

FOR IMMEDIATE RELEASE
July 6, 2010

Media Contact: Greg Frey
202-268-2168
greg.a.frey@usps.gov

usps.com/news
Release No. 10-064

Postal Service Proposes Price Changes *New Forever Stamp Images Coming This Fall*



High-resolution images of the stamps are available for media use only by emailing greg.a.frey@usps.gov.

WASHINGTON — A new Forever Stamp image will be available as part of a pricing package that would add less than 13 cents a month to the average American household's budget.

The U.S. Postal Service Governors recommended increasing the price of a First-Class stamp 2 cents to 46 cents and authorized the production of a pane of four evergreen tree branches as the newest image for Forever Stamps. The price of a postcard would increase 2 cents to 30 cents.

The Postal Regulatory Commission must approve the recommended price changes. The increases would not go into effect until January 2, 2011. It would be the first stamp price increase in almost two years.

Holiday Evergreen Forever Stamps will be available to the public in October at the current rate of 44 cents. Once purchased, the stamps are valid literally forever – despite any future price changes. No additional postage will ever be needed.

Faced with plummeting mail volume traced to the recession and increased use of the Internet, the Postal Service is projecting a deficit of nearly \$7 billion for the next fiscal year. Despite eliminating millions of work hours and reducing expenses by more than \$1 billion every year since 2001, a budget gap remains.

The proposed price changes, if approved, will raise about \$2.3 billion for the first nine months of 2011. Postmaster General John E. Potter said he does not want customers to bear the burden of dramatic price increases. Instead, Potter announced in March that pricing would be one in a series of solutions the Postal Service is pursuing to become financially sound.

"There is no one single solution to the dire financial situation that the Postal Service faces," Potter said. "These proposed rate adjustments are moderate and part of a fair and balanced approach to insuring mail service for all Americans well into the future."

Other actions outlined in March included changes to delivery frequency, restructuring prepayments of retiree health benefits, creating a more flexible workforce and expanding access to products and services to places more convenient to

customers.

The Postal Service receives no tax dollars for operating expenses, and relies on the sale of postage, products and services to fund its operations.

Complete details of today's filing can be found on usps.com . No prices will change before 2011.

#

Please Note: For broadcast quality video and audio, photo stills and other media resources, visit the USPS Newsroom at www.usps.com/communications/newsroom/welcome.htm.

A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation, 150 million residences, businesses and Post Office Boxes. The Postal Service receives no direct support from taxpayers. With 36,000 retail locations and the most frequently visited website in the federal government, the Postal Service relies on the sale of postage, products and services to pay for operating expenses. Named the Most Trusted Government Agency five consecutive years and the sixth Most Trusted Business in the nation by the Ponemon Institute, the Postal Service has annual revenue of more than \$68 billion and delivers nearly half the world's mail. If it were a private sector company, the U.S. Postal Service would rank 28th in the 2009 Fortune 500.