



FEDERATION OF AMERICAN CONSUMERS AND TRAVELERS - NEWS RELEASE -

FOR IMMEDIATE RELEASE

The Price of Stamps Due to Increase Again

EDWARDSVILLE, IL, July 7, 2010 - The United States Postal Service (USPS) has announced that it wants to increase the price of first-class stamps by 2 cents — to 46 cents — starting in January. Most, if not all, other postage costs would also increase.

The managing director of the Federation of American Consumers and Travelers (FACT), in informing FACT members about the proposed increases, said: "The Postal Service lost almost \$4 billion last year, even though it cut 40,000 full-time positions and made various other reductions. According to a USPS spokesman, the post office is facing a \$7 billion loss for 2010 and the same for fiscal 2011."

USPS' fiscal year begins in October. It estimates that the rate increase would bring in \$2.5 billion, leaving a deficit of \$4.5 billion."

In addition to a 46-cent rate on the initial ounce of first-class mail, the cost of each additional ounce would go up from 17 to 18 cents. The cost of mailing a postcard would go from 28 cents to 30 cents, and the cost of sending periodicals would rise about 8 per cent. Other rates for bulk mail, parcels and services would rise by varying amounts.

The proposed rate increases now go to the independent Postal Rate Commission, which has 90 days to respond. If approved the new prices would take effect Jan. 2.

The post office has raised stamp prices annually since 2006. The current 44-cent first-class rate took effect May 11, 2009.

Much of the USPS' budget deficit is blamed on the weak economy, which has led many companies to cut their bulk mailings. This has been compounded by a sharp drop in first-class mail, as more and more people are communicating and paying their bills via the Internet

"There's not really much the consumer can do at this point," says Rolens, "except be aware that another increase most likely is coming and to load up on Forever stamps." She said that persons can buy as many Forever stamps as they wish at the current 44-cent rate, and that those stamps may be used even after any future postage hikes.

This news release has been issued by the Federation of American Consumers and Travelers (FACT), a consumer organization formed under the not-for-profit corporation laws of the District of Columbia in 1984. FACT serves more than 1 million consumers nationwide. Additional information on FACT may be found in the Encyclopedia of Associations, and by visiting the association's Web site (www.usafact.org). Informative, unbiased news bulletins are regularly disseminated by FACT to help its members remain current on matters which might seriously impact their lives. The association does not offer support to -- and does not receive support from -- any political party or movement. In addition to publishing consumer-related reports, the association provides more than 30 benefits for its members, ranging from medical insurance and dental discounts to prescription drug savings and scholarships. FACT's administrative office is located at 318 Hillsboro Avenue, Edwardsville, IL 62025

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