



## **POSTAL REGULATORY COMMISSION**

**[Docket No. R2025-1; Order No. 8785]**

### **Market Dominant Price Adjustment**

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Notice.

**SUMMARY:** The Commission is recognizing a recently filed Postal Service notice of inflation-based rate adjustments affecting market dominant domestic and international products and services, along with proposed classification changes. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

**DATES:** *Comments are due:* May 9, 2025.

**ADDRESSES:** Submit comments electronically via the Commission's Filing Online system at <http://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

**FOR FURTHER INFORMATION CONTACT:** David A. Trissell, General Counsel, at 202-789-6820.

### **SUPPLEMENTARY INFORMATION:**

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#### **I. Introduction**

On April 9, 2025, the Postal Service filed a notice of price adjustments affecting Market Dominant domestic and international products and services, along with proposed classification changes to the Mail Classification Schedule (MCS).<sup>1</sup> The intended effective date for the planned price adjustments is July 13, 2025. Notice at 5. The Notice, which was filed pursuant to 39 CFR part 3030, triggers a notice-and-comment proceeding. 39 CFR 3030.125.

## II. Overview of the Postal Service's Filing

The Postal Service's filing consists of the Notice, which the Postal Service represents addresses data and information required under 39 CFR 3030.122 and 39 CFR 3030.123; three attachments (Attachments A, B, and C) to the Notice; one set of appended workpapers; and six public library references and three non-public library references.

Attachment A presents the planned price and related product description changes to the MCS. Notice, Attachment A. Attachment B presents the price cap calculation. *Id.* Attachment B. Attachment C presents alternative planned price and related product description changes to the MCS.<sup>2</sup> The set of appended workpapers present consolidated projections related to the proposed continuation of the First-Class Mail and Marketing Mail Growth Incentives. Notice at 38.

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<sup>1</sup> United States Postal Service Notice of Market-Dominant Price Change, April 9, 2025 (Notice).

<sup>2</sup> *Id.* at 8, 53, Attachment C; see Docket Nos. MC2025-948 and MC2025-958, Order Concerning Planned Upcoming Market Dominant Rate Adjustments and Reply Comments, March 25, 2025, at 6-7 (Order No. 8753). In Order No. 8753, the Commission directed the Postal Service to file in its anticipated April notice of rate adjustment the proposed rates and associated MCS changes that reflect the status quo with regard to issues in Docket Nos. MC2025-948 and MC2025-958, including that Bound Printed Matter Flats and Bound Printed Matter Parcels remain Market Dominant products. Order No. 8753 at 6. The Commission allowed the Postal Service the option to file an alternative set of rates and MCS changes that show the proposed rate and MCS changes that the Postal Service would opt to make if the Commission were to issue a final order approving the requests in these dockets prior to the conclusion of the rate adjustment proceeding. *Id.* at 6-7.

The first five public library references provide supporting documentation for the five classes of mail, and the sixth public library reference shows the banked rate adjustment authority for each class of mail over the last 5 years.<sup>3</sup> The Postal Service also filed three library references under seal and applied for non-public treatment of those materials.<sup>4</sup> The first non-public library reference pertains to the two international mail products within First-Class Mail (Outbound Single-Piece First-Class Mail International and Inbound Letter Post); the second non-public library reference pertains to mailer-specific volume and revenue data; and the third non-public library reference pertains to First-Class Mail and Marketing Mail Growth Incentive projections. Notice of Non-Public Library References at 3.

The Postal Service's planned percentage changes by class are, on average, as follows:

<b>Market Dominant Class</b>	<b>Planned Price Adjustment (%)</b>
First-Class Mail	7.385
USPS Marketing Mail	7.385
Periodicals	9.385
Package Services	7.385
Special Services	7.835

Notice at 9. Price adjustments for products within classes vary from the average. See, e.g., *id.* at 11, 16 (Table 4 showing range for First-Class Mail products and Table 10 showing range for USPS Marketing Mail products).

The Postal Service identifies the effect of its proposed price and classification changes on the MCS in Attachment A. *Id.* at 61; *id.* Attachment A.

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<sup>3</sup> USPS Notice of Filing Public Library References, April 9, 2025, at 1.

<sup>4</sup> Notice of United States Postal Service of Filing of Library References and Application for Non-Public Treatment, April 9, 2025, at 1-2, Attachment 1 (Notice of Non-Public Library References).

The Postal Service also seeks approval for the following seven promotions for the indicated periods:

- Informed Delivery Add-On/Upgrade Promotion (January 1 – December 31, 2026);
- Sustainability Add-On/Upgrade Promotion (January 1 – December 31, 2026);
- Tactile, Sensory, and Interactive Mailpiece Engagement Base/Primary Promotion (January 1 – June 30, 2026);
- Integrated Technology Base/Primary Promotion (mailers will select a start date for a six-month promotion period within calendar year 2026);
- First-Class Mail Advertising Base/Primary Promotion (September 1 – December 31, 2026);
- Continuous Contact Base/Primary Promotion (April 1 – December 31, 2026); and
- Catalog Insights and Continuous Contact Base/Primary Promotion (October 1, 2025 – June 30, 2026).

Notice at 48-51. Additionally, the Postal Service proposes to continue other previously approved incentives within First-Class Mail and USPS Marketing Mail with certain changes. *Id.* at 35. Specifically, for the First-Class Mail and Marketing Mail Growth Incentives, the Postal Service proposes revising the base period for measuring growth from the previous fiscal year to the previous calendar year. *Id.* Additionally, the Postal Service proposes making the First-Class Mail and Marketing Mail Growth Incentives a permanent part of First-Class Mail and USPS Marketing Mail price structures, which it states will eliminate the need for the Commission to reapprove them each year. *Id.*

### **III. Initial Administrative Actions**

Pursuant to 39 CFR 3030.124(a), the Commission establishes Docket No. R2025-1 to consider the planned price adjustments for Market Dominant postal products and services, as well as the related classification changes, identified in the Notice. The Commission invites comments from interested persons on whether the Postal Service's planned price adjustments are consistent with applicable statutory and regulatory requirements. 39 CFR 3030.125. The applicable statutory and regulatory requirements the Commission considers in its review are the requirements of 39 CFR part 3030, Commission directives and orders, and 39 U.S.C. 3626, 3627, and 3629. 39 CFR 3030.126(b). Comments are due no later than May 9, 2025. 39 CFR 3030.124(f). The Commission will not accept late-filed comments as it is not practicable due to the expedited timeline for this proceeding. See 39 CFR 3030.126(b). The Commission notes that its review in this proceeding is limited to ensuring that the proposed prices comply with the requirements of 39 CFR part 3030, Commission directives and orders, and 39 U.S.C. 3626, 3627, and 3629. The Commission has opened a separate proceeding that requests comments on the broader aspects of the Market Dominant ratemaking system.<sup>5</sup>

The public portions of the Postal Service's filing are available for review on the Commission's website (<https://www.prc.gov>). Comments and other material filed in this proceeding will be available for review on the Commission's website, unless the information contained therein is subject to an application for non-public treatment. The Commission's rules on non-public materials (including access to documents filed under seal) appear in 39 CFR part 3011.

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<sup>5</sup> Docket No. RM2024-4, *et al.*, Advance Notice of Proposed Rulemaking on the Statutory Review of the System for Regulating Rates and Classes for Market Dominant Products, April 5, 2024, at 23-24 (Order No. 7032).

Pursuant to 39 U.S.C. 505, the Commission appoints Mallory L. Smith to represent the interests of the general public (Public Representative) in this proceeding. The Public Representative does not represent any individual person, entity or particular point of view, and, when Commission attorneys are appointed, no attorney-client relationship is established.

#### **IV. Ordering Paragraphs**

*It is ordered:*

1. The Commission establishes Docket No. R2025-1 to consider the planned price adjustments for Market Dominant postal products and services, as well as the related classification changes, identified in the Postal Service's April 9, 2025 Notice.

2. Comments on the planned price adjustments and related classification changes are due no later than May 9, 2025.

3. Pursuant to 39 U.S.C. 505, Mallory L. Smith is appointed to serve as an officer of the Commission to represent the interests of the general public (Public Representative) in this proceeding.

4. The Commission directs the Secretary of the Commission to arrange for prompt publication of this notice in the **Federal Register**.

By the Commission.

**Erica A. Barker,**

*Secretary.*

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