



## PRC Approves Status Quo Prices

In an order issued on Friday, May 30, the Postal Regulatory Commission approved, with minor corrections, the *status quo* prices proposed by the Postal Service on April 9 (Docket R2025-1). Those prices reflect the current classification structure for Marketing Mail and Bound Printed Matter.

(On December 20, 2024, the Postal Service had filed proposals to eliminate BPM (Docket MC2025-948) and revise the weight and size limits for Marketing Mail accordingly (Docket MC2025-958). Uncertain as to when it would issue a decision on those filings, on March 25 the PRC advised the USPS to file proposed prices under both scenarios, i.e., for the *status quo* with no change to BPM and, alternatively, if the elimination of BPM were approved. Because the commission had not yet rendered a decision on the BPM filings by the May 30 deadline for issuing a decision on the proposed prices, the *status quo* prices remained applicable.) The approved prices are shown in the charts at the end of this issue.

### Caution

After its statement of approval and citation of statutory authorities, the PRC added a cautionary comment for the USPS:

"Although the price adjustments proposed in this proceeding are consistent with applicable law and the Commission has no legal basis to reject the proposed changes, the Commission remains concerned about the substantial declines in Market Dominant volumes, overall service performance for Market Dominant products, and the Postal Service's overall financial situation, issues that have all remained significant, if not worsened, since the current Market Dominant ratemaking system went into effect. In response to these conditions, the Commission opened Docket No. RM2024-4 to consider whether the current ratemaking system is achieving the objectives of 39 USC § 3622(b), taking into account the factors of 39 USC § 3622(c). Although Docket No. RM2024-4 remains pending, the Commission encourages the Postal Service to consider the issues raised by stakeholders when exercising its business judgment to determine the frequency and magnitude of future Market Dominant price adjustments.

"The Commission notes that the regulations permit the Postal Service to forgo the usage of available rate adjustment authority and bank it for future use, subject to certain limitations outlined in the regulations. Participants in this proceeding presented a number of reasons why rate increases below the legal limit may be appropriate for business and public policy reasons. The Commission recommends that, in exercising its discretion, the Postal

Service heed the concerns of stakeholders, particularly in light of the facts that: (1) since the ratemaking system was modified in Docket No. RM2017-3, rate increases have generally occurred more frequently than occurred previously (and than may have been expected by stakeholders); and (2) service performance and efficiency have declined, adding to the stress on the mail market."

(Docket R2024-4 is an ongoing review of the "adders" (for "density," "retirement," and "non-compensatory") that the PRC had approved in a November 2020 order. Also, at this point, given the aggressive price increases urged by former postmaster general Louis DeJoy, the USPS has no unused ("banked") rate authority remaining.)

### Approvals

The PRC noted that calculation errors in the original filing resulted in small adjustments (to the prices for First-Class Mail postcards and presorted flats) so that the net increase for the class stayed under the CPI-based cap. A typographical error regarding Periodicals prices also was corrected.

First-Class Mail Product	Average Increase (%)
Single-piece (overall)	7.006
Presorted (letters/cards)	7.567
Flats (overall)	7.343
Outbound Single-pc FCM International	4.584
Inbound Letter Post	11.993

Periodicals Product	Average Increase (%)
Outside County (overall)	9.352
Within County (overall)	9.762

In addition to the prices proposed by the USPS, as corrected, the commission approved as filed the agency's proposed discounts and its 2026 promotions and mail growth incentives.

