by an average of 3.2 percent. Retail Flat Rate Box prices will be: Small, \$10.65; Medium, \$19.15; Large, \$26.30 and Large APO/FPO/DPO, \$25.05. Thus, the Large APO/FPO/DPO Flat Rate Box will be \$1.25 less than the Large Flat Rate Box. The regular Flat Rate Envelope will be priced at \$10.10, with the Legal Size and Padded Flat Rate Envelopes priced at \$10.40 and \$10.85, respectively.

The Commercial price category will increase by 3.2 percent on average. Commercial prices will, on average, reflect a 20.8 percent discount off of Retail prices. New for 2025, a Live Animal and Perishable Handling Fee of \$15.00 will be introduced under Priority Mail to cover the additional costs associated with handling and transporting these items.

C. Parcel Select

On average, Parcel Select prices as a whole will increase 9.2 percent. For destination delivery unit (DDU) entered parcels, the average price increase is 10.3 percent. For destination hub (Dhub) entered parcels, the average price increase is 0.0 percent. For destination sectional center facility (DSCF) destination entered parcels, the average price increase is 7.1 percent. For destination network distribution center (DNDC) parcels, the average price increase is 9.7 percent. For Connect Local, introduced in 2022, the average price increase is 5.4 percent. Dimensional weighting, which was introduced for all zones in 2019, will continue in 2025. To account for inflation, the fee for Forward and Return to Sender will be increased to \$3.60, while the fee for Address Correction Service (ACS) with Shipper Paid Forwarding>Returns will be increased to \$3.00.

D. USPS Ground Advantage

USPS Ground Advantage, introduced in July 2023, is the Postal Service's flagship ground package product. The existing structure will be maintained for 2025. Overall, USPS Ground Advantage prices will increase 3.9 percent on average. Retail prices will increase 4.9 percent on average, while Commercial prices will increase 3.2 percent on average. The Alaska Limited Overland Routes (LOR) price category will see a 9.0 percent average increase for January 2025. New for 2025, a Live Animal and Perishable Handling Fee of \$7.50 will be introduced under USPS Ground Advantage to cover our additional handling costs for these items.

F. Domestic Extra Services

Premium Forwarding Service (PFS) prices will increase 6.1 percent on average in 2025. The retail counter enrollment fee will increase to \$26.85. The online enrollment option, introduced in 2014, will increase to \$24.70. The weekly reshipment fee will increase to \$27.80. The reshipment fee for PFS Local, which was introduced in 2019 for P.O. Box customers, will increase to \$27.80. Prices for Adult Signature service will decrease to \$8.40 for the basic service and \$8.65 for the person-specific service. Address Enhancement Service prices will increase 8.9 percent on average in 2025. Competitive Post Office Box prices will be increasing 5.7 percent on average, within the existing price ranges. Package Intercept Service will increase to \$18.35. The Pickup On Demand fee will remain unchanged for 2025, at \$26.50. Premium Data Retention and Retrieval Service (USPS Tracking Plus), which was introduced in 2020, will have its prices increase 86.3 percent on average in 2025. The fee for Label Delivery Service, introduced in 2023 under the Competitive Ancillary Services product, will remain at \$1.55 for 2025.

Finally, in 2025, the fee for deterring overweight/oversized items found in the system will be increased from \$100.00 to \$200.00. The upper bounds for the price ranges for Greeting Cards and Stationery and Officially Licensed Retail Products will be increased to accommodate current and future offerings.

II. International Products

A. Expedited Services

PMEI will be subject to an overall 4.9 percent increase. Commercial Plus prices will be equivalent to Commercial Base.

B. Priority Mail International

The overall increase for Priority Mail International (PMI) will be 4.9 percent. Commercial Plus prices will be equivalent to Commercial Base.

C. International Priority Airmail and International Surface Air Lift

Published prices for International Priority Airmail (IPA) and International Surface Air Lift (ISAL) will increase by 4.9 percent and 28.9 percent, respectively.

D. Airmail M-Bags

The published prices for Airmail M-Bags will remain the same on average and not increase, although a few prices will change slightly.

E. First-Class Package International Service™

The overall increase for First-Class Package International Service (FCPIS) prices will be 4.9 percent. Commercial Plus prices will be equivalent to Commercial Base.

F. International Ancillary Services and Special Services

Prices for several international ancillary services will be increased, including a 5.0 percent increase for International Certificate of Mailing, a 10.0 percent decrease for International Insurance, a 4.8 percent increase for International Registered Mail, and a 3.5 percent increase for the Customs and Clearance Delivery Fee.

ORDER

The changes in prices and classes set forth herein shall be effective at 12:01 A.M. on January 19, 2025. We direct the Secretary of the Board of Governors Office to have this decision published in the *Federal Register* in accordance with 39 U.S.C. § 3632(b)(2) and

direct management to file with the Postal Regulatory Commission appropriate notice of these changes.

By The Governors:

/s/

Roman Martinez IV
Chairman, Board of Governors

**UNITED STATES POSTAL SERVICE
OFFICE OF THE BOARD OF GOVERNORS**

**CERTIFICATION OF GOVERNORS' VOTE ON
GOVERNORS' DECISION NO. 24-7**

Consistent with 39 USC 3632(a), I hereby certify that, on November 13, 2024, the Governors voted on adopting Governors' Decision No. 24-7, and that a majority of the Governors then holding office voted in favor of that Decision.

/s/

Date: November 13, 2024

Michael J. Elston
Secretary of the Board of Governors

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