



GRAYHAIR

POSTAL UPDATE

DATE: 10 April 2025

TABLE OF CONTENTS

July 2025 USPS Market Dominant Postage Increase.....	1
Product Level Price Changes.....	2
Bound Printed Matter Removal Proposal.....	5
Drop Ship Discounts in Marketing Mail.....	5
USPS Incentives and Promotions.....	7
USPS Retail First-Class Rates.....	10

July 2025 USPS Market Dominant Postage Increase

On April 9th, the United States Postal Service filed with the Postal Regulatory Commission (PRC) RM-2025-1 to increase Market Dominant Mail postage. The increase is proposed to take effect on Sunday July 13th, 2025.

The filing includes the twelve months rolling average of CPI-U, February 2024 – February 2025 which totaled 2.915%, and the additional factors provided by the the PRC in [final rule 5763](#) of Retirement factor at 2.305%, density factor of 2.16% and the additional 2% for non-compensatory classes.

This adds up to 7.385% available to the USPS for use on classes of mail that are covering their costs, which are First-Class, Package Services, and Marketing Mail.

There is 9.385% that can be applied to the non-compensatory class of Periodicals.

Available Factors	Percentage
Density Factor	2.165%
Retirement Factor	2.305%
CPI-U	2.915%
Total for Compensatory Classes	7.385%
Non-Compensatory Surcharge	2%
Total for Non-Compensatory Classes	9.385%

The cap space available to USPS is 7.385% and that is the NET increase expected for Marketing Mail and First Class Mail. Due to the impact of Mail Growth Incentive paid out, and promotions and incentives discounts on statements, the individual price cells for those classes will show as 7.385% cap + the additional cap from promotions and incentives.

Class	Available Factors	Non Compensatory Factors	Additional Claimed Cap Space	Price cell change before Promotions and Incentives
First-Class	7.385%	-	0.715%	8.1%
Marketing Mail	7.385%	-	3.015%	10.4%
Periodicals	7.385%	+2.0%	-	9.385%
Package Services	7.385%	-	-	7.385%

[39 CFR 3030.221](#), requires the Postal Service raise rates for non-compensatory products in compensatory classes by at least two percentage points above the average for that class, this includes **Commercial Regular and Nonprofit Presort Marketing Mail Flats** (sort levels of Mxd - 5-Digit), Marketing Mail Carrier Route Flats did cover their costs in FY24, so they are not subject to this rule.

Comments may be submitted to the PRC from now until May 9th 2026.

The full filing can be found on the Postal Regulatory website [with this link](#).

The PRC has until May 30th to consider comments, review the filing for compliance, and approve or remand the filing to meet a July 13th, 2026 implementation date.

These rates are considered as proposed until the PRC approves the filing.

Product Level Price Changes

The following tables break out the percentage increase by product level in each class. Within the Marketing Mail and First Class there is a column showing the total expected net increase, and the total increase of the product before any promotions or discounts are applied.

These are averages, each mailing profile is different so you may see a lower or higher increase within your mailings.

First-Class Bulk Prices

Product	Rate cell change	Net %
Single-Piece Letters/Postcards	7.046%	7.046%
Presort Letters/Postcards	8.7%	7.553%
Flats	7.7%	7.306%
Outbound Single-Piece First-Class Mail International	4.584%	4.584%
Inbound Letter Post	11.993%	11.993%
First-Class Mail	8.1%	7.385%

First Ounce Letter Rates	Current	New	Change	%
Stamped Single Piece	\$0.73	\$0.78	\$0.05	6.8%
Metered Single Piece	\$0.69	\$0.74	\$0.05	7.2%
MAADC Automation	\$0.622	\$0.672	\$0.05	8.0%
AADC Automation	\$0.593	\$0.641	\$0.048	8.1%
5-Digit Automation	\$0.545	\$0.593	\$0.048	8.1%

Marketing Mail

Product	Rate cell change	Net %
Letters	10.9%	8.506%
Flats	13.3%	9.605%
Parcels	12.6%	12.202%
High Density/Saturation Letters	9.1%	5.726%
High Density/Saturation Flats and Parcels	9.6%	6.786%
Basic Carrier Route Flats (USPS is eliminating CR letters)	6.1%	-1.076%
Every Door Direct Mail - Retail	10.762%	10.762%
Overall	10.4%	7.385%

Periodicals

As there are no promotions in Periodicals the increase is displayed as total change.

Product	% Change
Outside County	9.352%
Within County	9.763%
Overall	9.385%

Package Services

Product	% Change
Alaska Bypass Service	9.390%
Bound Printed Matter Flats	30.768%
Bound Printed Matter Parcels	12.406%
Media Mail and Library Mail	-2.512%
Overall	7.385%

Special Services

Product	% Change
Ancillary Services	7.595%
International Ancillary Services	7.674%
Address Management Services	7.911%
Caller Service & Reserve Nbrs	7.625%
Credit Card Authentication	13.636%
International BRM Service	6.963%
Money Orders	7.816%
Post Office Box Service	5.792%
Stamp Fulfillment Services	7.951%
Overall	7.385%

Bound Printed Matter Removal Proposal

In December 2024 the Postal Service filed a request with the PRC to eliminate Bound Printed Matter Flats and Parcels from the Market Dominant products under docket [MC-2025-948](#). The PRC has not ruled on the request as of yet so they directed the Postal Service to include pricing for BPM within its rate case.

The Postal Service also submitted alternate pricing which did not include BPM, and instead have the marketing products of BPM absorbed into Marketing Mail categories with new weight limits increased in event the PRC approves USPS request to remove BPM before the end of May.

The below Marketing Mail and Package Services tables are from the alternate pricing in RM2025-1.

Marketing Mail (with new heavy weight MM)

Product	% Change
Letters	8.310%
Flats	9.614%
Parcels	17.996%
High Density/Saturation Letters	5.858%
High Density/Saturation Flats and Parcels	6.546%
Basic Carrier Route Flats (CR Letters are removed)	-0.731%
Every Door Direct Mail - Retail	11.211%
Overall	7.385%

Package Services (without Bound Printed Matter)

Product	% Change
Alaska Bypass Service	9.671%
Media Mail and Library Mail	7.203%
Overall	7.384%

Drop Ship Discounts in Marketing Mail

There were significant changes to the Drop Ship discounts for both Letters and Flats:

- The elimination of NDC entry and DNDC discounts.
- This is followed with the steep decline in DSCF discounts for both Letters and Flats, as well as a decline in the DDU discount for Flats. This is due to a requirement that the Postal Service bring any current discounts that are out of compliance with relevant regulations based on the new FY 2024 avoided costs into compliance in the next Market Dominant rate adjustment. (July 2025)

Marketing Mail Letters

Entry Discount Level	Discount p/1000 pieces. Current	Discount p/1000 pieces. July 2025	Proposed Change	% of Change Proposed
DNDC	\$24	XXX	XXX	XXX
DSCF	\$27	\$17	-\$10	-37%

Marketing Mail Flats under 4oz

Entry Discount Level	Discount p/1000 pieces. Current	Discount p/1000 pieces. July 2025	Proposed Change	% of Change Proposed
DNDC	\$66	XXX	XXX	XXX
DSCF	\$70	\$38	-\$32	-45.7%
DDU	\$81	\$49	-\$36	-44.4%

Marketing Mail Flats over 4oz.

Entry Discount Level	Discount p/100 pounds. Current	Discount p/100 pounds. July 2025	Proposed Change	% of Change Proposed
DNDC	\$44.80	XXX	XXX	XXX
DSCF	\$47.80	\$31.2	-\$16.6	-34.7%
DDU	\$55.10	\$40.3	-\$14.8	-26.8%

!!New!! First Class Mail Container Incentives

For pieces of First-Class Mail presented on SCF Pallets.

Discount Name	Discount Amount
First-Class Mail Bulk Letters on SCF Pallets	\$0.004
First-Class Mail Bulk Cards on SCF Pallets	\$0.002
First-Class Mail Bulk Flats on SCF Pallets	\$0.018

Marketing Mail Container Incentives

No Changes to incentives for letters on SCF Pallets, remaining as \$0.003.

Marketing Mail Flats on SCF Pallets.

Type of worksharing	Discount p/1000 piece Current	Discount p/1000 pieces. July 2025	Proposed Change	% of Change Proposed
ADC, 3D, 5D	\$26	\$32	\$6	+23%
Carrier Route	\$21	\$26	+\$4	+19%
HD	\$15	\$18	+\$3	+20%
HD+	\$14	\$17	+\$3	+21.4%
Saturation	\$5	\$6	+\$1	+20%

Marketing Mail Flats on Direct Sort Pallets (5D CR).

Type of worksharing	Discount p/1000 piece Current	Discount p/1000 pieces. July 2025	Proposed Change	% of Change Proposed
Carrier Route	\$31	\$34	+\$3	+9.6%
HD	\$27	\$33	+\$6	+22.2%
HD+	\$22	\$27	+\$5	+22.7%
Saturation	\$17	\$21	+\$4	+23.5%

USPS Incentives and Promotions

!!!!NEW!!!! Catalog Promotion

The Postal Service is proposing a NEW promotion for catalogs. The promotion would be 10% of all mail products meeting the catalog definition and identified as a catalog in the eDoc. The promotion would run for nine months starting on October 1st, 2025 running through June 30th, 2026. The current Catalog Incentive of \$0.001 p/p will be terminated as of July 13th, 2025.

Proposed 2025 New Promotion



*Must meet definition/characteristics of a catalog

CATALOG INSIGHTS

- Designed for catalogers* to expand and grow circulations and allow Postal Service to evaluate catalog mailer price sensitivity with a 10% price reduction

INCENTIVE ELIGIBILITY

Mailpiece must be:

- At least 12 pages,
- Bound
- Include a list of product/services offered to allow an order to be placed

Product: Marketing Mail

These requirements are in the DMM § 601.10.0.

2026 PROMOTIONS ANNOUNCED

Figure 4: Proposed Promotions Calendar



With the July filing the Postal Service submitted the 2026 Promotions to give mailers more advance notice for planning purposes. Four of the current 2025 promotions continue into 2026, all now with a 5% incentive. The Reply Mail IMbA promotion is being discontinued.

!!NEW!! Catalog Insights Promotion – 10%

- Promotion period October 1st, 2025 – June 30th, 2026.
- Qualifying Marketing Mail Letters, Flats, and Parcels

Tactile, Sensory, and Interactive – 5%

- Promotion period January 1st, 2026 – June 30th, 2026
- Marketing Mail and First-Class Letters & Flats

Integrated Technology – 5%

- Will again allow a mailer to choose their 6-month promo period.
- Marketing Mail and First-Class Letters & Flats

Continuous Contact – 5%

- Promotion period April 1, 2026 – September 30th, 2026
- Marketing Mail Letters & Flats
- Mail multiplier.

First-Class Mail Advertising Promotion – 5%

- Promotion period September 1st, 2026 – December 31st, 2026
- First-Class Letters & Flats

Mailers may take one or both Add-Ons at any time throughout the year as long as they are participating in another USPS Promotion.

Informed Delivery Add-On – 1%

- This is no longer a standalone promotion.
- Marketing Mail and First-Class Letters & Flats
- Will continue to provide eDoc submitter incentive – 0.5 %

Sustainability Add-On - 1%

- Discount for using sustainable mailing materials, could be envelope or letter.
- Will require evidence of sustainability certification on the mail piece.
- Marketing Mail and First-Class Letters & Flats

Full Service and Seamless Incentives

The Full Service and Seamless Incentives proposed for 2026 remain the same as 2025. First Class and Marketing Mail Full Service at \$0.005, Periodicals and Package Services at \$0.003. First Class and Marketing Mail Seamless incentive at \$0.002, Periodicals and Package Services at \$0.001.

First-Class and Marketing Mail Growth Incentive

The Postal Service is planning to continue the Mail Growth Incentive for both First-Class and Marketing Mail in 2026. It is proposed that mailers receive a 30% postage credit for qualifying volume in CY26 that is more than CY25 baseline volume, or 1M pieces, whichever is higher. The incentive will again be given as postage credits to be issued quarterly after June, September, and December 2026. The registration period will be ending May 31st, 2025 vs. a June 30th date.

Marriage Mail Incentive

The Postal Service is planning to continue the Marriage Mail Incentive for lightweight “Marriage Mail”. The discount remains 10% but now includes High Density + as well as Saturation for pieces under 2oz that mail minimum of 10 times annually and contain at least four different advertisers.

USPS Retail First-Class Rates

The additional-ounce price for single-piece retail letters will increase from \$0.28 to \$0.29

Product	Current Price	July 2025 Price	% Change
Letters (1 ounce) stamp	\$0.73	\$0.78	6.85%
Letters (metered 1 ounce)	\$0.69	\$0.74	7.25%
Domestic Postcards	\$0.56	\$0.62	10.71%
International Postcards	\$1.65	\$1.70	3.03%
International Letter (1 ounce)	\$1.65	\$1.70	3.03%
Overall			7.4%

Questions? Concerns?

Get in touch today with the postal experts at GrayHair Software. Reach us at Engage@grayhairsoftware.com