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Outbound International Mailers Brace for Mid-Year Price Increase

Arlington, VA, July 12, 2017 —The International Mailers' Advisory Group (IMAG), the premier representative of the U.S. international mailing sector, is telling outbound international mailers to prepare for a significant mid-August price increase that was not part of 2017 budgets.

The price changes will affect two outbound international mail products offered by the U.S. Postal Service: International Priority Airmail (IPA) and International Surface Air Lift (ISAL). Both are popular ecommerce mailing services and used heavily by sellers on the ecommerce platforms.

The price increase is due to a change in the negotiated service agreement contracts that the Postal Service has with outbound international consolidators, its workshare partners that perform onboarding, preparation and transportation services for international mailers and shippers. In the spring, the Postal Service determined that IPA and ISAL mail products were not covering their costs and it would need to adjust the discount structure in the agreements with consolidators. The result is price increases to both IPA and ISAL services that will take effect August 20, pending any adjustment to the timetable by the USPS.

"The association is disappointed the Postal Service could not time these contract changes to the annual price adjustment in January, and avoid hitting customers with a second and unexpected price increase mid-year," said Kate Muth, Executive Director of IMAG. "Regular, predictable price increases have been a constant refrain from the mailing industry. Unexpected pricing changes are disruptive and damaging to volumes and revenues, especially in a competitive market where customers have other choices."

Affected IMAG members have been working closely with the Postal Service to ensure the necessary programming and postage statement changes are made seamlessly.

"We are extremely disappointed by the inopportune timing of these price increases and the inflexibility shown by USPS to its business partners and their international mail customers. Despite industry's and IMAG's efforts to push the changes to 2018, the international mail community is now forced to pass along these increases to the market," said Steve Greenwalt, CEO of IMEX Global Solutions, an IMAG member.

About IMAG

The International Mailers Advisory Group's core mission is to address barriers to the efficient flow of information and goods across borders. The association monitors developments worldwide to identify impediments and then works toward removing them to ensure smooth delivery of international mail and packages. IMAG represents a diverse group community of consolidators, marketers, vendors and international mailing organizations.