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PRC APPROVES POSTAL MAIL PRICE INCREASES

Proposed Standard Mail Flats Rates Returned to USPS for Revisions

Washington, DC – Today the Postal Regulatory Commission approved the U.S. Postal Service's request to raise prices for market dominant products finding that the new prices are at or below the Consumer Price Index (CPI) cap of 2.570 percent and meet all other statutory requirements.

There is one exception. In reviewing the price proposals for compliance with Commission directives and orders, the Commission found that the Postal Service's proposed Standard Mail Flats prices fail to satisfy the applicable directives given to the Postal Service in the FY 2010 Annual Compliance Determination. The Commission has remanded the Standard Mail rates to the Postal Service for compliance with its longstanding Order.

The Commission has granted the Service 10 days to decide on its own how to modify its Standard Mail prices. The Commission will also allow an opportunity for the public to provide comments on the revisions the Postal Service proposes.

Price increases will affect rates for all market dominant products: First-Class Mail, Periodicals, Package Services, and Special Services. Single-piece First-Class Mail will increase from 45 cents to 46 cents. The price of a postcard will increase from 32 cents to 33 cents. The new International Forever Stamp will cost \$1.10. The Commission also approved several mail classification changes that primarily affect Special Services.

In a separate decision on November 8, 2012, the Commission gave approval for increases in mail products that compete in the market place. Priority Mail products will rise an average of 6.3 percent and Express Mail will increase 5.8 percent overall.

The new prices will go into effect January 27, 2013.

The Commission's Order is available on the PRC website at <u>Order No. 1541</u> and includes a partial dissent by Commissioner Robert Taub.

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 Nanci Langley, Mark Acton, Tony Hammond and Robert Taub.