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ESCROW RATE CASE FILED

Washington, D. C. – The U.S. Postal Service filed a rate case with the Postal Rate Commission (PRC) Friday (4/8) seeking an expedited recommended decision to raise rates and fees 5.4 percent for almost all categories.

The filing is unique in that the decision to seek a rate increase is due solely to the requirement of Public Law 108–18 that the Postal Service establish a \$3.1 billion escrow fund. The law does not stipulate how the funds are to be used.

The Postal Service rate case calls for an almost uniform 5.4 percent rate and fee increase spread over all classes and subclasses of mail and special services. The postage for a one-ounce piece of First-Class Mail would go from 37 to 39 cents in early 2006.

Should legislation be enacted that eliminates the escrow funding requirement, this rate case will be withdrawn. The last postal rate increase was three cents on June 30, 2002.

Information on the filing can be found at www.usps.com/ratecase .