



# Navigating Postal Changes:

What Nonprofit Mailers  
Need to Know Now



# Welcome

- Session is recorded, please mute yourself.
- Ask questions in the chat and we'll answer them.
- Additional time at end for Q&A.
- Repeat webinar:  
Tuesday, April 21, 1:00 PM ET
- Registered attendees receive recording and presentation after the April 21<sup>st</sup> session

# Your presenters



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# Session Agenda

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Politicization of the Post Office

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Postage Rate Making Rules

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July 12th Postage Changes & Future Rate Predictions

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USPS Promotions and Mail Growth Incentive

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Postal Affairs Potpourri



# Direct Mail Delivers

Mail Cuts Through the Noise and Drives Attention

## Attention & Longevity

- 17 seconds vs. 17 days : email disappears quickly, while mail stays in the home
- 84% read mail same day

## Engagement & Response

- Up to 9% response rate vs 1% email
- 81% re-engage with a brand after receiving mail
- 3.5/5 motivation to give from a mail piece
- 19% very likely to respond to nonprofit Marketing Mail

## Trust & Credibility

- 82% of consumers trust direct mail
- Physical presence reinforces legitimacy and brand confidence

Sources: USPS Household Survey 2025



# Growth Across Channels

## Direct Mail Drives Measurable Growth and Multichannel Performance

### Mail → Digital Conversion

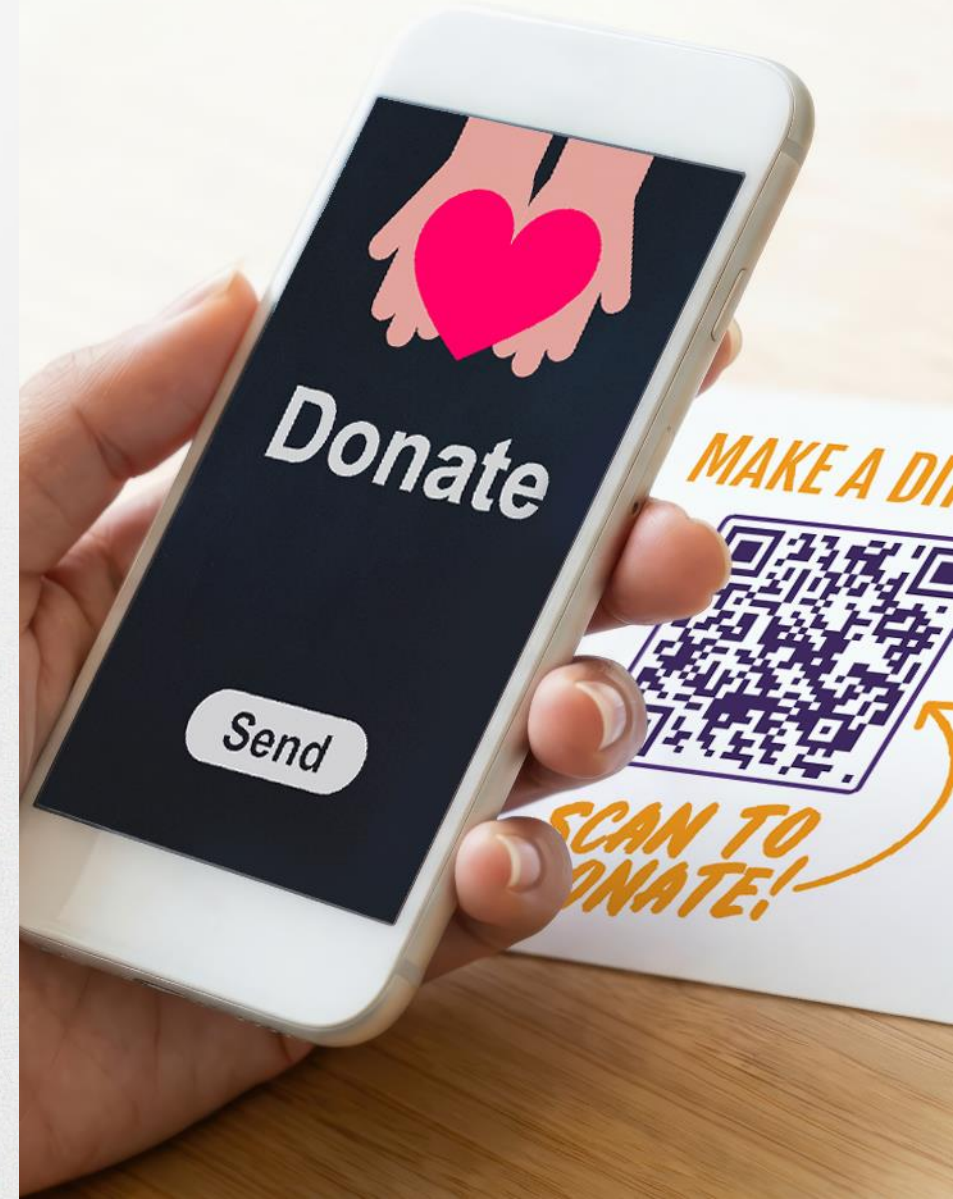
- **Direct mail drives digital action**
  - Online donations influenced by mail
- Acts as a **trigger for cross-channel engagement**

### Multichannel Impact

- **77% of marketers say: more channels = better response**
- Mail strengthens performance across email, digital, and social

### Revenue & Scalability

- **1:1 scalability model**
  - +1% mail volume → **+1.27% revenue**
- Predictable, measurable growth lever



# Politicization of the Post Office

## Crux of the Situation

**“ We have to have a conversation with the American public.**

**If you want us to deliver everywhere, every day, we'll do it. That's not a problem.**

**But who is going to pay for it?**

**"the end of the Postal Service as we know it now."**





# USPS Financials

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
Operating Revenue	\$80.5B	\$79.5B	\$78.2B	\$78.5B	\$77.1B
Operating Expenses	\$89.8B	\$89.5B	\$85.8B	\$79.7B	\$82.0B
Net Income / (Loss)	(\$9.0B)	(\$9.5B)	(\$6.5B)	\$56.0B*	(\$4.9B)
Total Mail Volume	109.8B	112.0B	116.1B	127.4B	128.9B

\*The 2022 net income was inflated by a one-time non-cash gain of \$57 billion due to the Postal Service Reform Act.

# Oversight of the U.S. Postal Service: The Financial Future Under Postmaster General Steiner

1. Regulator - Postal Regulatory Commission "PRC" and current Rate Making Rules
2. Changes to pension obligation methodology
3. \$15 billion cap on borrowing raised to \$34.5 billion
4. Greater flexibility in how retirement funds are invested
5. Universal Service Obligation (USO)
6. Not allowed to manage Workers Compensation Claims



**Support advocacy efforts that make sense to you.**

# Leading Up to the Oversight Committee

**APR**  
**2025**



**PRC Accelerates Rate System Review**

**JUN**  
**2025**



**PRC proposes changes based on the system 'not achieving statutory objectives'**

1. Restricting rate adjustments to once per fiscal year from 2025 to 2030
2. Ensuring workshare discounts align with avoided costs to enhance efficiency by closing a regulatory gap allowing excessive passthrough reductions.

# USPS Requests

**DEC 2025**  **USPS Files Two Petitions**

USPS proposal for a more “modern and flexible” pricing system stating that the current CPI based system limits the agency’s ability to offset declining mail volume and cover the cost of the Universal Service Obligation.

Eliminate guardrails on price increase caps

Pre-approval of rate changes to Post implementation review and complaint process

Advanced notice (+12 months) of intended rate changes to help mailers plan & budget

Proposal Denied?  
Give us 22% to bank and apply over 5 years on top of current allowances

# Resolution

**JAN**  
**2026**  **PRC Final Ruling**

1. Starting March 1, 2026, through September 30, 2030, the USPS will be limited to once-a-year change to postage rates. There is no governance that rates can only change in July.
2. Ensuring workshare discounts align with avoided costs to enhance efficiency by closing a regulatory gap allowing excessive passthrough reductions.



# Universal Service Obligation (USO)



- Six-Day Delivery
- Requires affordability, not just availability
- USPS's statutory obligation is not only to deliver mail universally but to do so at predictable, affordable prices



**USO is a legal mandate derived from federal law. The obligation dictates that the USPS must provide postal services to bind the nation together.**

## Tax Funding?

Since the 1970's, the USPS is generally not funded by taxpayer dollars (less than 0.5% of revenue).

Limited exceptions:

- Free services for the blind
- Overseas voting
- Reciprocal diplomatic/consular mail

### **A Possible Lifeline?**

\$460 million annual congressional appropriation



## The USPS Trying?

- Bid solicitation platform launched
- 8% Surcharge to Competitive Services starting April 26<sup>th</sup> – Logistics
- Postal Regulatory Commission (PRC) granted a Temporary Conditional Waiver of required minimum remittances on Pensions
- Temporary suspension of FERS pension payments
- July 12<sup>th</sup> rate change
- Agreement with Amazon



## Are they trying hard enough?

- Increased full time employees by 35k 2000-2025
- Limited modifications to the Delivering for America Plan Network Redesign

"In the midst of the severe financial crisis facing the Postal Service and continued rising operational costs, the Postal Service is using all available tools, including available regulatory pricing authority, to ensure we can continue to fulfill our universal service obligation and serve the American public"

– *USPS quote*

# Rate Making Rules

# Postage Rate Making History

2006 –2020 Postal Accountability and Enhancement Act (PAEA) = Split Market Dominant and Competitive Services

- CPI capped model replaced cost of service model
- 1 x Rate Change per year or less
- Compelled the USPS to pay in advance for the health and retirement benefits of its employees for at least 50 years
- Mandated 6 days a week delivery

2021 Order 5763 – New regulatory framework that allowed for above CPI Rate Increases

- Current Framework
- Five Year Review Period



**2000 – Law states Nonprofit rate revenue for the USPS should equal 60% of Commercial Mail revenue**



# 2021 Order 5763

Granted Pricing Authority to increase rates above the existing CPI Rate Authority for:

- **Density**
- **Retirement** – *Eliminated with the July 2026 Rate Change*
- **Non-Compensatory Products**

## Density Based Pricing Authority

- Offsets “exogenous increases in per-unit cost due to declines in the average volume of mail per delivery point”
- ACR (Annual Compliance Report)
  - The institutional cost ratio defined as Institutional Costs/Total Costs
  - Changes in the number of delivery points
  - Year over year volume changes

*\*\*Fun Fact: From 2019 to 2025 the USPS served an increase of 8.6 Million Delivery Points (160M to 168.6M)*



## How the math adds up

Pricing Authority	Source	Updated	Typical Range (annual)	Bankable
<b>CPI</b>	Bureau of Labor Statistics	Monthly	<b>2.613%</b>	YES
<b>Density</b>	USPS in ACR	Annually	<b>2.19%</b>	YES
<b>Retirement</b>	OPM, USPS	Annually	<b>2.3% for July '25</b>	No
<b>2% non-compensatory class (Periodicals)</b>	USPS in ACR	Annually	<b>2%</b>	Yes
<b>2% non-compensatory product (Previously MM Flats)</b>	USPS in ACR	Annually	<b>2%</b>	No
<b>'Graybar Factor' - Based on \$ paid back to mailers for USPS Promos and MGI</b>		Annually	<b>0.3% First Class &amp; 0.6% Marketing Mail for July '26</b>	

**28%**  
CPI Jan '20  
– July '26

# How impactful are the Rate Making Rules?

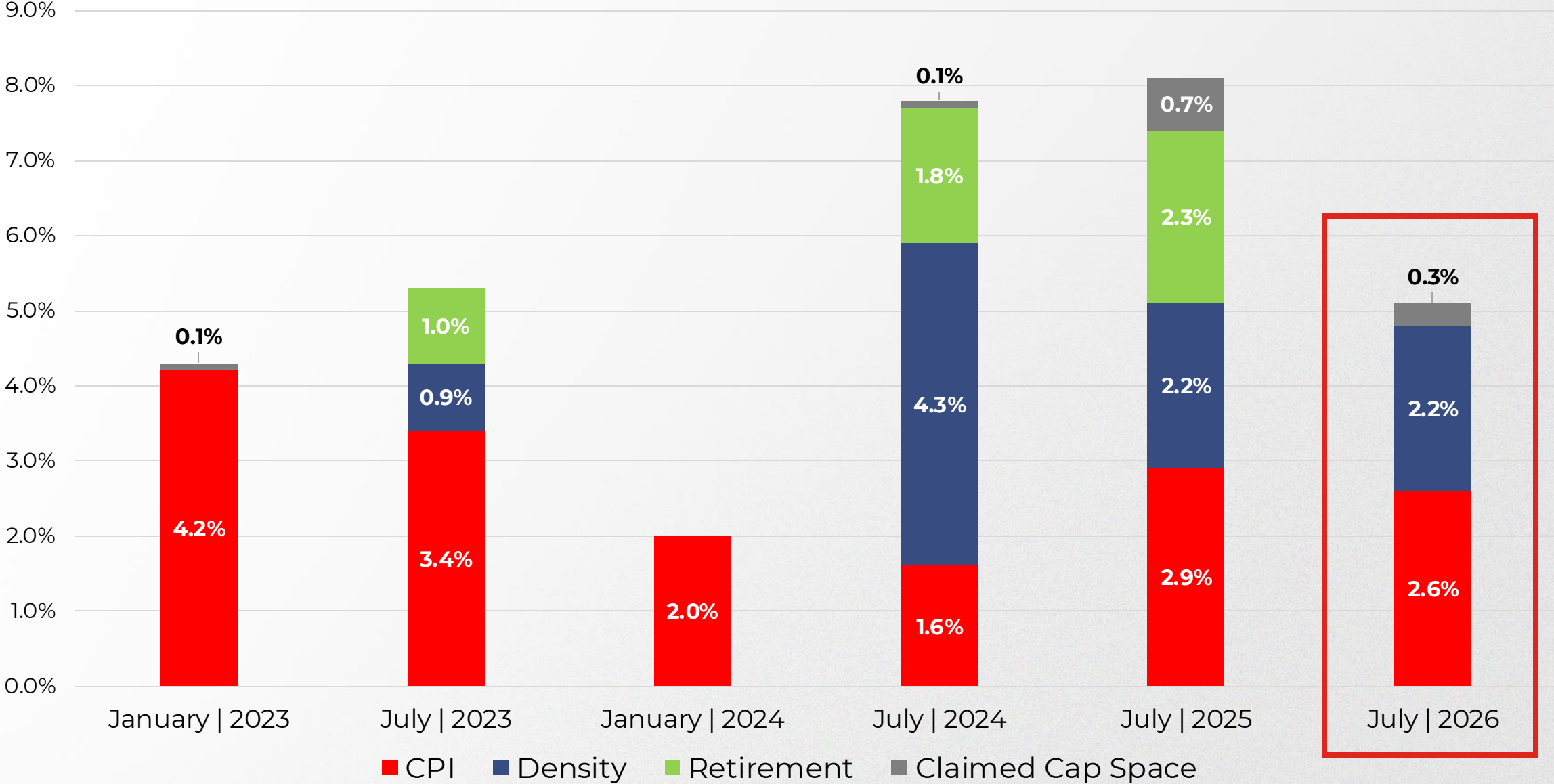
	January 2020 Rates	January 2021 Rates	August 2021 Rates	July 2022 Rates	January 2023 Rates	July 2023 Rates	January 2024 Rates	July 2024 Rates	July 2025 Rates	July 2026 Rates	Price Change (\$)	Price Change (%)
Single Piece Forever Stamps	\$0.55	\$0.55	\$0.58	\$0.60	\$0.63	\$0.66	\$0.68	\$0.73	\$0.78	\$0.82	\$0.27	49%
First Class – Presorted Auto Letter Rate Average	\$0.42	\$0.43	\$0.46	\$0.49	\$0.50	\$0.53	\$0.54	\$0.59	\$0.64	\$0.67	\$0.25	60%
Marketing Mail – Non-Profit Letters, 5-Digit, DSCF Entry	\$0.11	\$0.11	\$0.12	\$0.12	\$0.13	\$0.14	\$0.14	\$0.15	\$0.16	\$0.16	\$0.05	46%
Marketing Mail – Non-Profit Flats, 5-Digit, DSCF Entry, 4 oz. or less	\$0.19	\$0.18	\$0.20	\$0.23	\$0.27	\$0.29	\$0.31	\$0.38	\$0.47	\$0.48	\$0.29	155%



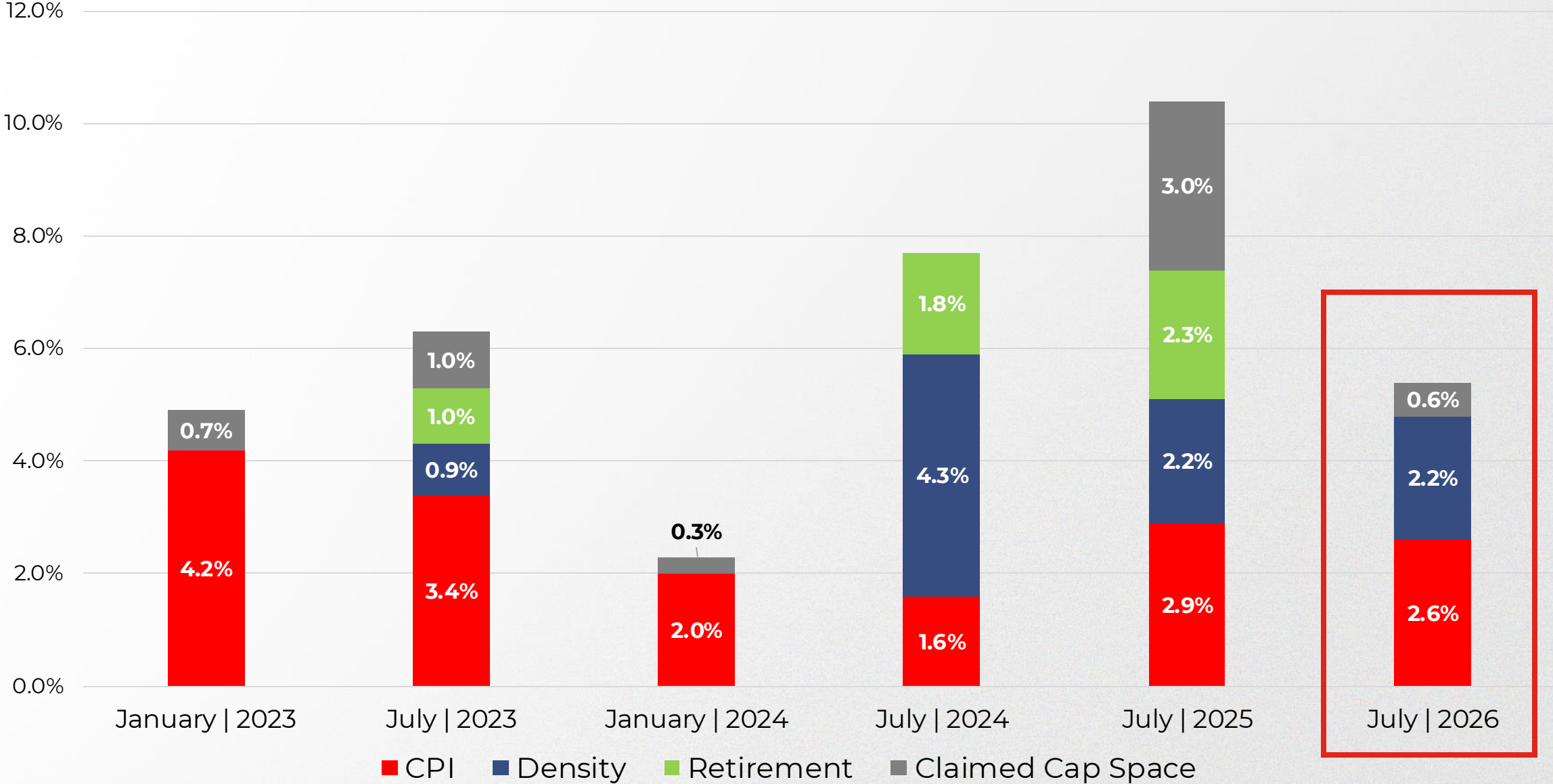
**Advocacy Alert – Don't be a bystander on the Rate Making Rules that directly impact your future success.**

# July 12th Rate Change

# First-Class Mail Claimed Cap Space



# Marketing Mail Claimed Cap Space





# July Rate Change Nonprofit Mailer Impacts

## Org 1:

- Yearly mail volume: 1,000,000
- Postage increase expected: \$5,000
- Overall increase in postage of 2.41%

## Org 2:

- Yearly mail volume: 787,000
- Postage increase expected: \$3,700
- Overall increase in postage of 2.33%

## Org 3:

- Yearly mail volume: 70,000,000
- Postage increase expected: \$366,000
- Overall increase in postage of 2.43%

## Org 4:

- Yearly mail volume: 70,000,000
- Postage increase expected: \$223,000
- Overall increase in postage of 2.01%

## Org 5:

- Yearly mail volume: 5,600,000
- Postage increase expected: \$24,000
- Overall increase in postage of 2.18%

First Class Stamp: 5.1%  
First Class Presort Letters: 5.0%  
First Class Presort Flats: 2.8%  
Nonprofit Letters: 5.1%  
Nonprofit Flat under 4 oz: -1.7%%



# 8% Transportation Related Increase to Competitive Services

Unexpected increase announced March 25<sup>th</sup>

Goes into effect **April 26 – Jan 17, 2027**

Products impacted:

- **Priority Mail Express**
- **Priority Mail**
- **USPS Ground Advantage**
- **Parcel Select**



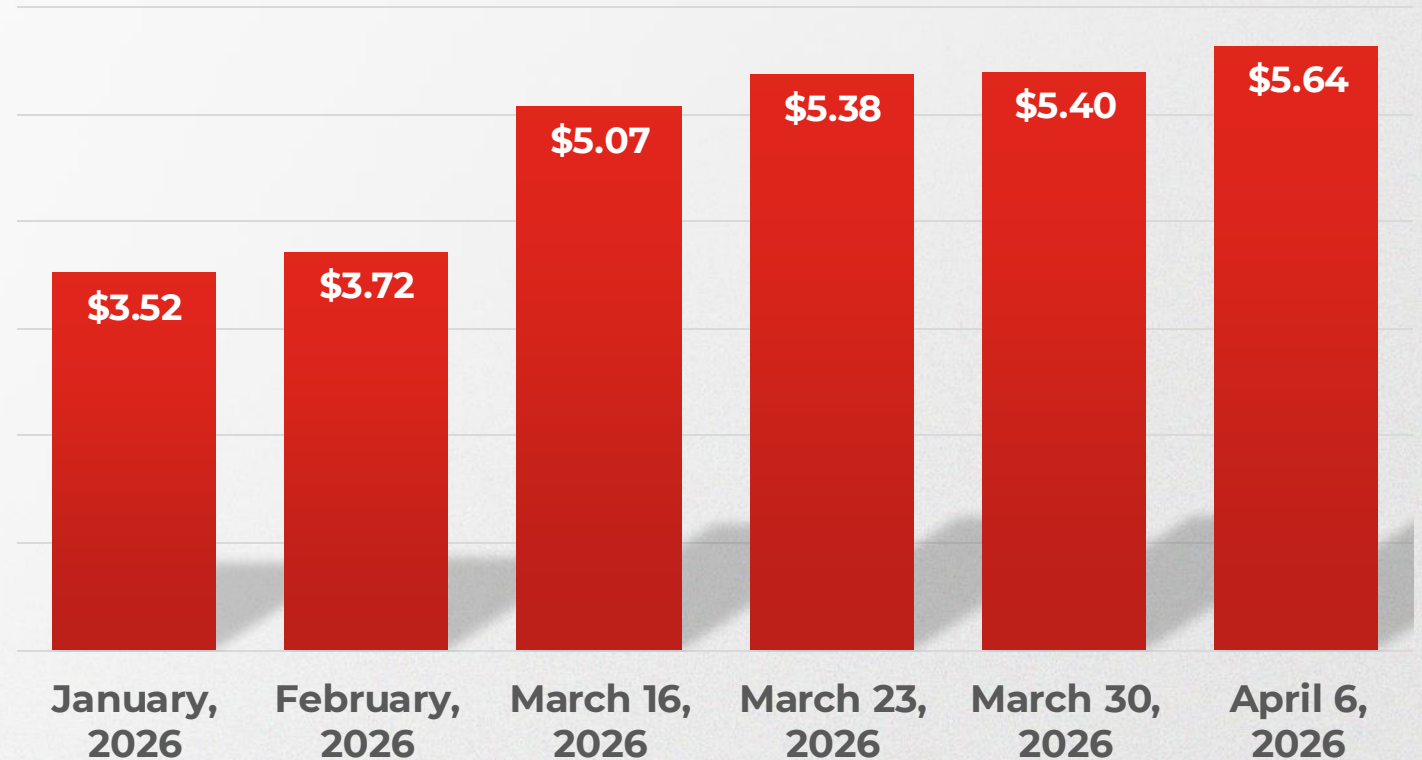
**Connect with your supplier or production management partner to confirm the dollar value of these increases**



# Fuel Surcharges

- Additional fee added to freight rates
- Based on the difference between current diesel rates and the baseline rate used when setting the initial pricing

## US Diesel Price Trends



**Fuel Surcharge Increases impact Transportation Expenses – Consider Impacts to Freight and Drop Shipping**

# Postage Rate Change Predictions

	July 12, '26	July '27	July '28	July '29	July '30
<b>First Class</b>	5.1%	6.5%	5.2%	4.9%	4.9%
<b>Marketing Mail Letters</b>	5.4%	6.8%	5.5%	5.2%	5.2%
<b>Marketing Mail Flats</b>	5.4%	6.8%	5.5%	5.2%	5.2%
<b>Periodicals</b>	6.8%	8.2%	6.9%	6.6%	6.6%

These estimates are based on data and intel as of 4/10/26 and assume 0.715% cap space for First Class and 3.015% for MM for moneys back for MGI. Marketing Mail (MM) percentages apply to Commercial and Nonprofit Rates.



**Review Budgets to align with current projections for 1 x annual increases**

# USPS Promotions & Mail Growth Incentive



# USPS PROMOTIONS CALENDAR



# 2026

PROMO NAME	REGISTRATION PERIOD						PROMO PERIOD						MAXIMUM SAVINGS*
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
INTEGRATED TECHNOLOGY	Any Consecutive 6-Month Period, Starting with the First Maildate and Continuing for 6 Months or Until the End of the Year. Registration begins NOV 15, 2025.												UP TO <b>5%</b> DISCOUNT
TACTILE, SENSORY AND INTERACTIVE	Registration: OCT 15, 2025 - JUN 30						Promo Period: JAN 1 - JUN 30						UP TO <b>5%</b> DISCOUNT
CONTINUOUS CONTACT	Registration: FEB 15 - DEC 31												UP TO <b>5%</b> DISCOUNT
FIRST CLASS MAIL ADVERTISING	Registration: JUL 15 - DEC 31												UP TO <b>5%</b> DISCOUNT
CATALOG INSIGHTS** (NEW)	Registration: AUG 15, 2025 - JUN 30, 2026						Promo Period: OCT 1, 2025 - JUN 30, 2026						UP TO <b>10%</b> DISCOUNT

**ADD-ON DISCOUNTS AVAILABLE ALL YEAR TO STACK WITH A BASE PROMOTION: INFORMED DELIVERY: 1% | SUSTAINABILITY: 1%** 2026 Add-On registration begins Nov 15, 2025

**2026 MAIL GROWTH INCENTIVE: ENROLL BEFORE JUNE 2026 FOR A 30% POSTAGE CREDIT ON ANYTHING OVER 2025 ANNUAL VOLUME! \*\*\***

# PROMOTION AND INCENTIVE DETAILS



## INTEGRATED TECHNOLOGY PROMOTION

Encourages the use of advanced technologies, such as augmented reality (AR), virtual reality (VR), artificial intelligence (AI) and near-field communication (NFC), in mailpieces to enhance customer engagement.

- **Discount: up to 5%**



## TACTILE, SENSORY & INTERACTIVE PROMOTION

Promotes mailpieces that incorporate specialty inks, textures, scents, and interactive elements to create a multi-sensory experience.

- **Discount: up to 5%**



## CONTINUOUS CONTACT PROMOTION

Rewards marketers who send sequential, complementary mailings to the same recipients, fostering ongoing engagement. The first mailing in the series does not receive the discount, but it must be mailed during the promotion period. Second (and third, fourth, etc) can receive the discount. Requesting a donation is considered a "complimentary" theme in the follow-up mailings.

- **Discount: up to 5%**



## FIRST-CLASS MAIL ADVERTISING PROMOTION

Encourages the use of First-Class Mail® for advertising.

- **Discount: up to 5%**



## CATALOG INSIGHTS PROMOTION

Designed to encourage catalog mailers to use content-rich catalogs to drive customer engagement. Eligible mailings will receive a discount of up to 10% on Marketing Mail catalogs, defined as a 12-page booklet (front and back are considered two pages) or more that contains a listing of products or services for sale. Enrollment will begin in August 2025, with the promotion starting for mailings in October 2025 and continuing through June 2026.

- **Discount: up to 10%**



## ADD-ON PROMOTIONS

Need to be combined with a main promotion (Mail Growth Incentive excluded). Both add-ons can be combined with the same mailing, provided they are part of a main promotion.

- **Informed Delivery® Add-On:** Offers a **1% discount** on mailpieces that integrate digital campaign elements via Informed Delivery®, with an additional **0.5% credit** for electronic documentation submitters.
- **Sustainability Add-On:** Provides a **1% discount** for mailings that utilize paper from certified, responsible sources, promoting environmentally conscious practices.



## 2026 MAIL GROWTH INCENTIVE

Provides a **30% postage credit** to any volume that exceeds a mail owner's 2025 volume. Also needs to exceed 1MM pieces. The enrollment process can be lengthy! Ideally, mailers should initiate the enrollment by the end of April and complete it by the end of June, 2026.

## OPTIMIZE YOUR DIRECT MAIL PROGRAM WITH OUR COMPLIMENTARY ASSESSMENT



**Scan Me!**

[PRODUCTIONSOLUTIONS.COM/PRODUCTION-AUDIT](https://PRODUCTIONSOLUTIONS.COM/PRODUCTION-AUDIT)

# Informed Delivery



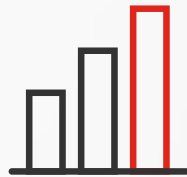
**72.9**

Million  
Users



**45.1**

Billion  
Impressions



**34.7%**

National  
Saturation



**58.6%**

Average Email  
Open Rate



**1,025,694**

Campaigns  
Completed



**1:13**

Average Time  
Spent on  
Dashboard

Postal Data as of 3/31/25



**Beyond postage savings consider that brands can elevate their hardcopy mail campaigns by pairing them with a digital experience at no additional cost.**

# USPS Promotions: What's Changing and What's Next

## **NOW: AI is Reshaping Promotions**

- 80% of promotion pre-approvals supported by AI
- Faster turnaround and increased standardization
- TSI remains excluded

## **WHAT'S CHANGING: Promotions Being Discontinued in 2027**

- Continuous Contact
- Catalog Insights

## **WHAT'S COMING: New Promotions for 2027**

### **Direct Mail Discovery**

- Marketing Mail Discounts for “new mailers”
- Defined as no mail in prior 2 years
- Likely limited applicability for existing programs

### **Impact Messaging**

- First Class & Marketing Mail Discounts
- Incentivizes mail that drives mail
- Encourages recipients to take physical action
- Strong potential for nonprofit alignment
- **Open Questions:** Does a reply envelope qualify? Do mail-in donations count? USPS is still defining eligibility



**Plan ahead for 2027 to take advantage of savings opportunities. Start at the onset of your fiscal year planning.**

# 2026 Mail Growth Incentive

MGI 2026 Registration is now open

**Baseline Period:** January 2025 – December 2025

**Registration Period:** March 2026 – May 30, 2026

- Auto-Resubmission for over 1,450 MGI 2025 registrations
- Currently nearly 1,600 in Process
- 350+ approved
- 80+ in discussions/review
- 1,200+ waiting on customers to approve or discuss

**Incentive Performance Period:**  
January 2026 – December 2026

- Mailers will still receive a postage credit for qualifying volume in excess of 1M pieces or CY25 baseline volume – whichever is higher
- Earned postage credits will be issued quarterly after: June, September, and December 2026



# Postal Affairs Potpourri

# Smart Formats to Optimize Postage

## Redesign oversized packages and flats into letter-rate formats

- Strong success converting larger formats (ex: 9×12 calendars) into **smaller, letter-size envelope packages**

## Test the use of Stamped Reply Envelopes (SREs) and First-Class postage to confirm value

- Response may no longer depend on these techniques for all donors

## Identify digitally responsive donors and shift them to lower-cost formats

- Postcards, self-mailers, or envelopes with **no reply device**
- Use **QR codes and URLs** to drive response

## As USPS becomes more machine-driven, automation requirements can increase costs.

- **Consistent thickness** across the package (lumpy mail may stand out, but it comes at a cost)
- Keeping envelopes **under ¼" thick** (especially when including premiums like greeting cards or multiple upfront gifts such as 2 notepads)
- Ensuring the mail piece **can bend easily**



**Review creative package formats and consider postage classes being used and the cost to value**

# Post Around the World

**Denmark:** *PostNord* – ended national letter delivery Dec 2025

**United Kingdom:** *Royal Mail* – Sold in 2024. Many offices have been **closed or moved into retail partner** locations, and they have reduced staff significantly.

**Germany:** *Deutsche Post* – Reinvented post office into "**multifaceted delivery and information companies**", with many locations now in banks or stores, selling productions like electronics rather than just services. Since 2024 many are becoming fully automated.

**Italy:** *Poste Italiane* – **Diversified its retail offerings** to include insurance, financial and mobile telecommunication services to increase revenue.

**Canada:** *Canada Post* – Most severe financial crisis ever (\$541M loss Q3 '25 and \$1B Operating loss in first nine months of '25)

- *Government lifting the moratorium on **converting remaining door-to-door points to community mailboxes** (expected to save \$400 million annually)*

**Other fully or partially private sector Postal Services:** Japan Post, PostNet (Netherlands), CCT Group (Portugal) and Malaysia/Malta/Lebanon

# Impacts to Voting

To bypass state and federal laws the Department of Homeland Security (DHS) would be ordered to compile lists of voting-age citizens in every state.

## **PROPOSED USPS Responsibilities**

- Charge USPS with cross-referencing DHS lists and instructs it to refuse delivering ballots sent by anyone not included on newly created federal mail voter lists.
- Threatens criminal penalties for election officials, mail carriers and others who send ballots to or deliver ballots from individuals deemed ineligible

## **Mail Piece Requirements**

- Use of Intelligent Mail barcode
- USPS Pre-Mailing review of the mail piece

“They’re in a precarious situation,” said Tammy Patrick, a former local election official in Arizona and mail voting expert. “What this executive order would do is add responsibilities and business practices that they would need to take on without any additional funding.”





## Advocacy

**Keep US Posted** three core principles in HR 3004:

1. **ACCESSIBILITY:** Preserve Universal Service Obligation requiring six-day mail and package delivery to every address.
2. **AFFORDABILITY:** Limit rate hikes to once per year and keep them affordable for small businesses and consumers.
  - A CPI-based price cap for Market Dominant products would require USPS to improve efficiency and live within its means.
  - Any service reductions must be required to provide guaranteed savings.
3. **ACCOUNTABILITY:** Strengthen the PRC's oversight with binding authority over service changes and a dedicated customer advocate.



**We are active on your behalf:  
Lobbying at Congress and filing formal comments to the  
USPS's new Rate Making Rule Proposal**

# Additional Resources

PROMO NAME	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MAXIMUM SAVINGS*
INTEGRATED TECHNOLOGY													UP TO 5% DISCOUNT
TACTICAL, SECONDARY AND INTERACTIVE													UP TO 5% DISCOUNT
CONTINUOUS CONTACT													UP TO 5% DISCOUNT
FIRST CLASS MAIL ADVERTISING													UP TO 5% DISCOUNT
CATALOG INQUIRY** (NEW)													UP TO 10% DISCOUNT

ADD-ON DISCOUNTS AVAILABLE ALL YEAR TO STACK WITH A BASE PROMOTION: INFORMED DELIVERY: 1% | SUSTAINABILITY: 1% | 2026 MAIL GROWTH INCENTIVE: ENROLL BEFORE JUNE 2026 FOR A 30% POSTAGE CREDIT ON ANYTHING OVER 2025 ANNUAL VOLUME!\*\*\*

[productionsolutions.com/resources/postal-rate-chart](https://productionsolutions.com/resources/postal-rate-chart)

# MOORE

<https://wearemoore.com/mail>



<https://postalpro.usps.com>

<https://pe.usps.com/PriceChange>



<https://keepusposted.org>



<https://nonprofitmailers.org>



<https://tnpa.org>

Save the Post Office

<https://www.savethepostoffice.com>



# Key Takeaways

## 1. USPS financial conditions continue to influence change

The Postal Service is navigating ongoing financial challenges, which may contribute to continued rate adjustments and operational changes over time.

## 2. Rate increases are evolving, not slowing

While changes are now limited to once per year, underlying pricing authority remains, allowing for meaningful increases depending on factors like CPI and density.

## 3. Promotions are no longer optional

USPS Promotions and Incentives are embedded in rate-making. Organizations not participating are effectively paying more and subsidizing those who are.

## 4. Direct mail remains a high-performing channel

Mail continues to drive strong engagement, trust, and multichannel performance, including measurable impact on digital giving and response.

## 5. Strategic planning is critical to managing costs

From format optimization to timing and promotion alignment, a coordinated approach across production, data, and postal strategy is key to mitigating rising costs and maximizing results.

## 6. Advocacy will play a critical role in shaping the future of mail

With USPS pursuing changes to pricing authority and oversight, industry advocacy is increasingly important in influencing affordability, service levels, and accountability.



# Practical Tips to Navigate What's Ahead

- **Quantify the impact of rate changes early**  
Connect with your production partner to understand the *true dollar impact* of rate increases on your program.
- **Plan for promotions at the start of your fiscal year**  
Build USPS Promotions and Incentives into annual planning to fully capture available savings opportunities.
- **Evaluate formats and postage classes for cost-to-value**  
Review creative packages, formats, and postage classes to ensure you are balancing cost efficiency with performance.
- **Account for fuel surcharges in transportation planning**  
Fuel surcharge increases are impacting freight and drop shipping. Review transportation budgets and align forecasts accordingly.
- **Align budgets with annual rate increase cadence**  
With a shift to one rate increase per year, update projections and build flexibility into your planning cycle.
- **Use multichannel strategy to enhance mail performance**  
Pair direct mail with digital experiences to elevate campaigns and drive response without adding cost.
- **Segment audiences to optimize cost and response**  
Identify digitally responsive donors and test lower-cost formats while maintaining full packages for key segments.
- **Coordinate timing across data, creative, and production**  
Align campaign timing to maximize eligibility for promotions and avoid unnecessary costs.
- **Plan ahead for 2027 opportunities**  
Begin evaluating upcoming promotion changes now to position your program for future savings.
- **Stay engaged and informed**  
Monitor USPS developments and consider participating in advocacy efforts that support your organization's priorities.

# Q&A



# Questions from the webinar

**Q** Were there any updates at the recent MTAC meeting regarding "zone-based" pricing for marketing mail?

**A** No, this wasn't discussed at the March MTAC meeting and it hasn't been brought up since it was tabled. We may see this come up again but for now it's not being proposed in the foreseeable future.

**Q** Are Business Reply Mail costs also impacted?

**A** Yes, BRM (Business Reply Mail) and QBRM (Qualified Business Reply Mail) costs are increasing, and the charts to the right provide the details.

## BRM and QBRM Costs

Annual Mailing Fees Per 12-Month Period			
	July 2025	July 2026	Change
Application to use permit Imprint (one-time only)	<b>\$370</b>	<b>\$390</b>	\$20.00
First-Class Mail Presort, per office of mailing	<b>\$370</b>	<b>\$390</b>	\$20.00
USPS Marketing Mail	<b>\$370</b>	<b>\$390</b>	\$20.00
Bound Printed Matter (destination entry flats only)	<b>\$370</b>	<b>\$390</b>	\$20.00

Business Reply Mail			
	July 2025	July 2026	Change
Annual Permit Fee	<b>\$370</b>	<b>\$390</b>	\$20.00
BRM - Basic pp (up to 1oz)	<b>\$2.010</b>	<b>\$2.130</b>	\$0.120
BRM - High Volume pp (up to 1oz)	<b>\$0.934</b>	<b>\$0.984</b>	\$0.050
BRM - High Vol. Annual Account Maintenance Fee	<b>\$1,080</b>	<b>\$1,130</b>	\$50.00
QBRM - Basic pp (up to 3.5oz)	<b>\$0.809</b>	<b>\$0.878</b>	\$0.069
QBRM - Basic Account Maintenance Annual Fee	<b>\$1,080</b>	<b>\$1,130</b>	\$50.00
QBRM - High Volume pp (up to 3.5oz)	<b>\$0.788</b>	<b>\$0.856</b>	\$0.068
IMbA (no acct maintenance fee)	<b>\$0.777</b>	<b>\$0.843</b>	\$0.066
QBRM - High Vol. Account Maintenance Annual Fee	<b>\$1,080</b>	<b>\$1,130</b>	\$50.00
QBRM - High Volume Quarterly Fee	<b>\$3,670</b>	<b>\$3,850</b>	\$180.00

**Q** Why does the USPS have non-compensatory products that don't cover costs? What burden does that place on "regular" mail?

**A** It's not that they have non-compensatory products it's that this label is associated with products and classes that fall below the revenue requirements. Under the current Rate Making rules the USPS can add up to a 2% optional surcharge, in addition to the other factors, in an effort to reduce the loss the USPS is incurring.

**Q** Comment on recent changes on BPM parcels versus MM Heavy Weight Parcels. MM will not support fulfillment efforts.

**A** We saw the USPS propose eliminating the BPM (Bound Printed Matter) category completely and the PRC denied them, so we are now seeing the USPS's reaction to how they will solve for the BPM dynamics. While they are simplifying the price structure for a "easier to understand" price structure, not every mailer will be able to continue to make this category work for their business with continuing structure and rate changes.

If you're mailing BPM Flats, explore moving to Marketing Mail Flats as they have increased the max weight for MM Flats and these pieces would also qualify for the Mail Growth Incentive.

Here are the high-level changes:

1. BPM Flats and parcel rate structure to be a piece only based on weight break vs. a piece and pound charge.
2. Marketing Mail expansion with a new 2.5lb breakpoint for Heavy Printed Matter (HPM).

Thank you

