

Postal Update

JANUARY 2022



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POSTAL NEWS

U.S. Postal Service® Rate Increases and Future Increase Schedule

The United States Postal Service (USPS) announced in September that there will not be a Market Dominate (First-Class, Marketing Mail, etc.) rate increase in January 2022. The next rate increase is scheduled for July 2022.

In the announcement, the USPS laid out their intended schedule for future rate increases. This includes two rate increases annually, starting in 2023. These will occur in January and July each year. The January increase will enable the USPS to take advantage of the allowed Consumer Price Index (CPI) increases for the period between the previous increase and the January rate increase. The July increase will allow the USPS to take advantage of the additional rate authority provided by the Postal Regulatory Commission (PRC) in their November 2020 ruling from the 10-year review.

The appeal on the PRC 10-year review ruling was heard in the DC Circuit Court of Appeals and issued November 2021. The decision was in favor of the PRC with the additional rate authority to remain and be used in future rate increases.

The USPS also announced that package and international rates will increase on January 9, 2022. The rate increases for package's average 3.1% and the International Priority Airmail (IPA) will increase on average of 4.9%. The international rates Broadridge offers to most customers is through an international mailing provider who may use USPS IPA services and/or other international carriers.

U.S. Postal Service 10-Year Strategic Plan Update

The U.S. Postal Service released their 10-year strategic plan on March 23, 2021. Broadridge has provided some highlights from the plan below. For more information, please [view the complete plan](#) and associated documents.

CURRENT STATUS OF THE ROLLOUT OF THE USPS STRATEGIC PLAN

- Service Delivery Standard Changes
 - Plan – Modify existing service standards for First-Class Mail Letters and Flats from a current 1- to 3-day service standard within the continental United States to a 1- to 5-day service standard. Change the network to mostly all Surface Transportation.
 - Status – The required steps have been taken before implementing the proposed changes, which included a public hearing on the changes and an advisory opinion from the PRC. On October 1, 2021, the USPS started reporting on their delivery performance based on the new delivery standards. The USPS has indicated that the transition and changes in the delivery network will take from 18 to 24 months to fully implement and achieve the 95% on-time delivery goal outlined in the Delivering for America strategic plan.
- U.S. Postal Service Pricing Authority
 - Plan – The Postal Service plans on taking advantage of the additional rate authority provided by the PRC from the 10-year review ruling.

- Status – The next planned rate increase will be July 2022 and will include the CPI-U rate authority and the new rate authority provided by the PRC commonly referred to as the density rate authority.
- Financial Sustainability and Investment
 - Plan – Request legislative and administration actions to address Medicare integration and CSRS adjustment for \$58 billion in savings.
 - Status – A bipartisan bill is progressing through Congress that will include Medicare Integration and eliminate the prefunding mandate. It also included language on 6-day delivery for mail and an integrated delivery network for both mail and packages.
- Critical Strategic Investments
 - Plan – Investments to improve commercial parcel fulfillment businesses’ access to Postal Service processing facilities and upgrade Postal Service Informed Delivery mobile application to enhance its value to commercial mailers and shippers.
 - Status – At this time, the USPS has not communicated specifics about these investments.
- Cost Savings Initiatives
 - Plan – The Postal Service is seeking to reduce costs in these key areas: Delivery, Transportation, Mail Processing, Administrative Functions, and Retail.
 - Status – A reduction in force was announced and carried out at the end of May. This only impacts non-union personnel.
 - The Postmaster General has also indicated that operational changes are being made to gain efficiencies with transportation, ensuring better utilization of full truck loads and executing on operational precision. The service standard changes are a key component of these savings.

U.S. Postal Service Mail Delivery Performance

The Postal Service’s performance with mail delivery during their peak season has performed much better than last year. Although there were some trouble spots that saw delays, the impacts have been minor.

U.S. Postal Service Promotions

Along with the pricing changes by the USPS, 2022 promotions were also approved. Broadridge will continue to offer participation in the Personalized Color Transpromo, Earned Value and Emerging & Advanced Technology promotion. The offering of the Informed Delivery Promotion is under review.

- 2022 Promotions
 - First Class
 - Personalized Color Trans promo promotion – July through December, 3% postage discount.
 - First Class and Marketing Mail
 - Earned Value – April through June, \$.02 postage credit.

- Emerging & Advanced Technology – March through August, 2% or 3% postage discount, depending on technology used.
- Informed Delivery – August through December, 4% postage discount.
- Tactile, Sensory & Interactive Engagement – February through July, 4% discount.
- Marketing Mail Only
 - Mobile Shopping – September through December, 2% postage discount.

International Mail Delivery Update

USPS mail suspensions and re-openings are changing often. Most delivery suspensions are due to limited transportation availability to those countries. Broadridge's international partners are using alternate transportation channels for those countries. Most countries are still receiving mail through the alternate delivery channels, so mail is not being held. Below is the current listing of countries with suspended delivery and those receiving the alternate transportation as of December 20, 2021.

Country	USPS Suspended Delivery	Alternative Delivery Available
Afghanistan	X	X
Australia	X	X
Bhutan	X	X
Brunei	X	X
Central African Republic	X	X
Chad	X	X
Cuba	X	
French Guiana	X	X
Guadeloupe	X	X
Laos	X	X
Liberia	X	X
Libya	X	X
Martinique	X	X
Mayotte	X	X
Mongolia	X	X
New Zealand	X	X
Papua New Guinea	X	X
Reunion (Bourbon)	X	X
Saint Pierre and Miquelon	X	X
Samoa	X	X
Sierra Leone	X	X
Solomon Islands	X	X
South Sudan	X	X
Syria	X	
Tajikistan	X	X
Timor-Leste	X	X
Turkmenistan	X	X
Yemen	X	X



Optimize Postal and Accelerate Digital

Now is a critical time to optimize your postal spend and create efficiencies. The best way to offset postal rate increases and lengthened service delivery standards is with digital communications. Powered by patented technology, our [omni-channel solutions](#) can help you accelerate digital adoption, create print-to-digital bridges and optimize print and postal – supporting your business objectives and ESG strategies.