

Postal, Paper & Logistics Update

October 2026

In brief: The USPS continues to finalize details of the January 2027 Competitive rate changes as it initiates significant organizational changes. Paper markets are stable, though paper producers have been announcing new fuel surcharges. In the logistics market, both diesel and parcel pricing are elevated while capacity has tightened.

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 continues to finalize details of January Competitive price changes

Certain details remain unresolved in advance of the January Competitive rates going into effect, including:

- The USPS is still working on how a fuel surcharge will be reflected on postage statements.
- The new [Direct Mail Discovery Promotion](#) pricing process is still being worked out. Available to any business that hasn't mailed in the past two years, the promotion offers a 40% discount on up to 5,000 pieces. However,

the USPS has [yet to announce a process](#) to determine which 5,000 pieces receive the discount when the mailing is larger than 5,000 pieces. The mailing industry is requesting clearly defined rules.

USPS creates new Commercial group and other organizational changes

The USPS announced a variety of executive and organizational changes in October, including the creation of a new customer-facing Commercial organization.

This group will be led by Gary C. Reblin as Chief Commercial Officer. Reblin was previously the USPS Chief Technology Officer and has held a variety of positions with the agency since 1991, including roles in product development, marketing, sales and pricing.

The following positions will report to Reblin: Senior VP, National Sales; VP, Regional Sales; VP, Strategic Sales; Senior Director, Sales Transformation; Senior VP, Revenue Operations; and VP, Applied Engineering.

As part of the reorganization, the Pricing and Costing group led by acting VP Fiona Machado will continue to report to the Chief Financial Officer. More details on the new Commercial organization can be found [here](#).

The USPS reorganization also includes a realignment within the Chief Processing & Distribution Office, which is less customer-facing. Details of that change can be found [here](#).

USPS files request with the Postal Regulatory Commission to begin next phase of ongoing rate review

In an October 1 filing, the USPS asked the Postal Regulatory Commission (PRC) to begin the next phase of its rulemaking and consider USPS's proposal to modify the Market Dominant ratemaking system. In the filing, the agency noted that the PRC began its ratemaking review process two and a half years ago. The USPS has asked that the PRC eliminate the rate cap for Market Dominant mail to fulfill its statutory responsibility to help ensure the USPS's financial sustainability.

"The Postal Service must have the authority to more effectively use Market Dominant pricing as a tool to enable us to achieve financial sustainability. As discussed in our petitions, the Governors would use the tool appropriately, and only as necessary to cover our costs until the next system-wide review," the USPS stated in the filing. The complete filing can be found [here](#) [PDF].

Quad and many within the industry advocate to the PRC to maintain once-a-year rate changes and to cap those changes at the Consumer Price Index (CPI). The decision rests with the PRC and we are hopeful that its final decision will be issued in the near future.

Miscellaneous updates

- The USPS fiscal year 2026 ended Sept. 30, but full year-end results are expected in mid-November. Through August, USPS losses for FY2026 stood at \$7.7 billion.

- President Trump has [nominated Jeffrey Zisk to become a Postal Regulatory Commissioner](#). The PRC has had an open position since former Chairman Michael Kubayanda stepped down a year ago. Zisk is the Managing Director of Surrey Ventures, a family-led seed-stage investment firm based in Dallas. He also serves on the board of directors of the Prostate Cancer Foundation. PRC nominees must be approved by the U.S. Senate.
- The Postal Early Exchange Committee, established several years ago, is a group of 20-plus industry members who sign NDAs with the USPS to be able to talk with the agency about upcoming changes that are not yet public knowledge. Recently, the USPS moved to slim down the group to 11 core members. Both Quad's Postal Affairs Director Bob Schimek and Postal Affairs Manager Lisa Wurman are part of the 11-person group.
- The USPS suspended international mail acceptance to the Republic of Congo effective Sept. 25 and resumed acceptance of mail destined for Eritrea on Oct. 2.

USPS delivery performance

Overall, there were no major issues surrounding delivery performance in September. A few facilities temporarily shifted volume to different locations due to maintenance and equipment moves, but the system itself performed well. We expect volumes to continue to increase as peak holiday season mail begins. As always, we'll continue to monitor delivery performance closely.

Below are the average in-home curves for Quad's Marketing Mail clients that used our IMsight application to track their mail across the specified weeks.

	Week of 8/31	Week of 9/7	Week of 9/14	Week of 9/21	Week of 9/28
Early	25%	16%	18%	23%	29%
Day 1	45%	41%	42%	48%	55%
Day 2	65%	65%	64%	69%	74%
Day 3	83%	80%	91%	87%	89%
Day 4	92%	87%	93%	94%	96%
1 Day Late	95%	92%	95%	95%	98%

The Sectional Center Facilities (SCFs) below struggled to hit the 70% in-home average USPS Service Standard for Flat mail. Letter mail moved according to Service Standards throughout the U.S.

Entry Type	City	In-Home by Service Standard %
SCF	Indianapolis	63%
SCF	Mid-Hudson, N.Y.	61%
SCF	Harrisburg, Pa.	53%

USPS volume

Mail volume for the week ended October 10, compared to last year		
Total Mail Volume	Up 8.0%	▲
Packages	Down 2.0%	▼
Single Piece	Down 5.6%	▼
Presort First Class	Down 3.0%	▼
Marketing Mail	Up 17.4%	▲
Periodicals	Down 27.9%	▼

Mail volume for the week ended October 3, compared to last year		
Total Mail Volume	Up 3.7%	▲
Packages	Up 0.7%	▲
Single Piece	Down 10.1%	▼
Presort First Class	Down 3.4%	▼
Marketing Mail	Up 24.3%	▲
Periodicals	Up 52.5%	▲

Mail volume for the week ended September 26, compared to last year		
Total Mail Volume	Up 4.2%	▲
Packages	Up 2.5%	▲
Single Piece	Down 10.5%	▼
Presort First Class	Down 11.4%	▼
Marketing Mail	Up 4.1%	▲
Periodicals	Up 7.9%	▲

Mail volume for the week ended September 19, compared to last year		
Total Mail Volume	Down 0.2%	▼
Packages	Up 2.6%	▲
Single Piece	Down 10.9%	▼
Presort First Class	Down 1.8%	▼
Marketing Mail	Up 11.3%	▲
Periodicals	Down 52.3%	▼

Paper Market

Paper markets are generally stable, with order lead times relatively normal and base prices static. Two key developments of note:

- Paper producers have been announcing fuel surcharges to help offset the historically high cost of diesel fuel, [Packaging Dive reports](#). Many suppliers have indicated that once diesel prices return to normal levels for a defined period of time, they will eliminate these surcharges.
- A Chillicothe, Ohio, paper mill is expected to resume production in December. The mill, purchased in October 2025 from Pixelle Specialty Solutions by U.S. Paper Mill LLC, was producing uncoated woodfree paper grades until it shut down last year. It is still unknown what grades the mill will produce starting in December.



Logistics

As we move through peak shipping season, Quad is focused on servicing client freight within required delivery windows. Careful planning and close coordination remain crucial as capacity tightens and carriers manage increased operating overhead.

- The national average on-highway diesel price hit \$6.352 per gallon on Oct. 26, up from \$6.276 on Oct. 19 and \$6.179 on Oct. 12, according to the [U.S. Energy Information Administration \(EIA\)](#). (Those figures are down from the record-breaking \$6.529 high set on Sept. 21.)
- Parcel pricing is also moving up — beyond the 5.9% average annual general rate increase (GRI) for 2027 that FedEx announced in September. (UPS has not yet announced its GRI but has mirrored FedEx the last two cycles and is expected to do the same this time.) In addition to the headline 5.9% GRI, there are [additional](#) fuel-table adjustments, revised surcharge qualifications, delivery-area coverage changes, international fees and higher peak-demand surcharges, which can make the actual cost impact greater than the 5.9% average.

For the broader parcel market, Quad expects increases in the 5.9% to 6.9% range, with additional fee, surcharge and eligibility changes likely through the year as carriers focus on revenue and margin growth.

Quad will continue monitoring capacity and cost changes while working closely with carrier partners to support clients' shipping needs.

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

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