

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRICE CHANGES

Docket No. CP2026-8

**USPS NOTICE OF CHANGES IN
RATES AND CLASSIFICATIONS OF GENERAL APPLICABILITY
FOR COMPETITIVE PRODUCTS**
(May 11, 2026)

Pursuant to 39 C.F.R. §§ 3035.102 and 3035.104, the United States Postal Service hereby gives notice of changes in rates and classifications of general applicability for competitive products. In accordance with Rule 3035.102(b) and Rule 3035.104(b), this Notice provides the Governors' Decision establishing the changes, including a statement of explanation and justification, and certification of the vote. The new prices and classifications will take effect on July 12, 2026.

Attached to this pleading is a draft of the Mail Classification Schedule (MCS) that incorporates these new prices and classification changes in legislative format. Also being filed herewith is a non-public annex showing FY 2027 projected volumes, revenues, attributable costs, contribution, and cost coverage for each product. Additionally, in accordance with Order No. 1062, the Postal Service is filing supporting forecast data and price adjustment calculations for each affected product. An application for non-public treatment of this material is attached to this pleading, along with a redacted, public version of the annex. Redacted versions of certain supporting materials are also being filed.

Proposed Price Changes for July 2026

The scope of the price changes proposed in this filing is limited, as most competitive product prices will remain unchanged. No changes are being made to International competitive products. For domestic products, competitive Post Office Box prices will increase 3.0 percent on average, within the existing price ranges. USPS Ground Advantage prices will largely remain unchanged, except that the ounce-based rate differentiation for USPS Ground Advantage Commercial will be eliminated, which aligns USPS Ground Advantage Commercial with the rate structure of Parcel Select. For Parcel Select, the price for forwarding and returns will increase from \$3.80 to \$6.00. For customers using Address Correction Service (ACS) with Shipper Paid Forwarding/Return, the price will increase from \$3.20 to \$5.40. Finally, as discussed below, new Hazardous Materials fees will be introduced that apply to Priority Mail Express, Priority Mail, Parcel Select, and USPS Ground Advantage.

Proposed Classification Changes for July 2026

There are several classification changes proposed for July 2026.

Introduction of Hazardous Materials Fees

We are introducing two related Hazardous Materials (HazMat) fees under all domestic competitive products: 1) a HazMat Handling Fee for Priority Mail and Priority Mail Express¹ to cover the additional costs associated with transporting these items, and 2) a HazMat Noncompliance Fee that will be applied when we detect a package that contains HazMat but the customer did not appropriately declare and label them.

¹ We are proactively including the structure of a HazMat Handling Fee for Parcel Select and USPS Ground Advantage in the MCS, but starting it at \$0 for July 2026. This will eliminate the need for future systems changes in the future should we decide to charge a fee for these products.

These fees are designed to ensure the Postal Service is properly compensated for the shipment of HazMat packages, and to disincentivize the shipment of undeclared HazMat packages. The Postal Service incurs additional transportation costs with respect to HazMat packages. In addition, proper labeling of HazMat packages is necessary to enable the Postal Service to handle such packages appropriately, including by ensuring that pieces that are ineligible for air transportation under federal regulations are only transported by surface transportation. In accordance with 39 C.F.R §§ 3040.180(b)(2) and 3040.181(b)(2), this classification change will not result in the violation of 39 U.S.C. § 3633 or associated regulations, because the underlying products will still cover costs. The introduction of these new fees will directly impact shippers of HazMat packages, but will also indirectly benefit all users of the mail by reducing the number of undeclared HazMat items in the system. Competitors are unlikely to be substantially affected, but it is possible that some shippers may be incentivized to use competitors' services at negotiated rates in order to avoid these fees. Our competitors currently impose similar fees for HazMat items, with list prices that are larger than what we plan to implement in July.²

Change to Dimensional Weighting Divisor

Dimensional weighting was first introduced in 2019; this classification change lowers the dim divisor involved in the dim weight calculation from 166 to 139 across all

² See https://www.fedex.com/content/dam/fedex/us-united-states/services/surcharge_and_fee_changes_2026.pdf (last visited May 11, 2026) (detailing various Dangerous Goods fees for 2026); see also <https://assets.ups.com/adobe/assets/urn:aaid:aem:f8d97e17-7ef9-48af-b8ce-b5c9bbf0be6a/original/as/preview-accessorial-us-en.pdf> (last visited May 11, 2026) (listing Dangerous Goods fees in effect for 2026).

domestic competitive products. This change brings our dim divisor in line with the current industry standard.³ This classification change will not result in the violation of 39 U.S.C. § 3633 or associated regulations, because the underlying products will still cover costs. Certain customers could be negatively affected by this change, as the lower divisor will have the effect of raising prices for shippers of some dim weighted packages. However, we do not anticipate a significant impact from this change as we are simply aligning with the industry standard. Competitors will likely see minimal effects from this change, although it is possible that some shippers that use the Postal Service in part because of our higher dim divisor may shift those packages to our competitors in the future.

Expansion of Connect Local Definition for USPS Smart Lockers

We will also make a small change to the definition of Connect Local, to allow the use of USPS Smart Lockers as a pickup and drop-off location for customers. This will allow the Postal Service to explore potential revenue opportunities through the use of USPS Smart Lockers at the DDU or equivalent facility. This classification change will not result in the violation of 39 U.S.C. § 3633 or associated regulations, because Connect Local and the overarching Parcel Select product will still cover costs. Users of Connect Local will benefit from this change as it will provide a new convenient option to use USPS Smart Lockers. Competitors may be moderately affected by this change as

³ See <https://www.fedex.com/en-us/shipping/packaging/what-is-dimensional-weight.html> (last visited May 11, 2026) (indicating a dim divisor of 139 for all packages); see also <https://www.ups.com/us/en/support/shipping-support/shipping-dimensions-weight> (last visited May 11, 2026) (showing a dim divisor of 139 for Daily Rates).

some currently offer similar locker services, and their customers could instead choose to utilize the Postal Service.

Introduction of Addresses API Service

In July, we will also introduce Addresses API service and pricing under Address Enhancement Services. Addresses API service will validate and correct address information to improve package and mail delivery service. Monthly tiered prices will be established, which will vary based on the number of record requests. While the Addresses API service is similar to the existing AMS API service, both offerings will continue for the foreseeable future. Most customers are expected to migrate to the Addresses API offering over time as it is built on a newer technology infrastructure that allows for real-time address information updates. The introduction of Addresses API service will not result in the violation of 39 U.S.C. § 3633 or associated regulations, because the overarching Address Enhancement Services product will still cover costs. Impact to customers is expected to be minimal, as existing AMS API customers will not need to immediately shift to use Addresses API service. We similarly expect that our competitors are unlikely to be substantially affected by this change, as it is simply an updated address enhancement offering. Over time, all customers and competitors should benefit from improved package and mail delivery service.

Change to Package Intercept Definition

Finally, we will make a small change to the definition of Package Intercept service. Currently, all intercepted packages are forwarded or returned using Priority

Mail. With this change to the Package Intercept classification language, intercepted packages will now use the original product and rate category chosen by the customer, rather than always being forwarded or returned as Priority Mail. This classification change will not result in the violation of 39 U.S.C. § 3633 or associated regulations, because Package Intercept and the overarching Competitive Ancillary Services product will still cover costs. Users of Package Intercept will not be substantially affected by this classification change. While there may be some modest difference in service depending on the original product or rate category chosen compared to Priority Mail, it is unlikely to be a perceptible change to the customer and will in any event align this service with the product chosen by the customer to send the package. Similarly, we do not expect our competitors will see any effects from this minor change.

The Governors' Decision and record of proceedings will be published in the Federal Register in accordance with 39 U.S.C. § 3632(b)(2).

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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May 11, 2026

**DECISION OF THE GOVERNORS OF THE UNITED STATES POSTAL SERVICE ON CHANGES
IN RATES AND CLASSIFICATIONS OF GENERAL APPLICABILITY FOR COMPETITIVE
PRODUCTS (GOVERNORS' DECISION NO. 26-2)**

May 8, 2026

STATEMENT OF EXPLANATION AND JUSTIFICATION

Pursuant to our authority under section 3632 of title 39, as amended by the Postal Accountability and Enhancement Act of 2006 ("PAEA"), we establish prices and classifications of general applicability for the Postal Service's competitive products. The changes are described generally below, with a detailed description of the changes in the Postal Service's associated draft Mail Classification Schedule change document. That document contains the draft Mail Classification Schedule sections with classification changes in legislative format, and new prices displayed in the price charts.

As shown in the nonpublic annex being filed under seal herewith, the changes we establish should enable each competitive product to cover its attributable costs (39 U.S.C. § 3633(a)(2)) and should result in competitive products as a whole complying with 39 U.S.C. § 3633(a)(3), which, as implemented by 39 C.F.R. § 3035.107(c), requires competitive products collectively to contribute a minimum of 8.0 percent to the Postal Service's institutional costs. Accordingly, no issue of subsidization of competitive products by market dominant products should arise (39 U.S.C. § 3633(a)(1)). We therefore find that the new prices are in accordance with 39 U.S.C. §§ 3632-3633 and 39 C.F.R. § 3035.102.

I. Domestic Products

A. Priority Mail Express

Priority Mail Express prices will remain unchanged for July 2026, and the existing structure of zoned Retail and Commercial price categories will be maintained. Dimensional weighting will have its dim divisor changed from 166 to 139 to better align with industry standard.

Two new fees related to the processing of packages containing Hazardous Materials will be introduced. A HazMat Handling Fee for Priority Mail Express will be \$7.50 to cover the costs of manual handling required when HazMat items fly. Also, a HazMat Noncompliance Fee of \$50 will be applied to any competitive commercial product when Hazardous Materials are detected but the customer did not appropriately declare and label them.

B. Priority Mail

Priority Mail prices will remain unchanged for July 2026, and the existing structure of zoned Retail and Commercial price categories will be maintained. Dimensional weighting will have its dim divisor changed from 166 to 139 to better align with industry standard.

Two new fees related to the processing of packages containing Hazardous Materials will be introduced. A HazMat Handling Fee for Priority Mail will be \$7.50 to cover the costs of manual handling required when HazMat items fly. Also, a HazMat Noncompliance Fee of \$50 will be applied to any competitive commercial product when Hazardous Materials are detected but the customer did not appropriately declare and label them.

C. Parcel Select

Parcel Select outbound prices will remain unchanged for July 2026, and the existing structure will be maintained. The price for Parcel Select Forwarding and Returns, currently set at \$3.80, will increase to \$6.00 for July 2026 in order to better drive address quality. For customers using Address Correction Service (ACS) with Shipper Paid Forwarding/Return, the price will increase from \$3.20 to \$5.40. Dimensional weighting will have its dim divisor changed from 166 to 139 to better align with industry standard.

The definition of Connect Local will be expanded to allow the use of USPS Smart Lockers as a drop off or pickup location.

Two new fees related to the processing of packages containing Hazardous Materials will be introduced. A HazMat Handling Fee for Parcel Select will be established but set at \$0 initially, with the option for the fee to increase in the future. Also, a HazMat Noncompliance Fee of \$50 will be applied to any competitive commercial product when Hazardous Materials are detected but the customer did not appropriately declare and label them.

D. USPS Ground Advantage

USPS Ground Advantage prices will largely remain unchanged for July 2026, except that the ounce-based rate differentiation for USPS Ground Advantage Commercial will be eliminated. This change results in an average price increase of 11.8 percent for USPS Ground Advantage Commercial. Retail prices will remain unchanged. Dimensional weighting will have its dim divisor changed from 166 to 139 to better align with industry standard.

Two new fees related to the processing of packages containing Hazardous Materials will be introduced. A HazMat Handling Fee for USPS Ground Advantage will be established but set at \$0 initially, with the option for the fee to increase in the future. Also, a HazMat Noncompliance Fee of \$50 will be applied to any competitive commercial product when Hazardous Materials are detected but the customer did not appropriately declare and label them.

F. Domestic Extra Services

Competitive Post Office Box prices will be increasing 3.0 percent on average, within the existing price ranges. Classification changes will be made to the definition of Package Intercept so that intercepted packages will use the original product and rate category, rather than always being forwarded or returned via Priority Mail.

New for July 2026, an Addresses API service and pricing will be introduced under Address Enhancement Services. The Addresses API service will validate and correct address information to improve package and mail delivery service. Monthly tiered

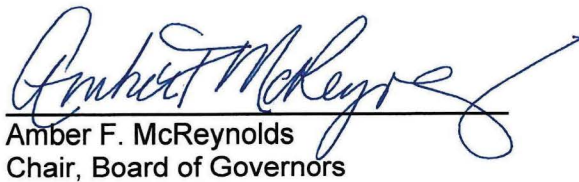
pricing will vary based on the number of record requests. While the Addresses API service is similar to the existing AMS API service, both offerings will continue for the foreseeable future. Most customers are expected to migrate to the Addresses API offering over time.

The remaining Extra Services will not receive any price or classification changes. No price or classification changes are being made to International competitive products for July 2026.

ORDER

The changes in prices and classes set forth herein shall be effective at 12:01 A.M. on July 12, 2026. We direct the Secretary of the Board of Governors Office to have this decision published in the *Federal Register* in accordance with 39 U.S.C. § 3632(b)(2) and direct management to file with the Postal Regulatory Commission appropriate notice of these changes.

By The Governors:



Amber F. McReynolds
Chair, Board of Governors

**UNITED STATES POSTAL SERVICE
OFFICE OF THE BOARD OF GOVERNORS**

**CERTIFICATION OF GOVERNORS' VOTE ON
GOVERNORS' DECISION NO. 26-2**

Consistent with 39 USC 3632(a), I hereby certify that, on May 8, 2026, the Governors voted on adopting Governors' Decision No. 26-2, and that a majority of the Governors then holding office voted in favor of that Decision.



Lucy C. Trout
Secretary of the Board of Governors

Date: May 8, 2026

MAIL CLASSIFICATION SCHEDULE CHANGES

2001 COMPETITIVE PRODUCT DESCRIPTIONS

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2100 DOMESTIC PRODUCTS

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2105 Priority Mail Express

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2105.6 Prices

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Retail Dimensional Weight

In Zones 1-9 (including local), parcels exceeding one cubic foot are priced at the actual weight or the dimensional weight, whichever is greater.

For box-shaped parcels, the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) of the parcel, and dividing by ~~466~~139.

For irregular-shaped parcels (parcels not appearing box-shaped), the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) at the associated maximum cross-sections of the parcel, dividing by ~~466~~139, and multiplying by an adjustment factor of 0.785.

* * *

Commercial (Base and Plus) Dimensional Weight

In Zones 1-9 (including local), parcels exceeding one cubic foot are priced at the actual weight or the dimensional weight, whichever is greater.

For box-shaped parcels, the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) of the parcel, and dividing by ~~466~~139.

For irregular-shaped parcels (parcels not appearing box-shaped), the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) at the associated maximum cross-sections of the parcel, dividing by ~~466~~139, and multiplying by an adjustment factor of 0.785.

* * *

HazMat Handling Fee

Add \$7.50 for retail or commercial parcels that contain Hazardous Materials.

HazMat Noncompliance Fee

Add \$50.00 for commercial parcels if Hazardous Materials are detected, but the customer did not appropriately declare and/or label them.

2110 Priority Mail

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2110.6 Prices

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Retail Dimensional Weight

In Zones 1-9 (including local), parcels exceeding one cubic foot are priced at the actual weight or the dimensional weight, whichever is greater.

For box-shaped parcels, the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) of the parcel, and dividing by ~~466~~139.

For irregular-shaped parcels (parcels not appearing box-shaped), the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) at the associated maximum cross-sections of the parcel, dividing by ~~466~~139, and multiplying by an adjustment factor of 0.785.

* * *

Commercial (Base and Plus) Dimensional Weight

In Zones 1-9 (including local), parcels exceeding one cubic foot are priced at the actual weight or the dimensional weight, whichever is greater.

For box-shaped parcels, the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) of the parcel, and dividing by ~~466~~139.

For irregular-shaped parcels (parcels not appearing box-shaped), the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) at the associated maximum cross-sections of the parcel, dividing by ~~466~~139, and multiplying by an adjustment factor of 0.785.

* * *

HazMat Handling Fee

Add \$7.50 for retail or commercial parcels that contain Hazardous Materials.

HazMat Noncompliance Fee

Add \$50.00 for commercial parcels if Hazardous Materials are detected, but the customer did not appropriately declare and/or label them.

2115 Parcel Select

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2115.4 Price Categories

Destination Entered

- USPS Connect Local – Line-of-travel package pickup and next day or same day delivery within a specified service area, or USPS Smart Locker package pickup, available to mailers who use specifically authorized postage payment methods and, pursuant to a customer agreement on file with the Postal Service, enter packages at a designated destination delivery unit or other equivalent facility.
 - DDU
 - Flat Rate
 - Sunday Delivery
 - Oversized
 - Forwarding and Returns

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2115.6 Prices

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b. Dimensional Weight

Parcels exceeding one cubic foot are priced at the actual weight or the dimensional weight, whichever is greater.

For box-shaped parcels, the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) of the parcel, and dividing by ~~466~~139.

For irregular-shaped parcels (parcels not appearing box-shaped), the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) at the associated maximum cross-sections of the parcel, dividing by ~~466~~139, and multiplying by an adjustment factor of 0.785.

* * *

d. Forwarding and Returns

Parcel Select pieces that are forwarded on request of the addressee or forwarded or returned on request of the mailer will be subject to the applicable Parcel Select Ground price, plus ~~\$3.80~~6.00, when forwarded or returned. For customers using Address Correction Service with Shipper Paid Forwarding/Return, and also using an IMpb, the additional fee will be ~~\$3.20~~5.40.

* * *

HazMat Handling Fee

Add \$0.00 for parcels that contain Hazardous Materials.

HazMat Noncompliance Fee

Add \$50.00 for parcels if Hazardous Materials are detected, but the customer did not appropriately declare and/or label them.

* * *

2125 USPS Ground Advantage

2125.6 Prices

Commercial

Maximum Weight (oz/lb)	Zone 1 (\$)	Zone 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)	Zone 9 (\$)
4oz.	<u>6.93</u>	<u>6.94</u>	<u>7.30</u>	<u>7.46</u>	<u>7.69</u>	<u>7.86</u>	<u>8.07</u>	<u>8.40</u>	<u>8.40</u>
8oz.	<u>6.93</u>	<u>6.94</u>	<u>7.30</u>	<u>7.46</u>	<u>7.69</u>	<u>7.86</u>	<u>8.07</u>	<u>8.40</u>	<u>8.40</u>
12oz.	<u>6.93</u>	<u>6.94</u>	<u>7.30</u>	<u>7.46</u>	<u>7.69</u>	<u>7.86</u>	<u>8.07</u>	<u>8.40</u>	<u>8.40</u>
15.999 oz.	<u>6.93</u>	<u>6.94</u>	<u>7.30</u>	<u>7.46</u>	<u>7.69</u>	<u>7.86</u>	<u>8.07</u>	<u>8.40</u>	<u>8.40</u>
1lb.	7.61	7.68	8.00	8.15	8.74	9.63	9.98	10.67	10.67
2	7.99	8.08	8.26	8.51	9.95	11.58	12.00	12.87	12.87
3	8.64	8.66	9.14	9.67	11.57	13.59	14.36	15.75	15.75
4	9.28	9.34	9.70	10.65	12.84	15.16	16.19	18.01	18.01
5	9.70	9.76	10.14	11.02	13.48	15.89	17.12	19.19	19.19
6	9.87	9.94	10.36	11.55	14.28	16.89	18.31	20.68	20.68
7	9.96	10.02	10.62	11.90	14.90	17.65	19.23	21.83	21.83
8	10.10	10.27	11.49	12.43	15.49	18.34	20.08	22.90	22.90
9	11.01	11.25	12.39	13.65	16.11	19.13	21.01	24.09	24.09
10	11.91	12.26	13.18	14.44	16.76	19.94	21.97	25.34	25.34
11	12.75	12.94	14.00	15.18	18.12	21.28	23.68	27.37	27.37
12	13.49	13.85	14.63	15.89	18.86	22.20	24.78	28.73	28.73
13	14.15	14.48	15.25	16.53	19.62	23.16	25.87	30.11	30.11
14	14.73	15.07	15.81	17.13	20.38	24.14	26.99	31.53	31.53
15	15.23	15.53	16.31	17.67	21.15	25.13	28.11	32.91	32.91
16	15.64	15.91	16.73	17.94	21.89	26.09	29.22	34.29	34.29
17	15.97	16.29	17.15	18.41	22.51	26.85	30.11	35.42	35.42
18	16.21	16.46	17.61	18.94	23.16	27.70	31.09	36.64	36.64
19	16.38	16.82	17.81	19.36	23.79	28.52	32.07	37.84	37.84
20	16.46	17.06	18.03	19.66	24.93	30.32	34.67	40.39	40.39
21	18.48	19.54	20.66	21.79	26.13	31.69	37.96	43.01	43.01
22	19.86	21.22	22.59	24.07	29.45	36.73	44.33	49.74	49.74
23	21.51	23.16	24.92	27.33	34.05	43.29	52.14	58.41	58.41
24	23.44	25.27	27.64	31.62	39.94	51.28	61.40	68.97	68.97
25	25.32	27.54	30.72	36.60	46.94	58.24	68.86	78.19	78.19

Commercial (Continued)

Maximum Weight (oz/lb)	Zone 1 (\$)	Zone 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)	Zone 9 (\$)
26	26.27	28.68	32.26	39.07	50.46	61.73	72.61	82.80	82.80
27	27.21	29.84	33.81	41.58	53.96	65.24	76.35	87.46	87.46
28	27.97	30.70	34.85	42.85	55.75	67.49	79.02	90.53	90.53
29	28.72	31.55	35.87	44.11	57.53	69.69	81.65	93.58	93.58
30	29.46	32.38	36.86	45.34	59.28	71.88	84.24	96.60	96.60
31	30.18	33.22	37.84	46.55	61.00	74.02	86.80	99.57	99.57
32	30.90	34.04	38.80	47.73	62.68	76.13	89.33	102.51	102.51
33	31.62	34.84	39.75	48.88	64.39	78.24	91.83	105.42	105.42
34	32.32	35.65	40.68	50.04	66.04	80.30	94.29	108.29	108.29
35	33.04	36.43	41.61	51.18	67.69	82.37	96.77	111.16	111.16
36	33.71	37.21	42.51	52.25	69.26	84.33	99.14	113.94	113.94
37	34.41	37.99	43.41	53.35	70.86	86.32	101.54	116.74	116.74
38	35.08	38.75	44.28	54.44	72.44	88.31	103.90	119.51	119.51
39	35.77	39.50	45.13	55.49	74.00	90.27	106.22	122.25	122.25
40	36.44	40.24	45.98	56.54	75.51	92.17	108.52	124.96	124.96
41	37.09	40.98	46.81	57.59	77.04	94.08	110.80	127.62	127.62
42	37.76	41.68	47.62	58.59	78.52	95.94	113.05	130.28	130.28
43	38.40	42.40	48.44	59.57	79.98	97.79	115.27	132.88	132.88
44	39.05	43.09	49.20	60.54	81.41	99.60	117.45	135.45	135.45
45	39.68	43.78	49.99	61.50	82.85	101.39	119.61	138.01	138.01
46	40.33	44.45	50.75	62.42	84.23	103.17	121.75	140.52	140.52
47	40.94	45.12	51.49	63.33	85.60	104.90	123.82	143.00	143.00
48	41.56	45.78	52.22	64.22	86.97	106.61	125.90	145.45	145.45
49	42.17	46.42	52.92	65.10	88.30	108.29	127.94	147.88	147.88
50	42.77	47.07	53.63	65.96	89.60	109.94	129.95	150.27	150.27

Commercial (Continued)

Maximum Weight (oz/lb)	Zone 1 (\$)	Zone 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)	Zone 9 (\$)
51	43.35	47.71	54.29	66.79	90.88	111.57	131.92	152.63	152.63
52	43.95	48.31	54.95	67.61	92.15	113.18	133.86	154.95	154.95
53	44.53	48.92	55.61	68.40	93.38	114.75	135.79	157.25	157.25
54	45.10	49.51	56.25	69.18	94.61	116.31	137.67	159.49	159.49
55	45.67	50.10	56.85	69.95	95.80	117.84	139.53	161.74	161.74
56	46.22	50.67	57.47	70.70	96.98	119.32	141.35	163.93	163.93
57	46.79	51.24	58.05	71.42	98.11	120.81	143.15	166.10	166.10
58	47.33	51.78	58.62	72.11	99.24	122.23	144.91	168.23	168.23
59	47.88	52.34	59.18	72.81	100.35	123.67	146.64	170.33	170.33
60	48.39	52.87	59.71	73.46	101.42	125.04	148.35	172.39	172.39
61	48.92	53.40	60.24	74.12	102.48	126.41	150.02	174.44	174.44
62	49.45	53.89	60.76	74.74	103.51	127.76	151.66	176.44	176.44
63	49.95	54.41	61.25	75.34	104.53	129.07	153.28	178.42	178.42
64	50.46	54.90	61.73	75.93	105.53	130.35	154.87	180.36	180.36
65	50.94	55.38	62.19	76.51	106.49	131.60	156.42	182.25	182.25
66	51.44	55.85	62.63	77.06	107.43	132.83	157.93	184.13	184.13
67	51.93	56.30	63.06	77.60	108.35	134.04	159.44	185.98	185.98
68	52.41	56.76	63.49	78.11	109.25	135.22	160.90	187.79	187.79
69	52.88	57.20	63.87	78.61	110.13	136.34	162.33	189.57	189.57
70	53.33	57.63	64.26	79.08	110.97	137.46	163.73	191.31	191.31
Oversized	109.79	121.73	139.59	169.43	198.89	228.67	258.38	288.23	288.23

* * *

Dimensional Weight

In Zones 1-9, parcels exceeding one cubic foot are priced at the actual weight or the dimensional weight, whichever is greater.

For box-shaped parcels, the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) of the parcel, and dividing by ~~466~~139.

For irregular-shaped parcels (parcels not appearing box-shaped), the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) at the associated maximum cross-sections of the parcel, dividing by ~~466~~139, and multiplying by an adjustment factor of 0.785.

These dimensional weight rules do not apply to the Limited Overland Routes price category.

* * *

HazMat Handling Fee

Add \$0.00 for retail or commercial parcels that contain Hazardous Materials.

HazMat Noncompliance Fee

Add \$50.00 for commercial parcels if Hazardous Materials are detected, but the customer did not appropriately declare and/or label them.

* * *

2605 Address Enhancement Services

2605.1 Description

Address Enhancement Services ensures that address elements and address lists are correct and up-to-date. In addition to providing software or information about ZIP Code lists, addresses, or moves, the services also include certifying systems to ensure that the proper address information is used. Some services allow the purchaser or licensee to make unlimited copies or to make additional copies for a fee.

AEC (Address Element Correction)

AEC service identifies and corrects bad or incomplete addresses using enhanced computer logic.

AMS API (Address Matching System Application Program Interface)

AMS API is a core set of compiled address-matching software instructions that developers incorporate into their software so that address lists can be updated with address data from the following databases, which are integrated into the AMS-API: City State, ZIP + 4, Five-Digit ZIP, eLOT, DPV, and LACS^{Link}.

For an additional fee, a developer may install the AMS-API on multiple computers for its own use. Additional fees are charged if the developer wants to resell its address-matching software.

Addresses API

Addresses API validates and corrects address information to improve package and mail delivery service using address data from the following databases, which are integrated into the Addresses API: City State, ZIP + 4, Five-Digit ZIP, eLOT, DSF, and LACS^{Link}.

2605.2 Prices

	(\$)
AEC	
Per record processed	0.036
Minimum charge per list	36.00
AMS API Address Matching System Application Program Interface (per year, per platform) ¹	
Developer's Kit, one platform	7,570.00
8Each Additional, per platform	2,690.00
Resell License, one platform	34,300.00
Each Additional, per platform	17,150.00
Additional Database License	
<u>Number of Additional Licenses</u>	
1-100	4,300.00
101-200	8,600.00
201-300	12,900.00
301-400	17,200.00
401-500	21,550.00
501-600	25,850.00
601-700	30,150.00
701-800	34,450.00
801-900	38,750.00
901-1,000	43,050.00
1,001-10,000	61,500.00
10,001-20,000	73,850.00
20,001-30,000	86,100.00
30,001-40,000	98,450.00
<u>Addresses API (per month)</u>	
<u>Tier 1 – Up to 2,000 Record Requests</u>	<u>\$10.00</u>
<u>Tier 2 – Up to 10,000 Record Requests</u>	<u>\$4.50 per 1,000 records</u>
<u>Tier 3 – Up to 50,000 Record Requests</u>	<u>\$4.25 per 1,000 records</u>
<u>Tier 4 – Over 50,000 Record Requests</u>	<u>\$4.00 per 1,000 records</u>

Notes

1. Above API License Fees prorated during the first year based on the date of the license agreement.

2645.2 Package Intercept Service

2645.2.1 Description

- a. Package Intercept service allows a customer to request that the Postal Service intercept the customer's mail at the destination delivery unit based on the initial delivery address.
- b. Intercepted packages can be: (1) returned to sender; (2) held for pick up; or (3) redirected to an alternate domestic address. Intercepted packages will be shipped using ~~Priority Mail~~ the same product or price category by which it was originally shipped.
- c. Package Intercept service is available with First-Class Mail, Package Services, Priority Mail Express, Priority Mail, USPS Ground Advantage, and Parcel Select.

* * *

APPLICATION OF THE UNITED STATES POSTAL SERVICE FOR NON-PUBLIC TREATMENT OF MATERIALS

In accordance with 39 C.F.R. § 3011.201, the Postal Service hereby applies for non-public treatment of the attributable cost, contribution, and cost coverage data in the unredacted version of the annex to Governors' Decision No. 26-2, as well as the supporting materials for those data, which include disaggregated product volume, weight, and revenue distribution information by price cell. The materials consist of spreadsheets that contain calculations to determine the weighted average price increase and cost coverage for each competitive product within the scope of this docket. The Postal Service hereby furnishes below the justification for this application as required by each subsection of 39 C.F.R. § 3011.201(b). For the reasons discussed, the Postal Service asks that the Commission grant its application for non-public treatment of the identified materials. The Postal Service is concurrently filing redacted versions of these files, where it has determined redactions to be practicable.

(1) The rationale for claiming that the materials are non-public, including the specific statutory provision(s) supporting the claim, and an explanation justifying application of the provision(s) to the materials.

The materials designated as non-public consist of information of a commercial nature as well as third-party business information that, under good business practice, would not be disclosed to the public. In the Postal Service's opinion, this information would be exempt from mandatory disclosure pursuant to 39 U.S.C. § 410(c)(2) and 5 U.S.C. § 552(b)(3) and (b)(4).¹ Because the portions of the materials filed non-publicly

¹ In appropriate circumstances, the Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in maintaining the financial transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A). The Commission has indicated that "likely commercial injury" should be construed broadly to encompass other types of injury,

in this docket by the Postal Service fall within the scope of information not required to be publicly disclosed, the Postal Service asks the Commission to support its determination that these materials are exempt from public disclosure and grant the Postal Service's application for their non-public treatment.

- (2) A statement of whether the submitter, any person other than the submitter, or both have a proprietary interest in the information contained within the non-public materials, and the identification(s) specified in paragraphs (b)(2)(i) through (iii) of this section (whichever is applicable). For purposes of this paragraph, identification means the name, phone number, and email address of an individual.²**

Other than the proprietary interest of the Postal Service in the information contained within the non-public materials that is described elsewhere in this filing, we are not aware of any third-party proprietary interests. Notice may be directed to Elizabeth A. Reed, Attorney, United States Postal Service, whose email address is Elizabeth.A.Reed@usps.gov and whose telephone number is 202-268-3179.

- (3) A description of the information contained within the materials claimed to be non-public in a manner that, without revealing the information at issue, would allow the Commission to thoroughly evaluate the basis for the claim that the information contained within the materials are non-public.**

such as harms to privacy, deliberative process, or law enforcement interests. PRC Order No. 194, Second Notice of Proposed Rulemaking to Establish a Procedure for According Appropriate Confidentiality, Docket No. RM2008-1, Mar. 20, 2009, at 11.

² Section 3011.201(b)(2) further states the following:

(i) If the submitter has a proprietary interest in the information contained within the materials, identification of an individual designated by the submitter to accept actual notice of a motion related to the non-public materials or notice of the pendency of a subpoena or order requiring production of the materials.

(ii) If any person other than the submitter has a proprietary interest in the information contained within the materials, identification of each person who is known to have a proprietary interest in the information. If such an identification is sensitive or impracticable, an explanation shall be provided along with the identification of an individual designated by the submitter to provide notice to each affected person.

(iii) If both the submitter and any person other than the submitter have a proprietary interest in the information contained within the non-public materials, identification in accordance with both paragraphs (b)(2)(i) and (ii) of this section shall be provided. The submitter may designate the same individual to fulfill the requirements of paragraphs (b)(2)(i) and (ii) of this section.

The redacted information consists of the projected FY 2027 attributable cost, contribution, and cost coverage for each competitive product that is the subject of this docket. The Postal Service has filed information concerning the calculations used to develop the weighted average price increase by product and cost coverage. Protected information in the spreadsheets includes volume and revenue by price cell (weight increment and zone), as well as product-specific cost data and other supporting data. Such information for competitive product categories is commercially sensitive at the disaggregated, cell-specific level shown in the spreadsheets.

(4) Particular identification of the nature and extent of the harm alleged and the likelihood of each harm alleged to result from disclosure.

If competitors of the Postal Service were to have access to this information, they would likely focus their marketing and price cutting efforts on the Postal Service's most profitable products. This will lead to erosion of contribution of these products through lost sales and/or the need to lower prices to compete. Postal product cost and contribution information would provide suppliers of postal transportation and other services with information they could use to seek higher rates for services they provide. This would lead to higher postal costs and loss of contribution. Although the extent of the commercial harm is difficult to quantify, given that Shipping Services is a multi-billion dollar enterprise, even a small change in market share, prices, or costs could lead to millions of dollars in lost revenue, higher costs, and lower contribution margins. It is highly likely that if this information were made public, the Postal Service's competitors and suppliers would take advantage of it almost immediately.

Competitors could use the product-specific revenue, pieces, and weight information to analyze the Postal Service's possible market strengths and weaknesses

and to focus sales and marketing efforts on those areas, to the detriment of the Postal Service. Disclosure of this information would also undermine the Postal Service's position in negotiating favorable terms with potential customers, who would be able to ascertain critical information about relevant product trends (e.g., average revenue per piece, average weight per piece).

(5) At least one specific hypothetical, illustrative example of each alleged harm.

Identified harm: Competitors could use product cost, contribution, or cost coverage information to assess vulnerabilities and focus sales and marketing efforts to the Postal Service's detriment.

Hypothetical: Cost, contribution and/or cost coverage information is released to the public and available to a competitor. The competitor assesses the profitability of certain services based on the data released. The competitor then targets its advertising and sales efforts at actual or potential customers in market segments where the Postal Service has substantial contribution, thereby hindering the Postal Service's ability to maintain these customers.

Identified harm: Competitors could use disaggregated product volume, weight, and revenue distribution information to assess vulnerabilities and focus sales and marketing efforts to the Postal Service's detriment, and also during negotiations with the Postal Service.

Hypothetical: Disaggregated revenue, volume, and weights contained in the Nonpublic Annex are disclosed to the public. Another delivery service's employee monitors the filing of this information and passes it along to the firm's sales and marketing functions. The competitor assesses the profitability of certain services on a

per-piece or per-pound basis or the Postal Service's relative concentration in certain service offerings. The competitor then targets its advertising and sales efforts at actual or potential customers in market segments where the Postal Service appears to have made headway, hindering the Postal Service's ability to reach out effectively to these customers.

(6) The extent of the protection from public disclosure alleged to be necessary.

The Postal Service maintains that the redacted portions of the materials filed non-publicly should be withheld from persons involved in competitive decision-making in the market for domestic parcel shipping products, as well as their consultants and attorneys. Additionally, suppliers of transportation or other services to the Postal Service that affect costs for competitive services should not have access to these materials; this restriction should include their consultants and attorneys.

(7) The length of time for which non-public treatment is alleged to be necessary with justification thereof.

The Commission's regulations provide that non-public materials shall lose non-public status ten years after the date of filing with the Commission, unless otherwise provided by the Commission. 39 C.F.R. § 3011.401(a). However, because the Postal Service's relationships with third parties that may have a proprietary interest in protected materials often continue beyond ten years or decades, the Postal Service intends to oppose requests for disclosure of these materials pursuant to 39 C.F.R. § 3011.401(b-c).

(8) Any other relevant factors or reasons to support the application.

None.

Conclusion

For the reasons discussed in this application, the Postal Service asks that the Commission grant its application for non-public treatment of the identified materials.

Competitive Rate Changes July 1, 2026 Implementation

COMPETITIVE PRODUCT CONTRIBUTION & COST COVERAGE ANALYSIS					
Fiscal Year 2027	FY2027 Revenue (000's)	FY2027 Volume (000's)	FY2027 Attributable Cost (000's)	FY2027 Contribution (000's)	FY2027 Cost Coverage
Priority Mail Express					
Current Prices	\$ 540,800	16,185			
New Prices	\$ 540,782	16,174			
Change	\$ (17)	(12)			
Ground Advantage					
Current Prices	\$ 19,512,349	3,347,951			
New Prices	\$ 19,602,760	3,326,006			
Change	\$ 90,411	(21,945)			
Priority Mail					
Current Prices	\$ 5,623,029	482,976			
New Prices	\$ 5,628,233	482,623			
Change	\$ 5,204	(352)			
Parcel Select Change - Total					
Current Prices	\$ 8,699,977	2,594,701			
New Prices	\$ 8,699,991	2,594,643			
Change	\$ 14	(58)			
Parcel Return Service - NSA					
Current Prices	\$ 84,667	21,276			
New Prices	\$ 84,666	21,276			
Change	\$ (1)	(0)			
Premium Forwarding Service					
Current Prices	\$ 27,323	770			
New Prices	\$ 27,323	770			
Change	\$ -	-			
Post Office Box Services					
Current Prices	\$ 1,083,117	-			
New Prices	\$ 1,108,024	-			
Change	\$ 24,907	-			
Address Enhancement Services					
Current Prices	\$ 1,380	-			
New Prices	\$ 1,380	-			
Change	\$ -	-			
Shipping & Mailing Supplies					
Current Prices	\$ 114,842	-			
New Prices	\$ 114,842	-			
Change	\$ -	-			
Other Ancillary Services					
Current Prices	\$ 23,608	-			
New Prices	\$ 23,608	-			
Change	\$ -	-			
Greeting Cards					
Current Prices	\$ 19,208	-			
New Prices	\$ 19,208	-			
Change	\$ -	-			
Competitive International*					
Current Prices	\$ 638,039	69,586			
New Prices	\$ 638,039	69,586			
Change	\$ -	-			
Total Competitive Products (Current)	\$ 36,368,339	6,533,445			
Total Competitive Products (New)	\$ 36,488,857	6,511,077			
Differences	\$ 120,518	(22,368)			
Competitive Product Contribution Calculation					
Total Contribution		\$ -			
Institutional Cost		\$ 45,981,816			
<i>Contribution from Competitive Products as a % of Institutional Cost</i>				0.0%	