



Postal, Paper & Logistics Update

January 2026

In brief: Mailers got some good news this month when the Postal Regulatory Commission limited the USPS to a once-a-year rate increase for Market Dominant products through 2030. The freight market is keeping a close eye on how the U.S. Supreme Court will rule about the legality of some Trump administration tariffs. Producers of uncoated freesheet paper are citing reduced capacity and increased demand as the basis for price increases that are set to take effect in February and March.

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 limited to one annual Market Dominant price increase through September 2030

On Jan. 13, the Postal Regulatory Commission (PRC) adopted [rules](#) limiting the USPS to raising postal rates on Market Dominant products only once a year, ending the agency's recent practice of twice-a-year increases.

The restriction starts in March 2026 and remains in place through Sept. 30, 2030.

The PRC acknowledged that the USPS faces urgent financial challenges but said these challenges “cannot be resolved by using pricing authority alone.”

The PRC initially gave the USPS more leeway to raise prices in December 2020 as its revenue started to shrink during the COVID-19 pandemic. Since that change, the Postal Service has generally implemented rate hikes in both January and July.

Despite those rate increases, the PRC found that “declines in the Postal Service’s financial situation, volume and service performance have remained significant, if not worsened,” [according to the Federal News Network](#). The USPS in September ended fiscal year 2025 with a \$9 billion net loss.

Miscellaneous updates

- **Comments invited on USPS requests to overhaul and increase Market Dominant rate authority.**

In its first acknowledgment of the petitions filed by the USPS late last year seeking adjustments to its pricing authority for Market Dominant products, the PRC announced a Feb. 17 deadline for anyone wishing to submit an alternative rate system.

Those who want to submit comments on the USPS rate system petition or its request to stop making payments to the U.S. Treasury have until March 2 to do so.

The first petition asks for one of two things:

- Replace the price cap system put in place by the Postal Reform Act of 2022 and regulated by the PRC with a “regulatory monitoring system” that allows the USPS Board of Governors (BOG) to govern rates over a five-year regulatory review period.

Or

- Do a rate reset of at least 22% of additional pricing authority as a “bank to be used, as the Governors deem appropriate, over the course of the regulatory review period.”

As proposed by the USPS, it would like either approach to go into effect Jan. 17, 2027. The Postal Service estimates that Market Dominant prices would rise 7.4% on average in the first year, not exceeding 8% for First-Class Mail; 6% for Marketing Mail; 12% for Periodicals; 10% for Package Services; and 8% for Special Services.

The second petition is designed to give the agency an immediate cash infusion. It relates to the money collected by the USPS from 2021 through mid-2025 under its additional Retirement Authority to increase postal rates. These funds are supposed to be earmarked for USPS employees’ future pension benefits and paid to the U.S. Treasury. However, the petition asks that the money be released for the USPS to use for “near-term relief for our precarious cash position” to fund operations and improvements, according to the Industry Alert.

The full filing is located here: [Docket RM2024-4 – Postal Regulatory Commission](#).

- Given the PRC's once-a-year price increase ruling, the USPS has updated its price-change guidance for July 2026 as follows:
 - First-Class: 4.6%
 - Periodicals: 6.8%
 - Marketing Mail Letters: 4.7%
 - Marketing Mail Flats, CART: 4.7%
 - Marketing Mail Flats, non-CART: 6.7%
 - Bound Printed Matter: 4.8%
- The USPS BOG will meet on Thursday, Feb. 5; the closed session starts at 9 a.m. ET and the open session at 3 p.m. ET.
- An updated Domestic Mail Manual with all the changes that went into effect on Jan. 18 is [now available](#) [PDF].
- The USPS updated its Q&A on postmarks, available [here](#) [PDF].
- The USPS issued an [Industry Alert](#) on the last-mile bid process in December and plans more communication about it this month.
- The USPS resumed acceptance of mail destined to Libya effective Jan. 9.

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 specified five weeks. The in-home curve for the weeks between early December and the second week of January varied a bit due to the holidays, weather issues and transportation constraints.

	Week of 12/8	Week of 12/15	Week of 12/22	Week of 12/29	Week of 1/5
Early	19%	10%	19%	39%	30%
Day 1	36%	39%	42%	52%	51%
Day 2	56%	63%	54%	67%	65%
Day 3	78%	78%	82%	85%	73%
Day 4	91%	89%	91%	94%	84%
1 Day Late	96%	91%	94%	98%	93%

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Letter mail moved through the USPS as expected all month.

The nine Sectional Center Facilities (SCFs) below struggled to hit 70% in-home, the USPS service standard for Flat Mail. Most of the delayed mail arrived one to two days late.

Entry Type	City	Percent in-home by Service Standard
SCF	Dayton, Ohio	54%
SCF	Kansas City, Mo.	57%
SCF	Missoula, Mont.	61%
SCF	Hazelwood, Mo.	61%
SCF	South Jersey, N.J.	62%
SCF	Corpus Christi, Texas	66%
SCF	Grand Junction, Colo.	66%
SCF	Sioux Falls, S.D.	69%
SCF	Eugene, Ore.	69%

USPS volume

Mail volume for the week ended January 10, compared to last year		
Total Mail Volume	Up 2.3%	▲
Packages	Up 11.7%	▲
Single Piece	Down 2.7%	▼
Presort First-Class	Down 8.1%	▼
Marketing Mail	Up 3.9%	▲
Periodicals	Down 25.2%	▼

Mail volume for the week ended January 3, compared to last year		
Total Mail Volume	Down 9.7%	▼
Packages	Down 6.5%	▼
Single Piece	Down 21.4%	▼
Presort First-Class	Down 3.2%	▼
Marketing Mail	Down 0.7%	▼
Periodicals	Up 21.6%	▲

Mail volume for the week ended December 27, compared to last year		
Total Mail Volume	Down 3.0%	▼
Packages	Up 5.3%	▲
Single Piece	Up 1.5%	▲
Presort First-Class	Down 2.5%	▼
Marketing Mail	Down 6.7%	▼
Periodicals	Down 44.2%	▼

Mail volume for the week ended December 20, compared to last year		
Total Mail Volume	Down 1.7%	▼
Packages	Down 9.8%	▼
Single Piece	Down 12.6%	▼
Presort First-Class	Down 1.7%	▼
Marketing Mail	Down 6.5%	▼
Periodicals	Down 24.5%	▼

Mail volume for the week ended December 13, compared to last year		
Total Mail Volume	Down 0.3%	▼
Packages	Down 13.6%	▼
Single Piece	Down 14.3%	▼
Presort First-Class	Down 6.3%	▼
Marketing Mail	Up 1.0%	▲
Periodicals	Down 6.1%	▼

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Paper Market

- Most uncoated freesheet (UFS) paper producers have announced a price increase of between 5% and 10% on all uncoated freesheet grades in both rolls and sheets. Implementation dates vary between Feb. 1 and March 1. Mills are citing high operating rates (due to less supply and more demand) as the reason for the increase.
- International Paper plans to invest \$250 million to convert the PM16 paper machine at its Riverdale mill in Selma, Ala., from uncoated freesheet cut size grades to containerboard production. International Paper will continue to produce UFS at Riverdale until April 2026, then start the conversion.
- Newsprint producers in North America are seeing higher operating rates, resulting from the elimination of 31% of production capacity in the second half of 2025. In some cases, newsprint order lead times have extended out to 10 weeks.
- Thunder Bay Pulp and Paper just announced that it will cease newsprint production in Q1 2026. This will remove another 156,000 metric tons per year of newsprint production in North America. This brings the total newsprint production eliminated in the past 10 months to almost 39%. The newsprint paper market has tightened considerably.

Logistics

The big question facing the logistics industry in 2026 is how the U.S. Supreme Court will rule on the legality of some Trump administration tariffs. Quad is closely monitoring for the court's decision. If the court decides the tariffs are unlawful, it could create a rush of imports, which would impact the freight market domestically.

In other news:

- While a federal emergency rule that would restrict commercial driver's licenses (CDLs) remains on hold via court order, the Federal Motor Carrier Safety Administration (FMCSA) continues to crack down on an increasing number of states it says have been issuing these CDLs improperly, [Heavy Duty Trucking reports](#). This may further stress the truckload market by pulling drivers off the road, putting upward pressure on rates.
- Late last month, Canada Post and the Canadian Union of Postal Workers reached a tentative agreement and the union agreed not to strike until the vote on ratification, set to be held early this year, [the Canadian Broadcasting Corp. \(CBC\) News reports](#). Ratification is expected and would take the agreement through Jan. 31, 2029.
- Seasonal capacity was challenged more than we've seen in several years between mid-December and mid-January, creating a spike in rates that exceeded the typical seasonal holiday increase. Quad continues to leverage our in-house fleet, Duplainville Transport, as well as our thousands of carrier relationships to ensure on-time delivery for clients.

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

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