



This document is scheduled to be published in the Federal Register on 2026-05-14 and available online at <https://www.federalregister.gov/d/2026-09584>, and on <https://govinfo.gov>

## **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:** *Effective date:* July 12, 2026.

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

**SUPPLEMENTARY INFORMATION:** On May 8, 2026, 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](http://www.prc.gov).

**Colleen Hibbert-Kapler,**

*Attorney, Ethics and 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. 26-2)**

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May 8, 2026

**STATEMENT OF EXPLANATION AND JUSTIFICATION**

Pursuant to our 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 8.0 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 are in accordance with 39 U.S.C. §§ 3632-3633 and 39 C.F.R. § 3035.102.

## **I. Domestic Products**

### **A. Priority Mail Express**

Priority Mail Express prices will remain unchanged for July 2026, and the existing structure of zoned Retail and Commercial price categories will be maintained. Dimensional weighting will have its dim divisor changed from 166 to 139 to better align with industry standard.

Two new fees related to the processing of packages containing Hazardous Materials will be introduced. A HazMat Handling Fee for Priority Mail Express will be \$7.50 to cover the costs of manual handling required when HazMat items fly. Also, a HazMat Noncompliance Fee of \$50 will be applied to any competitive commercial product when Hazardous Materials are detected but the customer did not appropriately declare and label them.

### **B. Priority Mail**

Priority Mail prices will remain unchanged for July 2026, and the existing structure of zoned Retail and Commercial price categories will be maintained. Dimensional weighting will have its dim divisor changed from 166 to 139 to better align with industry standard.

Two new fees related to the processing of packages containing Hazardous Materials will be introduced. A HazMat Handling Fee for Priority Mail will be \$7.50 to cover the costs of manual handling required when HazMat items fly. Also, a HazMat Noncompliance Fee of \$50 will be applied to any competitive commercial product when Hazardous Materials are detected but the customer did not appropriately declare and label them.

### **C. Parcel Select**

Parcel Select outbound prices will remain unchanged for July 2026, and the existing structure will be maintained. The price for Parcel Select Forwarding and Returns, currently set at \$3.80, will increase to \$6.00 for July 2026 in order to better drive address quality. For customers using Address Correction Service (ACS) with Shipper Paid Forwarding/Return, the price will increase from \$3.20 to \$5.40. Dimensional weighting will have its dim divisor changed from 166 to 139 to better align with industry standard. The definition of Connect Local will be expanded to allow the use of USPS Smart Lockers as a drop off or pickup location.

Two new fees related to the processing of packages containing Hazardous Materials will be introduced. A HazMat Handling Fee for Parcel Select will be established but set at \$0 initially, with the option for the fee to increase in the future. Also, a HazMat Noncompliance

Fee of \$50 will be applied to any competitive commercial product when Hazardous Materials are detected but the customer did not appropriately declare and label them.

#### **D. USPS Ground Advantage**

USPS Ground Advantage prices will largely remain unchanged for July 2026, except that the ounce-based rate differentiation for USPS Ground Advantage Commercial will be eliminated. This change results in an average price increase of 11.8 percent for USPS Ground Advantage Commercial. Retail prices will remain unchanged. Dimensional weighting will have its dim divisor changed from 166 to 139 to better align with industry standard.

Two new fees related to the processing of packages containing Hazardous Materials will be introduced. A HazMat Handling Fee for USPS Ground Advantage will be established but set at \$0 initially, with the option for the fee to increase in the future. Also, a HazMat Noncompliance Fee of \$50 will be applied to any competitive commercial product when Hazardous Materials are detected but the customer did not appropriately declare and label them.

#### **F. Domestic Extra Services**

Competitive Post Office Box prices will be increasing 3.0 percent on average, within the existing price ranges. Classification changes will be made to the definition of Package Intercept so that intercepted packages will use the original product and rate category, rather than always being forwarded or returned via Priority Mail.

New for July 2026, an Addresses API service and pricing will be introduced under Address Enhancement Services. The Addresses API service will validate and correct address information to improve package and mail delivery service. Monthly tiered pricing will vary based on the number of record requests. While the Addresses API service is similar to the existing AMS API service, both offerings will continue for the foreseeable future. Most customers are expected to migrate to the Addresses API offering over time.

The remaining Extra Services will not receive any price or classification changes. No price or classification changes are being made to International competitive products for July 2026.

**ORDER**

The changes in prices and classes set forth herein shall be effective at 12:01 A.M. on July 12, 2026. 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/

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Amber F. McReynolds  
Chair, Board of Governors

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

**CERTIFICATION OF GOVERNORS' VOTE ON  
GOVERNORS' DECISION NO. 26-2**

Consistent with 39 USC 3632(a), I hereby certify that, on May 8, 2026, the Governors voted on adopting Governors' Decision No. 26-2, and that a majority of the Governors then holding office voted in favor of that Decision.

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Date: May 8, 2026

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Lucy C. Trout  
Acting Secretary of the Board of Governors

BILLING CODE 7710-12

[FR Doc. 2026-09584 Filed: 5/13/2026 8:45 am; Publication Date: 5/14/2026]