



POSTAL NEWS

FOR IMMEDIATE RELEASE
November 14, 2005

Contact: Media Relations
202-268-2155
News Release No. 05-097
www.usps.com

GOVERNORS APPROVE CHANGE IN POSTAGE RATES ***New rates go into effect January 8***

WASHINGTON - The Governors of the U.S. Postal Service today voted to accept the Postal Rate Commission's recommendations to increase most postal rates and fees by approximately 5.4 percent across-the-board to take effect January 8.

This rate increase - the first since 2002 - is needed to fulfill the requirement of a federal law passed in 2003. That law requires the Postal Service to establish a \$3.1 billion escrow account, with use of the funds to be determined by Congress at a later date. Without this federal mandate, it would not have been necessary to raise rates in 2006.

Among the rate adjustments, the single-piece rate for First-Class Mail will increase from 37 cents to 39 cents, and the postcard rate will increase by one cent to 24 cents. The Board of Governors of the Postal Service set January 8, 2006, as the effective date for the changes.

Jim Miller, Chairman of the Postal Service's Board of Governors, said: "The Governors take this action mindful of our obligation to assure the financial integrity of the nation's postal system. These increases will allow the Postal Service to meet the obligation established by Congress to place funds in escrow in 2006."

The Commission's Recommended Decision came after a proceeding in which most of the participants signed a settlement agreement adopting the Postal Service's uniform, across-the-board increase proposals. The settlement shortened to six months the Commission's administrative review, which normally takes ten months.

International rates, which are determined separately from domestic prices, will be adjusted to coincide with the domestic rate changes. International rates have not been adjusted since January 2001.

For a chart on selected rates, please see below.

Since 1775, the Postal Service and its predecessor, the Post Office Department, has connected friends, families, neighbors and businesses by mail. It is an independent federal agency that visits 143 million homes and businesses every day, six days a week and is the only service provider delivering to every address in the nation. The Postal Service receives no taxpayer dollars for routine operations, but derives its operating revenues solely from the sale of postage, products and services. With annual revenues of more than \$69 billion, it is the world's leading provider of mailing and delivery services, offering some of the most affordable postage rates in the world. The Postal Service delivers more than 46 percent of the world's mail volume-some 206 billion letters, advertisements, periodicals and packages a year-and serves seven and a half million customers each day at its 37,000 retail locations nationwide. Its website, usps.com, attracts more than 21 million visitors each month.

Selected Rate Changes		
	<i>Current</i>	<i>New</i>
First-Class Letter (1 oz.)	37¢	39¢
First-Class Letter (2 oz.)	60¢	63¢
Postcard	23¢	24¢
Priority Mail (1 lb.)	\$3.85	\$4.05
Express Mail (1/2 lb)	\$13.65	\$14.40
Express Mail (2 lb)	\$17.85	\$18.80
Fee and Service Changes		
	<i>Current</i>	<i>New</i>
Certified Mail	\$2.30	\$2.40
Delivery Confirmation (Priority)	45¢	50¢
Delivery Confirmation (First Class Parcels)	55¢	60¢
Return Receipt (Original Signature)	\$1.75	\$1.85
Return Receipt (Electronic)	\$1.30	\$1.35
Money Orders (up to \$500)	90¢	95¢