

# Postal, Paper & Logistics Update

May 2025

*In brief:* The USPS is getting a new Postmaster General (PMG) from the private sector who will have to get to work stemming the agency's continuing flow of red ink. The paper markets are quiet for the time being. Domestic freight markets have been stable, while imports into the U.S. have diminished under the weight of tariffs.

*Built on our roots as a printer, mail industry partner and logistics leader, Quad is a marketing experience (MX) company focused on delivering streamlined solutions at scale to our clients. As the largest USPS customer, we are uniquely positioned to provide clients with best practices and insights on the latest postal, paper and logistics topics. If you have any questions or concerns during these challenging times for our industry, contact your Quad representative. We'll tap our in-house experts to investigate and get you the answers you need.*

## Postal

### **David Steiner is named Postmaster General**

On May 9, the USPS Board of Governors (BOG) announced that it had chosen business executive, attorney and recent FedEx board member David Steiner to replace Louis DeJoy as Postmaster General of the U.S. Postal Service.

Steiner was CEO of Waste Management from March 2004 to November 2016. He joined the FedEx board in 2009 and resigned effective May 9. He will assume his new USPS role after undergoing ethics and security clearance background checks, expected to be completed in July.

In a USPS Industry Alert announcing the appointment, Amber McReynolds, chair of the Postal Service BOG, praised Steiner's experience and ability to ensure "this magnificent and historic organization thrives into the future. ... Our board looks forward to working with Dave as he takes on the core mandates of providing universal and excellent service for the American public and doing so in a financially sustainable manner."

Brian Renfro, president of the National Association of Letter Carriers, had a decidedly different take. In a statement to The Washington Post, which broke the [news](#) on May 6, Renfro called Steiner's appointment "privatization by proxy" and warned that, "The apparent choice of a postmaster general that comes directly from service on the board of directors of FedEx, one of the Postal Service's primary competitors ... is an unmistakable push to hand business over to private shippers."

## USPS continues to struggle financially

On the same day the BOG announced Steiner's appointment, the USPS reported weak FY 2025 second-quarter (January through March) results.

The USPS lost \$3.3 billion in Q2 versus \$1.5 billion in the same quarter last year. That brings the agency's six-month year-to-date (YTD) loss to \$3.1 billion versus \$3.5 billion in the same period last year.

The YTD loss includes a \$0.3 billion charge for workers' compensation. The USPS also subtracted retirement liability amortization, saying that brought its "controllable" Q2 loss to \$0.8 billion.

Here is a breakout of Q2 results for a few specific mail categories:

- **First-Class Mail** revenue increased \$69 million, or 1.0%, on a **volume decline of 680 million pieces, or 5.8%**, compared to the same quarter last year.
- **Shipping and Packages** revenue increased \$52 million, or 0.7%, on a **volume decline of 118 million pieces, or 6.9%**, versus the same quarter last year.
- Q2 **Marketing Mail** revenue fell \$50 million, or 1.4%, on a **volume decline of 787 million pieces, or 5.7%**, compared to the same period last year.

You can find more information on the USPS' Q2 results [here](#).

## Miscellaneous updates

- On May 9, the USPS filed for a competitive products shipping price increase (approved by the BOG) with the Postal Regulatory Commission (PRC). The Postal Service wants the domestic shipping service price increases to go into effect on July 13, at the same time as the market dominant price increase filed for in April. The approximate price increase requests are as follows:
  - Priority Mail – 6.3% (Prices are not changing for Priority Mail Express service.)
  - Ground Advantage – 7.1%
  - Parcel Select – 7.6%

- On May 14, the USPS posted corrections to the competitive price requests due to some errors in the original filing.
- PostCom held its Board of Directors meeting in Washington, D.C., in mid-May.
- USPS said it is working to finalize the remaining open items under the structural changes for July 2025.
- ICYMI: [“How marketers and publishers can cope with postal rate hikes and tariffs”](#) — a Q&A with Quad’s Don McKenna.

## USPS delivery performance

We saw overall good delivery during the second half of April and the first week of May. The chart below shows the average in-home curves for the Marketing Mail clients who tracked their mail with Quad’s IMsight application during this period. Historically, May and June are the months when the USPS performs best, as volume is relatively low.

	Week of 4/14	Week of 4/21	Week of 4/28	Week of 5/5
<b>Early</b>	29%	31%	25%	24%
<b>Day 1</b>	58%	60%	51%	48%
<b>Day 2</b>	77%	79%	73%	66%
<b>Day 3</b>	89%	88%	86%	81%
<b>Day 4</b>	95%	94%	94%	91%
<b>1 Day Late</b>	96%	94%	95%	93%

Specific facilities struggled with processing mail in a timely manner. Letter mail was delayed in Bismarck, N.D., South Suburban Illinois and NDC Chicago. As usual, Flat mail experienced more issues.

Below is a list of locations where less than 70% of mail was in-home by the Service Standard during the past month. St Louis has been having issues since Fall 2023. Indianapolis has struggled since the USPS opened its new RPDC in January. The Ohio locations seem to be worsening rather than improving with lower volume. We believe the delays are related to the network restructuring.

Entry Type	City	In-Home by Service Standard
NDC	Cincinnati	62%
NDC	Indianapolis	53%
NDC	Memphis, Tenn.	67%
NDC	St. Louis	64%
SCF	Cedar Rapids, Iowa	60%
SCF	Dayton, Ohio	38%
SCF	Indianapolis	39%
SCF	Jacksonville, Fla.	61%
SCF	St. Louis	35%

We continue to see significant delays with mail entering the USPS in Milwaukee (DMU/local mail produced in Wisconsin). The USPS takes Wisconsin mail to its Oak Creek facility, then moves it to Chicago two to three days later. Processing in Chicago typically does not start until three to six days after mail leaves Quad's Wisconsin plants, which is causing delays. Quad continues to try to get USPS attention on this matter. We are especially concerned with the coming elimination of NDC entry. This will increase the amount of mail that enters locally.

## USPS volume

Mail volume for the week ended May 10, compared to last year		
Total Mail Volume	<b>Down 1.2%</b>	▼
Packages	<b>Down 7.7%</b>	▼
Single Piece	<b>Down 8.5%</b>	▼
Presort First Class	<b>Down 8.7%</b>	▼
Marketing Mail	<b>Down 6.7%</b>	▼
Periodicals	<b>Down 16.5%</b>	▼

Mail volume for the week ended May 3		
Total Mail Volume	<b>Down 9.9%</b>	▼
Packages	<b>Down 6.8%</b>	▼
Single Piece	<b>Down 11.7%</b>	▼
Presort First Class	<b>Down 6.8%</b>	▼
Marketing Mail	<b>Up 3.4%</b>	▲
Periodicals	<b>Up 27.3%</b>	▲

Mail volume for the week ended April 26		
Total Mail Volume	<b>Down 5.9%</b>	▼
Packages	<b>Down 8.5%</b>	▼
Single Piece	<b>Down 11.5%</b>	▼
Presort First Class	<b>Down 8.5%</b>	▼
Marketing Mail	<b>Up 0.5%</b>	▲
Periodicals	<b>Up 4.6%</b>	▲

Mail volume for the week ended April 19		
Total Mail Volume	<b>Down 1.8%</b>	▼
Packages	<b>Down 3.0%</b>	▼
Single Piece	<b>Down 3.1%</b>	▼
Presort First Class	<b>Down 1.9%</b>	▼
Marketing Mail	<b>Down 1.6%</b>	▼
Periodicals	<b>Down 27.9%</b>	▼

# Quad

## Paper Market

The paper world has been quiet recently, with no major developments to report.

## Logistics

Domestic freight markets have been stable, while imports into the U.S., especially from China, have diminished under the weight of tariffs. New developments on the trade front include:

- The framework for a new trade deal with the U.K. announced on May 8.
- A delay on the imposition of a 50% tariff on imports from the EU to July 9 (from June 1).
- A 90-day reduction of the 145% tariffs on China, down to 30%, effective May 14, announced on May 12. The 90-day reprieve has raised concerns that freight rates will spike as they did in late 2021 and early 2022, with carriers seeking to maximize pricing in anticipation of a jump in shipments.

As always, your Quad representative will work diligently to find you the lowest rates with the most efficient transportation available.

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