



Postal Regulatory Commission

Postal Regulatory Commission
901 New York Avenue, NW
Suite 200
Washington, DC 20268-0001
www.prc.gov

Phone: 202-789-6829
Fax: 202-789-6891

Contact: Gail Adams
gail.adams@prc.gov

Press Release

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PRC Approves Annual CPI-based Postage Rate Increase; Concurrent Implementation of Full Service IMb Remanded

Washington, DC –Today, the Postal Regulatory Commission issued its decision in [Order 1890](#) on the Postal Service’s request to increase prices January 26, 2014. The Commission determined that the rates proposed by the Postal Service are consistent with the law, provided that the Postal Service does not implement Full Service IMb requirements concurrently with the proposed increased rates.

Full Service IMb requires each piece of mail, each bundle, and each pallet to have a unique identity barcode. The Commission determined that Full Service IMb mail preparation requirements are a classification change and that its effects must be included in its calculation of the percentage change in rates.

Concurrent implementation of the proposed rate adjustments and the Full Service IMb requirements would result in increases in First-Class Mail, Standard Mail, and Periodicals that exceed the statutory Consumer Price Index price cap, currently at 1.696 percent.

“The Commission’s primary responsibility is to assure predictable and stable rates for mailers bound by the statutory price cap. While we encourage the Postal Service to expand its capacity to track and measure the performance of mail services, this cannot be accomplished in a manner that effectively raises rates by 4.1% and 4.9% for First Class and Standard Mail.” said Chairman Ruth Y. Goldway.

Additionally, the Commission found that the Postal Service must resolve unequal commercial and nonprofit discounts for Standard Mail 5-digit automation flats. The proposed rates violate the requirement that disparities between commercial and nonprofit discounts must be justified by a statutory exception.

The Postal Service may implement the proposed rate adjustments, minus the Full Service IMb requirements, effective January 26, 2014. Alternatively, the Postal Service may adjust its proposed rates for First-Class Mail, Standard Mail, and Periodicals rates in a manner comparable to the implementation of Full Service IMb requirements in Package Services and file amended rates. The Postal Service shall notify the Commission of its intentions and provide necessary supporting documents by November 27, 2013.

The Postal Service proposed that the price of Single-Piece First-Class Mail letters increase from 46 cents to 47 cents. The price of a postcard will remain at 33 cents.

The Postal Regulatory Commission is an independent federal agency that provides regulatory oversight over the U.S. Postal Service to ensure the transparency and accountability of the Postal Service and foster a vital and efficient universal mail system. The Commission is comprised of five Presidentially-appointed and Senate-confirmed Commissioners, each serving terms of six years. The Chairman is designated by the President. In addition to Chairman Goldway, the other Commissioners are Vice Chairman Robert Taub, Mark Acton, and Nanci Langley.