



## USPS Proposes Major Classification Changes

In a June 11 filing with the Postal Regulatory Commission, the Postal Service proposed “to make a series of material changes to the Mail Classification Schedule (MCS) for First-Class Mail, Marketing Mail, and Periodicals.” In general, those changes include:

- “Introduce new **zoned pricing** for presorted, origin-entered Marketing Mail letters, flats, and parcels in all products except for Every Door Direct Mail — Retail.
- “Align Outside-County Periodicals prices with Marketing Mail prices by introducing **zoned pricing** for origin-entered pieces, eliminating bundle and container prices, and introducing simplified container discounts.
- “Eliminate **duplicative ADC sortation rates** for First-Class Mail, Marketing Mail, and Periodicals and clarify rate table labels by substituting “3-Digit” for “ADC,” “AADC,” and “SCF” and substituting “Mixed” for “Mixed ADC” and “Mixed AADC.”
- “Eliminate **NDC presort discounts** for Marketing Mail Parcels, as the Postal Service has eliminated NDC entry and NDC dropship discounts because it no longer intends to process mail in these facilities.”

The Postal Service added:

“These proposed changes and new pricing structures carry with them a number of changes to workshare discounts — changing benchmarks for some existing workshare discounts, eliminating other existing workshare discounts, and creating new workshare discounts in their place. ...

“Given the scope of these structural changes, the Postal Service intends this filing to **give advance notice to mailers**, the Commission, and to the public about them, rather than presenting them for the first time in a price case later this year.”

The USPS stated its intention to implement these changes in January 2026 and that, accordingly, it “intends to file a rate case implementing these changes no later than October 2025.”

### Marketing Mail

The Postal Service offered specifics:

“The new price structure for Marketing Mail proposed here would differ from the current structure with respect to dropship discounts for presorted mailings. The first part of this proposal would introduce **zoned pricing** — four zones — in place of what is currently origin prices (‘none’). Figure 2, for example, shows the proposed price structure for Carrier Route flats weighing 4 oz. or less and sent by commercial mailers, by contrast to the current price structure.

Figure 2: Proposed Zone Pricing Structure for Marketing Mail Commercial Flats ≤ 4 oz. (“X” represents a price)

	Entry	Carrier Route				
		Saturation	EDDM	High Density Plus	High Density	Basic
	Origin Entry					
Flats weighing 4.0 oz. or less per-piece price	Zone D	X	X	X	X	X
	Zone C	X	X	X	X	X
	Zone B	X	X	X	X	X
	Zone A	X	X	X	X	X
	Destination Entry					
	DSCF	X	X	X	X	X
	DDU	X	X	X	X	X

“The zones within the continental United States will be defined by the distances, measured in driving time and corresponding to the service standards recently established for end-to-end Marketing Mail following Docket No. N2024-1, from the originating Regional Processing and Distribution Center (RPDC) to the destination Local Processing Center (LPC) (Table 1).

Table 1: Proposed New Zone Definitions for Marketing Mail

Zone	Driving Hours Origin RPDC to DLPC	Service Standard
A	≤ 7 Hours	4 days
B	Between 7 Hours and 24 Hours	5 days
C	Between 24 and 45 Hours	6 days
D	> 45 Hours	7 days

“Mail originating or destined outside of the continental United States will be also in Zone D (unless it qualifies for a different zone) but will have a service standard of more than seven days, depending on originating and destinating locations. These new zones will not align with zones for competitive packages, which are greater in number and differently defined.

“Specifically, the Postal Service proposes to add **zoned pricing** for the products and price categories in Table 2:

Table 2: Proposed Marketing Mail Zoned Prices, by Product / Price Category

- Saturation, HD+, and HD Letters
- Saturation, HD+, and HD Flats
- Carrier Route Flats
- Letters (automation, machinable)
- Flats (automation, nonautomation)
- Parcels (Marketing, Nonprofit Machinable, and Nonprofit Nonstandard Parcels)

“For nonpresorted or mixed letters, flats, and parcels, the Postal Service intends to offer flat rate prices, without zones or dropship discounts. ...

“Finally, the proposed new Marketing Mail pricing structure contains different dropship workshare discounts than the current pricing structure. In the current pricing structure, there are workshare relationships between Origin (‘none’) and DSCF and between Origin (‘none’) and DDU, where DDU dropshipping is available. The Origin (‘none’) price serves as the benchmark price in both relationships.

“In the proposed new pricing structure, there will be only one workshare relationship. There will be no workshare relationships between the zones or between the zones and DSCF or the zones and DDU. The workshare relationship created here is between DSCF and DDU, when DDU dropship prices are available, and DSCF will serve as the benchmark. ...”

Additional comments about its motives for the changes reflect a presumptiveness about what commercial mailers do and why, but also identify a flaw in the current process for setting the value of destination entry discounts:

“Replacing the current pricing structure for origin-entered Marketing Mail with a zone-based structure **benefits both mailers and the Postal Service**. For mailers, a zone-based structure creates more pricing choices that are intended to be better aligned with service standards, thus enabling mailers to make better informed business decisions. As has been put before the Commission elsewhere, for the Postal Service, the current origin prices are one-size-fits-all, but zone-based prices will better reflect the cost of transporting mail within the postal network (especially for shorter distances) and thus will improve the efficiency of the network. ...

“Mailers have many potential entry points into the postal network, and the distance a mailing travels between a mailer’s facility and these entry points, as well as between facilities within the postal network, will vary by mailer, i.e. by entry point and the final destination of the mailing. The specific combination of where or how mail is presented and where it is destined will determine which inter-facility transportation lanes are used and avoided, the lengths of hauls made and avoided, and the density of mail lanes used and avoided. These are critical factors in determining the cost of transporting mail through the postal network and the value of the work performed by the Postal Service.