

POSTAL NEWS

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U.S. Postal Service to Change Shipping Prices in January

New Annual January Price Change Consistent with Industry Practices

WASHINGTON, DC — Pricing for shipping services will change on Sunday, Jan. 18, the Postal Service announced today following a vote by its Board of Governors.

"The move to annual January price changes for shipping services products is consistent with industry-wide practice, and provides a clear picture of the competitive, affordable prices the Postal Service offers," said Robert Bernstock, president, Mailing and Shipping Services.

Prices will change on Sunday, Jan. 18, for Express Mail, Priority Mail, Parcel Select, Parcel Return Service and some international shipping products. Overall, shipping services prices will increase an average of 5 percent. The new prices are available at www.usps.com/prices (click "New Shipping Prices" box).

"The new prices are very competitive within the shipping industry and reinforce the value Postal Service pricing offers our customers," Bernstock said. "As always, the Postal Service does not impose fuel surcharges, hidden surcharges or surcharges for residential delivery or Saturday delivery."

New for 2009 is Commercial Plus pricing, an extraordinary value for high-volume Express Mail and Priority Mail users. New Commercial Plus prices for Express Mail are 14.5 percent less than retail on average, and for Priority Mail 7 percent less than retail on average.

"Commercial Plus is a tiered pricing option designed with larger shippers in mind," said Gary Reblin, vice president, Expedited Shipping. "It's a very competitive offering for commercial customers — lower prices that will reward them for shipping higher volumes with the Postal Service."

The Postal Service remains the best shipping value in the market, Reblin said, especially for Express Mail and Priority Mail packages weighing less than 5 pounds. Parcel Select, the Postal Service "last mile" ground product, where the Postal Service provides delivery for other parcel shippers and parcel consolidators, continues to be an excellent solution for high-volume shippers. For international mailers, Global Express Guaranteed, Express Mail International and Priority Mail International are the best value in global shipping.

Service	Average Price Change
Express Mail	5.7%
Priority Mail	3.9%
Parcel Select	5.9%
Parcel Return Service	5.3%
International Shipping Services	8.5%

This is the first time the Postal Service is adjusting prices for its shipping services on a different schedule from its mailing service price adjustments. Price changes for mailing services, including stamp prices, will be announced in February, and will be effective in May 2009.

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An independent federal agency, the U.S. Postal Service is the only delivery service that reaches every address in the nation.

146 million homes and businesses, six days a week. It has 37,000 retail locations and relies on the sale of postage, products

and services, not tax dollars, to pay for operating expenses. The Postal Service has annual revenue of \$75 billion and delivers nearly half the world's mail.