Common Questions About Postage and Stamps

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Summary

Constituents and interest groups often approach congressional offices with questions about postage and stamps. This report provides brief answers to commonly asked questions and provides sources where congressional staff may learn more about these topics.

The Senate usually has not had rules or policies regarding legislation to establish postage stamps. The House Committee on Oversight and Government Reform long has had a rule against considering legislation that proposes the issuance of new semipostal and commemorative stamps.

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Introduction

Constituents and interest groups often approach congressional offices with questions about postage and stamps. This report provides brief answers to commonly asked questions and provides sources where congressional staff may learn more about these topics.

The Senate usually has not had rules or policies regarding legislation to establish postage stamps. The House Committee on Oversight and Government Reform long has had a rule against considering legislation that proposes the issuance of new semipostal and commemorative stamps.[1]

What Is the Difference Between Postage and Stamps?

Postage is the price a customer pays to have the U.S. Postal Service (USPS) deliver a letter or package. In order to show that the postage has been prepaid on a letter or package to be delivered, various postage indicia have been created.[2] Stamps are one type of postage indicia.[3] Stamps may be issued by the USPS alone.[4] Some of the other forms of postage that look like stamps, such as "customized postage," may be produced by private firms with the approval of the USPS.

What Kinds of Stamps Exist?

Various types of stamps exist, including definitive stamps, commemorative stamps, and semipostal stamps. Each of these types of stamps is described below.

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[1] Rule 13 states, "The determination of the subject matter of commemorative stamps and new semi-postal issues is properly for consideration by the Postmaster General and that the Committee will not give consideration to legislative proposals specifying the subject matter of commemorative stamps and new semi-postal issues. It is suggested that recommendations for the subject matter of stamps be submitted to the Postmaster General." U.S. Congress, House Committee on Oversight and Government Reform, "The Rules of the House Committee on Oversight and Government Reform," 112th Cong., 1st sess., p. 11.

[2] According to a USPS spokesperson, there are two instances in which letters may be mailed without indicia. If a letter is sent by a member of the U.S. armed services deployed overseas, he or she may write "free mail" in the upper right corner of an envelope. The Department of Defense reimburses the USPS for the expense of delivering this mail. Also, certain types of mailings may be sent without postage to persons who are visually impaired. Congress provides an annual appropriation to reimburse the USPS for this service. See USPS, Mailing Free Matter for Blind and Visually Handicapped Persons: Questions and Answers, Publication 347 (Washington: USPS, May 2005), at http://about.usps.com/publications/pub347.pdf.

[3] The exceptions are the Federal Migratory Bird Hunting and Conservation Stamps, also known as "duck stamps." They are not valid for postage. Duck stamps were created in 1934 and serve as a federal license for hunting migratory birds (16 U.S.C. 718-719). Duck stamps also raise revenues for the conservation of wetlands. For further details, see the website of the Federal Duck Stamp Program at http://www.fws.gov/duckstamps/.

[4] 39 U.S.C. 404(a)(4) empowers the USPS "to provide and sell postage stamps ... and to provide such other evidences of payment of postage and fees as may be necessary or desirable."

Definitive Stamps

A definitive stamp (e.g., U.S. flag stamp) is issued year after year, and the quantity produced is not capped. These stamps come in a wide range of denominations (e.g., 2 cents, $5.00) and carry a substantial range of images, including animals (e.g., birds); famous persons (e.g., Presidents George Washington and Andrew Jackson); esteemed household items (e.g., Tiffany lamp); and revered national objects (e.g., the Liberty Bell).[5]

Forever Stamps

The USPS introduced the forever stamp in 2007. A forever stamp costs the same as a standard first-class definitive stamp; however, it may be used forever as first-class postage on standard envelopes weighing one ounce or less. Thus, if a customer buys a forever stamp for 45 cents, and two years later the price of first-class stamps rises to 47 cents, the forever stamp could still be used to mail a letter. The customer would not need to purchase an additional 2 cents in postage.

Commemorative Stamps

Each year, the USPS issues first-class, forever stamps to commemorate or celebrate persons, anniversaries, and things.[6] For example, the USPS's 2012 commemorative stamps feature weathervanes, celebrate the centennial of New Mexico statehood, and honor the African American publisher John H. Johnson (1918-2005).[7] Typically, each commemorative stamp has a limited production run and is sold for only one year. Though usable as postage, commemorative stamps often are held by collectors and sold privately at auctions and on the Internet.[8]

Semipostal Stamps

By law, semipostal stamps are "issued and sold by the Postal Service, at a premium, in order to help provide funding for a cause."[9] Thus, a first-class definitive stamp may be purchased for 45 cents, but a first-class semipostal costs 55 cents. The USPS will sell a semipostal, and then transfer a portion of the proceeds (less the USPS's costs) to the federal agency designated to administer the funds. Said agency then expends or distributes the funds for the statutorily designated purpose.[10]

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[5] Examples of common postage stamps may be found on the USPS's website at http://shop.usps.com/.

[6] CRS Report RS20221, Commemorative Postage Stamps: History, Selection Criteria, and Revenue Potential, by Kevin R. Kosar. On December 16, 2010, the USPS announced all forthcoming commemorative stamps would be issued as forever stamps. U.S. Postal Service, "Forever Stamp Program Expands to Give Consumers Convenience and More Choices," Postal Bulletin 22300, December 16, 2010, pp. 111-112, at http://about.usps.com/postal-bulletin/2010/pb22300/pdf/pb22300.pdf.

[7] USPS, "Stamp Issues, 2012" webpage, at http://beyondtheperf.com/stamp-releases/2012.

[8] The online auction site eBay, for example, features thousands of stamps for sale at http://buy.ebay.com/stamps. Until December 2010, commemorative stamps were definitive stamps with a set face vale (e.g., 44 cents).

[9] 39 U.S.C. 416(a)(1).

[10] E.g., funds from the breast cancer stamp have been granted to private research institutes studying breast cancer. See Government Accountability Office, U.S. Postal Service, Agencies Distribute Fund-raising Stamp Proceeds and Improve Reporting, GAO-08-45, October 2007.

The USPS has the authority to decide what causes to support through the sales of semipostal stamps.[11] Nevertheless, all semipostal stamps issued thus far by the USPS have been compelled by statute. Congress has required the USPS to issue semipostal stamps to raise funds for breast cancer research (P.L. 105-41; 11 Stat. 1121; 39 U.S.C. 414), domestic violence prevention programs (P.L. 107-67, Title VI, Section 653; 115 Stat. 558), assistance to the families of rescue workers killed or disabled in the terrorist attacks of September 11, 2001 (P.L. 107-67, Title VI, Section 652; 115 Stat. 557), and animal conservation (P.L. 111-241; 124 Stat. 2605). Table 1 indicates that the funds raised by semipostals varies considerably.

Table 1. Semipostal Stamps

Semipostal Stamp	Years Issued	Funds Raised[a]	Funds Administrator
Breast Cancer	1998-present	$73.0 million	Department of Defense and National Institutes of Health
Heroes of 2001	2002-2004	$10.5 million	Federal Emergency Management Agency
Stop Family Violence	2003-2006	$3.1 million	Department of Health and Human Services
Save Vanishing Species	2011-present	$175.0 thousand	Fish and Wildlife Service

Source: U.S. Postal Service Office of Inspector General, "Semipostal Stamps: Fundraisers for Charities and New Revenue Streams," May 7, 2012, at http://blog.uspsoig.gov/index.php/2012/semipostal-stamps-fundraisers-for-charities-and-new-revenue-streams/.

Notes: A congressional committee or office may access the most recent semipostal revenue data from its USPS liaison.

a. The funds raised figures reflect the monies raised for the cause itself as of the end of FY2011. For an analysis of the USPS's costs in issuing a semipostal stamp, see Government Accountability Office, U.S. Postal Service, Agencies Distribute Fund-raising Stamp Proceeds and Improve Reporting, GAO-08-45, October 2007.

Other than Stamps, What Kinds of Postage Indicia Exist?

The USPS permits the use of several postage indicia. These include meter indicia, mailing permit imprints, and customized postage. Each of these forms of postage is described below.

Postage Meter Indicia

A postage meter or mailing machine is a device that is used to print postage indicia directly onto mailpieces or pieces of adhesive tape that are to be affixed to mailpieces.[12] The USPS does not produce postage meters; rather, private firms manufacture meters to meet standards set in regulations issued by the Postal Service.[13] To use a postage meter, a mailer must fill out an

[11] USPS may "issue and sell semipostals ... in order to advance such causes as the Postal Service considers to be in the national public interest and appropriate" (39 U.S.C. 416(b)).

[12] Examples of meter indicia may be found on the USPS's website at http://pe.usps.com/text/qsg300/images/graphics/Q024a.jpg.

[13] U.S. Postal Service, Quick Service Guide 604c, Basic Standards for All Mailing Services: Postage Meters and PC Postage Systems (Washington: USPS, 2006), at
(continued...)

application with the USPS and enter into a rental agreement with a postage meter manufacturer. The mailer then prepays for postage, and this prepayment is registered in his postage meter. When he wishes to mail an item, the mailer places it in the meter, which weighs it and prints the required postage. The customer may then drop the item into any mailbox within the five-digit ZIP Code in which the meter is registered for delivery by the USPS. Indicia made by postage meters may be customized to include advertisements or messages. A customer may do this by designing and purchasing an advertising plate from the firm that provided his postage meter.

Mailing Permit Imprints

Mailing imprints are rectangular indicia printed at the top right of envelopes.[14] Mailing permit imprints may be made on envelopes "by printing press, handstamp, lithography, mimeograph, address plate, or similar device."[15] Typically, mailing permit imprints are used by firms to send mass mailings of identical mailpieces. Thus, for example, if a not-for-profit firm wanted to send letters to its 5,000 donors, it first would fill out an application with the USPS to receive a mailing permit and imprint. The firm then would hire another firm to print 5,000 envelopes with the imprint on them. The not-for-profit company would stuff these envelopes with letters and deliver them to the post office from which it received its mailing permit. The USPS would receive the mail, and the firm would pay for the postage required on the spot.[16] According to the USPS, mailing permit imprints may not be customized to include advertisements or messages.

Customized Postage Indicia

The USPS began its first test of customized postage indicia in August 2004. The USPS's authorization to experiment with customized postage indicia was expanded by Section 1192 of the Violence Against Women and Department of Justice Reauthorization Act of 2005 (P.L. 109-162; 119 Stat. 2960). The act amended 18 U.S.C. 475 to except indicia of "postage payment" from a more than century old law, which prohibited the counterfeiting of government obligations or securities and the placement of advertisements on said obligations or securities. The USPS has entered into agreements with a number of private firms, such as Stamps.com and Zazzle.com, that permit these firms to create stamp-like indicia that carry advertisements and images chosen by the purchaser (e.g., a photographic image of one's pet cat) along with indicia of postage paid.[17] The USPS requires firms that produce customized postage indicia to limit the messages and images that may be placed on them. To cite just two of the restrictions: customized postage indicia may not carry partisan or political contents or messages; and they may not depict profanity, nudity, or sexually explicit functions. Despite their appearance, customized postage indicia are not stamps. Rather, they are adhesive stickers that indicate postage paid. Customized postage indicia are sold at a premium by authorized private companies. A sheet of 20 45-cent customized postage indicia

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http://pe.usps.com/cpim/ftp/manuals/qsg300/q604c.pdfhttp://pe.usps.gov/text/qsg300/Q604c.htm.

[14] Examples of mailing permit imprints may be found on the USPS's website at http://pe.usps.com/text/qsg300/images/graphics/Q025b.jpg.

[15] U.S. Postal Service, Quick Service Guide 604d, Basic Standards for All Mailing Services: Permit Imprints (Washington: USPS, 2006), at http://pe.usps.com/cpim/ftp/manuals/qsg300/q604d.pdf.

[16] The USPS also allows for prepayment of mailing permit imprint mail.

[17] For examples of customized postage indicia, see the website of Zazzle.com at http://www.zazzle.com/pd/find/pt-172?sz=1.

may cost $17.95 or more; a sheet of 20 45-cent USPS definitive stamps costs $9.00. The extra cost of customized postage goes to the licensees, though, in some instances, a portion of the extra cost may be used to support a particular charity or cause. (See below.)

Which Forms of Postage May Be Used to Raise Revenues for Worthy Causes?

Semipostal stamps (see above) may be used to raise funds for causes. Customized postage also has been used for this purpose. For example, the Humane Society of the United States (HSUS) produced customized postage indicia through Zazzle.com that generated proceeds for its animal protection programs.[18]

May Citizens, Groups, or Businesses Put Images, Messages, or Advertisements on Stamps?

No. Stamps are produced by the USPS alone and may not carry images, messages, or advertisements promoting political causes, private businesses, etc. However, persons, groups, and businesses may put images, messages, and advertisements on certain forms of postage, such as customized postage and postage meter indicia.[19]

How Does One Request That the Postal Service Issue a Stamp in Honor of a Person, Place, or Event?

To aid the USPS in the development of new commemorative stamps, the Postmaster General established the Citizens' Stamp Advisory Committee (CSAC) in 1957. The CSAC operates under 39 U.S.C. 404(a) (4-5), which empowers the USPS to provide stamps and philatelic services. CSAC assesses proposals for new commemorative stamps against 12 criteria and advises the Postmaster General, who has final authority to determine both subject matter and design, on appropriate and desirable proposals.[20] Anyone may propose a new commemorative stamp. Proposals for new commemorative stamps should be sent to the Citizens' Stamp Advisory Committee, c/o Stamp Development, U.S. Postal Service, 1735 North Lynn Street, Suite 5013, Arlington, VA 22209-6432.

[18] For details, see the website of Zazzle.com at http://www.zazzle.com/hsus.

[19] For example, Stamps.com permits companies to create postage that advertises their brands, products, etc. For details, see http://photo.stamps.com/Store/business/.

[20] For an enumeration of these criteria, see http://about.usps.com/who-we-are/leadership/stamp-advisory-committee.htm.

How Much Do Stamps and Postage Cost?

The easiest way to determine current postage rates is to visit the USPS's "Prices" Web page at https://www.usps.com/ship/service-chart.htm. Consumers also may call the USPS at 1-800-275-8777.

How Are Postage Rates Set?

The Postal Accountability and Enhancement Act (PAEA; P.L. 109-435; 120 Stat. 3198), which was enacted on December 20, 2006, changed the postage rate-setting process.[21] Under the former rate-setting system, the USPS would submit a request to the Postal Rate Commission to raise postage prices that detailed the proposed increases and the justifications for them. This began a quasi-judicial process in which all interested parties, including citizens and business firms, would submit testimony to the commission concerning USPS's proposed postage rates. The Postal Rate Commission would hold hearings, take testimony from witnesses, and issue a recommended decision, which the USPS's Board of Governors could accept or reject. Frequently, the entire process took more than six months, and the results were difficult to predict.

The PAEA replaced this process with a less adversarial and more expeditious process that takes less than two months (120 Stat. 3201-3203). The PAEA replaced the Postal Rate Commission with the Postal Regulatory Commission (PRC). Now, when the USPS wants to raise postage rates, it files a notice with the PRC, which takes public comments and verifies the proposed rates' compliance with the law.

The PAEA separates the USPS's products into two types—market-dominant products and competitive products—and gives the USPS different pricing authority for each type.

Market-dominant products are those that the USPS need not compete with the private sector to provide.[22] Market-dominant products include (1) first-class mail letters and sealed parcels, (2) first-class mail cards, (3) periodicals, (4) standard mail, (5) single-piece parcel post, (6) media mail, (7) bound printed matter, (8) library mail, (9) special services, and (10) single-piece international mail. Each year, the USPS may raise the postage rates for market-dominant products at a rate that is no higher than the previous year's increase in the Consumer Price Index for All Urban Consumers.[23] Typically, these rate hikes occur in the month of May.

Competitive products are those for which a competitive market exists.[24] They include (1) priority mail, (2) expedited mail, (3) bulk parcel post, (4) bulk international mail, and (5) mailgrams. The USPS may set the postage rates for competitive products in accordance with regulations

[21] 120 Stat. 3201 required the PRC to put the new rate-setting system in place within 18 months after enactment of the law. The PRC completed this task early, and the new system took effect on November 9, 2007 (72 F.R. 63662-63704).

[22] 120 Stat. 3209 defines a "market-dominant" product as a product "in the sale of which the Postal Service exercises sufficient market power that it can effectively set the price of such product substantially above costs, raise prices significantly, decrease quality, or decrease output, without risk of losing a significant level of business to other firms offering similar products."

[23] 120 Stat. 3203-3204 does permit two exceptions to this limitation.

[24] 120 Stat. 3209 defines "competitive products" as those products and services that do not meet the definition of a market-dominant product.

promulgated by the PRC. The PAEA prohibits the USPS from pricing competitive products below the costs to produce these products (120 Stat. 3205). Otherwise, the USPS may price these products at the level it deems appropriate, relative to competitors' prices.

May the Families of Members of the Armed Services Send Mail to Them for Free?

No. During the 109th, 110th, 111th, and 112th Congresses, bills were introduced to permit certain persons to send letters and packages free of postage to servicemen and women in combat zones. None of these bills has become law.[25]

May Active Duty Members of the Armed Services Send Mail for Free?

Yes, a member of the armed services may do so, provided that he or she is on duty in a designated combat area, the mail is personal correspondence, and the mail is addressed to someone in the United States (39 U.S.C. 3401).[26] The Department of Defense reimburses USPS for a portion of the delivery costs.

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[25] For further details on these proposals, see CRS Report R40550, Sending Mail to Members of the Armed Forces at Reduced or Free Postage: An Overview, by Kevin R. Kosar.

[26] For further details on members of the armed services and postal services, see the website of the Military Postal Service Agency at http://hqdainet.army.mil/mpsa/.