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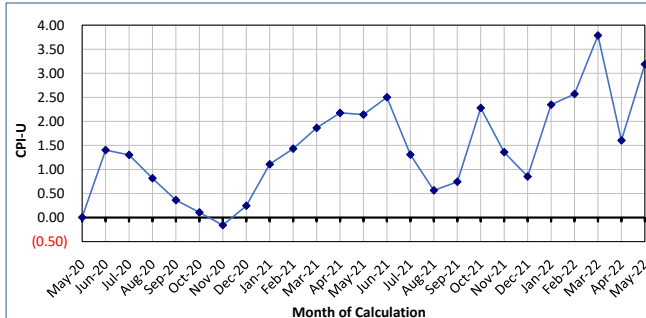
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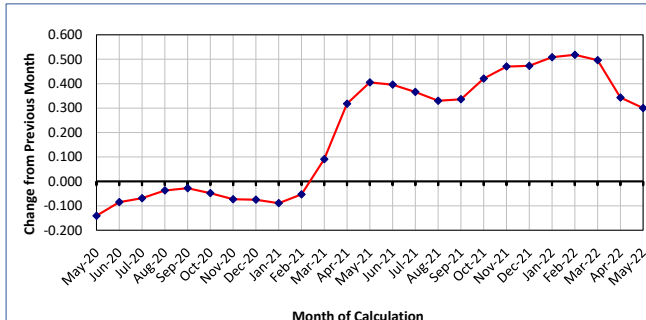
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Climbing CPI Threatens Another Big Rate Increase

PMG Louis DeJoy's zealous pursuit of maximum rate increases is getting a lot of help from the surging Consumer Price Index issued monthly by the Bureau of Labor Statistics. The CPI has been increasing since November 2020, and has grown by two points or more eight times over the span.

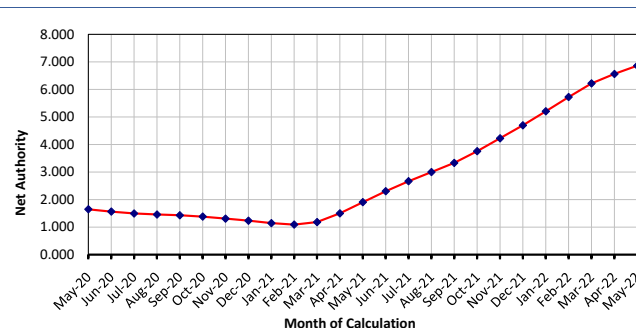


(As all commercial ratepayers should know, the CPI is used in a formula to determine the Postal Service's rate authority. Three formulas are available: for an annual increase (i.e., twelve months after the previous increase) and for filings more or less than a year apart. In addition to authority under the CPI cap, the USPS can apply any "banked" authority unused in a previous rate filing and, since November 2020, based on a decision by the Postal Regulatory Commission, three further factors: "density," "retirement," and "non-compensatory.")



The CPI cap is a twelve-month rolling average which tends to smooth the month-to-month variations in the CPI itself, but

the month-to-month change in the cap still reflected the overall trend of the index as did the resulting calculated cap.



Last April, when the agency filed for the increase that takes effect next Sunday, the CPI had been climbing sharply, yielding available CPI authority of 5.135% even though it had been less than a year since the preceding price change.

Docket	Date	Effective	CPI Cap %	Density %	Retirement %	Total *
R2018-1	10/6/2017	1/21/2018	1.987			
R2019-1	10/10/2018	1/27/2019	2.419	n/a	n/a	2.419%
R2020-1	10/9/2019	1/26/2020	1.900	n/a	n/a	1.900%
R2021-1	10/9/2020	1/24/2021	1.458	n/a	n/a	1.458%
R2021-2	5/28/2021	8/29/2021	1.244**	4.500	1.062	6.806%
R2022-1	4/6/2022	7/10/2022	5.135**	0.583	0.785	6.503%

* Excluding "banked" authority per class and 2% "non-compensatory" applicable to specific classes/categories

** Based on the formula for less-than-annual increase

If, under the PMG's plan for semi-annual increases, the agency files again in October (for rates to be implemented in January 2023), the soaring CPI is already indicating the USPS will have significant pricing authority from just the cap; after only two months, the calculated cap (for a less than annual increase) is already 2.059%. While any "banked" authority may be added, the agency's annual authority for 2022 under the "density" and "retirement" adders has already been used. Whether the USPS will file in October, and what its rate authority at that time might be, remains to be seen, but the trend so far isn't encouraging.

Action Required: Deadline Approaching for Ratepayer Input

Last May, the Postal Regulatory Commission issued a press release about a task it was assigned by Congress.

“As adopted by the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2022, the House of Representatives Report 117-79 states:

‘Rate Increases for Market-Dominant Products.—The Postal Accountability and Enhancement Act of 2006 (PAEA) required the PRC to review the existing Market Dominant rate and classification system 10 years after the enactment of the PAEA. Based on this review, the PRC adopted rules in November 2020 providing greater pricing flexibility to the United States Postal Service (USPS). USPS has used this expanded authority to propose increasing certain postal rates effective August 20, 2021, by approximately 7 percent. The Committee is concerned with the size and timing of the rate increase and that the PAEA process did not account for the impact of the pandemic, including factors such as higher package revenues and emergency funding provided to the USPS. The PRC is directed to study these factors and report to the Committee within 270 days on how these factors should impact the rate increases proposed by the USPS and the PRC rules adopted in November.’ H. Rep. No. 117-79 at 100 (Jul. 1, 2021).

“The accompanying Joint Explanatory Statement added that, ‘In preparing the report on market dominant products included in House Report 117-79, the PRC is expected to consult with stakeholders.’ Joint Explanatory Statement, Division E—Financial Services and General Government Appropriations Act, 2022, at 49, 162 Cong. Rec. H1709, H2356 (daily ed. Mar. 9, 2022).

“In response, the Commission offers the opportunity for interested persons to provide input on the issues identified by the Report language above via email to stakeholderinput@prc.gov or by letter to the Commission at 901 New York Ave., N.W., Ste. 200, Washington, DC 20268 by July 31, 2022.”

Because the release got limited circulation, and because there was no docket opened or *Federal Register* notice

published, the invitation likely has gone largely unnoticed – generating fewer than possible responses.

The issue

The matter on which the commission is asking stakeholders to comment is simple: should the PRC revisit the final rule it issued on November 30, 2020, that established three new forms of rate authority for the USPS (density, prefunding, and non-compensatory) in light of the changed circumstances over the intervening period?

Since late 2020, the pandemic’s impact on mail volume has been manifest, the Postmaster General has embarked on a campaign of frequent rate increases designed to extract all available revenue from ratepayers, and – perhaps most importantly – the Postal Reform Act of 2022 has been enacted. That law eliminated the “prefunding” requirement that overwhelmed USPS finances since 2006, and waived any past payments still unpaid, resulting in an immediate positive charge to the Postal Service’s books and the reduction of the agency’s overall obligations by as much as \$107 billion.

These factors – and pricing authority of the soaring CPI itself – weaken the need for the additional pricing authority that the PRC found appropriate in 2020. Times have changed, as have postal economics, so it would seem similarly appropriate to revisit the reasons for the 2020 final rule and acknowledge that they no longer compel the same response.

Though the PMG would be expected to oppose any reduction in his pricing authority, commercial mailers and all ratepayers should – in their own interest, and to preserve mail volume – voice their support for amending the 2020 final rule. **The PRC wants to hear from stakeholders, and none have more at stake than commercial mail producers and their ratepaying clients.**

Supreme Court Declines to Accept Mailer Groups’ Appeal

On June 27, the US Supreme Court denied *certiorari* for docket 21-1124, *National Postal Policy, et al. v. Postal Regulatory Comm’n, et al*, a case focused on the PRC’s authority to issue a final rule revising the ratesetting process established by the 2006 postal reform law. (The court’s decision – denying *certiorari* – meant it declined to accept the petitioner’s appeal of a previous decision by a lower court, in this case, the US Court of Appeals for the DC Circuit.)

Backstory

As commercial mailers know, the PRC conducted a lengthy rulemaking after its decennial review of the ratesetting process concluded that insufficient revenue was being generated to provide “financial stability” for the Postal Service. The PRC’s final rule, issued in November 2020, granted the Postal Service three new forms of rate authority: “density” to compensate for volume declines, “retirement” to raise money to make the prefunding payments required by the 2006 postal reform law, and “non-compensatory” to increase the cost coverage for “underwater” products.

Opinions varied in the Washington postal community about whether the statute gave the commission the authority to revise the ratemaking process that the law established – and, if it did, the extent to which the PRC could revise it.

This disagreement was manifest in appeals from the PRC’s order, filed in the US Court of Appeals for the DC Circuit by several DC-area associations, that were eventually joined by the court. (The USPS sued as well, but to argue that the PRC didn’t give it *enough* added rate authority.) The appellants argued their case, then docketed as No. 17-1276, on September 13, 2021, and, on November 12, 2021, the court issued a decision that, after analyzing and rejecting each of the arguments, denied their request for review of the PRC’s order.

End of the line

The appellants’ last chance was an appeal to the US Supreme Court, but the court filters the hundreds of cases brought to it to ensure that only the most significant legal issues are afforded the court’s time. *Certiorari* “is an extraordinary prerogative writ granted in cases that otherwise would not be entitled to review” and the superior court “may exercise its discretion in accepting a case for review.” As noted, in this case, the higher court (the Supreme Court) declined.

While the legal fight has ended, the political process may still be at work. As noted in the preceding article, the Postal Service’s aggressive price increases have caught the attention of Congress, but it’s too early to estimate if, and to what extent, politicians may slow the agency’s pursuit of revenue.

Writing Its Own Report Card – Commentary

It's likely that most individuals, given the right to do so, not only could provide a self-evaluation but would do so in a way that emphasizes positive points and minimizes any that are less so. Perhaps it's just human nature, or an innate desire to avoid negative consequences, but odds are that self-evaluations will skew more positive than what any objective performance evaluations would indicate. For that reason, students don't do their own report cards, employees don't submit their own merit reviews, and drivers aren't allowed to evaluate their own compliance with traffic laws.

Such behavior is not limited to individuals but is present in virtually all human enterprises, including the Postal Service.

The USPS is notoriously and willfully opaque. Though executives, managers, and staffers across the organization have a degree of visibility into their functional areas, if not farther, the agency is Kremlin-like in its resistance to disclosing any more than it must to outsiders. As the saying goes, information is provided on a need-to-know basis and, from the Postal Service's perspective, outsiders don't need to know.

Even something as simple as the name and email or phone for someone working on a customer-facing program is all but impossible to learn. Though it's a public enterprise fully underwritten by ratepayers, even the most assiduous observers have a hard time figuring out what's really going on.

For the past two years, however, the Postal Service has been more than forthcoming about its service performance. Every week, it issues a press release touting how well it's doing, offering a service score that supports the claim without explaining from what that figure was derived. They're issuing their own report card, and giving themselves high marks.

Reporting

The agency has been developing its own service performance data for years, in great detail for internal use and, far less so, to comply with the requirements of the Postal Regulatory Commission. Other than the press releases, the only substantive service performance data published by the USPS is its quarterly submissions to the PRC (summarized in subsequent issues of *Mailers Hub News*.)

Section 201 of the Postal Reform Act of 2022, enacted April 6, directed the PRC to provide "requirements for the Postal Service to publish nationwide, regional, and local delivery area performance information" and directed the USPS to "develop and maintain a publicly available Website with an interactive webtool that provides performance information for market-dominant products that is updated on a weekly basis."

In turn, on April 26, the PRC opened a docket, RM2022-7, *Advance Notice of Proposed Rulemaking to Revise Periodic Reporting of Service Performance*, "to consider revisions to update the existing annual and periodic service performance reporting requirements for the Postal Service's Market Dominant products." Comments and reply comments were received through late June.

Too much

In its reply comments filed June 24, the Postal Service responded to various proposals submitted earlier by other

commenters. In its statement, the agency generally refuted comments and suggestions that would expand the reporting requirements beyond what it had itself proposed. In various passages, it characterized additional reporting as "burdensome and unproductive," warned of "the expense and burden of imposing additional reporting requirements" and of requiring "extraneous data points that tend to compromise its usefulness." It cautioned that "additional reporting requirements would ... risk obscuring more than they illuminate" and could lend themselves to "possible misinterpretations."

It urged the PRC to "carefully review the potential cost of ... additional reporting" and complained about the "unjustifiable burdens that disaggregating ... data for individual Market Dominant products would impose on the Postal Service and, importantly, that such additional reporting would provide negligible additional benefits." "Burden" or similar terms were used eight times by the USPS to explain why additional information should not be required.

Tellingly, regarding the dashboard, the USPS asserted

"As the entity responsible for implementation of the dashboard, the Postal Service submits that its views merit deference as it is best positioned to be able to judge the level of effort involved in designing the dashboard and maintaining its content."

In other words, the agency believes it – not the PRC – should decide what it will report and on what data those reports will be based.

Resistance

Reading the Postal Service's reply comments, long-time observers of the USPS can readily detect the agency's knack for developing a litany of reasons for why it can't do something that it doesn't want to do.

The simple fact is that the Postal Service wants to control the message about service performance. It wants to tell its story with the data and scores it selects; the weekly press releases show that. What it doesn't want to acknowledge is that more granular data shows variable and inconsistent performance, that some areas have chronically poor service, and that a sizeable amount of mail isn't "in measurement" and therefore not represented by the published scores.

During the kerfuffle over mailed ballots in 2020, the USPS was able to produce whatever detailed data the courts ordered it to produce. It obviously has data at hand for use in its self-congratulatory press releases. The agency has robust data collection and analysis systems that feed its management dashboards with granular data about individual processing machine operations and retail post office conditions. Therefore, given that wealth of information, claiming that disclosing some of it would be a "burden" strains credulity.

As the agency's regulator, the PRC should not be deflected from requiring frequent reporting of granular service performance data, and should not be dissuaded by the Postal Service's self-serving whining about costs and burdens. Moreover, it – not the USPS – should decide what the dashboard will show, and how often and in what level of detail.

The USPS has shown us its version of self-reporting; ratepayers deserve more objective information than what they see when the USPS fills-in its own report card.

Mailers Hub Comments on New Caller Service Fee

On July 1, Mailers Hub submitted comments (below) on the Postal Service's proposed rule regarding a new fee for Caller Service – Customized Address (see page 13); comments are due July 5.

On behalf of the Mailers Hub subscribers and their clients who use Caller Service, I write to urge reconsideration of the above-captioned proposal.

There is no argument whether the proposal is legally valid; it is. The Postal Service included the fee for Caller Service – Customized Address in its April 6, 2022, filing with the Postal Regulatory Commission (Docket R2022-1, *Market-Dominant Price Change*), and the PRC approved that and the other elements of the filing on May 27, 2022 (Order No. 6188, *Order on Price Adjustments for First-Class Mail, USPS Marketing Mail, Periodicals, Package Services, and Special Services Products and Related Mail Classification Changes*).

Rather, first, a matter of contention with the proposal is that it is an imprudent additional imposition on a specific subset of commercial mailers whose business practices generate the volume of mail that warrants use of both Caller Service and a unique five-digit ZIP Code. These mail users would include transactional mailers (e.g., banks, credit card companies, and other financial institutions), institutions and charitable organizations, and businesses receiving orders from customers. By the middle of July, each such ratepayer will have experienced price increases of over 13% in less than a year and service decreases for First-Class Mail, including reply and remittance mail. Notwithstanding the belief of some in Postal Service leadership, those price increases and service reductions are both clear inhibitors of the use of hard-copy mail and further motivators for transitioning to electronic communications. In addition, aside from whether the fee will be financially burdensome, it will be viewed simply as “adding insult to injury,” i.e., imposing a *new* fee in addition to the increased fee for Caller Service itself.

Second, whether customers are aware of the new fee is questionable. In its April 6 filing, the Postal Service made no mention of its introduction in Section E, *Special Services*, revealing it only in new Footnote 2 on page 174. In approving the fee, the PRC noted only that the USPS provided a modicum of background information in an April 21 response to Chairman's Information Request No. 2. In that response, the Postal Service stated that it was

“... creating the new service in response to requests from mailers. The Postal Service did not conduct and [sic] market research, develop any workpapers or other analysis to support the decision to offer this service.”

To assert that mailers – especially those already using a unique five-digit ZIP Code – would “request” that the fee be established is difficult to accept at face value. Beyond that, it's noteworthy that the Postal Service did no outreach to customers nor did it assess the impact of the fee on their continued use of the mail. As a result, regardless of whether the fee was established legally, how it was established – very much “under the radar” – suggests at least a lack of candor by the USPS, an indifference to the opinions of ratepayers, and an inexplicable interest in limiting the visibility of what it was doing.

Moreover, in CHIR No. 2, despite admitting the absence of any market research, the USPS somehow estimated that there will be only a few customers participating – five transactions the first year and ten in additional years – with apparently little financial benefit: the Postal Service estimated it to be “10,000” in the first and each additional year. Given that minimal return, the benefit of the fee to the USPS should be evaluated against the further alienation of commercial mail users likely to ensue and, in turn, their further steps to leave the mail.

Lastly, given the nature of the service for which the fee is charged – as best as it's been explained – the Postal Service experiences no additional costs because a customer uses a different second line address in conjunction with its unique five-digit ZIP Code. The costs of in-process distribution and sortation to the applicable Caller Service destination are unaffected. Therefore, it seems reasonable to conclude that there are no additional costs to justify the fee and that, as stated in the proposed rule, its purpose is solely to make customers pay “for the right to omit the PO Box number” – meaning it's simply a revenue-generation device.

As a result, the question that needs thoughtful consideration by postal executives is not whether the fee *can* be imposed but rather whether it *should* be. There's no mandate that the approved fee must take effect, or on any given date; if imposition is deferred the authority to impose it won't lapse.

Accordingly, given the current circumstances of most commercial mail users, it would be prudent for the Postal Service to withdraw its proposal and elect to postpone the authorized additional fee indefinitely. Otherwise, the obsessive pursuit of all available revenue would only serve to foster commercial mail users' existing frustrations with the Postal Service and further undermine the long-term stability of market-dominant mail volume.

Competitive Contracts: Trend Not Showing Growth

The PMG's 10-year Plan assumes package volume will grow and provide a critical source of revenue to offset a projected \$160 billion loss. As we've reported previously, the trend of competitive product contracts isn't supportive of such rosy expectations. Data available from the Postal Regulatory Commission shows that, from January 1, 2020, through June 30, 2022, 48.2% more competitive product (CP) contracts were terminated than were approved.

(Not all contracts are for the same products or equivalent volume, so changes in the number of contracts doesn't necessarily correlate to proportional changes in net volume.) Nonetheless, in calendar 2022, the USPS has secured only 33 competitive product contracts (top) while 56 were terminated (including 10 "early terminations") (bottom). As the PMG pursues packages (and turns away from hard-copy mail), price and service may explain the lack of shippers' interest.

Month	Priority Mail Express	PM Express & Priority Mail	PM Express, Priority Mail, & FCPS	Priority Mail & FCPS	Priority Mail	First-Class Package Svc	PM Express, Priority, FCPS, & Parcel Select	Priority Mail, FCPS, & Par Sel	Priority Mail & Parcel Select	Parcel Select & Parcel Return Service	Parcel Select	Parcel Return Service	Priority Mail Non-Published Rates	International (All)	Totals
Jan-20															0
Feb-20		1		2	6										9
Mar-20				2	3							1		1	7
Apr-20		1		1	13	3								1	19
May-20			1	4	6							1			12
Jun-20		1		1	12	1	2						1	24	42
Jul-20		1	2	4	15				1	1					24
Aug-20	2	1		6	7	1	1	1						2	21
Sep-20		1	1	8	14	1			1	1					27
Oct-20	1	4		8	13	1								1	28
Nov-20				2	4	1									7
Dec-20	3			6	5			1			7				22
Jan-21		1	1	6	2		1		1		2			3	17
Feb-21		1		1						1					3
Mar-21		2			3										5
Apr-21	2			2	6	1									11
May-21				1	5										6
Jun-21	1			3	6										10
Jul-21			1	4	6										11
Aug-21	1		1	7	1	1					1			1	13
Sep-21			1	1		1									3
Oct-21	2	1	1	6	6						1				17
Nov-21	1		1	1	2	1		1		1					8
Dec-21		2		4	6										12
Jan-22			1	1		1								1	4
Feb-22		1		1	1										3
Mar-22		1		1	2										4
Apr-22		1		2	1									2	6
May-22		1			4										5
Jun-22	1				5						1				7
Added >	14	22	11	78	163	13	5	3	3	4	12	2	1	36	367
Jan-20	3	1	2	8							1		4		19
Feb-20	1	2	1	1	7								1	1	14
Mar-20			1	2	9								4		16
Apr-20		3		1	6	1							5		16
May-20				3	5	1						1	2	1	13
Jun-20		4	1	6	8	1					1		3	4	28
Jul-20	2	1	1	1	7						1	1	3	9	26
Aug-20		2		2	7								3		14
Sep-20	1	3	3		12								4		23
Oct-20	1		2	3	12	1				1			6		26
Nov-20		2	1	1	9	2							4		19
Dec-20		1	2	1	11	1							5		21
Jan-21	1	1	2	1	5		1					1	2	3	17
Feb-21		2		13	8	1							2		26
Mar-21		1		2	10	1							5	1	20
Apr-21	2	6	3	5	26	2			1	1			8	3	57
May-21	2	3	2	5	11					1	1		6	1	32
Jun-21	2	1	1	4	5								4		17
Jul-21	1		1	2	9	1						1	1		16
Aug-21			1	1	3	1							4		10
Sep-21	1	1		5	6	1							3	1	18
Oct-21	1	2	3	6	2	1							2		17
Nov-21	1	1		2	2								2		8
Dec-21		2	1	2	7								2	1	15
Jan-22		1	1	3	5								2		12
Feb-22				2	3					1			2	1	9
Mar-22	2	1		1	5								2	3	14
Apr-22				1	3										4
May-22		1		2	8								3		14
Jun-22					1							1	1		3
Ended >	21	42	29	78	220	15	1	0	1	4	4	5	95	29	544

The data above is based on the dates that a CP contract approved by the PRC, or termination reported by the USPS, is posted on the PRC website.

USPS Service Claims Continue to Require Readers' Scrutiny

Since June 2021, the Postal Service's public relations office has issued weekly releases touting service performance improvements. However, a closer look at those releases suggests that, while the authors' purpose seems to be to create a perception of stellar performance, that scenario isn't supported by the agency's own data, and so may not be as impressive – or accurate – as we're supposed to believe.

Contexts

After struggling during the pandemic, when falling short of service standards was understandable, the USPS helped itself in May 2021 when the Board of Governors lowered the 2021 service *targets*, to 84.88% for First-Class Mail and 86.62% for Marketing Mail and Periodicals. Then, on October 1, the agency cut the service *standards* for First-Class Mail and some Periodicals. (The service *target* is the level of achievement of the service *standard*.) Thus, the USPS made its performance look better even if it didn't really improve.

For FY 2022, the published service *targets* are 94.75% overnight, 93.00% 2-day, and 90.5% 3-, 4-, & 5-day for First-Class Mail, 91.84% for Marketing Mail, and 82.67% for Periodicals.

After the 2021 holiday peak, when operations continued to normalize, service improved – as it should have – but it still hasn't hit published *targets*, let alone service *standards*, notwithstanding what the PR would have readers conclude. At the end of PQ II (the dashed line in the chart), the national scores were 94.3, 92.3, 86.0, 86.8, and 94.2 for First-Class Mail, respectively; 93.0, 81.7, and 93.0 for Marketing Mail overall letters, flats, and carrier route, respectively; and 81.1 for Periodicals. However, those were aggregated scores, homogenizing good and bad performance by individual plants.

In its weekly PR, the USPS defines service performance “as the time it takes to deliver a mailpiece or package from its

acceptance into our system through its delivery, as measured against published service standards.” So, for Marketing Mail, a 94.7% performance *score* against a 91.84% *target* means only 86.97% on-time – a big difference.

Further undermining the Postal Service's PR is the fact that the “census” method it uses to measure service is reliant on a unique intelligent mail barcode on each piece. So, by definition, the universe of mail that's *measured* and reported is mostly automation-compatible mail bearing an IMB – the easiest and fastest to process. Conversely, excluded mail is more problematic, may take longer to process and deliver and, accordingly, would be a drag on service scores.

As reported by the USPS at the end of PQ II, 42.07% of First-Class Mail, 28.14% of Marketing Mail, and 41.22% of Periodicals *were not* “in measurement.” Therefore, the service such mail receives is not reflected in the agency's weekly boasts, further suggesting that the assertions are based on data that's carefully selected to yield the most favorable results.

Caveat lector

The USPS, the Postal Service's Office of Inspector General, and the Postal Regulatory Commission are each trying to develop service performance “dashboards.” However, if all draw from the same source data – from what the USPS measures – all may be similarly flawed. Therefore, consumers, commercial mailers, and media reporters should not take the USPS's PR at face value. Rather, the releases are essentially unsupported promotional assertions, at odds with other USPS data, meant to create a perception of improving service regardless of whether any real change occurred.

The Postal Service is unlikely to relent in its efforts to hype its service performance hoping, as was once stated, that “if you say it enough and keep saying it, they'll start to believe you.”

Date	Reported Score and Change from Previous Week						Days to Deliver	Headline Claim	Comparison
	First-Class Mail	Marketing Mail	Periodicals	First-Class Mail	Marketing Mail	Periodicals			
Jan 14	+0.20	90.00	--	91.70	-0.10	81.10	2.6	“Service Performance Holding Steady”	PQ I/FY 22
Jan 20	-3.40	86.60	--	91.70	-0.30	80.80	2.7	“Performance Showing Signs of Improvement”	PQ I/FY 22
Jan 27	+0.30	86.90	--	91.70	-0.20	80.60	2.7	“Showing Steady Signs of Improvement”	PQ I/FY 22
Feb 3	--	86.90	-0.70	91.00	-0.80	79.80	2.7	“Continues to Implement Mitigation Plans”	PQ I/FY 22
Feb 10	-0.80	86.10	-0.10	90.90	-0.30	79.50	2.8	“Continues to Implement Mitigation Plans”	PQ I/FY 22
Feb 17	--	86.10	--	90.90	--	79.50	2.7	“Continues to Implement Mitigation Plans”	PQ I/FY 22
Feb 25	-0.10	86.00	+0.30	91.20	-0.10	79.40	2.8	“Delivery Time Consistent”	PQ I/FY 22
Mar 3	+0.60	86.60	+0.20	91.40	+0.90	80.30	2.7	“Continues to Implement Mitigation Plans”	PQ I/FY 22
Mar 10	+0.30	86.90	+0.30	91.70	+0.20	80.50	2.7	“Continues to Implement Mitigation Plans”	PQ I/FY 22
Mar 18	-0.60	86.30	+0.20	91.90	+0.50	81.00	2.7	“Consistent with performance from the fiscal first quarter”	PQ I/FY 22
Mar 25	+0.40	86.70	+0.20	92.10	+0.40	81.40	2.7	“Performance was consistent with the fiscal first quarter”	PQ I/FY 22
Apr 1	+0.50	87.20	+0.30	92.40	+0.40	81.80	2.7	“Service performance scores have improved for consecutive 4 weeks”	PQ I/FY 22
Apr 8	+0.70	87.90	+0.20	92.60	+0.10	81.90	2.7	“Performance showed steady improvements”	PQ I/FY 22
Apr 15	+5.70	93.60	+2.90	95.50	+6.00	87.90	2.4	“94% First-Class Mail Delivered On Time for Two Consecutive Weeks”	PQ II/FY 22
Apr 22	--	93.60	-0.10	95.40	-0.20	87.70	2.4	“the 3rd consecutive week, [FCM] on-time delivery performance was nearly 94%”	PQ II/FY 22
Apr 29	-0.20	93.40	-0.50	94.90	-0.70	87.00	2.4	“4th consecutive week, [FCM] on-time delivery performance was above 93%”	PQ II/FY 22
May 6	+0.10	93.50	+0.10	95.00	-0.20	86.80	2.4	“the strongest performance data reported to date in 2022”	PQ II/FY 22
May 13	--	93.50	--	95.00	--	86.80	2.4	“national service performance continues improve”	PQ II/FY 22
May 20	-0.10	93.40	--	95.00	-0.10	86.70	2.4	“continued strong performance across all mail categories”	PQ II/FY 22
May 26	+0.10	93.50	--	95.00	-0.20	86.50	2.4	“strong performance across all mail categories”	PQ II/FY 22
June 3	-0.10	93.40	--	95.00	-0.10	86.40	2.4	“ongoing strong performance across all mail categories”	PQ II/FY 22
June 9	+0.10	93.50	-0.20	94.80	+0.10	86.50	2.4	“ongoing high performance scores”	PQ II/FY 22
June 17	--	93.50	--	94.80	--	86.50	2.4	“continued high-performance”	PQ II/FY 22
June 24	--	93.50	--	94.80	-0.20	86.30	2.4	“ongoing strong service performance”	PQ II/FY 22
June 30	--	93.50	-0.10	94.70	+0.10	86.40	2.4	“continued high service performance”	PQ II/FY 22

PRC Issues Analysis of USPS FY 2021 Performance and FY 2022 Performance Plan

On June 30, the Postal Regulatory Commission released its *Analysis of the Postal Service's FY 2021 Annual Performance Report and FY 2022 Performance Plan*. The USPS had issued those documents on December 29, 2021.

The commission explained that

"The FY 2021 Report and FY 2022 Plan discuss the Postal Service's performance goals, which are:

- High-Quality Service – deliver mail and packages on-time
- Excellent Customer Experience – improve Postal Service customer satisfaction with services provided through every primary touchpoint or interaction
- Safe Workplace and Engaged Workforce – promote employee safety in the workplace and increase employee satisfaction and engagement
- Financial Health – achieve financial stability and improve the Postal Service's financial position by generating revenue, controlling expenses, and improving efficiency

The PRC provided a table summarizing "the four performance goals, their corresponding performance indicators, results from FY 2018 through FY 2021, and targets for FY 2021 and FY 2022":

Performance Goal	Performance Indicator		FY TARGETS		FY RESULTS			
			2022	2021	2021	2020	2019	2018
High-Quality Service ^{ac}	Single-Piece First-Class Mail	2-Day	90.25%	87.81%	86.44%	91.47%	92.05%	93.78%
		3-5-Day	90.00%	68.64%	63.20%	78.83%	80.88%	82.48%
	Presorted First-Class Mail	Overnight	94.75%	93.99%	93.38%	94.72%	95.46%	96.00%
		2-Day	93.00%	89.20%	88.29%	92.77%	94.10%	94.92%
		3-5-Day	90.50%	84.11%	80.87%	89.89%	91.95%	91.96%
	First-Class Mail Letter and Flat Composite ^d		91.00	84.88	82.69	89.73	91.36	92.07
	USPS Marketing Mail and Periodicals Composite ^d		91.50	86.62	87.12	88.38	88.73	89.26
Excellent Customer Experience	Market Dominant Composite ^{bd}		91.25	85.86	85.30	89.00	89.86	89.66
	Customer Experience Composite Index ^{cd}		72.99	76.90	68.49	72.40	69.04	67.47
	Business Service Network		97.33%	97.20%	97.89%	97.33%	96.68%	95.90%
	Point of Sale		87.46%	90.42%	84.39%	87.46%	87.77%	87.98%
	Delivery ^d		80.94	86.33	70.41	80.94	80.40	80.47
	Customer Care Center ^{cd}		63.02	60.03	61.85	60.03	46.94	39.19
	Customer 360 ^e		40.05%	55.00%	33.34%	40.05%	37.45%	36.73%
	Business Mail Entry Unit		96.72%	96.73%	95.66%	96.72%	96.00%	95.33%
Safe Workplace and Engaged Workforce	USPS.com		73.41%	73.41%	67.13%	73.41%	72.94%	57.54%
	Total Accident Rate		13.45	13.75	13.48	13.09	14.19	15.09
	Survey Response Rate ^f		N/A	51%	25%	33%	38%	42%
Financial Health	Grand Mean Engagement Score ^f		3.38	N/A	3.36	3.29	3.36	3.34
	Deliveries per Total Workhours % Change		N/A	N/A	N/A	0.90%	(0.60)%	(0.50)%
	Controllable Income (Loss) \$ in billions		(\$4.10)	(\$5.60)	(\$2.39)	(\$3.75)	(\$3.42)	(\$1.95) ^e

The commission added that it:

"... evaluates whether the Postal Service met each performance goal by comparing targets and results for each performance indicator measuring progress toward that goal. It considers the Postal Service to have met a performance goal if the result of each performance indicator for that performance goal meets or exceeds the target established in the applicable performance plan. ... The Commission considers the Postal Service to have partially met a performance goal if the Postal Service meets or exceeds some but not all targets for each performance indicator measuring progress toward that goal. The Commission considers the Postal Service to have not met a performance goal if it missed targets for each performance indicator measuring progress toward that goal.

"The Commission compared FY 2021 targets and results for each performance indicator. ... Based on this comparison, the Commission finds that in FY 2021:

- The Postal Service partially met the High-Quality Service performance goal because it missed all but one target for the High-Quality Service performance indicators.
- The Postal Service partially met the Excellent Customer Experience performance goal because it exceeded targets for two performance indicators but missed targets for the other six performance indicators.
- The Postal Service partially met the Safe Workplace and Engaged Workforce because the Postal Service exceeded the FY 2021 Total Accident Rate target but missed the FY 2021 Survey Response Rate target.
- The Postal Service met the Financial Health performance goal because the FY 2021 Controllable Income (Loss) result was better than the target."

Service

The report examined USPS service performance and the targets the agency set for itself in FY 2021.

"In FY 2021, the Postal Service achieved only one of its targets for the public performance indicators related to Market Dominant

products that measure progress toward the High-Quality Service performance goal. ... In FY 2021, the Postal Service achieved only one of its targets for the public performance indicators related to Market Dominant products that measure progress toward the High-Quality Service performance goal. ... The Postal Service explained the change in targets by stating that, historically, it has been unable to meet service targets for most Market Dominant products, and 'regulators have requested [that] the Postal Service establish realistic targets instead of what were determined to be aspirational.' ... According to the Postal Service, its FY 2021 targets were based on historical data and 'an operational performance improvement factor predicated on known network and operational changes.' ... The Postal Service explained that when the FY 2021 targets were established they were expected to be only single-

year targets to take into account the exceptional circumstances surrounding the COVID-19 pandemic. The Postal Service asserted that '[t]his was done with an expectation targets would be adjusted upward for FY 2022 with the continued implementation of the 10-Year Strategic Plan, which will ultimately provide an opportunity for the Postal Service to achieve excellence by meeting or exceeding 95 percent on-time delivery.' ...

"It is true, as the Postal Service asserts, that the Commission has in the past recommended that the Postal Service 'strive to develop targets that balance the need to inspire continuous improvement with the importance of being realistic and achievable[,] and which 'take into account operational realities ... ' ... This finding has typically been made in the context of arguments by the Postal Service that it was unable to achieve performance

indicator targets due to network disruptions caused by natural disasters and/or industrial accidents, with the Commission emphasizing that 'it is important that targets not be set so high that they leave the Postal Service with little margin for error.' ...

"However, while it is important that targets not be so aspirational as to be unachievable, it is equally important that they serve to inspire improvement, and that they are not set so low as to be unreasonable for purposes of evaluating whether the High-Quality Service performance goal was achieved. For a typical fiscal year, a target of 68.64, as the Postal Service set for the Single-Piece First-Class Mail 3-5-Day performance indicator, approaches the lower bound of what is reasonable. ..."

The PRC has previously expressed concerns about the Postal Service's use of "composite" scores.

"In response to an information request, the Postal Service explained that a product that represents more volume has a greater impact on the Market Dominant Composite score than a product with lower volume. ...

"The Commission continues to have concerns about the use of highly-aggregated composites as performance indicators that incorporate disparate mail classes, shapes, and products. Whatever merits such composites might have in terms of 'concentrating focus' and 'streamlining reporting,' it is equally true, as the Commission has observed previously, that such composites inherently obfuscate results for lower-volume components within the composite while simultaneously over-emphasizing the performance of components with greater volumes. ... Such composites are also subject to being affected by changes in weights arising

from changes in the mail mix. As a result, such composites do not provide significant insight into the full extent to which High-Quality Service is being achieved, which is the relevant inquiry with respect to the High-Quality Service performance goal. ..."

Other topics

The entire 133-page report also devoted space to examining the Postal Service's performance against its goals for customer service (including the BSN, USPS.com, and its retail, delivery, and BMEU functions), workplace safety and employee engagement, and financial health. At the end, the PRC summarized its findings and the recommendations for Postal Service actions to correct identified deficiencies.

That section reflects perhaps the greatest flaw in the annual process of USPS reports and PRC analyses. Cyclically, the Postal Service summarizes its performance and supplies explanations for why it didn't achieve targets; the PRC analyzes the report and the explanations, and issues findings and recommendations. The following year, as the PRC regularly observes, the USPS is back with new reasons why its performance again fell short of targets, after which the commission repeats prior admonishments and recommendations.

What's absent is the PRC's enforcement of corrective actions required of the USPS. (In the opinion of some observers, the PRC has the authority but has been unwilling to exercise it more forcefully.) Either way, the result is that the USPS continues to underperform in all but making excuses.

May Financials: Aside from PSRA Adjustment, Mixed Results

The Postal Service's May financials continued to show the results of the *Postal Service Reform Act of 2022*, enacted early in April, that erased tens of billions in health care costs. Other than that, revenue and volume figures were generally lower, though Market-dominant mail volume and revenue were higher than last May thanks to Marketing Mail growth and higher prices. Meanwhile, competitive product volume fell again, continuing a downward trend. Transportation costs grew, as did the workers' comp liability. With figures mostly normalized after last month's one-time PSRA adjustment, May revenue was \$6.202 billion, and \$53.656 billion for FY 2022 to date, with a net loss of \$661 million for the month on net income of \$57,472 billion YTD (mostly "income" from the PSRA adjustment).

Volume and revenue

Total market-dominant mail volume for the month was up 3.8% from May 2021, led by a 13.0% surge in Marketing Mail. Meanwhile, competitive products volume fell – again – down 2.7% for the month and 7.1% for the YTD. Total USPS volume was 10.214 billion pieces, up 3.4% from last May, while YTD volume, 87.303 billion pieces, was 0.5% lower.

- First-Class Mail: 3.729 bln pcs, **-6.5%**; 33.859 bln pcs, **-3.2%** YTD.
- Marketing Mail: 5.580 bln pcs, +13.0%; 45.813 bln pcs, +2.9% YTD.
- Periodicals: 285.1 mln pcs, **-6.4%**; 2.329 bln pcs, **-7.1%** YTD.
- Total Mkt Dom: 9.647 bln pcs, +3.8%; 82.412 bln pcs, **-0.1%** YTD.
- Total Competitive: 541.9 mln pcs, **-2.7%**; 4,537 bln pcs, **-7.1%** YTD.
- Total USPS: 10.214 bln pcs, +3.4%; 87.303 bln pcs, **-0.5%**.

As noted, market-dominant revenue was helped by last August's price increase. Compared to SPLY, revenue from the market-dominant classes was up 6.4% for the month and 6.3% YTD, while competitive products revenue was up only

1.3% in May and down 2.7% for the YTD, all compared to SPLY. Total USPS revenue for the month (\$6.202 billion) was 3.1% higher than SPLY and up 1.6% for SPLY YTD:

- First-Class Mail: \$1.822 bln, **-0.4%**; \$16.459 bln, +2.8% YTD.
- Marketing Mail: \$1.305 bln, +19.1%; \$10.855 bln, +11.5% YTD.
- Periodicals: \$77.12 mln, **-0.4%**; \$573.96 mln, +1.1% YTD.
- Total Mkt Dominant: \$3.485 bln, +6.4%; \$30.531 bln, +6.3% YTD.
- Total Competitive: \$2.593 bln, +1.3%; \$21.879 bln, **-2.7%** YTD.
- Total USPS: \$6.200 bln, +3.1%; \$53.625 bln, +1.6% YTD.

Expenses and workhours

Total "controllable" compensation and benefit costs for May were \$4.614 billion, and total expenses were \$6.876 billion, but the annual YTD totals remained skewed lower because of the PSRA adjustment: -\$18.147 billion and -\$3,714, respectively.

Workhour usage was 2.3% over plan for the month though 0.6% lower than SPLY, led by mail processing workhours that were 6.7% over plan and 3.3% higher than SPLY for the month. Total workhours YTD are 0.8% over plan but 0.7% below SPLY.

- Month's end complement: 638,819 employees (507,157 career, 131,662 non-career) **-0.72%** compared to last May (643,228 employees: 509,618 career, 133,610 non-career), but **0.48% fewer** career workers than a year ago.

Compared to pre-pandemic May 2019, USPS volume is down 12.11% (market dominant volume 13.07% lower; competitive product volume up 19.56%). Meanwhile, despite the loss of mail volume, workhours are down only 1.62%, continuing the worrisome trend of more workhours, higher employee costs, and lower volume. *All the numbers are on the next page.*

USPS Preliminary Information (Unaudited) – May 2022 ¹

OPERATING DATA OVERVIEW ^{1,2}	Current Period					Year-to-Date				
Revenue/Volume/Workhours (Millions)	Actual	Plan	SPLY	% Plan Var	% SPLY Var	Actual	Plan	SPLY	% Plan Var	% SPLY Var
Revenue										
Operating Revenue	\$6,200	\$6,202	\$6,016	0.0%	3.1%	\$53,625	\$52,750	\$52,797	1.7%	1.6%
Other Revenue	\$2	\$1	--	100.0%	NMF	\$31	\$8	\$22	NMF	40.9%
Total Revenue	\$6,202	\$6,203	\$6,016	0.0%	3.1%	\$53,656	\$52,758	\$52,819	1.7%	1.6%
Operating Expenses										
Personnel Compensation and Benefits 🟡	\$5,119	\$5,099	\$5,267	0.4%	-2.8%	\$-18,147	\$43,387	\$40,765	-141.8%	-144.5%
Transportation	\$825	\$756	\$773	9.1%	6.7%	\$6,836	\$6,594	\$6,520	3.7%	4.8%
Supplies and Services	\$243	\$257	\$235	-5.4%	3.4%	\$2,118	\$2,250	\$2,016	-5.9%	5.1%
Other Expenses	\$676	\$650	\$576	4.0%	17.4%	\$5,377	\$5,021	\$4,721	7.1%	13.9%
Total Operating Expenses	\$6,863	\$6,762	\$6,851	1.5%	0.2%	\$-3,816	\$57,252	\$54,022	-106.7%	-107.1%
Net Operating Income/Loss	-\$661	-\$559	-\$835			\$57,472	-\$4,494	-\$1,203		
Interest Income	\$13	\$2	\$2	NMF	NMF	\$41	\$20	\$18	105.0%	127.8%
Interest Expense	\$13	\$11	\$13	18.2%	0.0%	\$102	\$100	\$105	2.0%	-2.9%
Net Income/Loss	-\$661	-\$566	-\$846			\$57,411	-\$4,574	-\$1,290		
Mail Volume										
Total Market Dominant Products ³	9,647	9,405	9,200	2.6%	3.8%	82,513	70,614	82,501	3.6%	-0.1%
Total Competitive Products ³	542	514	557	5.4%	-2.7%	4,537	4,449	4,885	2.0%	-7.1%
Total International Products	25	34	33	-25.4%	-24.2%	253	273	301	-7.3%	-15.9%
Total Mail Volume	10,214	9,953	9,880	2.6%	3.1%	87,303	84,336	87,777	3.5%	0.5%
Total Workhours	96	94	96	2.1%	0.0%	798	792	804	0.8%	-0.7%
Total Career Employees	507,157		509,618		-0.5%					
Total Non-Career Employees	131,662		133,610		-1.5%					

MAIL VOLUME and REVENUE ^{1, 2, 4}	Current period			Year-to-Date		
Pieces and Dollars (Thousands)	Actual	SPLY	% SPLY Var	Actual	SPLY	% SPLY Var
First Class (excl. all parcels and Int'l.)						
Volume	3,729,436	3,988,432	-6.5%	33,859,286	34,979,933	-3.2%
Revenue	\$1,822,166	\$1,830,168	-0.4%	\$16,458,565	\$16,016,004	2.8%
Periodicals						
Volume	285,121	304,477	-6.4%	2,328,728	2,506,569	-7.1%
Revenue	\$77,122	\$77,438	-0.4%	\$645,465	\$637,844	1.2%
Marketing Mail (excl. all parcels and Int'l.)						
Volume	5,579,742	4,936,973	13.0%	45,813,240	44,538,500	2.9%
Revenue	\$1,305,426	\$1,095,923	19.1%	\$10,855,296	\$9,733,414	11.5%
Package Svcs. (ex. Inb'd. Intl Surf. PP @ UPU rates)						
Volume	27,432	36,899	-25.7%	322,841	356,634	-9.5%
Revenue	\$57,357	\$61,561	-6.8%	\$573,958	\$557,745	1.1%
All other Market Dominant Mail						
Volume	25,631	23,152	10.7%	188,305	209,369	-10.1%
Revenue	\$222,811	\$210,022	6.1%	\$1,998,111	\$1,770,610	12.8%
Total Market Dominant Products (ex. all Int'l.)						
Volume	9,647,362	9,289,933	3.8%	82,512,400	82,591,005	-0.1%
Revenue	\$3,484,882	\$3,275,112	6.4%	\$30,531,395	\$28,725,617	6.3%
Shipping and Package Services						
Volume	541,961	557,111	-2.7%	4,536,887	4,885,436	-7.1%
Revenue	\$2,472,975	\$2,423,560	2.0%	\$20,992,554	\$21,698,037	-3.3%
All other Competitive Products						
Volume	-	-	0.0%	-	-	0.0%
Revenue	\$119,802	\$136,183	-12.0%	\$886,620	\$795,224	11.5%
Total Competitive Products (ex. all Int'l.)						
Volume	541,961	557,111	-2.7%	4,536,887	4,885,436	-7.1%
Revenue	\$2,592,777	\$2,559,744	1.3%	\$21,879,174	\$22,493,261	-2.7%
Total International ⁵						
Volume	24,847	32,462	-23.5%	253,392	300,942	-15.8%
Revenue	\$122,066	\$180,826	-32.5%	\$1,214,773	\$1,578,430	-23.0%
Total						
Volume ⁴	10,214,170	9,879,506	3.4%	87,302,679	87,777,383	-0.5%
Revenue	\$6,199,725	\$6,015,682	3.1%	\$53,625,342	\$52,797,308	1.6%

EXPENSES OVERVIEW ^{1, 2}	Current Period					Year-to-Date				
Dollars (Millions)	Actual	Plan	SPLY	% Plan Var	% SPLY Var	Actual	Plan	SPLY	% Plan Var	% SPLY Var
Controllable Pers. Comp. & Benefits ^{6, 7}	\$4,614	\$4,744	\$4,778	-2.7%	-3.4%	\$38,187	\$40,548	\$39,932	-5.8%	-4.4%
RHB Unfunded Liabilities Amortization ⁸	--	\$83	\$75	-100.0%	-100.0%	-\$56,975	\$666	\$600	NMF	NMF
FERS Unfunded Liabilities Amortization ⁸	\$117	\$117	\$112	0.0%	4.5%	\$934	\$934	\$895	0.0%	4.4%
CSRS Unfunded Liabilities Amortization ⁸	\$155	\$155	\$151	0.0%	2.6%	\$1,239	\$1,239	\$1,211	0.0%	2.3%
Workers' Compensation ⁹	\$233	\$ --	\$151	NMF	54.3%	-\$1,532	\$ --	-\$1,873	NMF	-18.2%
Total Pers. Comp. & Benefits	\$5,119	\$5,099	\$5,267	0.4%	-2.8%	-\$18,147	\$43,387	\$40,765	-141.8%	-144.5%
Total Non-Personnel Expenses	\$1,744	\$1,663	\$1,584	4.9%	10.1%	\$14,331	\$13,865	\$13,257	3.4%	8.1%
Total Expenses (incl. interest)	\$6,876	\$6,773	\$6,864	1.5%	0.2%	-\$3,714	\$57,352	\$54,127	-106.5%	-106.9%

WORKHOURS ^{1, 2, 3}	Current Period					Year-to-Date				
Workhours (Thousands)	Actual	Plan	SPLY	% Plan Var	% SPLY Var	Actual	Plan	SPLY	% Plan Var	% SPLY Var
City Delivery	34,859	34,096	34,648	2.2%	0.6%	287,780	286,909	291,133	0.3%	-1.2%
Mail Processing	16,942	15,876	16,399	6.7%	3.3%	148,876	139,941	143,268	6.4%	3.9%
Customer Services & Retail	12,284	12,032	12,616	2.1%	-2.6%	102,464	103,414	107,241	-0.9%	-4.5%
Rural Delivery	18,603	18,003	18,434	3.3%	0.9%	150,563	148,054	149,774	1.7%	0.5%
Other	13,549	14,050	13,596	-3.6%	-0.3%	108,418	113,299	112,331	-4.3%	-3.5%
Total Workhours	96,237	94,057	95,693	2.3%	0.6%	798,101	791,617	803,747	0.8%	-0.7%

¹ Includes one-time impact of the PSRA, which repealed the requirement that the USPS annually prepay future retiree health benefits and canceled all past due prefunding payments, resulting in a reversal of \$57.0 billion for health benefits that had been accrued but unpaid between September 2012 and September 2021. ² May 2022 had the same number of delivery days and 0.75 more retail days compared to May 2021. YTD has the same number of delivery days and 1.5 more retail days compared to SPLY. ³ Numbers may not add due to rounding and/or adjustments. Percentages calculated using unrounded numbers. ⁴ Excludes all International. ⁵ The sampling portion of the RPW system is designed to be statistically valid on a quarterly and annual basis. ⁶ Includes Current Period Market Dominant Volume of 11,797 and Revenue of \$16,798; SPLY Market Dominant Volume of 12,505 (-5.7%) and Revenue of \$14,893 (+12.8%). Also includes Current Period Competitive Volume of 13,050 and Revenue of \$105,268; SPLY Competitive Volume of 19,957 (-34.6%) and Revenue of \$165,933 (-36.6%). ⁷ This amount includes cash outlays including administrative fees. ⁸ This represents the accrual for normal RHB costs for current employees, based on the beginning of the fiscal year estimates. ⁹ This represents the estimated OPM amortization expense related to the FERS and CSRS; the actual invoices will be received between June 2022 and October 2022. For PSRHB, this represents the estimated Retiree Health Benefits amortization expenses of the unfunded liabilities. The actual invoice will be received between June 2022 and October 2022. ¹⁰ This represents non-cash adjustments: the impact of discount and inflation rate changes and the actuarial revaluation of new and existing cases. NMF = Not Meaningful Figure, percentages +/- 200% or greater.

POSTAL SERVICE**39 CFR Part 111****New Mailing Standards for Domestic Mailing Services Products****AGENCY:** Postal Service.**ACTION:** Supplemental final rule.**SUMMARY:** The Postal Service published in the *Federal Register* of June 13, 2022, a document revising *Mailing Standards of the United States Postal Service, Domestic Mail Manual* (DMM), to reflect changes to prices and mailing standards for certain Mailing Services products. This document clarifies and amends the mailing standards.**DATES:** Effective date: July 10, 2022.**FOR FURTHER INFORMATION CONTACT:**

Doriane Harley at (202) 268–2537 or Dale Kennedy at (202) 268–6592.

SUPPLEMENTARY INFORMATION: The Postal Service published a document in the *Federal Register* on June 13, 2022, (87 FR 35658-35660), adopting the standards for the July 10, 2022, Mailing Services price change. Under this supplemental final rule, the Postal Service further revises the standards for the Direct Container Discount.*Direct Container Discount for Marketing Mail High Density Plus and Saturation Flats*

The Postal Service is offering discounts for USPS Marketing Mail Saturation Flats (including EDDM, not EDDM Retail) and High Density Plus Flats in 5-digit (direct) containers (all pallets regardless of entry, and sacks, and tubs entered at the DDU). Under the standards adopted for the July 10, 2022 Mailing Services price change, the Postal Service offers discounts for Carrier Route Flats and High Density Flats on 5-digit (direct) pallets; these discounts will now extend to Carrier Route Flats and High Density Flats in 5-digit (direct) sacks and tubs entered at the DDU.

The Postal Service adopts the following changes to *Mailing Standards of the United States Postal Service, Domestic Mail Manual* (DMM), to supplement those adopted at 87 FR 35658 (June 13, 2022), incorporated by reference in the *Code of Federal Regulations*. See 39 CFR 111.1. We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Accordingly, 39 CFR part 111, as amended at 87 FR 35658 (June 13, 2022), is further amended as follows:

PART 111—[AMENDED]

1. The authority citation for 39 CFR part 111 continues to read as follows:

Authority: 5 USC 552(a); 13 USC 301-307; 18 USC 1692-1737; 39 USC 101, 401-404, 414, 416, 3001-3018, 3201-3220, 3401-3406, 3621, 3622, 3626, 3629, 3631-3633, 3641, 3681-3685, and 5001.

2. Revise the Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM) to read as follows:

Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)

* * * * *

240 Commercial Mail USPS Marketing Mail**243 Prices and Eligibility**

* * * * *

6.0 Additional Eligibility Standards for Enhanced Carrier Route USPS Marketing Mail Letters and Flats

* * * * *

6.3 Basic Price Enhanced Carrier Route Standards

* * * * *

*[Revise the title and text of 6.3.4; to read as follows:]***6.3.4 Basic Carrier Route Bundles on a 5-Digit/Direct Container (Basic-CR Bundles/Container) Price Eligibility—Flats**

The Basic-CR Bundles/Container discount applies to each piece in a carrier route bundle of 10 or more pieces that are palletized under 705.8.0, 705.10.0, 705.12.0, or 705.13.0 on a 5-digit carrier route or 5-digit scheme carrier route pallet entered at an Origin (None), DNDC, DSCF, or DDU entry or palletized under 705.14.0 on a FSS scheme pallet (in a FSS Scheme bundle), or in a Carrier Route sack or tub under 245.9.7.a or 203.5.8 and entered at the DDU.

* * * * *

6.5 High Density and High Density Plus (Enhanced Carrier Route) Standards—Flats

* * * * *

*[Revise the title and text of 6.5.3; to read as follows:]***6.5.3 High Density Carrier Route Bundles on a 5-Digit/Direct Container (High Density-CR Bundles/Container Discount Eligibility)—Flats**

High Density-CR Bundles/Container discount applies to 125 or more High Density—eligible pieces that are palletized under 705.8.0, 705.10.0, 705.12.0, or 705.13.0 on a 5-digit carrier route, 5-digit carrier routes, or 5-digit scheme carrier route

USPS SUPPLEMENTAL FINAL RULE: New Mailing Standards for Domestic Mailing Services Products

pallet entered at an Origin (None), DNDC, DSCF, or DDU entry, or palletized under 705.14.0 on a FSS scheme pallet (in a FSS scheme bundle), or in a Carrier Route sack or tub under 245.9.7.a or 203.5.8 and entered at the DDU.

[Add new section 6.5.4; to read as follows:]

6.5.4 High Density Plus Carrier Route Bundles on a 5-Digit/Direct Container (High Density Plus-CR Bundles/Container Discount Eligibility)—Flats

High Density Plus-CR Bundles/Container discount applies to 300 or more High Density Plus eligible pieces that are palletized under 705.8.0, 705.10.0, 705.12.0, or 705.13.0 on a 5-digit carrier route, 5-digit carrier routes, or 5-digit scheme carrier route pallet entered at an Origin (None), DNDC, DSCF, or DDU entry, or palletized under 705.14.0 on a FSS scheme pallet (in a FSS scheme bundle) or in a Carrier Route sack or tub under 245.9.7.a or 203.5.8 and entered at the DDU.

* * * * *

6.7 Saturation Enhanced Carrier Route Standards—Flats

* * * * *

[Add new section 6.7.3; to read as follows:]

6.7.3 Saturation—(Including EDDM) Carrier Route Bundles on a 5-Digit/Direct Container (Saturation-CR Bundles/Container Discount Eligibility)—Flats

Saturation-CR Bundles/Container discount applies to at least 90% or more of the active residential addresses or 75% or more of the total number of active possible delivery addresses on each carrier route that are palletized under 705.8.0, 705.10.0, 705.12.0, or 705.13.0 on a 5-digit carrier route, 5-digit carrier routes, or 5-digit scheme carrier route pallet entered at the origin (None), DNDC, DSCF, or DDU entry, or palletized under 705.14.0 on a FSS scheme pallet (in a FSS scheme bundle), or in a Carrier Route sack or tub under 245.9.7.a or 203.5.8 and entered at the DDU.

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700 Special Standards

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705 Advanced Preparation and Special Postage Payment Systems

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8.0 Preparing Pallets

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8.6 Pallet Labels

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8.6.5 Line 2 (Content Line)

* * * * *

CONTENT TYPE CODE

* * * * *

[Revise Content Type and Code for “High Density” to read as follows:]

High Density/High Density Plus HD/HD+

* * * * *

[Add new line item, alphabetically:]

Saturation SAT

* * * * *

8.10 Pallet Presort and Labeling

* * * * *

8.10.3 USPS Marketing Mail or Parcel Select Lightweight—Bundles, Sacks, or Trays

[Revise the second sentence to read as follows:]

* * * For USPS Marketing Mail High Density and High Density Plus flats price eligibility, only 5-digit pallets under 8.10.3a-c are allowed, and the pallets must be entered under None, DNDC, DSCF or DDU standards. (Use “HD/HD+ DIRECT” for one route and “HD/HD+ CR-RTS” for multiple routes on the line 2 contents description). * * *

[Revise item a2 to read as follows:]

2. Line 2: “STD” followed by “FLTS”; followed by “HD/HD+ DIRECT” for High Density and High Density Plus flats.

* * * * *

[Revise item b2 to read as follows:]

2. Line 2: “STD followed by “FLTS”; followed by “HD/HD+” for High Density and High Density Plus flats; followed by “CARRIER ROUTES” (or “CR-RTS”); followed by “SCHEME” (or “SCH”).

* * * * *

[Revise item c2 to read as follows:]

2. Line 2: For flats and Marketing parcels (Product Samples only), “STD FLTS” or “STD MKTG,” as applicable; followed by “HD/HD+” for High Density and High Density Plus flats pricing eligibility; followed by “CARRIER ROUTES” (or “CR-RTS”). For letters, “STD LTRS”; followed by “CARRIER ROUTES” (or “CR-RTS”); followed by “BC” if the pallet contains barcoded letters; followed by “MACH” if the pallet contains machinable letters; followed by “MAN” if the pallet contains nonmachinable letters.

* * * * *

USPS SUPPLEMENTAL FINAL RULE: New Mailing Standards for Domestic Mailing Services Products

10.0 Merging Bundles of Flats Using the City State Product

10.2 USPS Marketing Mail

10.2.5 Pallet Preparation and Labeling

[Revise the text in 10.2.5a2; to read as follows:]

2. Line 2: "STD FLTS CR-RTS SCHEME" followed by HD/HD+ if the pallet contains High Density/High Density plus flats.

[Revise the text in 10.2.5b2; to read as follows:]

2. Line 2: "STD FLTS CR/5D SCHEME" followed by HD/HD+ if the pallet contains High Density/High Density plus flats.

[Revise the text in 10.2.5c2; to read as follows:]

2. Line 2: "STD FLTS," followed by "CARRIER ROUTES" or "CR-RTS" followed by HD/HD+ if the pallet contains High Density/High Density plus flats.

[Revise the text in 10.2.5d2; to read as follows:]

2. Line 2: "STD FLTS CR/5D" followed by HD/HD+ if the pallet contains High Density/High Density plus flats. * * *

12.0 Merging Bundles of Flats on Pallets Using a 5% Threshold

12.2 USPS Marketing Mail

12.2.3 Pallet Preparation and Labeling

[Revise the text in 12.2.3a2; to read as follows:]

2. Line 2: "STD FLTS CR-RTS SCHEME" followed by HD/HD+ if the pallet contains High Density/High Density plus flats.

[Revise the text in 12.2.3b2; to read as follows:]

2. Line 2: "STD FLTS CR/5D SCHEME" followed by HD/HD+ if the pallet contains High Density/High Density plus flats.

[Revise the text in 12.2.3c2; to read as follows:]

2. Line 2: "STD FLTS"; followed by "CARRIER ROUTES" or "CR-RTS" followed by HD/HD+ if the pallet contains High Density/High Density plus flats.

[Revise the text in 12.2.3d2; to read as follows:]

2. Line 2: "STD FLTS CR/5D" followed by HD/HD+ if the pallet contains High Density/High Density plus flats.

13.0 Merging Bundles of Flats on Pallets Using the City State Product and a 5% Threshold

13.2 USPS Marketing Mail

13.2.4 Pallet Preparation and Labeling

[Revise the text in 13.2.4a2; to read as follows:]

2. Line 2: "STD FLTS CR-RTS SCHEME" followed by "HD/HD+" if the pallet contains High Density/High Density plus flats.

[Revise the text in 13.2.4b2; to read as follows:]

2. Line 2: "STD FLTS CR/5D SCHEME" followed by "HD/HD+" if the pallet contains High Density/High Density plus flats.

[Revise the text in 13.2.4c2; to read as follows:]

2. Line 2: "STD FLTS," followed by HD/HD+ if the pallet contains High Density/High Density plus flats and "CARRIER ROUTES" or "CR-RTS"

[Revise the text in 13.2.4d2; to read as follows:]

2. Line 2: "STD FLTS CR/5D" followed by "HD/HD+" if the pallet contains High Density/High Density plus flats.

Sarah E. Sullivan, Attorney, Ethics & Legal Compliance.

POSTAL SERVICE**39 CFR Part 111****Caller Service – Customized Address****AGENCY:** Postal Service.**ACTION:** Proposed rule.**SUMMARY:** The Postal Service is proposing to amend *Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)* in various sections to introduce a new service feature, Caller Service—Customized Address.**DATES:** Submit comments on or before July 5, 2022.**ADDRESSES:** Mail or deliver written comments to the Manager, Product Classification, US Postal Service, 475 L'Enfant Plaza SW, Room 4446, Washington, DC 20260-5015. If sending comments by email, include the name and address of the commenter and send to PCFederalRegister@usps.gov, with a subject line of "Caller Service – Customized Address." Faxed comments are not accepted. You may inspect and photocopy all written comments, by appointment only, at USPS Headquarters Library, 475 L'Enfant Plaza SW, 11th Floor North, Washington, DC 20260. These records are available for review on Monday through Friday, 9 a.m.-4 p.m., by calling 202-268-2906.**FOR FURTHER INFORMATION CONTACT:** Drew Mitchum (202) 268-7351 or Doriane Harley at (202) 268-2537.**SUPPLEMENTARY INFORMATION:** Caller Service is a premium service available for a fee to any customer meeting certain mailing standards. Currently, Caller Service customers are not allowed to omit their Post Office Box number from the address of the mailpiece. The Postal Service is proposing to allow approved Caller Service customers with a unique 5-digit ZIP Code to add Customized Address by paying for the right to omit the PO Box number and replacing it with a different approved address line. For example, a Caller Service customer with a unique ZIP Code could replace "PO Box 1287" with "One Postal Way." Only the PO Box portion of the address would be replaced; the unique ZIP Code would remain as part of the city/state line. A current approved Caller Service customer with a unique 5-digit ZIP Code may request Customized Address by using forms available at their approved postal facility and paying a one-time onboarding fee of \$2,000. After the first year, a fee of \$1,000 would be charged for each authorized delivery address line per annual (12-month) period. In addition to being limited to those customers with a unique 5-digit ZIP Code, Customized Address would also be restricted to use with letters and flats. Any parcels that are delivered to the address that do not bear evidence of postage payment would be delivered postage due at the appropriate Parcel Select rate.Although exempt from the notice and comment requirements of the Administrative Procedure Act (5 USC 553(b), (c)) regarding proposed rulemaking by 39 USC 410(a), the Postal Service invites public comment on the following proposed revisions to *Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)*, incorporated by reference in the *Code of Federal Regulations*. See 39 CFR 111.1. We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes if adopted.**List of Subjects in 39 CFR Part 111**

Administrative practice and procedure, Postal Service.

Accordingly, the Postal Service proposes the following changes to *Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)*, incorporated by reference in the *Code of Federal Regulations* (see 39 CFR 111.1):**PART 111—[AMENDED]**

1. The authority citation for 39 CFR part 111 continues to read as follows:

Authority: 5 USC 552(a); 13 USC 301-307; 18 USC 1692-1737; 39 USC 101, 401-404, 414, 416, 3001-3018, 3201-3220, 3401-3406, 3621, 3622, 3626, 3629, 3631-3633, 3641, 3681-3685, and 5001.

2. Revise the Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM) to read as follows:

Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)

* * * * *

500 Additional Services

* * * * *

508 Recipient Services

* * * * *

5.0 Caller Service

* * * * *

5.2 Basic Information

* * * * *

USPS PROPOSED RULE: Caller Service – Customized Address

[Revise the title and text of 5.2.7 to read as follows:]

5.2.7 Exemptions

Postmasters may exempt caller service customers from the requirement in 5.2.6 that they must use their assigned Post Office Box number in their mailing address under the following circumstances:

- The customer has been continuously receiving firm holdout service since July 3, 1994; or
- The customer is in compliance with the requirements in 5.9.

* * * * *

[Add new section 5.9 to read as follows:]

5.9 Customized Address

For an annual fee (see 5.9.1), caller service customers assigned a unique 5-digit ZIP Code may use one or more authorized delivery address line(s) in place of their assigned PO Box number(s). The city, state, and ZIP Code must remain as provided in the customer's unique ZIP Code agreement and caller service agreement.

5.9.1 Required Use

Customized Address is restricted for use with letters and flats. Any parcels that are delivered to the address that do not bear evidence of postage payment would be delivered postage due at the appropriate Parcel Select rate.

5.9.2 Application and Fees

A current approved caller service customer must complete the Customized Address customer agreement at their approved postal facility and pay a one-time onboarding fee of \$2000. After the first year, a fee of \$1000 is charged for each authorized delivery address line per annual (12-month) period.

5.9.3 USPS Actions

USPS will not authorize requested delivery address lines until it verifies the applicant's primary and secondary forms of identification as acceptable under 608.10.0, confirms availability at the requested facility, and makes scheme preparations. USPS may revoke authorization of a customized address at any time upon notice to the customer. When requested delivery address lines are approved and applicable fees received, USPS will provide written authorization to the applicant.

5.9.4 Transferability

Authorized delivery address lines may not be transferred to another facility or customer.

5.9.5 Past-Due Caller Fee

Payments for customized addresses must be received at least 45 days before the applicable semiannual period. Payment of the renewal fee is due at least 45 days before the last day of the last month of the current period. Payment may be made for the next semiannual or annual period, as appropriate. If, on notice, the customer does not pay the fee by the 30th day before the end of the current payment period, the barcode sortation scheme will be revised to remove the separation for the caller. Once that change is made, the caller must reapply to obtain the former customized address.

5.9.6 Refund

A pro-rata refund is made only for future prepaid periods if a caller discontinues customized address or USPS revokes authorization of a customized address. No refund is made for the remaining part of the current fee period.

* * * * *

Joshua J. Hofer, Attorney, Ethics & Legal Compliance.

Revised Entry Locations

In a June 23 *Industry Alert*, the USPS stated:

"As a result of a network redesign, effective July 7, 2022, the Postal Service will no longer process origin entered Parcel Select Ground (PSG) parcels at Network Distribution Centers (NDCs). This change is being made to improve the speed of service of PSG parcels by matching origin-entered (PSG) parcels with First-Class Package Service (FCPS) processing locations². The Postal Service will offer a grace period for these changes through July 31, 2022. Beginning August 1, 2022, any prepared shipments of origin entry PSG parcels can be entered separately or together with originating FCPS packages at the below [next page] origin entry FCPS facilities¹, BMEUs, or Post Offices. Messaging will also be provided within the Facility Access Shipment Tracking (FAST) system on the FAST Message Board. Note: Only origin-entered PSG parcels are impacted. Destination-entered PSG parcels should continue to be entered via the L601/602 labeling lists. Please direct any inquiries or concerns to Shipping and Commerce Strategy via email at CCBSO-shippingandcommercestrategy@usps.gov."

¹ Customers currently entering smaller amounts of PSG pieces at local Post Offices or Business Mail Entry Units may continue to enter at those locations.

² For PSG containing hazardous materials, live items, and items destined for APO/FPO addresses (offshore items), customers should continue to enter these PSG pieces as before.

Origin Entry FCPS Locations			
Origin Entry Processing Facility	Originating Zip Codes	Origin Entry Processing Facility	Originating Zip Codes
San Juan Annex SJU	006-009	Fargo 580	565,580-581,584
Springfield LDC 010pm	010-012,027-029,060-065,067	Grand Forks 582	566-567,582-583
Central 015	013-017	Bismarck 585	576,585-588
Boston 021	018-019,021-022,024-026	Billings 590	590-593,597,821
Brockton 023	020,023	Great Falls 594	594-596
Nashua 030PM	030-059	Missoula 598	598-599
Stamford 068	066,068-069	JT Weeker ISC 60ISC	090-099,621,962-966
Dominick V Daniels 07099	070-073,079,088-089	Chicago NDC 60Z	463-464,600-608,610-611
Northern NJ Metro 076	074-076,078	Quad Cities 612	526-528,612
South Jersey 080	080-084	Champaign 618	609,613-619,623-627
Trenton 085	077,085-087	Saint Louis Metro Anx 630AN	620,622,628-631,633-639,650-653
New York 100	100-102,104	Springfield 656	648,654-658
Westchester 105	105-109	Kansas City NDC 66Z	640-641,644-647,649,660-662,664-668
Queens 110	111,113-114	Wichita 670	669-676,678
Brooklyn 112	103,112,116	Omaha 680	515-516,680-681,683-689
Western Nassau 115	110,115	North Platte 691	677,690-693
Mid Island 117	005,117-119	New Orleans 700	700-701,703-704
Albany 120	120-129	Baton Rouge 707	705-708
Syracuse 130	130-139	Shreveport 710	710-714,718,755-756,759
Northwest Rochester 144PM	140-149,167	Little Rock P&DC Annex 720AX	716-717,719-722,725,728
Pennwood Place 150PM	150-166,168,260,265,439,444-445	Northwest Arkansas 727	726-727,729
Lancaster 175	169-179,195-196,254	Oklahoma City 730	730-731,734-738,748
Philadelphia NDC 19Z	180-194,197-199	Tulsa 740	740-741,743-747,749
Washington 200	200,202-209	North Texas 750	750-754,757-758
Baltimore 212	210-212,214-219,267	Fort Worth 760	760-764,766-767
Northern VA 220	201,220-223,226-227,268	North Houston 773	770,772-778
Richmond 230	224-225,228-239,244	San Antonio 780	780-782,788
Roanoke 240	240-241,243,245	Corpus Christi 783	779,783-784
Charleston 250	246-253,255-259,261-264,266,411-412,415-416	McAllen 785	785
Greensboro 270	270-274,286	Austin Annex 786PM	733,765,786-787,789
Raleigh 275	275-279	Amarillo 790	679,739,790-792
Mid Carolina 281	280-282,297	Lubbock 793	793-794,881-882
Fayetteville P&DC Annex 283AN	283-285	Abilene 795	768-769,795-796
Columbia 290	290-292,295	Midland 797	797
Charleston 294	294,299	El Paso 798	798-799,880,883,885
Greenville 296	287-289,293,296	Denver NDC 80Z	800-812
Atlanta 303	298,300-303,305-306,308-309,311,399	Grand Junction 815	814-816
Holt Annex 310AX	304,310,312,318-319	Cheyenne 820	820,822-823
Tallahassee 323	316-317,323,398	Casper 826	824-828
Pensacola 325	324-325	Boise 836	833,836-837,979
Seminole P&DC 328PM	321,327-329,347	Salt Lake City ASF 840AN	829-832,834,840-844,898
Jacksonville NDC 32Z	313-315,320,322,326,344	Provo 846	845-847
Royal Palm 330PM	330-333	Tucson 856	856-857
West Palm Beach 334	334,349	Phoenix West Valley P&DC 85H	850-853,855,859-860,863
Ybor City 335DC	335-338,342,346	Albuquerque ASF 871	813,865,870-871,873-879,884
Fort Myers 339	339,341	Reno 894	894-895,897,961
Miami ISC 33ISC	340	Los Angeles 900	900-905,907-908
Birmingham Annex B 350AX	350-352,354-359,362	Santa Clarita 913	910-916
Montgomery 360	360-361,363-364,367-368	Industry 917	906,917-918
Mobile Annex 365AN	365-366	San Diego 920	919-921
Music City Annex 372MA	370-372,384-385,421-422	San Bernardino 923	922-925
Chattanooga 373	307,373-374	Anaheim 928	926-928
Knoxville 377	242,376-379,407-409,417-418,425-426	Santa Barbara 931	930-931,934
Jet Cove Annex 380PX	375,380-383,386,388,723-724	Bakersfield 932	932-933,935
Jackson 390	369,387,389-393,396-397	Fresno 936	936-938
Gulfport 395	394-395	San Francisco 940	940-941,943-944,949,954
Louisville 400	400-406,413-414,427,471	Oakland 945	945-948
Columbus 430	430-433,437-438,456-458	Willow Glen 95125	939,950-951
Akron 442	440-443,446-449	Eureka 955	955
Springdale Annex 452AX	450	Sacramento 956	942,952-953,956-959
Cincinnati NDC 45Z	410,451-455,459,470	Redding 960	960
Indianapolis MP Annex 462KA	460-462,465-469,472-474,478-479	Honolulu 967	967-969
Evansville Annex 477AN	420,423-424,475-477	Portland New 972	970-973,977-978,986
Michigan Metroplex 480	434-436,480-487,492	Eugene 974	974
Grand Rapids Annex P1 495AX	488-491,493-497	Medford 975	975-976
Des Moines 500	500-503,505,508-509,514,525	Seattle Priority Mail Anx 981AN	980-985
Waterloo 506	504,506-507,521	Wenatchee 988	988
Cedar Rapids Parcel Anx 522AN	520,522-524	Yakima 989	989
Milwaukee Priority Anx 530PC	498-499,530-532,534-535,537-539,541-545,549	Spokane 990	835,838,990-994
Minneapolis St Paul NDC 55Z	540,546-548,550-551,553-564	Anchorage 995	995-996
Sioux Falls 570	510-513,570-571	Fairbanks 99701	997
Dakota Central 572	572-575	Federal Station 99801	998
Rapid City 577	577	Ketchikan 99901	999
		Las Vegas MPA LAS	864,889-891,893

All the Official Stuff

Federal Register

Postal Service

NOTICES

June 24: Product Change [5]: Priority Mail Express and Priority Mail Negotiated Service Agreement, 37894; Priority Mail Express, Priority Mail, First-Class Package Service, and Parcel Select Negotiated Service Agreement [4], 37893, 37893-37894, 37894, 37894.

June 29: Product Change [4]: Priority Mail Negotiated Service Agreement [3], 38785, 38785, 38785-38786; Parcel Select Negotiated Service Agreement, 38785.

PROPOSED RULES

June 17: Caller Service – Customized Addresses, 36432-36433.

FINAL RULES

June 29: New Mailing Standards for Domestic Mailing Services Products; 38663-38665.

Postal Regulatory Commission

NOTICES

June 23: New Postal Products, 37537-37538.

June 27: New Postal Products, 38189-38190.

June 30: New Postal Products, 39133-39134.

PROPOSED RULES

[None].

FINAL RULES

[None].

DMM Advisory

June 22: UPDATE 241: International Mail Service Updates Related to COVID-19.

June 29: UPDATE 242: International Mail Service Updates Related to COVID-19.

June 30: Monthly Labeling List Changes.

Postal Bulletin (PB 22601, June 30)

- Effective **July 1**, the Postal Service will revise Labeling Lists L001, L006, L007, L012, L201, L606, and L607 to reflect changes in mail processing operations. Mailers are expected to label according to these revised lists for mailings inducted on or after the July 1, 2022, effective date through the August 31, 2022, expiration date.
- Effective **July 10**, DMM 201, 202, 223, 224, 225, 253, 254, 255, 608, and the Index are revised to reflect changes to certain pricing and mailing standards for the following domestic mail competitive products: Priority Mail, Parcel Select, Return Services, Other. This article describes new prices and product features for domestic mail competitive products established by the Board of

Governors of the United States Postal Service. New prices are available on the Postal Explorer website at pe.usps.com.

- Effective **July 10**, DMM 233, 243 503, and 505 are revised to implement changes related to Postal Service price adjustments. On May 27, 2022, the Postal Regulatory Commission (PRC) found that the July price adjustments proposed by the Postal Service may take effect as planned. Final prices are available under Docket No. R2022-1 (Order No. 6188) on the PRC website at prc.gov. The Postal Service will publish these revisions in the DMM on July 10, 2022, which is when these standards and price adjustments become effective.
- Effective **June 30**, the IMM Individual Country Listing for China is revised to note that China is adding a new prohibition for cremated remains.
- Effective **July 10**, Notice 123, *Price List*, is revised to reflect price changes to certain International Competitive Services, as established by the Governors of the Postal Service. New prices are posted under Docket Number CP2022-62 on the Postal Regulatory Commission (PRC) website at prc.gov. This article describes the International Extra Services and Fees price changes for the following Competitive Services: International Insurance; International Postal Money Order; International Postal Money Order Inquiry Fee; and International Money Transfer Service (Sure Money). New prices are located on the Postal Explorer website at pe.usps.com.
- Effective **July 10**, Notice 123, *Price List*, is revised to reflect changes to prices and fees for the International Mailing Services noted in this article. The following information is based on Postal Regulatory Commission (PRC) Order No. 6188 issued on May 27, 2022, in Docket No. R2022-1. In that order, the PRC found that the price adjustments included in the Postal Service's notice may go into effect on July 10, 2022. The order is available on the PRC website at prc.gov.
- Effective **June 30**, Publication 52, *Hazardous, Restricted, and Perishable Mail* (Pub 52) part 526 is revised to remove the special-handling fee requirement for shipping bees and day-old poultry via surface transportation (Parcel Select or USPS Retail Ground). This revision is due to a Postal Service decision to discontinue the Special Handling – Fragile extra service. This revision will also clarify adult-bird mailability requirements and postage-refund eligibility. Although the Postal Service will not publish these revisions in Publication 52 until a future edition, the standards are effective immediately.
- Effective **June 30**, Publication 223, *Directives and Forms Catalog*, is revised to include current information for the items noted.
- Effective **June 30**, Publication 431, *Post Office Box Service and Caller Service Fee Groups*, is revised to include the listed changes.

USPS Industry Alerts

June 22, 2022 [as corrected June 23, 2022]

Plant-Verified Drop Shipment (PVDS) Updates

In conjunction with the July 10, 2022 price change, plant-verified drop shipment (PVDS) mailings will be verified and accepted as follows: **Current Prices**— PVDS mailings verified and paid for on or before July 9, 2022, using the current prices will be accepted at destination entry postal facilities through Sunday, July 24, 2022 when presented using eInduction or eVS processes or with appropriate verification and payment documentation (PS Form 8125 or PS Form 8017).

New Prices — PVDS mailings may be verified and paid for beginning June 26, 2022, using the new prices, provided the shipments, when presented using eInduction or eVS processes, or with appropriate verification and payment documentation (PS Form 8125 or PS Form 8017), are not deposited at destination entry postal facilities before July 10th, 2022. For mailings with electronic documentation, mailers must enter a Mail Arrival Date that is on or after July 10th, 2022. For mailings with hard copy postage statements, USPS acceptance employees must enter a Mail Arrival Date that is on or after July 10th, 2022.

June 23, 2022

Postal Service Accelerates Delivery for Retail Ground, Parcel Select Ground Products

Today, the Postal Service announced it will implement upgraded service standards for its USPS Retail Ground (RG) and Parcel Select Ground (PSG) products effective Aug. 1, 2022. Within the contiguous United States, service standards for these products will be accelerated from two- to eight-days to two- to five-days for the same affordable price. Items containing hazardous materials or live animals are not eligible for the upgraded service standards. RG is a ground shipping product for packages, thick envelopes and tubes (with a maximum weight of 70 pounds) that are not required to be mailed via First-Class Mail service and are available only through retail channels. PSG is an economical ground delivery service similar to RG for commercial shippers. The Postal Service is aligning the RG and PSG service standards with the current First-Class Package Service (FCPS) standards within the contiguous US. Processing this mail with FCPS packages will enhance customer service and better optimize the Postal Service's package processing and surface transportation networks. ... On March 21, 2022, the Postal Service filed a request with the Postal Regulatory Commission for an advisory opinion regarding proposed changes to the service standards for RG and PSG competitive products. Following a hearing on the record, on June 9, 2022, the Commission issued an advisory opinion acknowledging the change improves service, and therefore generally benefits mailers and is in the public interest. The Commission made certain recommendations in its opinion, and the Postal Service will, consistent with those recommendations, closely monitor the impacts of the change to ensure it achieves the anticipated operational and customer service benefits. ...

June 23, 2022

Update to Origin Entered Parcel Select Ground Packages to First-Class Package Service Processing Locations, BMEUs, and Post Offices

[See the text and table beginning on page 14.]

June 27, 2022

Southern Area AIM Meeting

Please make plans now to attend the Southern Area AIM Meeting on Tuesday, August 16, 2022 at 7:00AM (CST).

June 28, 2022

Mail Spoken Here – June 2022 Edition – IE&O Newsletter

Please enjoy the attached latest edition of Mail Spoken Here. Our USPS Industry Engagement & Outreach newsletter contains informative and important articles on the following topics: Organizational Changes - Key Executive Leadership Roles Announced; Bright Green - Sustainability Excellence Award Winners Announced; New Service Standards - Delivery Accelerated for Retail Ground, Parcel Select Ground; Climate Risks - Identifying Top Operational Threats; Update to Origin Entered Parcel Select Ground Packages to First-Class Package Service Processing Locations, BMEUs, and Post Offices; Plant-Verified Drop Shipment (PVDS) Updates; Paper Availability; The Bite Goes on - 5,400 USPS Workers Attacked by Dogs in '21; New Stamps - Release Date, Location Updates: Flower Essence - Floral Geometry Stamps Released, Honoring a Trailblazer - Moak Dedicates Katharine Graham Stamp, A Peek Beyond - Buzz Lightyear Stamps Get Red-Carpet Treatment, Coming Soon - Stamp Release Dates Announced; Are you Interested in Joining MTAC?; Upcoming Events (You don't want to miss!); A Quick Glance Forward; *Federal Register* Notices; The Latest *Postal Bulletins*; Thank you very much, from the USPS Mail Spoken Here team and IE&O.

June 28, 2022

Webinar: Back to Basics Series – Cass Cycle O and Addressing

The popular Back to Basics Series held by the PCC Advisory Education Programming Sub-Committee will be hosting weekly sessions starting on Friday, July 1 and ending on Friday, July 29, 2022 all starting at 2 PM ET – Each week there will be a different Zoom link. The first session features Michelle Evans, USPS, Address Management Support Specialist. Michelle will review CASS Cycle O and Address Updates. Look for PCC Alerts for the upcoming sessions on: July 8 – Mailpiece Design with Patricia Farrall, USPS, Mailpiece Design Analyst II; July 15 – Effective Leadership Practices and Skills Needed to Achieve Project Goals with Floyd Creecy, Portfolio Manager, HeiTech Services; July 22 – Informed Delivery with Robert Dixon Jr, USPS, Director Product Technology Innovations; July 29 – TED-C – Trailing Edge Die-Cut with Juan Tosado, USPS, Manager National Customer Rulings and Informed Delivery Promotions with Ezana Dessie, USPS, Product Development Specialist, Sr. Should you have questions on this or any other upcoming event, please contact Cathy Scocco at: cathy.m.scocco@usps.gov. To dial in, please use the Zoom dial in information below. Note: you do NOT need a Zoom account to join the meeting. The preferred choice is to Join with Computer Audio. If you use Zoom Call Me, please click the dropdown from the Call ME tab to select INT EXT for the best results. Phone one-tap: US: +15033361236,,1607580129#,,,,*034330# or +1952-229-5070,,1607580129#,,,,*034330# Meeting URL: <https://usps.zoomgov.com/j/1607580129?pwd=MTNca056ODhCcQnMwNkU2N0RPNVXdtZ09;MeetingID:1607580129,Passcode:034330>

Join by Telephone; For higher quality, dial a number based on your current location. Dial: US: +1 503 336 1236 or +1 952-229-5070 or +1 650-581-7094 or +1 855-860-4313 or +1 678 317 3330; Meeting ID: 160 758 0129, Passcode: 034330

International numbers; Join from an H.323/SIP room system

H.323: sip.zoomgov.com, Meeting ID: 160 758 0129, Passcode: 034330; SIP: 1607580129@sip.zoomgov.com, Passcode: 034330

June 29, 2022

INTERNATIONAL SERVICE RESUMPTION NOTICE Effective July 1, 2022

[See the June 29 listing in the Special Section.]

July 1, 2022

Business Customer Gateway eDoc Training Series – Postal Wizard and Intelligent Mail for Small Business Tool

The Postal Service will host bi-weekly webinars on utilizing the Business Customer Gateway (BCG) for electronic documentation (eDoc) and postage statement submission. The topics will alternate between using the Postal Wizard (PW) and Intelligent Mail for Small Business Tool (IMsb Tool) applications. Learn how to eliminate hard copy postage statements and submit Full-Service mail! Join us for the next session - using the IMsb Tool held on Tuesday, July 5, 2022, at 1:00 PM EST.

Meeting URL: <https://usps.zoomgov.com/j/1615857192?pwd=dGVJTjYjNEFib2FGNmpJL2luZ2ZlZz09;MeetingID:1615857192;Password:903345>. If requested, enter your name and email address; Enter meeting password: 903345

Join Audio by the options below: Call using Internet Audio; Dial: 1-855-860-4313, 1-678-317-3330 or 1-952-229-5070 & follow prompts.

Calendar

To register for any webinar, go to [MailersHubWebinars.com](https://www.mailershub.com/webinars)

July 12 – *Mailers Hub Webinar: The US Economy; A Wild Ride*
July 12-13 – Delivery Technology Advocacy Council mtg., Sussex (WI)
July 15 – Atlanta PCC Meeting
July 17-20 – NACUMS Educational Conference, Ft Collins (CO)
July 19 – Atlantic Area AIM Meeting
July 26-27 – MTAC Meeting, USPS Headquarters
August 4-6 – MFSA Conference, Dallas (TX)

August 16 – Southern Area AIM Meeting
August 17-19 – America's Print Show, Columbus (OH)
August 23 – *Mailers Hub Webinar: Mitigating the Great Resignation*
August 24 – Central Area AIM Meeting
September 22 – Chicago PCC Meeting
October 20 – Atlantic Area AIM Meeting
October 25-26 – MTAC Meeting, USPS Headquarters

Special Section: DMM Advisories and USPS Industry Alerts Related to COVID-19

These service disruptions affect Priority Mail Express International (PMEI), Priority Mail International (PMI), First-Class Mail International (FCMI), First-Class Package International Service (FCPIS), International Priority Airmail (IPA), International Surface Air Lift (ISAL), and M-Bag items. Unless otherwise noted, service suspensions to a particular country do not affect delivery of military and diplomatic mail.

June 22, 2022, DMM Advisory: UPDATE 241: International Mail Service Updates Related to COVID-19

On June 22, 2022, Macao Post, the designated operator of **Macao**, provided notification that Macao has now been assessed as being at extremely high risk of a community outbreak of COVID-19. To prevent the spread of the coronavirus, the Macao Special Administrative Region has declared a state of immediate prevention. As a result, deliveries of letter-post items is suspended until further notice.

The DMM Advisory will continue to provide updates as they are received. For a full list of international service disruptions, please visit <https://about.usps.com/newsroom/service-alerts/international/welcome.htm>.

June 29, 2022, DMM Advisory: UPDATE 242: International Mail Service Updates Related to COVID-19

On June 28, 2022, Macao Post, the designated operator of **Macao**, provided notification that the delivery of letter-post items remains suspended until further notice. Additionally, in order to minimize human contact, written proof of delivery for inbound EMS items to personal addresses will not be provided until further notice. EMS call center services will remain suspended until further notice.

The DMM Advisory will continue to provide updates as they are received. For a full list of international service disruptions, please visit <https://about.usps.com/newsroom/service-alerts/international/welcome.htm>.

June 29, 2022, Industry Alert: INTERNATIONAL SERVICE RESUMPTION NOTICE Effective July 1, 2022

Effective Friday, July 1, 2022, the Postal Service will resume acceptance of the following services destined to **New Zealand**: First-Class Package International Service (FCPIS); Commercial ePacket (CeP); International Priority Airmail (IPA) Packets; International Surface Air Lift (ISAL) Packets. This service resumption only affects the following mail classes: First-Class Package International Service (FCPIS), International Priority Airmail (IPA), International Surface Air Lift (ISAL), and Commercial ePacket (CeP) items. The suspension of the following services to New Zealand remains active until further notice: Priority Mail International (PMI) – suspended 4/1; Airmail M-bags – suspended 10/1; International Priority Airmail (IPA) M-bags – suspended 10/1; International Surface Air Lift (ISAL) M-bags – suspended 10/1. The Postal Service is closely monitoring service impacts related to the COVID-19 pandemic and will continue to update customers until the situation returns to normal. Please visit our International Service Alerts page for the most up to date information: https://about.usps.com/newsroom/service-alerts/international/?utm_source=residential&utm_medium=link&utm_campaign=res_to_intl.

BECOME A DIRECT MAIL MASTER BY ATTENDING OUR UPCOMING WEBINAR!

Direct Mail 101: Mailing Made Easy!
Wednesday, July 20th at 11am PT/2pm ET



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ATTORNEYS AND COUNSELORS AT LAW

The services of Brann & Isaacson are now available to provide legal advice to subscribers. The firm is the Mailers Hub recommended legal counsel for mail producers on legal issues, including tax, privacy, consumer protection, intellectual property, vendor contracts, and employment matters. As part of their

subscription, Mailers Hub subscribers get an annual consultation (up to one hour) from Brann & Isaacson, and a reduced rate for additional legal assistance. The points of contact at Brann & Isaacson are: Martin I. Eisenstein; David Swetnam-Burland; Stacy O. Stitham; Jamie Szal, jszal@brannlaw.com. They can also be reached by phone at (207) 786-3566.

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