



# Postal, Paper & Logistics Update

August 2025

*In brief:* The Postal Regulatory Commission (PRC) has delayed implementation of the USPS's zone-based pricing proposal while it continues to review the details. The paper market is experiencing significant late-summer activity. The freight industry continues to stabilize following the influx of imported goods by companies trying to outrun scheduled August 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

### **USPS proposed zone-based pricing schedule will not take effect in January**

This month the PRC [announced](#) that the new Mail Classification Schedule (MCS) proposed by the USPS this past June for First-Class Mail, Marketing Mail and Periodicals was still under review and would not be implemented in January 2026.

Explaining its decision, the PRC stated that "introducing a zone-based pricing structure for USPS Marketing Mail and Outside County Periodicals raises complex issues related to workshare relationships and whether the Postal

Service may unilaterally define what constitutes worksharing and has been the subject of numerous comments.”

Therefore, the PRC continued, the USPS request to introduce zone-based pricing on an expedited basis “is not practicable.”

The PRC said it would review these “complex” proposals in a timely manner, but that “the Commission advises the Postal Service that, if it intends to file a price adjustment case in October 2025, it should not anticipate approval of these proposals before that time.”

The PRC did approve three other changes requested in the June proposal:

- The restructuring of Periodical rates to be similar to Marketing Mail.
- Elimination of all Area Distribution Center (ADC) sortation and prices.
- Completing the elimination of Network Distribution Center (NDC) sortation and prices, which currently only exist for parcels.

Pushing the proposed zoning changes out will eliminate a significant amount of complexity from the work mailers will need to do in January.

Quad continues to work through several issues related to the July 13 price changes. These include:

- Bound Printed Matter (BPM) machinable parcels have no Sectional Center Facility (SCF) presort option. Jobs presorted have all the mail volume falling to mixed working pallets that can’t be drop-shipped.
- The requirement that mixed pallets of BPM Flats now need to be sacked because of the elimination of the NDC presort level.

We are collaborating with the USPS to resolve all outstanding issues.

## Miscellaneous updates

- The USPS reported a \$3.1 billion loss for its fiscal third quarter ended June 30, up from a net loss of \$2.5 billion in the same period last year. This brings the Postal Service’s nine-month YTD loss to \$6.2 billion, compared with \$6.1 billion in the same period last year. The USPS had previously projected a full-year loss of \$6.9 billion after recording a first-quarter profit but now seems on track to exceed that.

In the quarter, Marketing Mail revenue declined 0.8% despite a slight 0.5% volume increase. First-Class Mail revenue slipped 1.4% on a volume decline of 5.4%. Shipping and Packages revenue edged up 0.8% while volume fell 6.5%. More details on the Q3 and YTD results can be found [here](#).

- On the day after the financial results were announced, new Postmaster General (PMG) David Steiner told the USPS Board of Governors meeting that he was supportive of the Delivering for America 10-year plan conceived of and launched by his predecessor, Louis DeJoy.

“Since my first day as Postmaster General, I’ve been evaluating the strategies and programs of the strategic plan that’s in place,” Steiner said. “Although only three weeks into my tenure, my initial conclusion is that the 10-year plan positions the Postal Service to be on the right path. The strategy is sound; now we have to execute.”



- The USPS Board of Governors approved a time-limited price change for competitive products during the 2025 holiday season at its meeting in early August. Here is the [filing](#) and official [announcement](#).
- The USPS said it is working through an issue with the SCF pallet discount for First-Class Mail but provided no details.

## USPS delivery performance

Below are the average in-home curves for our Marketing Mail clients who tracked their mail with Quad's IMsight application over the four weeks specified. We haven't seen a big change in the overall curves since the elimination of NDC entry, but some mailings with higher quantities of mail processed at Detached Mail Units (DMUs — dedicated areas located within mailers' facilities) and mail processed locally are experiencing slightly longer 'tails' to their in-home curves.

	Week of 7/14	Week of 7/21	Week of 7/28	Week of 8/4
<b>Early</b>	21%	23%	26%	26%
<b>Day 1</b>	40%	49%	57%	53%
<b>Day 2</b>	62%	65%	72%	69%
<b>Day 3</b>	83%	78%	85%	83%
<b>Day 4</b>	93%	91%	93%	91%
<b>1 Day Late</b>	97%	93%	93%	92%

Specific facilities struggled with processing Flat mail in a timely manner. Here is a list of locations where less than 70% was in-home by Service Standard over the four-week period. The number of facilities where Flat mail was delayed is larger than it has been all year, likely due to the elimination of NDC entry.

Entry Type	City	In-Home by Service Standard %
ASF	Fargo, N.D.	59.08%
SCF	Augusta, Ga.	59.36%
SCF	Gulfport, Miss.	28.85%
SCF	Johnson City, Tenn.	23.76%
SCF	Chicago	0.20%
SCF	Missoula, Mont.	65.05%
SCF	Cedar Rapids, Iowa	68.65%
SCF	Pensacola, Fla.	34.84%
SCF	Chicago	57.54%
SCF	Dayton, Ohio	61.03%
SCF	DV Daniels, Kearney, N.J.	64.43%
SCF	Jacksonville, Fla.	50.11%
SCF	Indianapolis	64.72%
SCF	St. Louis	52.06%

Three facilities were also delayed in processing Letter mail: Springfield, Ill.; DV Daniels, N.J.; and Omaha, Neb.

As mentioned above, since July 13, mailers may no longer take mail to a destination-NDC facility. Any mail that is not on a SCF-level pallet must be dropped locally and is handled by the USPS as mixed mail. Mail entering the USPS from one of Quad's Wisconsin plants enters the Oak Creek facility. This facility is supposed to be set up to process the bundles and trays and move the mail on to the next facility, closer to its destination. Chicago is a backup processing facility if Oak Creek can't handle the volume.

We have been reporting for months that our DMU/Local mail was being moved to Chicago one to three days after entry in Oak Creek and was further delayed in Chicago. We continue to see those delays. The good news is that these delays have not increased since July 13. We hope that there will be improvement, but as we move into the fall season and volume increases, we may see worsening delays.

## USPS volume

Mail volume for the week ended August 16, compared to last year		
Total Mail Volume	<b>Down 5.9%</b>	▼
Packages	<b>Down 6.3%</b>	▼
Single Piece	<b>Down 10.2%</b>	▼
Presort First Class	<b>Down 8.7%</b>	▼
Marketing Mail	<b>Down 5.8%</b>	▼
Periodicals	<b>Down 9.1%</b>	▼

Mail volume for the week ended August 9, compared to last year		
Total Mail Volume	<b>Down 5.5%</b>	▼
Packages	<b>Down 7.0%</b>	▼
Single Piece	<b>Down 5.3%</b>	▼
Presort First Class	<b>Down 3.8%</b>	▼
Marketing Mail	<b>Down 9.9%</b>	▼
Periodicals	<b>Down 17.8%</b>	▼

Mail volume for the week ended August 2, compared to last year		
Total Mail Volume	<b>Down 7.5%</b>	▼
Packages	<b>Down 7.2%</b>	▼
Single Piece	<b>Down 12.8%</b>	▼
Presort First Class	<b>Down 5.7%</b>	▼
Marketing Mail	<b>Up 2.5%</b>	▲
Periodicals	<b>Down 0.2%</b>	▼

Mail volume for the week ended July 26, compared to last year		
Total Mail Volume	<b>Down 5.9%</b>	▼
Packages	<b>Down 11.3%</b>	▼
Single Piece	<b>Down 9.7%</b>	▼
Presort First Class	<b>Down 8.3%</b>	▼
Marketing Mail	<b>Down 6.2%</b>	▼
Periodicals	<b>Down 24.0%</b>	▼

Mail volume for the week ended July 19, compared to last year		
Total Mail Volume	<b>Down 4.2%</b>	▼
Packages	<b>Down 4.7%</b>	▼
Single Piece	<b>Down 9.2%</b>	▼
Presort First Class	<b>Down 7.7%</b>	▼
Marketing Mail	<b>Down 20.8%</b>	▼
Periodicals	<b>Down 10.3%</b>	▼



## Paper Market

The paper market is experiencing significant late-summer activity.

- Finnish pulp and paper company UPM said it plans to shut its Kaukas Mill in Finland in Q4 2025, removing 300,000 tons per year of coated groundwood from the market.
- UPM announced a price increase of up to 8% on all graphic papers in the wake of 15% tariffs imposed on products coming into the U.S. from countries in Europe. UPM exports coated and uncoated grades into the U.S. from Finland and Germany.
- ND Paper, a North American subsidiary of China-based Nine Dragon Paper Holdings, has introduced its new Pennacook Offset, which is a 92-bright uncoated freesheet offset printing paper.
- Pixelle Specialty Solutions shuttered its Chillicothe, Ohio, mill, effective Aug. 10. The mill produced 400,000 tons per year of uncoated freesheet grades of paper.
- Newsprint paper producers in North America continue to take market-related production downtime to maintain current price levels. We expect large amounts of production capacity to be shuttered within the next six to 12 months.

## Logistics

The domestic freight market continues to stabilize following the rush to import goods ahead of the August tariff implementation.

- We are closely watching contract negotiations between Canada Post and its union workers.

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

**1 (866) 824-2869**  
**info@quad.com**  
**Quad.com**